FINAL

1981-82

SENATE STATE AFFAIRS COMMITTEE

LIST OF FILES (PAGE 1)

ACCOUNTING

ADMINISTRATIVE CONTRACTS

ALASKA CODE REVISION COMMISSION

APPOINTMENTS

CAMPAIGN CONTRIBUTION TAX CREDIT

COMMITTEE SCHEDULES

CONFIRMATION OF APPOINTMENTS

ETHICS

HAZARDOUS MATERIALS AND WASTE MANAGEMENT COMMITTEE

INTERIM BUDGET MATERIALS

INTERIM OFFICE

LANE, TED

LOCAL BOUNDARY COMMISSION REPORT

LONG RANGE ECONOMIC PLANNING: LOVE PROJECT

OIL REVENUE DISTRIBUTION/WEALTH SHARING: MCKINNON PROJECT

PRESS RELEASES

PUBLIC ASSISTANCE HEARINGS

RECRUITING PROFESSIONALS

SCI-TECH HEARINGS 1981

SUBCOMMITTEE ON ALASKA'S FUTURE

VETERANS' PACKAGE

EXECUTIVE ORDER 48

SB 13

SB 21

SB 54

1981-82

SENATE STATE AFFAIRS COMMITTEE

LIST OF FILES (PAGE 2)

SB 59

SB 60

SB 61

SB 62

SB 63

SB 66

SB 67

SB 72

SB 73

SB 78

SB 82

SB 86

SB 90

SB 93

SB 97

SB 98

SB 104

SB 110

SB 121

SB 133

SB 134

SB 143

SB 145

SB 146

SB 147

SB 165

1981-82

SENATE STATE AFFAIRS COMMITTEE

LIST OF FILES (PAGE 3)

SB 167

SB 170

SB 174

SB 175

SB 183

SB 186

SB 193

SB 194

SB 195

SB 196

SB 197

SB 227

SB 231

SB 248

SB 257

SB 262

SB 296 AND SB 297

SB 299

SB 323

SB 356

SB 360

SB 361

SB 362

SB 375

SB 394

SB 400

1981-82

SENATE STATE AFFAIRS COMMITTEE

LIST OF FILES (PAGE 4)

SB 402

SB 405

SB 408

SB 409

SB 410

SB 471

SB 472

SB 520

SB 530

SB 538

SB 549

SB 550

SB 557

SB 569

SB 585

SB 586

SB 587

SB 591

SB 621

SB 630

SB 632

SB 637

SB 652

SB 653

SB 685

SB 689

1981-82

SENATE STA[illegible] AFFAIRS COMMITTEE

LIST OF FILES (PAGE 5)

SB 704, SB 705, SB 706, SB 707

SB 727

SB 753

SB 777

SB 778

SB 791

SB 813

SB 827

SB 833

SB 846

SB 892

SR 7

SR 20

SCR 13

SCR 28

SCR 47

SJR 6

SJR 9

SJR 11

SJR 13

SJR 17

SJR 18

SJR 19

SJR 27

SJR 29

SJR 40

1981-82

SENATE STATE AFFAIRS COMMITTEE

LIST OF FILES (PAGE 6)

SJR 44

SJR 55

SJR 57

SJR 62

SJR 71

SJR 75

SJR 85

HB 1

HB 36

HB 53

HB 63

HB 91

HB 137

HB 140

HB 154

HB 155

HB 344

HB 348

HB 508

HB 635

HB 651

HB 654

HB 866

HJR 6

HJR 11

HJR 30

HJR 46

NOTE REGARDING THE FOLLOWING SUBJECT FILE ON MICROFILM:

COMPLETE FILE IS AVAILABLE IN ORIGINAL FILES IN ALASKA STATE ARCHIVES.

ACCOUNTING FILE

CONSISTS OF AGENCY COPY OF INCURRED EXPENSES FOR FY 1981 - 1982

ADMINIS-TRATIVE CONTRACTS

MARCH 18, 1982

BILLING STATEMENT

TO: Senator Victor Fischer, Chairman
Senate State Affairs

FROM: Sandy Perry-Provost
P.O. Box 354
Auke Bay, Ak. 99821

Sandy Perry-Provost

SS# 013-44-9814

RE: Records Management Services Billing

For the period from March 2, 1982 through March 5, 1982.

Total Billing $14.50

BACK-UP STATEMENT

MARCH

2 12-4:30pm at $8.50/hr

3 12-4:30pm

4 12-3:00pm

5 11-4:00pm

17hrs. at 8.50/hour.....$144.50

MARCH 2, 1982

BILLING STATEMENT

TO: SENATOR VICTOR FISCHER, CHAIRMAN
SENATE STATE AFFAIRS

FROM: SANDY PERRY-PROVOST Sandy Perry-Provost

RE: RECORD MANAGEMENT SERVICES BILLING

FOR THE PERIOD FROM FEBRUARY 17, 1982 THRU FEBRUARY 26, 1982.

TOTAL BILLING $248.62.

BACK-UP STATEMENT

FEB.

17	12-5PM	@ $8.50/HR
18	12-5PM	
19	12-5PM	
23	12-4:45PM	
24	12-4:45PM	
26	12-4:45PM	

29.25 HOURS @ $8.50/HOUR.....$248.62

Alaska State Legislature

Senate

Office of the President

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

TO : SENATOR VIC FISCHER, CHAIRMAN
STATE AFFAIRS COMMITTEE

FROM : SENATOR JAY KERTTULA
SENATE PRESIDENT

DATE : JANUARY 25, 1982

SUBJECT: REALLOCATION OF COMMITTEE FUNDS

As a result of lapsed funds at the end of the interim, each standing committee has been reallocated $25,000 to cover session committee activities. New account numbers will be established in order to distinguish between interim and session activities.

JK/aj 2-8-82

TALKED TO SENATOR KERTTULA ON FEBRUARY 4 TO CLARIFY WHAT EXPENDITURES COULD BE MADE FROM COMMITTEE FUNDS WITHOUT AUTHORIZATION FROM HIM OR OTHERS. HE SAID THAT FUNDS COULD BE USED FOR OBTAINING NECESSARY COMMITTEE SUPPORT AND CONTRACTS. ADVISORS RETAINED ON A DAILY REIMBURSEMENT BASIS FOR A LIMITED PERIOD ARE OK.

VF

Alaska State Legislature

Senator Vic Fischer • Pouch V • Juneau, Alaska 99811 • (907) 465-4954
Interim office: 511 West 4th Avenue, Suite 5, Anchorage,
Alaska 99501 phone: 278-3654

MEMORANDUM

TO: Senators Jalmar Kerttula
Don Bennett
Ed Dankworth
Tim Kelly
Pat Rodey

FROM: Senator Vic Fischer Vic

DATE: November 16, 1981

RE: Contract approvals

I would appreciate your concurrence, when polled, in the following two contracts with the Institute of Social and Economic Research.

The first is $15,000 for publication of the Citizens Guide to Alaska's Constitution. The Guide has already been written under a previous contract funded by the Legislative Joint Committee on the Constitutional Convention. Since the joint committee was not extended, no funds were allocated to publish and distribute the Guide.

In 1982, Alaska voters will be faced with the critical question of whether or not to hold another constitutional convention. Several other states have found that public understanding of the constitution is a basic element of their action on revising the document. That is why the joint committee commissioned preparation of the Citizen's Guide. Since nothing else is being done to prepare for the 1982 referendum, I believe it critical to get out the Citizen's Guide to Alaska's Constitution, and suggest that $15,000 be allocated through the State Affairs Committee. Publication would be through the Institute of Social and Economic Research which can readily integrate this into other projects and publications they manage. The $15,000 amount would include editing, graphics, and publication and distribution of 5,000 copies.

The second proposed contract with ISER is in the amount of $20,000, and will provide a long-range perspective on the state's revenue and expenditures patterns. The work will include: a detailed calculation of the asset value to the state of future Prudhoe Bay revenues; an analysis of potential revenues from other natural resources, including other petroleum revenues that may be available when Prudhoe Bay income is reduced; calculation of the level of

state expenditures that could be made and still maintain certain asset levels; analysis of likely timing and impacts on private and public sectors of forced reductions of expenditures and/or increases in taxes to compensate for reductions in future revenues; and similar issues.

A report on this project will be published by ISER for the legislature and the general public.

Dr. Scott Goldsmith will be project director under this proposed grant.

I hope all of you will concur in approval of these two contracts when you are polled by Senator Kerttula's office. (Jay has already okayed both.)

Thanks, and best personal regards.

/lf

Alaska State Legislature

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Thanks, and best personal regards.

/lf

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

MEMORANDUM

June 4, 1981

TO: Laura Fleming
c/o Senator Vic Fischer
Community & Regional Affairs

FROM: Sharon Sturrock, Accountant

SUBJECT: RFP's

Attached are some sample RFP's from the Office of the Governor for your use. If you need additional samples, the Department of Administration or Department of Transportation and Public Facilities would be good places to check. Please note that these are provided for your information only and may or may not comply with current pending legislation or draft Council policy governing Legislative contracts.

As I indicated on the phone, the question of funding for contracts past the end of the session from monies designated for standing committees is still unanswered.

SS:mm

Enclosures - Sample RFP's

STATE OF ALASKA
OFFICE OF THE GOVERNOR
REQUEST FOR PROPOSAL

The State of Alaska, Office of the Governor, is seeking a qualified training contractor to assist top management of State Government in developing and implementing a results-oriented planning, budgeting and program performance evaluation process within the Executive Branch of tate Government. The contractor will conduct a brief refresher training course in management for results/management by objectives (MFR/MBO) for approximately 60 top Cabinet officials and their deputies. Additionally, the contractor will conduct an intensive training course at not less than three or more than six geographic locations for approximately 650 state directors, managers and analysts in management for results/ management by objectives. At the conclusion of this training effort, the State will have a cadre of top- and middle level managers who can manage effectively using management for results/management by objectives processes.

It is expected that the training will emphasize:

The nature of management and that MFR/MBO is a process to manage and not merely a technique to establish goals and objectives or conduct performance appraisal;

The difference between the accomplishment of results and the performance of a selected activity;

The setting of realistic and meaningful performance measures;

Demonstrate that the quality of results achieved can be planned and attained, as well as the quantity of results;

Management accountability for results can be achieved;

To the extent possible, public sector and actual agency missions, goals, objectives, policies and activities will be utilized as examples and in training materials;

Scope

Task 1 - Provide refresher training in MFR/MBO for Cabinet officials and their deputies;

Task 2 - Conduct MFR/MBO training for approximately 40 budget, planning personnel and management analysts at Juneau;

Task 3 - Conduct MFR/MBO training for approximately 550 division directors, deputy directors, section chiefs, and regional supervisors at not less than three nor more than

six geographic locations which will include as a minimum Fairbanks, Anchorage and Juneau;

Task 4 - Assess the effectiveness of training conducted and provide retraining as necessary to meet the stated expectations of this proposal.

Training will commence in November 1980 with any analysis of current conditions or customizing of materials to be completed prior to commencement. Training will be completed at the vendor's discretion but prior to March 19 . The vendor should take into account the impact of holidays, legislative session and budget cycles on staff availability.

Proposal Requirements

Proposals submitted in response to this RFP should include an overview of the contractor's approach for this effort, schedules and costs for task completion by task, personnel to be utilized including project manager(s), qualifications and experience of the firm(s) and their staff in performing similar work, basis of cost computation and schedules, and demonstrate the financial capability of completing the project.

Submit three copies of proposals to:

Rod Mourant
Office of the Governor
Pouch A
Juneau, Alaska 99811

Telephone: (907)465-3500

Deadline for receipt of proposals is:

4:30 p.m. YST, September 26, 1980.

Evaluation of proposals will be conducted by the Governor's Executive Staff. Award will be made within 14 days after receipt of proposals within the availability of funds to the lowest responsive bidder.

This solicitation does not commit the State of Alaska to pay any costs incurred in the preparation, presentation or submission of proposals, including time for oral interviews, or to select one of the submitted proposals or enter into any contractual relationship with contractors submitting proposals.

STATE OF ALASKA
OFFICE OF THE GOVERNOR
REQUEST FOR PROPOSAL

The State of Alaska, Office of the Governor, Executive Office, is actively seeking a qualified firm to refinish the Third Floor Governor's Conference Room table and chairs. They were originally purchased in 1967.

The table is constructed in three 9'4" sections for a total length of 28'. The width varies from 48" to 72". It is made of knotted walnut with a laminated finish.

There are 22 chairs constructed of walnut with leather seats and backs.

The table and chairs are available for inspection by appointment. Please contact Venetta Hildebrand at (907) 465-3500.

Scope

It will be necessary to complete the work on the table in three sections, commencing immediately upon the adjournment of the 1981 session of the Legislature, with completion of the project no later than September 1, 1981. The refinishing of the chairs shall commence upon the adjournment of the 1981 session of the State Legislature, with completion no later than October 30, 1981.

Proposal Requirements

The estimate should include cost for any transportation, supplies, materials, labor or equipment necessary to completely restore the table and chairs. Submit your proposal, including time and cost estimates, as well as demonstrated past performance, to:

Rod Mourant, Director
Administrative Services
Office of the Governor
Pouch A
Juneau, AK 99811

Telephone: (907) 465-3500

Deadline for receipt of proposals is:

March 31, 1981

Alaska State Legislature

Senate

Office of the President

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO : MYRT CHARNEY
EXECUTIVE DIRECTOR, LAA

FROM : SENATOR JAY KERTULA
SENATE PRESIDENT

DATE : JANUARY 21, 1982

SUBJECT: ATTACHED CONTRACT
INSTITUTE OF SOCIAL AND ECONOMIC RESEARCH

The attached contract with the Institute of Social and Economic Research for $15,000 to publish a Citizen's Guide to Alaska's Constitution has received the necessary authorization from Senators Ed Dankworth (Finance Co-Chairman), Pat Rodey (Majority Leader), and myself.

Thank you for processing it.

JK/aj

cc: Senator Vic Fischer

CONTRACT BETWEEN
STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY
AND
THE INSTITUTE OF SOCIAL AND ECONOMIC RESEARCH

The parties to this agreement are the LEGISLATIVE AFFAIRS AGENCY, on behalf of the Legislative Council's Senate State Affairs Committee, hereinafter referred to as the "AGENCY," and the Institute of Social and Economic Research, hereinafter referred to as the Institute.

THE PURPOSE OF THIS AGREEMENT is to provide publication and distribution of "A Citizen's Guide to Alaska's Constitution."

IT IS THEREFORE MUTUALLY AGREED THAT:

CLAUSE I. - STATEMENT OF WORK

(A) The Institute shall provide publication and distribution of approximately 5,000 copies of the manuscript titled "A Citizen's Guide to Alaska's Constitution"; including final manuscript preparation, graphics, illustrations and cover design; specification of typeface, layout and paper quality; and other prepublication details.

CLAUSE II. - PERIOD AND DATES OF PERFORMANCE

(A) The work under this contract shall be performed between December 1, 1981, and May 30, 1982.

(B) This contract may be terminated by either party upon written notice to the other.

(C) Unless extended by written agreement, this contract expires on May 30, 1982.

CLAUSE III. - PROJECT DIRECTOR

The Project Director shall be Senator Victor Fischer, acting on behalf of Senate State Affairs Committee.

CLAUSE IV. - COMPENSATION AND METHOD OF PAYMENT

(A) For the work specified in this contract, the Consultant shall be compensated at the fixed price amount of $15,000.

(B) The Consultant shall be reimbursed for travel and other expenses authorized in advance by the Project Director, except that per diem shall be paid at prevailing State rates, and all air travel shall be reimbursed on the basis of coach class fares.

(C) Billings may be submitted by the Contractor monthly, and should note thereon progress made to date.

(D) Total payments under this contract, including expenses, shall not exceed $15,000.

CLAUSE V. - OFFICE SPACE, EQUIPMENT, CLERICAL SUPPORT, TRAVEL

Office space, equipment and clerical support, and the expenses of authorized travel of the Consultant that will be necessary to carry out his obligations under this contract shall be supplied by the Institute at no cost to the Agency.

CLAUSE VI. - RECORDS, DOCUMENTS, AUDIT

The Institute shall maintain accurate records, including detailed time records, as may be required by the Project Director. The records are subject to inspection by the Agency or the Project Director at all reasonable times. All documents, reports and writings generated as a consequence of work done under this contract shall become the property of the State of Alaska and, on completion of the work or at the termination of this contract, shall be delivered to the Project Director.

CLAUSE VII. - REPORTS

The Institute shall keep the Project Director informed as to the progress of the work performed under this agreement and shall provide progress reports as specified by the Project Director.

CLAUSE VIII. - ALL WRITINGS CONTAINED HEREIN

This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind either of the parties of this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement on the dates indicated.

INSTITUTE

11/20/81

Institute of Social and Economic Research
University of Alaska — Date

Accepted:

11/20/80

(Project Director's Name Here) — Date
(Project Director's Title: Chairman, Co-Chairman, etc.)
CHAIR, SENATE STATE AFFAIRS COMMITTEE

LEGISLATIVE AFFAIRS AGENCY

M. R. CHARNEY — Date
Executive Director

Approved as to form:

12/8/80

Billy G. Berrier — Date
AGENCY LEGAL COUNSEL

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

August 14, 1981

TO: Laura Flemming State Affairs Committee

FROM: Lorraine Hurley, Acct'g 465-3852

Per our conversation this morning I am returning TR 315241 made out to Wein for Joseph McKinnon. Since we have no authorization and/or contract for him we can not assume the responsibilty for payment. If need assistance with this you might want to contact Dick Berg.
I have received the authorization to pay the contracts for Jamie Love and William Salamenta. The TR for Jamie Love will be deducted from his contract amount of $6,000.00.

Thanks and have a nice day!

Please send written atthorization for Jamie Loves TR that we are processing for payment against the Senate State Affairs account. Thanks.

STATE OF ALASKA

REQUEST FOR TRANSPORTATION

NO. 315241

Carrier will forward this request to the Department or Office requesting transportation, at the address below, to be vouchered for payment.

Department: LEGISLATIVE AFFAIRS AGENCY
POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811 — SEN. STATE AFF.

Mailing Address for Payment:

City, State & Zip Code:

Name & Title of Traveler: JOSEPH McKINNON, Comm. Consultant

Signature of Traveler: Joseph McKinnon

Tourist class fare to be inserted by carrier. (See Instruction No. 1 on reverse.)

SEE COMPLETE INSTRUCTIONS ON REVERSE!

Dept.	Program	Div.	Account	Object Code

Origin: ANCHORAGE

Destination: ANCHORAGE

Place of Issue: WORLD OF TRAVEL LTD

Date of Issue: 05 AUG 1981

Carrier: WEIN

Ticket Number: 212 1727 341 247

Value: $ 284.00 (No Tax Payable)

For Air Charter — Hrs. — Rate

INVOICE

WORLD OF TRAVEL, LTD.
P.O. BOX 1919 437 E. STREET
ANCHORAGE, ALASKA 99510
Phone: (907) 277-6501

TO: STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY
POUCH Y STATE CAPITAL
JUNEAU, ALASKA 99811

№ 4150

DATE AUGUST 6, 1981

MR. JAMIE LOVE	ANC:JNU:ANC	1227 346 242	$286.00
MR. JOSEPH MCKINNON	ANC:JNU:ANC	1227 346 247	286.00
			$572.00

THIS INVOICE REPRESENTS AN IMMEDIATE TRANSFER OF FUNDS FROM OUR AGENCY TO THE PARTICIPATING CARRIERS UPON ISSUANCE OF TICKETS. YOUR PROMPT REMITTANCE WILL BE APPRECIATED.

MEMORANDUM

File

TO: Commander G/V

FROM: Laura

DATE: August 11, 1981

RE: Update on status of contracts and staff

Upon your departure for Minnesota, it seemed likely that our troubles in obtaining approval for contracts was at an end. As it turned out, we were jacked around at every conceivable phase of the game. As of this morning, it seems that contracts for Jamie and Bill are prepared for signature, and I have left word with Greg Ericksen in Juneau for Jamie to stop by and pick them up. (Jamie's message phones: 586-3118, 586-9782) (Genelle just called, met Jamie on the street. His is signed and will be "pouched" up.) With regard to Ginger and Nan, the prospect is sunny but we have still met with delays and delays and more delays. On Monday following your return from Prince William Sound area I telexed a copy of the budget, as revised, down to Juneau for Pam Calhoon, and sent the original, signed copy to Senator Kerttula's office in Juneau to Autumn's attention (that letter was mailed Tuesday from Anchorage). According to Autumn, with whom I have been in perpetual contact, the [redacted] has not yet reached her hands. She stated that Jay has been having real trouble with his mail at every point. She has been waiting for Jalmar to call so she can go over things with him (she apparently needs his vocal approval before she can move things along) and she has obtained copies of the budget and personnel memos from Pam Calhoon, in preparation for his phone call. Autumn has agreed to call me as soon as anything breaks.

Checks have been cut for Ginger and Nancy to be sent out on August 26th provided our budget and staff positions are approved and in good order by August 20th.

WBD.

So you tell me we're not getting jacked around. !!!!!!!

Ginger and I have a luncheon meeting with attorney Bill Walker, who is filing the class action lawsuit against the State on behalf of all the inmates of the correctional facilities (and those housed out of state as well). There are some real medieval practices going on downtown... not stirring up trouble, just gathering information, and it's something Ginger can get behind as a "re-entry" project for constituent work!!!

I know this place is a miserable mess, Commander, and that not nearly enough has been accomplished by the looks of things. If you are able, reserve judgement until next week, when things look and feel more senatorial.

Even though I can feel grindstone burns about to happen on my nose, I'm really glad your home and I love you alot.

[redacted] McKinnon Contract - Wed

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Senator Kerttula
Senate President

FROM: Senator Fischer

DATE: June 5, 1981

RE: Interim Work Program

Attached is the proposed State Affairs Committee program for work during the interim prior to the 1982 session. The program covers legislation currently pending in the committee as well as areas of investigation that should eventually lead to legislation and legislative policy.

Legislative oversight of public assistance programs in the Department of Health and Social Services will be carried out under aegis of the State Affairs Committee with concurrence by Senators Parr and Sturgulewski. Senator Parr suggested that rather than doing the work through the HESS committee, we should do it through State Affairs, since the latter has broad oversight jurisdiction anyway. Our work, which will concentrate on policy and management issues, will be coordinated with the Legislative Budget and Audit Committee.

A rough, tentative budget is also attached for your review. I'd like to discuss it with you.

Your support and endorsement of the proposed interim work program will be greatly appreciated.

/sq

224-2453

PROPOSED 1981 INTERIM WORK PROGRAM - June 5, 1981

ETHICS CODE, FINANCIAL DISCLOSURE, LEGISLATIVE REFORM, ETC.

Measures pending before State Affairs cover a proposed ethics code (SB 175, 330), revision of APOC regulations on financial disclosure (HB 154, SB 183), changes in legislative procedures (HB 155, SB 333), and proposed constitutional amendments dealing with session length and legislative terms (SJR 6, 9 and 24).

Proposed repeal of the political campaign contribution tax credit (SB 82) was also subject to several public hearings, and the committee agreed to examine alternative schemes for public financing of campaigns.

RETIREMENT

Sixteen bills dealing with PERS and TRS retirement are in committee, and more may reach us before adjournment. These range from a measure that might affect only one individual to a comprehensive housekeeping bill for both state retirement programs.

Proposals will be screened for inclusion in one or several comprehensive retirement bills. The Department of Administration, APEA, and NEA-Alaska have agreed to cooperate in this committee effort.

Bills pending before the committee are SB 121, 143, 195, 196, 197, 262, 356, 360, 361, 394, 400, 402, 471, 472, 557 and 568. There are additional miscellaneous requests for service credit and membership in PERS and TRS.

STATE CONTRACTING, BONDING, BIDDERS PREFERENCE, ETC.

Principal emphasis lies in adjusting state law so as to enhance opportunity for Alaska firms, individuals, and small and minority businesses in bidding on state contracts, construction, and employment. Bills currently before the committee are SB 45, 414, and 415; additional legislation may be considered.

ECONOMIC POLICY, LONG RANGE POLICY PLANNING, ALASKA'S FUTURE

Wealth Sharing

A variety of concepts have been enacted, are pending, and are being talked about for providing means for state sharing of oil wealth with Alaskans. Specifically in State Affairs are SB 66 and 67, which provide for royalty oil premium payments to all individuals. Also before the legislature are proposals for PACE and a royalty oil trust.

We intend to review these and other proposals for state oil revenue distribution, examine alternative means of equitably sharing oil wealth with all Alaskans, and suggest criteria for accomplishing this most effectively.

State Bond Defeasance

Administration policy on retirement of outstanding state general obligation bonds has not yet been set. Committee hearings on SB 13, 296, and 297 begot general support for the concept, but we decided to pursue the issue further during the interim and prepare recommendations in the context of broader economic and expenditure policy. The work will be pursued in cooperation with the Department of Revenue and Governor's Office.

Permanent Fund

Work on the Permanent Fund will deal primarily with broad policy and long term economic aspects. Topics to be considered include long range (15-20-30 years) permanent fund goals, share of state revenues that should be included in the Fund to achieve long term targets, possible establishment of special endowments separate from the Permanent Fund, and the like. Work will be carried out in cooperation with the Budget and Audit subcommittee on the Permanent Fund, the Permanent Fund Board of Trustees, Department of Revenue, and others.

Comprehensive Approach to Alaska's Future
(Senator Terry Stimson, Subcommittee Chairman)

A series of future-oriented seminars will examine how Alaska relates to the nation and the world. Orientation will be on integrating Alaska into the national and international economic and political systems. Seminars will bring together key legislators, selected Alaskans, and nationally recognized futurists to discuss how Alaska can appropriately relate to its own future and to the national and international context in which it functions.

Alaska's Fiscal Future

This work component, to be carried out under contract, will include: (1) a detailed calculation of the asset value to the state of Prudhoe Bay revenues; (2) an analysis of potential revenues from other natural resources, including other petroleum revenues that may be available when Prudhoe Bay income is reduced; (3) calculation of how much can be spent out of assets each year to maintain certain assets level; and (4) analysis of likely timing and impacts on private and public sectors of forced reductions of expenditures and/or increases in taxes to compensate for reductions in future revenues.

Planning and Institutions

We will continue to examine alternatives for long range economic and policy planning dealing with the use of Alaska's wealth, economic development, human resources, and the like. The experience of other states will be examined in terms of applicability to Alaska. Review of ongoing planning activities of state agencies will be continued.

A major objective of this work component is to evolve a process and structure suited to Alaska's needs. Specific attention will be given to institutionalizing long range economic, resources, and development planning within the executive branch, and exploring the most appropriate manner in which the legislature could deal with broad economic policy issues on a continuing basis.

ANCHORAGE STATE OFFICE COMPLEX OVERSIGHT

Continuing oversight will be provided for activities of the Department of Administration and their consultants in planning, design, and other actions leading to site acquisition and construction of the Anchorage state office complex.

PUBLIC ASSISTANCE OVERSIGHT

A general oversight review of public assistance programs of the Department of Health and Social Services will be carried out in coordination with the Legislative Budget and Audit Committee. Oversight will cover effectiveness of the Division of Public Assistance in implementing programs and carrying out legislative intent, identification of program management problems and needs, determination of unmet needs in the area of social services, and other topics that may assist in judging compliance with law and need for additional legislation.

DECENTRALIZATION OF STATE GOVERNMENT

In pursuit of SB 93, a general review will be made of alternative approaches to decentralization of state decision making to regional, district, and local offices, and to limitation of the number of state employees in headquarters offices in the state capital, wherever it may be located. The work will result in proposals for followup through legislation, administrative action, or further, more detailed, analysis.

PROPOSED INTERIM BUDGET
State Affairs Committee
June 5, 1981

Committee Staff and Consultants		$ 65,830
Travel		
Committee	9,000	
Staff & consultants	9,900	18,900
Per Diem		
Committee	9,200	
Staff & consultants	11,700	20,900
Contractual		
Research contracts	32,000	
Services contracts	24,000	
Computer services	25,000	
Office lease	3,150	
Telephone	2,000	
Postage	450	
Office supplies	900	
Duplicating/printing/etc	3,000	
Other services & supplies	2,000	92,500
	TOTAL	$ 198,130

TO: Senate State Affairs Committee

FROM: Joe McKinnon

FINAL BILLING Sept. 12 to Dec. 12, 1981

120 hours @ $25	3,000
Less Advance	-1,000
	2,000

Work performed during period included research and preparation of draft and final report.

INVOICE

TO: Senator Victor Fischer, Chair, Senate Committee On State Affairs
From: James Packard Love
Date: December 4, 1981

Labor

9/1/81 through 11/30/81 120 hrs X $25 = $3,000

Typing

Invoice dated December 4, 1981 from Joanne Klys $195.00

Total $3,195.00

Approved
$ 1454.00
only

VFischer

December 4, 1981

TO: James Packard Love
287 Harvard Street
Apt. 54
Cambridge, MA

FROM: Joanne Klys
10 Concord Avenue
Cambridge, MA 02138

For typing of three memorandums for Senator Fischer:

$195.00

Joanne Klys

To: The State Affairs Committee January 11, 1982

From: Bill Salamenta BS

Re: Final billing

20 hours of contract work at $25/hr. $500.00
(amount already paid in contract advance)

To: The State Affairs Committee
Senator Victor Fischer

January 11, 1982

From: Bill Salamenta

Re: Final Project Update

I have submitted my report and hope that it will enable the State Affairs Committee to have a knowledgeable understanding as to the working of public financing of Political campaigns. I will be available to answer any questions concerning my report.

CONTRACT BETWEEN
STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY
AND
THE INSTITUTE OF SOCIAL AND ECONOMIC RESEARCH

The parties to this agreement are the LEGISLATIVE AFFAIRS AGENCY, on behalf of the Legislative Council's Senate State Affairs Committee, hereinafter referred to as the "AGENCY," and the Institute of Social and Economic Research, hereinafter referred to as the Institute.

THE PURPOSE OF THIS AGREEMENT is to provide publication and distribution of "A Citizen's Guide to Alaska's Constitution."

IT IS THEREFORE MUTUALLY AGREED THAT:

CLAUSE I. - STATEMENT OF WORK

(A) The Institute shall provide publication and distribution of approximately 5,000 copies of the manuscript titled "A Citizen's Guide to Alaska's Constitution"; including final manuscript preparation, graphics, illustrations and cover design; specification of typeface, layout and paper quality; and other publication details.

CLAUSE II. - PERIOD AND DATES OF PERFORMANCE

(A) The work under this contract shall be performed between December 1, 1981, and May 30, 1982.

(B) This contract may be terminated by either party upon written notice to the other.

(C) Unless extended by written agreement, this contract expires on May 30, 1982.

CLAUSE III. - PROJECT DIRECTOR

The Project Director shall be Senator Victor Fischer, acting on behalf of Senate State Affairs Committee.

CLAUSE IV. - COMPENSATION AND METHOD OF PAYMENT

(A) For the work specified in this contract, the Consultant shall be compensated at the fixed price amount of $15,000.

(B) The Consultant shall be reimbursed for travel and other expenses authorized in advance by the Project Director, except that per diem shall be paid at prevailing State rates, and all air travel shall be reimbursed on the basis of coach class fares.

(C) Billings may be submitted by the Contractor monthly, and should note thereon progress made to date.

(D) Total payments under this contract, including expenses, shall not exceed $15,000.

CLAUSE V. - OFFICE SPACE EQUIPMENT, CLERICAL SUPPORT, TRAVEL

Office space, equipment and clerical support, and the expenses of authorized travel of the Consultant that will be necessary to carry out his obligations under this contract shall be supplied by the Institute at no cost to the Agency.

CLAUSE VI. - RECORDS, DOCUMENTS, AUDIT

The Institute shall maintain accurate records, including detailed time records, as may be required by the Project Director. The records are subject to inspection by the Agency or the Project Director at all reasonable times. All documents, reports and writings generated as a consequence of work done under this contract shall become the property of the State of Alaska and, on completion of the work or at the termination of this contract, shall be delivered to the Project Director.

CLAUSE VII. - REPORTS

The Institute shall keep the Project Director informed as to the progress of the work performed under this agreement and shall provide progress reports as specified by the Project Director.

CLAUSE VIII. - ALL WRITINGS CONTAINED HEREIN

This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind either of the parties of this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement on the dates indicated.

INSTITUTE

Institute of Social and Economic Research
University of Alaska

11/20/81
Date

Accepted:

(Project Director's Name Here)

11/20/81
Date

(Project Director's Title:
Chairman, Co-Chairman, etc.)
CHAIR, SENATE STATE AFFAIRS COMMITTEE

LEGISLATIVE AFFAIRS AGENCY

M. R. CHARNEY
Executive Director

Date

Approved as to form:

Billy G. Berrier
AGENCY LEGAL COUNSEL

Date

19 January 1982

Nancy Grosvek
Senator Vic Fisher's Office
Pouch V
Juneau, Alaska 99811

Dear Nancy:

Enclosed are new Art Bank loan agreements for the three works currently on loan from last year. I am also enclosing a Department of Education (05) property tag which should be placed directly over the 01 tag on the piece "Spring-Flower-Moon" by Terry Choy.

I am delighted that you are still enjoying the works, but do want to let you know that we would like to get them back this Spring. Two years is our maximum loan period, and that two years will be up in June.

Sincerely,

Christine D'Arcy
Visual Arts Director

encl.
cd/

Alaska State Council on the Arts
619 Warehouse Avenue, Suite 220/Anchorage, Alaska 99501/(907) 279-1558



Alaska Contemporary Art Bank - Loan Agreement

Date: 19 January 1982

Work of Art Borrowed: "SUN WORSHIP" crayon drawing, Sandy Stolle

Art Bank Number: 80.8

State Property Number: 05-8569

Condition: Excellent

Value: $160.00 + frame

.....

Borrowing Agency: Senator Vic Fisher's Office

Agency Representative: Nancy Grosvek

Address: Pouch V, Juneau AK 99811

Telephone: 465-4954

Return Date: END OF 1982 LEGISLATIVE SESSION - FINAL RETURN DATE

All Art Bank works are insured through the State of Alaska's Risk Management Program. Any damage to or theft of works must be reported *immediately* to the Visual Arts Director, Alaska State Council on the Arts, 279-1558.

Nancy J. Grosvek
Agency Representative

Christine D'Arcy
Visual Arts Director

Alaska State Council on the Arts
619 Warehouse Avenue, Suite 220/Anchorage, Alaska 99501/(907) 279-1558

Alaska Contemporary Art Bank - Loan Agreement

Date: 19 JANUARY 1982

Work of Art Borrowed: "POPPY" relief print; James Behlke

Art Bank Number: 80.6

State Property Number: 05-8465

Condition: Excellent

Value: $175.00 + frame

.....

Borrowing Agency: Senator Vic Fisher's Office

Agency Representative: Nancy Groxvek

Address: Pouch V, Juneau AK 99811

Telephone: 465-4954

Return Date: END OF 1982 LEGISLATIVE SESSION - FINAL RETURN

All Art Bank works are insured through the State of Alaska's Risk Management Program. Any damage to or theft of works must be reported *immediately* to the Visual Arts Director, Alaska State Council on the Arts, 279-1558.

Nancy J Groxvek
Agency Representative

Christine D'Arcy
Visual Arts Director

Alaska State Council on the Arts
619 Warehouse Avenue, Suite 220/Anchorage, Alaska 99501/(907) 279-1558



Alaska Contemporary Art Bank - Loan Agreement

Date: 18 January 1982

Work of Art Borrowed: "SPRING-FLOWER-MOON" by Terence Choy

Art Bank Number: 76.14C

State Property Number: 05-8684

Condition: Good

Value: $134.00 + frame

.....

Borrowing Agency: Senator Vic Fischer's Office

Agency Representative: Nancy Grosvek

Address: Pouch V, Juneau AK 99811

Telephone: 465-4954

Return Date: END OF 1982 LEGISLATIVE SESSION - FINAL RETURN

All Art Bank works are insured through the State of Alaska's Risk Management Program. Any damage to or theft of works must be reported *immediately* to the Visual Arts Director, Alaska State Council on the Arts, 279-1558.

Nancy J. Grosvek
Agency Representative

Christine D'Arcy
Visual Arts Director

Alaska State Council on the Arts
619 Warehouse Avenue, Suite 220/Anchorage, Alaska 99501/(907) 279-1558



2 February 1981

Nancy Grosvek
Senator Vic Fisher's Office
Pouch V
Juneau, Alaska 99811

Dear Nancy:

Thank you once again for your interest in the Alaska Contemporary Art Bank. Enclosed are loan agreements for "Poppy", "Sun Worship" and the untitled clay wall platter. Please return one signed copy for each piece to me. Not received Have "Spring Moon" 春月

Sincerely,

Christine D'Arcy

Christine D'Arcy
Visual Arts Director

encl.
C.4.5.

Alaska State Council on the Arts
619 Warehouse Avenue, Suite 220/Anchorage, Alaska 99501/(907) 279-1558

copies

Alaska State Council on the Arts

619 Warehouse Avenue, Suite 220 • Anchorage, Alaska 99501 • (907)279-1558

ALASKA CONTEMPORARY ART BANK - LOAN AGREEMENT

DATE 2 February 1981

WORK OF ART BORROWED Untitled stoneware wall platter (Joellen Lottsfeldt)

ART BANK NUMBER 79.64

STATE PROPERTY NUMBER 05-8437

CONDITION Excellent

VALUE $75.00

Don't have this one recorded.

BORROWING AGENCY Senator Vic Fisher's Office

AGENCY REPRESENTATIVE Nancy Grosvek

ADDRESS Pouch V, Juneau, Alaska 99811

TELEPHONE 465-4954

RETURN DATE End of 1981 Legistative session

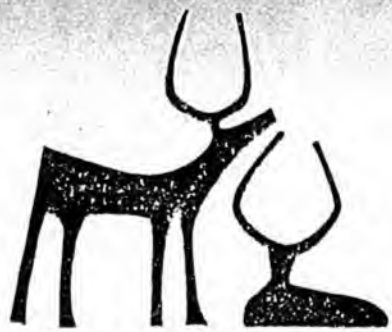
ALL WORKS OF ART IN THE ALASKA CONTEMPORARY ART BANK ARE COVERED BY THE STATE OF ALASKA BLANKET INSURANCE POLICY. LOSS OR DAMAGE OF WORKS MUST BE REPORTED IMMEDIATELY TO THE VISUAL ARTS DIRECTOR, ALASKA STATE COUNCIL ON THE ARTS: 279-1558.

/s/ Nancy Grosvek

AGENCY REPRESENTATIVE

Christine Dreyer

VISUAL ARTS DIRECTOR



Alaska State Council on the Arts

619 Warehouse Avenue, Suite 220 • Anchorage, Alaska 99501 • (907)279-1558

ALASKA CONTEMPORARY ART BANK - LOAN AGREEMENT

DATE 2 February 1981

WORK OF ART BORROWED "Sun Worship", crayon drawing (Sandy Stolle)

ART BANK NUMBER 80.8

STATE PROPERTY NUMBER 05-8469

CONDITION Excellent

VALUE $160 + frame

BORROWING AGENCY Senator Vic Fisher's Office

AGENCY REPRESENTATIVE Nancy Grosvek

ADDRESS Pouch V, Juneau, Alaska 99811

TELEPHONE 465-4954

RETURN DATE End of 1981 Legislative session

ALL WORKS OF ART IN THE ALASKA CONTEMPORARY ART BANK ARE COVERED BY THE STATE OF ALASKA BLANKET INSURANCE POLICY. LOSS OR DAMAGE OF WORKS MUST BE REPORTED IMMEDIATELY TO THE VISUAL ARTS DIRECTOR, ALASKA STATE COUNCIL ON THE ARTS: 279-1558.

/s/ Nancy J. Grosvek

AGENCY REPRESENTATIVE

Christine Dibrell

VISUAL ARTS DIRECTOR

Alaska State Council on the Arts
619 Warehouse Avenue, Suite 220 • Anchorage, Alaska 99501 • (907)279-1558

ALASKA CONTEMPORARY ART BANK - LOAN AGREEMENT

DATE 2 February 1981

WORK OF ART BORROWED "Poppy", relief print (James Behlke)

ART BANK NUMBER 80.6

STATE PROPERTY NUMBER 05-8465

CONDITION Excellent

VALUE $ 175.00 + frame

BORROWING AGENCY Senator Vic Fisher's Office

AGENCY REPRESENTATIVE Nancy Grosvek

ADDRESS Pouch V, Juneau, Alaska 99811

TELEPHONE 465-4954

RETURN DATE End of 1981 Legislative session

ALL WORKS OF ART IN THE ALASKA CONTEMPORARY ART BANK ARE COVERED BY THE STATE OF ALASKA BLANKET INSURANCE POLICY. LOSS OR DAMAGE OF WORKS MUST BE REPORTED IMMEDIATELY TO THE VISUAL ARTS DIRECTOR, ALASKA STATE COUNCIL ON THE ARTS: 279-1558.

Nancy J. Grosvek
AGENCY REPRESENTATIVE

Christine D'Arcy
VISUAL ARTS DIRECTOR

Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE-CHAIRMAN
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STURGULEWSKI

POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3833

Senate

Committee on Resources

January 29, 1982
1:30 p.m.

Beltz Room
211 - Capitol

MEMBERS PRESENT

Senator Fahrenkamp
Senator Eliason
Senator Gilman
Senator Mulcahy
Senator Sturgulewski

Hearing:

SB 666 An Act relating to the mining loan fund (AS 27.09) and providing for an effective date.

Phil Holdsworth, Alaska Miners Association, stated that the Board of Directors supported the bill. He also stated that SB 666 will make the mining loan program more self supporting as it will not rely entirely on an annual appropriation from the legislature.

Senator Sturgulewski expressed concern about amount of money the legislature is putting into revolving funds, as the legislature loses its power to annually appropriate.

Phil Holdsworth suggested that the principal return to the mining fund and the interest go into the general fund.

Dave Massey, Deputy Director, Division of Business Loans and Veterans Affairs, Department of Commerce and Economic Development, stated the Department favors the bill. Because the FY 82 budget was passed at a late date, and because of the seasonal nature of the mining industry, loans totaled only $5 million. Without passage of SB 666, the remaining $25 million will lapse back to the general fund.

Senator Mulcahy put forth an amendment to SB 666 to delete "and interest" from page 1, line 12. The amendment was approved.

Senator Mulcahy made a motion to move the bill as amended with individual recommendations.

Senator Fahrenkamp suggested that the committee be thinking over a possible substitute for SB 275, which would add a new section to provide for a resident 5-year sport fishing, hunting and/or trapping license.

The Committee adjourned at 2:05 p.m.

ADMIN. CONTRACTS

M E M O R A N D U M

TO: Lorraine Hurley
Sharon Sturrock
LAA--Accounting

FROM: Sen. Vic Fischer

DATE: September, 23, 1981

Enclosed please find TR #315241 made out to Wein for Joseph McKinnon. Joe was authorized to travel to Juneau in conjunction with contract work with the Senate State Affairs Committee. Please excuse my delay in providing you with this TR and with written authorizations.

In addition to Joe's travel being authorized, Jamie Love was authorized to travel to Juneau in conjuncting with his contract work for the State Affairs Committee. Enclosed is the invoice from World of Travel, Ltd., which you senttto our office. It is my understanding that both of these TRs will be processed for payment against the Senate State Affairs account.

Your August 14 memo states that the TR for Jamie Love will "be deducted from his contract amount of $6,000.00" and in the next paragraph states that the TR will be processed for payment against the Senate State Affairs account. It sounds as if this would entail two charges: one to Jamie and one to the Senate State Affairs Committee. If the committee funds are incurring the cost of Jamie's (and Joe's) travel, why should it then also be deducted from their contract amounts? If you would contact me (278-3654) to clarify this point I would be most grateful.

Thanks for your assistance. Your office has been a continuous help to me and to my staff during the interim, and I appreciate it.

NANCY

Alaska State Legislature

CHAIRMAN
HOUSE JUDICIARY COMMITTEE
MEMBER
HOUSE RESOURCES COMMITTEE
HOUSE POLICY COMMITTEE
ALASKA REPRESENTATIVE
STATES RIGHTS COORDINATING COUNCIL
WESTERN LANDS TASK FORCE
CITIZENS ADVISORY COMMISSION
ON ALASKA LANDS
FINANCE SUBCOMMITTEES
PUBLIC PROTECTION, JUSTICE
& EDUCATION

House of Representatives

REPRESENTATIVE
RAMONA L. BARNES

ANCHORAGE
2230 PAXSON
ANCHORAGE, ALASKA 99504
(907) 337-7904

POUCH V
JUNEAU, ALASKA 99811
(907) 465-3797

March 4, 1982

Senator Vic Fischer
Chairman, Senate State Affairs Committee
Room 423, Capitol Building

OK

RE: Sunset Review of Alaska Code Revision Commission

Dear Senator Fischer:

The House Judiciary Committee has planned to take up this matter at the Judiciary Committee meeting next Tuesday, March 9, ~~1:15 p.m. to 3:00 p.m.~~ 1PM — 3PM

I understand that Senate State Affairs Committee has had the matter referred to it by Senate Judiciary Committee and will be holding a hearing on the subject on Tuesday at 1:30 p.m. Would you be interested in holding a joint committee hearing on this Sunset matter in the House Judiciary Committee Room 124?

Thank you for considering this suggestion. I shall look forward to hearing from you on this.

Sincerely,

Ramona

Ramona L. Barnes
Chairman, House Judiciary Committee

RLB/rv

L-I spoke w/ Julie in R's office. Plz arrange for testimony. They will do the minutes, taping & prepare files

xx Nan 2/5/82

FOR YOUR INFORMATION ONLY

CONTRACT BETWEEN

STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY
Pouch Y
Juneau, Alaska 99811

AND

WILLIAM T. SALAMENTA

The parties to this agreement are the LEGISLATIVE AFFAIRS AGENCY, on behalf of the Senate State Affairs Committee, hereinafter referred to as the "AGENCY," and WILLIAM T. SALAMENTA, hereinafter referred to as the "CONSULTANT."

THE PURPOSE OF THIS AGREEMENT is to provide the Senate State Affairs Committee with professional research assistance that will help the Committee examine alternative schemes for public financing of campaigns and evaluate their advantages and disadvantages.

IT IS THEREFORE MUTUALLY AGREED THAT:

CLAUSE 1 - STATEMENT OF WORK

(A) The Consultant shall examine the operation of the political campaign contribution tax credit in Alaska prior to and subsequent to repeal of the personal income tax. The Consultant will also summarize methods used in other states and by the Federal government to obtain citizens' participation in financing of political campaigns and to provide public funds to assist in campaign financing. In addition, the Consultant will analyze theoretical and practical issues that have been raised in literature on the subject to justify and to oppose public financing of elections.

(B) The Consultant shall provide a draft report covering work under (A). The draft report will include conclusions reached and may include any recommendations deemed appropriate by the Consultant.

(C) The Consultant shall provide to the Project Director a final report subsequent to approval by the Project Director of the draft report. Reproduction of the report is the responsibility of the Agency.

CLAUSE II - PERIOD AND DATES OF PERFORMANCE

(A) The work under this contract shall be performed beginning July 15, 1981, and shall be completed no later than October 15, 1981.

(B) This contract may be terminated by either party upon written notice to the other.

(C) Unless extended by written agreement, this contract expires on October 31, 1981.

CLAUSE III - PROJECT DIRECTOR

The Project Director shall be Senator Victor Fischer, acting on behalf of the Senate State Affairs Committee.

CLAUSE IV - COMPENSATION AND METHOD OF PAYMENT

(A) For the work specified in this contract, the Consultant shall be compensated at the rate of $25.00 (twenty-five dollars) per hour, with total compensation for this work not to exceed $3,500.00 (three thousand five hundred dollars).

(B) The Consultant shall be reimbursed for travel and other expenses authorized in advance by the Project Director, except that per diem shall be paid at prevailing State rates, and all air travel shall be reimbursed on the basis of coach fares.

(C) The Consultant may submit monthly billings to the Project Director. All billings should be accompanied by a statement and description of the work accomplished to the date of the billing.

(D) Total payments under this contract, including expenses, shall not exceed $4,000.00 (four thousand dollars).

(E) Payment of $1,000.00 (one thousand dollars) will be made to the Consultant upon execution of this contract.

CLAUSE V - OFFICE SPACE, EQUIPMENT AND CLERICAL SUPPORT

Office space, equipment and clerical support of the Consultant that will be necessary to carry out his obligations under this contract shall be supplied by the Consultant at no cost to the Agency.

CLAUSE VI - RECORDS, DOCUMENTS, AUDIT

The Consultant shall maintain accurate records, including detailed time records, as may be required by the Project Director. The records are subject to inspection by the Agency or the Project Director at all reasonable times. All documents, report and writings generated as a consequence of work done under this contract shall become the property of the State of Alaska and, on completion of the work or at the termination of this contract shall be delivered to the Project Director and the Agency.

CLAUSE VII - REPORTS

The Consultant shall keep the Project Director informed as to the progress of the work performed under this agreement and shall provide progress reports as specified by the Project Director.

CLAUSE VIII - ALL WRITINGS CONTAINED HERE'

This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject mater of this agreement shall be deemed to exist or to bind either of the parties of this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement on the dates indicated below.

CONSULTANT

William T. Salamenta DATE
SS No. #021-46-0307

LEGISLATIVE AFFAIRS AG. Y

M. R. Charney DATE
Executive Director

Accepted:

Senator Victor Fischer DATE
Chairman, Senate State Affairs Committee

Approved as to Form:

Billy G. Berrier DATE
AGENCY LEGAL COUNSEL

ALASKA CODE REVISION COMMISSION

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

3-4-82

SENATE STATE AFFAIRS COMMITTEE SCHEDULE

TUESDAY
March 9
1:00 pm

Room 124, Capitol

SUNSET REVIEW OF ALASKA CODE REVISION COMMISSION

(Joint meeting with House Judiciary Committee)

THURSDAY
March 11
1:30 pm

Room 423 Capitol

SJR 9, SJR 24, SJR 55---CONSTITUTIONAL AMENDMENT: TERMS OF LEGISLATORS

SB 652---CONFIDENTIALITY OF TRADE SECRETS SUPPLIED TO DEPT. OF ENVIRONMENTAL CONSERVATION

Dear Senator—

Please bring this file with you to Tuesday's meeting as we have no extra copies of these materials.

(Meeting will be from 1:00–2:00 in House Judiciary.) Thank you!!

Dana

SB 864 SENATE JOURNAL - PAGE 607- 1 3/18/8

SENATE BILL NO. 864 by the State Affairs Committee, entitled:

"An Act continuing the existence of the Alaska Code Revision Commission and amending the statutes relating to its responsibilities."

was read the first time and referred to the Judiciary Committee and the Finance Committee.

SB 864 SENATE JOURNAL - PAGE 821- 3 4/ 7/8

The Judiciary Committee considered SENATE BILL NO. 864 (continuing the existence of the Alaska Code Revision Commission and amending statutes relating to its responsibilities) and recommends it be replaced with CS FOR SENATE BILL NO. 864 (JUD) and reports it back as follows: Senator Rodey, Chairman and Senator Anderson signed "do pass". Senators Ray and Parr signed "no recommendation".

SENATE BILL NO. 864 was referred to the Finance Committee.

SB 864 SENATE JOURNAL - PAGE 1078- 2 4/28/8

The Finance Committee considered SENATE BILL NO. 864 (continuing the existence of the Alaska Code Revision Commission and amending statutes relating to its responsibilities) and recommends it be replaced with CS FOR SENATE BILL NO. 864 (FIN) and do pass. The report was signed by Senator Bennett, Co-Chairman and concurred in by Senators Sackett, Stimson, Sturgulewski, Eliason, Ferguson and Dankworth.

The committee further attached a zero fiscal note.

SENATE BILL NO. 864 was referred to the Rules Committee.

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDING
JUNEAU, ALASKA 99811

February 24, 1982

TO: The Honorable Vic Fischer
Chairman
Senate State Affairs Committee

FROM: Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

SUBJECT: Discussion of Legislative Oversight Responsibilities as Related to Sunset Audits

As required by "sunset" legislation, your Committee has been assigned the oversight review of the Alaska Code Revision Commission. In addition to the audit reports released earlier by this Division, the following information may be helpful.

According to AS 44.66.050, the standing committee of legislative jurisdiction as provided in Rule 20 of the Uniform Rules of the Legislature shall hold one or more hearings to receive testimony from the public and other parties that have associated responsibilities or interests. In addition, the Committee shall consider Legislative Audit's report, the agency's proposed budget, the agency's program performance report, and any other tools that might assist it in evaluating the conduct and activities of the agency being terminated.

It is important to note that the terminating agency shall have the burden of demonstrating a public need for its continued existence during the public hearings.

The determination of "public need" for continued existence shall take into consideration the following factors set out in AS 44.66.050(c):

1. The extent to which the board, commission or program has operated in the public interest.

2. The extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices which it has adopted, and any other matter, including budgetary, resource, and personnel matters.

3. The extent to which the board, commission or agency has recommended statutory changes which are generally of benefit to the public interest.

4. The extent to which the board, commission or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service which it has provided.

5. The extent to which the board, commission or agency has encouraged public participation in the making of its regulations and decisions.

6. The efficiency with which public inquiries or complaints regarding the activities of the board, commission or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of the ombudsman have been processed and resolved.

7. The extent to which a board or commission which regulates entry into an occupation or profession has presented qualified applicants to serve the public.

8. The extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission or agency to its own activities and the area of activity or interest.

9. The extent to which statutory, regulatory, budgeting or other changes are necessary to enable the agency, board or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

The Legislative Audit reports have addressed these issues individually but only to the extent allowed by restricted audit scopes detailed within the reports.

The Law further states that the committee of reference shall, not later than the 60th day of the legislative session, submit a report to the presiding officer of each

house. The report is to include a summary of findings as to compliance with the "public need" factors enumerated above together with recommendations as to each of the following:

1. An identification of the problems or the needs that the programs and activities of the board, commission or agency are intended to address.

2. A statement, to the extent practicable, of the objectives of the program of the board, commission, or agency program, and its anticipated accomplishments.

3. An identification of any other programs having similar, conflicting or duplicate objectives.

4. An assessment of alternative methods of achieving the purposes of the program.

5. An assessment of the consequences of eliminating the board, commission or program and consolidating its activities with another program, or of funding it at a lower level.

6. A justification for the recommended continuation or extension of the board, commission or program, and an explanation of the manner in which it avoids duplication of or conflict with other efforts.

7. Any other information which, in the opinion of the committee, would improve the performance of the board, commission or agency with respect to its representation of and responsiveness to the public interest.

The committee of reference may introduce a bill providing for the reorganization or continuation of the agency being terminated as stipulated in AS 44.66.050(e).

If additional information is needed, please contact this office at 465-3830.

cc: Senator Arliss Sturgulewski
Chairman
Legislative Budget and Audit Committee

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

Mar. 11, 1982

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Mr. President:

In compliance with AS 44.66.050 and referral by the President of the Senate, the Senate Committee on State Affairs has conducted a sunset review of the Alaska Code Revision Commission.

The committee utilized Legislative Audit report 30-022-0025-R, A Performance Review of the Alaska Code Revision Commission, dated October 28, 1981; the 1981 Annual Report of the Alaska Code Revision Commission, dated February 1982; and the Commission's Proposed Budget for FY '83.

Testimony was received from the auditor, R.W. Pavitt, AICP; John W. Abbott, Chair; Billy G. Berrier, Executive Secretary; and James L. Baldwin, member of the Commission. Written communication was received from Patrick M. Rodey, member of the Commission, and Charles R. Webber, Commissioner of the Alaska Department of Commerce and Economic Development.

Findings required by AS 44.66.050(d) follow:

(1) an identification of the problems or the needs that the programs and activities of the board, commission or agency are intended to address;

Finding:

As a permananet commission of the legislature, the Commission is charged with the following duties:

> (1) examining the statutes of the state and judicial decisions to discover defects and anachronisms in the law;
> (2) reviewing and considering proposed changes in the law recommended by the National Law Institute, the National Conference of Commissioners on Uniform State Laws, the Alaska Judicial Council, the supreme court, the state or local bar associations, principal departments, agencies, boards and commissions of the legislative branch;
> (3) receiving and considering suggestions from the Alaska bench and bar, public officials, organizations, and individuals

as to areas of law needing review and remedy;
(4) recommending changes in law needed to eliminate antiquated and inadequate rules of law and to bring the law into harmony with current needs and conditions.

(2) a statement, to the extent practicable, of the objectives of the program of the board, commission, or agency program, and its anticipated accomplishments;

Finding:

The commission is directed to submit its report and recommendations, and draft legislation as to revision of law, to the Legislative Council, and distributes them to the governor, members of the legislature, and the chief justice of the supreme court. See 1981 Annual Report (attached Exhibit A) for a discussion of its accomplishments.

(3) an identification of any other programs having similar, conflicting or duplicate objectives;

Finding:

The duties and responsibilities assigned to the commission by the enabling act (AS 24.20.075) are substantially similar to those mandated to the Legislative Council, the Legislative Affairs Agency and the Co-revisors of Statutes (AS 01.05.036; 24.20.060(4); 24.20.065(a); and 24.20.070(b).

(4) an assessment of alternative methods of achieving the purposes of the program.

Finding:

Substantive revision of law in Alaska can be accomplished by legislatively-appointed special commissions (as in the case of the major Criminal Code revision), by a special committee of the legislature such as the committee that revised Title 4 (Alcoholic Beverages), or by the the Legislative Affairs Agency contracting with consultants.

(5) an assessment of the consequences of eliminating the board, commission, or program and consolidating its activities with another program, or of funding it at a lower level.

Finding:

Elimination of the Commission would remove the breadth of review and participation that accrue as a result of code revision being supervised by a multi-member group. Elimination would not, however, necessarily prevent needed code revisions from being accomplished (see preceding response). Elimination of the Commission would not result in any significant savings, as the Commission members receive no compensation for services rendered. The public member and the designee of the Alaska Bar Association board of governors do receive per diem and travel allowance.

(6) a justification for the recommended continuation or extension of the board, commission or program, and an explanation of the manner in which it avoids duplication or or conflict with other efforts;

Finding:

Its broad-based membership of legislative, executive and judicial branch representatives, as well as the public and Alaska Bar members, provide a breadth of legal knowledge, perception and experience that has much potential value as an advisory function to the lawmaking process. Particularly in areas of generally low legislative interest such as probate law, security law, real property conveyancing, bankruptcy law and the like, the Commission has shown that it can provide necessary expertise in recommending statutory revision that "will bring the law into harmony with current needs and conditions." (AS 24.20.075(c)(4)).

(7) any other information which, in the opinion of the committee, would improve the performance of the board, commission or agency with respect to its representation of and responsiveness to the public interest.

Finding:

The Committee acknowledges the numerous hours and efforts of the Commission but is concerned with the process the Commission utilizes to select topics for study and the duplication of responsibilities with other existing agencies. Therefore, the Committee recommends the following:

1) that the Commission be extended to June 30, 1985; and

2) that the Commission's duties be limited to reviewing and considering proposed changes in the law by the National Law Institute, and the National Conference of Commissioners on Uniform State Laws and any other matter referred to the Commission by a concurrent resolution of the legislature (see attached Exhibit "B").

Sen. Vic Fischer, Chair

Sen. Terry Stimson

Sen. Mike Colletta

Sen. Brad Bradley

Sen. Dick Eliason

Effect of amendments. — The first 1979 amendment added subparagraph (G) to paragraph (4). The second 1979 amendment added paragraph (8).

Sec. 24.20.062. Legislative internship program. A legislative internship program established by the legislative council under AS 24.20.060(8) shall provide that

(1) the University of Alaska provide academic support and credit to the program;

(2) students enrolled and in good standing at any accredited postsecondary educational institution who have successfully completed at least two years of study are eligible to participate in the program;

(3) interns will be selected by a committee composed of members of the legislature appointed by the legislative council and representatives of the university appointed by the university;

(4) interns will be selected on the basis of their experience and interest in subjects which the legislative council feels are likely to be considered during a legislative session;

(5) legislative interns are entitled to receive academic credit and payment of $30 for each day of participation in the program during the legislative session. (§ 11 ch 87 SLA 1979)

Sec. 24.20.075. Alaska Code Revision Commission. (a) The Alaska Code Revision Commission is established as a permanent commission of the legislature.

(b) The commission consists of two legislators, one from each house, appointed by the presiding officer; one public member, who is not an employee of the state government, appointed by the governor; a designee of the governor, who is an attorney employed by the executive branch of the state government; a designee of the chief justice of the supreme court; and a designee of the Alaska Bar Association appointed by the board of governors of the association. Legislative members serve at the pleasure of the presiding officer; the designee of the governor and the designee of the chief justice serve at the pleasure of the governor and chief justice, respectively; the public member and the designee of the board of governors serve terms of six years each, beginning July 1 and ending on June 30 six years later. Members may be reappointed or redesignated. A vacancy in the membership of the commission occurring other than by expiration of term shall be filled in the same manner as the original appointment but, with regard to the legislative members, the public member, and the board of governors' designee, for the unexpired term only. Members who are not state employees or legislators are entitled to receive the standard per diem and travel allowance provided for members of independent boards and commissions. Legislative members are entitled to receive the regular legislative per diem and travel allowance for days spent on commission business, and members who are state employees are entitled to receive

the regular state employees per diem and travel allowance for days spent on commission business. The commission selects its chairman and vice-chairman. The director of legal services for the Legislative Affairs Agency, or his designee, serves as executive secretary for the commission.

(c) The commission shall

(1) examine the statutes of the state and judicial decisions to discover defects and anachronisms in the law;

(2) review and consider proposed changes in the law recommended by the National Law Institute, the National Conference of Commissioners on Uniform State Laws, the Alaska Judicial Council, the supreme court, the state or local bar associations, principal departments, agencies, boards and commissions of the executive or judicial branch, and committees of the legislative branch;

(3) receive and consider suggestions from the Alaska bench and bar, public officials, organizations, and individuals as to areas of law needing review and remedy;

(4) recommend changes in law needed to eliminate antiquated and inadequate rules of law and to bring the law into harmony with current needs and conditions.

(d) The commission may

(1) hold public hearings and other meetings as necessary throughout the state and shall determine an appropriate quorum for conducting business;

(2) establish one or more subcommission to assist it in the performance of its duties.

(e) The staff of the Legislative Affairs Agency serves as staff for the commission. Subject to appropriation for the purpose, the commission may request the agency to contract with other agencies or persons for the performance of necessary services.

(f) The commission shall submit its reports and recommendations, and draft legislation as to revision of law, to the Legislative Council and shall distribute them to the governor, members of the legislature, and the chief justice of the supreme court.

(g) All branches of state government shall provide information and documents requested by the commission necessary to the accomplishment of its work.

(h) The commission shall make a formal request to the Legislative Council for funds it considers necessary for the per diem, travel, and contractual expenses of the commission. Funds appropriated to the commission are to be disbursed and accounted for under procedures required by the Legislative Affairs Agency. The commission chairman shall approve all expenditure documents. (§ 1 ch 114 SLA 1976; am § 1 ch 57 SLA 1977; am §§ 1, 2 ch 44 SLA 1980)

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STATE OF ALASKA

ALASKA CODE REVISION COMMISSION

1981 ANNUAL REPORT

FEBRUARY 1982

ALASKA CODE REVISION COMMISSION
POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811

ALASKA CODE REVISION COMMISSION

Commission Members.

and

Appointing Authority

JOHN W. ABBOTT
Chairman
Governor--Public Member

JAMES L. BALDWIN
Vice-Chairman
Governor--Executive

PATRICK M. RODEY
Member of the Senate
Alaska State Legislature

L. S. KURTZ, JR.
Board of Governors
Alaska Bar Association

CHARLES G. ANDERSON
Member of the House of
Representatives
Alaska State Legislature

JUDGE THOMAS B. STEWART (RET.)
Chief Justice--
Judicial Branch

SUSAN A. BURKE
served as
representative of
Governor--Executive Branch
until her resignation
on January 1, 1981

FRED E. BROWN
served as
representative of the
House of Representatives
until he was replaced in
June, 1981

WM. GRANT CALLOW
served as the representative of the
Chief Justice--Judicial Branch
until his resignation on September 15, 1981

BILLY G. BERRIER
Executive Secretary
Director, Legal Services
Legislative Affairs Agency

OFFICE:

110 Seward Street, Rm. No. 5
Juneau, Alaska 99801
PHONE: (907) 465-4878

MAILING:

Pouch Y, State Capitol
Juneau, Alaska 99811

ALASKA CODE REVISION COMMISSION

COMMISSIONERS
JOHN W. ABBOTT - CHAIRMAN
JAMES L. BALDWIN - VICE CHAIRMAN
PATRICK M. RODEY
CHARLES G. ANDERSON
L. S. KURTZ, JR.
JUDGE (RET.) THOMAS B. STEWART

ALASKA STATE LEGISLATURE
POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-4878

EXECUTIVE SECRETARY
BILLY G. BERRIER

February, 1982

Representative Hugh Malone
Chairman, Alaska Legislative Council
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Representative Malone:

Pursuant to AS 24.20.075(f), the Alaska Code Revision Commission submits this report of its activities performed throughout the year 1981.

Very truly yours,

John W. Abbott

John W. Abbott, Chairman
Alaska Code Revision Commission

JWA:chw

CONTENTS

Page

ANNUAL REPORT FOR THE YEAR 1981

INTRODUCTION 1

SUMMARY OF WORK OF THE COMMISSION 2

STATUS OF PROPOSED LEGISLATION 5

LEGISLATION ENACTED INTO LAW 6

WORK OF THE COMMISSION IN 1981 7

Corporations--For Profit Code 7

Corporations--Nonprofit Code 7

Business and Professions--Occupational Licensing 7

Security Interests in Real Property (HB 403) . . . 8

Recording and Recorded Documents (SB 78) 9

Oath, Affirmation, Acknowledgment, Notarization and Verification 9

Alaska Hire 9

Revised Uniform Limited Partnership Act 9

TOPICS FOR FUTURE CONSIDERATION 9

SUNSET REVIEW OF THE COMMISSION 10

ENABLING ACT 11

ANNUAL REPORT FOR THE YEAR 1981

INTRODUCTION

The primary objective of the Alaska Code Revision Commission, as established by AS 24.20.075, is to review and consider proposed changes in the law recommended by the National Law Institute, the National Conference of Commissioners on Uniform State Laws, the Alaska Judicial Council, the supreme court, the state or local bar associations, principal departments, agencies, boards and commissions of the executive or judicial branch, and committees of the legislative branch. The commission also seeks out on its own and works on parts of Alaska Statutes where it finds revision is needed to eliminate antiquated and inadequate law and to bring the law into harmony with current needs and conditions.

The commission consists of (1) two legislators, one from each house, appointed by the respective presiding officers; (2) one public member who is not an employee of the executive branch, appointed by the governor, and one member who is an employee of the executive branch, appointed by the governor; (3) a designee of the chief justice of the supreme court; and (4) a designee of the Alaska Bar Association, appointed by the board of governors of that association. The director of legal services for the Legislative Affairs Agency, or his designee, serves as the executive secretary for the commission.

The commission assists the legislature by carefully studying complex subjects, identifying major policy questions for legislative attention, gathering the views of interested persons and organizations, and drafting legislation for consideration by the legislature. Thus, the commission assists the legislature in accomplishing needed reforms that otherwise might not be made because of the heavy demands on legislative time.

SUMMARY OF WORK OF COMMISSION

Presently in the Twelfth Legislature, Second Session, there are five bills that the commission prepared. One of the bills it prepared was enacted during the First Session of the Twelfth Legislature. The other bills now in the legislature are carried over from the 1981 session.

The Alaska Code Revision Commission was created in 1976. Since its creation it has generally reviewed the uniform acts proposed for adoption by the National Conference of Commissions on Uniform State Laws and has reviewed and discussed many parts of the Alaska Statutes for possible revision in depth. However, it has concentrated its attention on those projects described below.

Its first major project was revision of debtor and creditor law relating to exemption from execution. The resulting bill was introduced in 1979 and again in 1981. It is HB 74 and is in the House Judiciary Committee as this report is written. Commission members testified before that committee in 1981, and committee work on the bill has resumed in the 1982 session.

In 1978 the commission undertook a major revision of AS 4--Alcoholic Beverages. Since the legislature had established an interim committee specifically for this purpose, the commission forwarded its draft and extensive commentary to the Legislative Council for referral to the appropriate committee for further consideration. A complete revision of AS 4 was enacted as ch. 131, SLA 1980, which included much of the commission's work.

Also in 1978 a review of the real property conveyancing laws was begun. Then in 1979 this major project was divided into two areas: (1) recording and recorded documents; and (2) security interests in real property. The commission prepared draft legislation on each topic. In 1980 the draft bill on recording and recorded documents, which incorporates the Uniform Federal Lien Registration Act as amended by the commission, was submitted to the Legislative Council. However, no action was taken by the council on the bill in 1980, and it was introduced at the start of the First Session of the Twelfth Legislature in 1981 as SB 78. It passed out of the Senate Labor and Commerce Committee early in the session and presently rests in the Senate Judiciary Committee. The commission has provided testimony in both committees. The bill on security interests is in the House Judiciary Committee. The commission has offered to provide testimony on the bill when it comes up for consideration.

From its work on these real property bills, the commission saw the need for revision of the state law on acknowledgment that was based on a uniform law superseded in 1943. Various similar technical requirements of law also needed clarification and definition. The bill that resulted was SB 80 on oath, affirmation, acknowledgment, notarization and verification. It was enacted as ch. 137, SLA 1981.

In 1979 another major project was begun--a revision of Title 10--Corporations and Associations. This project began with an analysis of existing law and a comparison of Alaska law with other states' laws and the Model Act. Detailed drafting was done by a consultant in the field under contract with the commission. A draft of the proposed bill and commentary was completed and approved in November 1980. After forwarding the draft bill to the Legislative Affairs Agency for review, the review and final bill typing were completed in May 1981. After several meetings with the contractor and the staff member of the Legislative Affairs Agency, modifications were approved and the bill was retyped at the agency for introduction during the Second Session of the Twelfth Legislature.

Late in 1980 it was determined that a revision of the nonprofit corporations code should be undertaken, and a contract was entered into with the consultant who performed the work on the for profit code. An initial installment for review was received in February of 1981. After work throughout 1981, the final draft and commentary was approved during the November meeting and then forwarded to the Legislative Affairs Agency for review and bill typing. It is expected that the bill will be introduced sometime during the Second Session of the Twelfth Legislature. Also at the November meeting the contractor was given guidelines for preparation of a draft bill on native corporations. The first installment of that draft will be ready for consideration at the February 1982 meeting.

Also in 1980 a major project to revise the law on occupational licensing, AS 08, was begun. Six drafts were considered during 1981 and the commission gave final substantive approval to this revision and commentary at its January, 1982 meeting.

Throughout the years the commission has considered a variety of revisions. Several projects were either dropped or postponed so the commission could concentrate its efforts on revisions it believed to be more necessary and more consistent with the purposes for which it was created. Of the various topics considered, the following are worthy of note: the insurance code, the class action act, the uniform comparative fault act, the uniform marriage and divorce act, the uniform brain death act, the uniform limited partnership act.

guardians and conservators, the model product liability act, the administrative procedure act, domestic violence, small loans, and vital statistics.

In accordance with the intent of Title 24 and Title 44 of the Alaska Statutes, the Division of Legislative Audit was mandated to perform a "Sunset" review of the commission. A preliminary report including recommendations was presented to the commission in November. Consistent with "sunset" practices, the 1982 session of the legislature will determine whether the commission should be continued.

Each of the commission's bills was developed through a process of study of the available materials on the subject for revision including any pertinent uniform laws, inquiry of persons, groups and agencies concerned, and distribution of proposed drafting for comment.

During 1981 the commission held nine meetings consisting of eighteen working sessions. The time and place of these meetings was advertised in the major newspapers of the state, and special notice was given to the persons and groups thought to be most directly interested in the subjects to be taken up at particular meetings. Public participation has been encouraged in all phases of the commission's work.

STATUS OF PROPOSED LEGISLATION

The status of legislation proposed by the commission, as detailed in its Annual Report of 1980, is as follows:

Alaska Exemptions Act--HB 74

The bill was reintroduced in 1981 as HB 74 and was referred to House Judiciary. Although the committee held hearings on the bill, it remains in committee for further consideration in 1982.

Uniform Commercial Code (Articles 8 and 9)--SB 77

The bill was reintroduced in 1981 as SB 77. It passed the Senate without amendment early in the session. On May 28, 1981, committee work on the bill was completed in the House, and it was referred to Rules for placement on the calendar. Although there appeared to be no opposition to enactment of these uniform amendments to the UCC, the bill was not placed on the calendar and remains in House Rules. Final passage is anticipated in the 1982 session.

Uniform Disposition of Community Property Rights at Death Act--SB 79

The bill was reintroduced in 1981 as SB 79. It was referred to Senate Judiciary on January 14, 1981, and remains in that committee.

Security Interests in Real Property--HB 403

The bill was introduced as HB 403 on March 25, 1981, and referred to House Judiciary. Committee hearings have not been held on the bill.

Recording and Recorded Documents--SB 78

The bill was introduced as SB 78 and referred to Senate Judiciary January 16, 1981. Committee staff has sought to resolve differences that appeared over some aspects of the bill, and a Judiciary Committee substitute is expected to be introduced.

Corporations--For Profit Code

The bill is scheduled for introduction early in the 1982 legislative session.

Corporations--Nonprofit Code

The draft bill has been submitted to the Legislative

Affairs Agency for its review. Because of the volume and complexity of the bill it is uncertain when it will reach the legislature, but it should be during the 1982 regular session.

LEGISLATION ENACTED INTO LAW

Oath, Affirmation, Acknowledgment, Notarization and Verification

The commission's bill, SB 80 am H, was enacted in the form in which it was introduced, except for a nonsubstantive amendment, and became ch. 37, SLA 1981, effective September 22, 1981.

WORK OF THE COMMISSION IN 1981

During the year, the commission worked on the revisions listed below.

Corporations--For Profit Code

The commission's work on corporations law began in 1979. After review and analysis of problems in the state law on business corporations, the commission contracted for a comprehensive study of Title 10 by a leading expert on corporation law, Professor Daniel Wm. Fessler. On the basis of the study, a contract was entered into with Professor Fessler to redraft the business corporations code.

A draft was given the commission's approval late in 1979, and the review process in the Legislative Affairs Agency was begun in 1980. However, the large volume of the work product and some differences in drafting style from the standard adopted by the legislature caused the review process to be especially time-consuming and complex. The work of the commission on the draft during 1981, therefore, was concerned largely with preserving its substantive work on the bill as style and drafting changes were made. The bill is to be introduced in the 1982 legislative session.

Corporations--Nonprofit Code

Work on the business corporations code led the commission to contract for a review of the nonprofit corporations code and then to carry through a project to revise the law on nonprofit corporations. Work on the project continued through the year in much the same way the work had been done with the consultant on the business corporations law. The consultant's advice on policy issues was reviewed and policy decisions were made, specific drafting was done by the commission on some sections, successive drafts of the consultant's work were reviewed and revised, and a draft was approved for submission to the Legislative Council in November. The draft bill with extensive explanatory notes and section analysis then was sent to Legislative Affairs for further review required by that agency before the bill could be introduced through the Legislative Council. Experience with the for-profit revision indicated that several months will be required for the review process, and the commission may have further work to do on the bill after the Legislative Affairs Agency review.

Business and Professions--Occupational Licensing

Throughout the year, the commission's work on occupational licensing law continued. Study of the subject with

preliminary drafting was done in 1980. In 1981 the commission's work went through several additional drafts. Each of these was sent to chairpersons of the various boards, to the division of occupational licensing, and to other persons and groups thought to be interested, with a request for critical comment and an invitation to participate in the commission's meetings to review the successive drafts. A draft subject to the further review process of the Legislative Affairs Agency was approved in January, 1982. Since some of the agency review had been done at an earlier point, the additional review in the agency should be much less time consuming than that required for the corporations codes, and the bill should be introduced through the Legislative Council in the 1982 legislative session.

Security Interests in Real Property--HB 403, Twelfth Legislature

Although the bill on real property security interests was ready for introduction early in the 1981 legislative session, there was continued work on the bill in early 1981. Throughout the commission's work on the bill, drafts were sent to title companies, banks, and other interested parties and public hearings were held. Continued and increased interest in the commission's work was shown by the Federal Home Loan Mortgage Association (FNMA, "Fannie Mae") at the time. The commission studied the extensive materials provided by FNMA and revised that part of the bill that limits the use of a "due-on-sale" clause in home sales. At present there is no statutory restriction on use of a "due on sale" clause in real property sales that permits the lender to call the whole debt on the real property due when it is resold. The section which finally resulted in the bill was designed to meet problems brought on by inflation and fluctuating interest rates that were troubling FNMA and other lenders and mortgage buyers. But at the same time, the bill places some limits on enforcement of the "due on sale" clause when a home is resold.

The "due on sale" section, although a very minor part of the bill, has taken attention from the balance of the bill. It would be possible to delete the section without affecting the main substance of the bill.

The bill was introduced as HB 403, was referred to the House Judiciary Committee, and remains in that committee as this report is written. Legislative committee hearings have not yet been scheduled.

A commentary prepared by the commission, including a section analysis, appears as House Journal Supplement No. 21 dated March 25, 1981, and is available in the legislature's bill distribution office or through the Alaska Code Revision Commission, Pouch Y, State Capitol, Juneau, Alaska 99811.

Recording and Recorded Documents--SB 78, Twelfth Legislature

Although the commission's work in drafting this bill was completed before 1981, it was introduced in the 1981 session. The commission discussed the bill with the Senate Labor and Commerce Committee, its first committee of reference. It was passed out of that committee and referred to Senate Judiciary. The commission met with the committee and made its consultant on the bill available to work with committee staff so the main substance of the bill could be preserved and accommodated to changes desired by the committee.

The issues dealt with are discussed in the commission's commentary on the bill which was sent with the bill to the legislature. Copies are available from the commission's office at Pouch Y, State Capitol, Juneau, Alaska 99811.

Oath, Affirmation, Acknowledgment, Notarization and Verification

The commission's work on this bill was completed in 1980. During 1981 the commission provided testimony on the bill in legislative committees, and the bill became law as ch. 137, SLA 1981.

Alaska Hire

The commission is gathering background materials and searching for the optimum person to prepare a study and to work with it on avoidance of constitutional pitfalls in local hire laws.

Revised Uniform Limited Partnership Act

Priorities set by the commission did not permit further work on the limited partnership law in 1981. The National Conference of Commissions on Uniform State Laws' revised uniform act has been further revised by the NCCUSL, and the subject will be taken up again for review.

TOPICS FOR FUTURE CONSIDERATION

Setting priorities for the commission's attention has become increasingly important. The following subjects have been temporarily set aside, but they and other subjects will undergo continued work as time permits.

Administrative Procedure Act

The commission has concluded that a revision of the Administrative Procedure Act is needed and has kept abreast of developments. In 1981 the National Conference of Commissioners

on Uniform State Laws adopted a revised model act. In the Senate Judiciary is a bill, SB 594, which borrows from NCCUSL drafts and would extensively amend the Alaska APA. Because the Senate Judiciary Committee expects concerted committee work on SB 594, the commission determined it should delay its work on the subject to see what progress the legislature makes on that bill during the 1982 session. If it proves that legislative changes in the APA do not come out of the 1982 session, the commission will assess the work that was done during the session on SB 594, and make a judgment, based upon its own assessment and that of legislators and others, on whether it should make the APA a major project.

SUNSET REVIEW OF THE COMMISSION

By AS 44.66.010(a), the commission is among a number of boards, commissions, and agencies that will be terminated on fixed dates unless continued by legislative action. Since the commission's termination date is June 30, 1982, the 1982 legislature will consider the place of the commission in the state's governmental and legislative organization and whether it should be continued. The Legislative Audit Division in its preliminary report has recommended termination of the commission unless its composition and role are changed. However, the commission believes it serves a needed function that is not performed by any other agency, and that it should be continued by the legislature in substantially its present form and role.

ENABLING ACT

The law establishing the Alaska Code Revision Commission and stating its duties follows:

Sec. 24.20.075. Alaska Code Revision Commission. (a) The Alaska Code Revision Commission is established as a permanent commission of the legislature.

(b) The commission consists of two legislators, one from each house, appointed by the presiding officer; one public member, who is not an employee of the state government, appointed by the governor; a designee of the governor, who is an attorney employed by the executive branch of the state government; a designee of the chief justice of the supreme court; and a designee of the Alaska Bar Association appointed by the board of governors of the association. Legislative members serve at the pleasure of the presiding officer; the designee of the governor and the designee of the chief justice serve at the pleasure of the governor and chief justice, respectively; the public member and the designee of the board of governors serve terms of six years each, beginning July 1 and ending on June 30 six years later. Members may be reappointed or redesignated. A vacancy in the membership of the commission occurring other than by expiration of term shall be filled in the same manner as the original appointment but, with regard to the legislative members, the public member, and the board of governors' designee, for the unexpired term only. Members who are not state employees or legislators are entitled to receive the standard per diem and travel allowance provided for members of independent boards and commissions. Legislative members are entitled to receive the regular legislative per diem and travel allowance for days spent on commission business, and members who are state employees are entitled to receive the regular state employees per diem and travel allowance for days spent on commission business. The commission selects its chairman and vice-chairman. The director of legal services for the Legislative Affairs Agency, or his designee, serves as executive secretary for the commission. (am §§ 1, 2 ch 44 SLA 1980)

(c) The commission shall

(1) examine the statutes of the state and judicial decisions to discover defects and anachronisms in the law;

(2) review and consider proposed changes in the law recommended by the National Law Institute, the National Conference of Commissioners on Uniform State Laws, the Alaska Judicial Council, the supreme court, the state or local bar associations, principal departments, agencies, boards and commissions of the executive or judicial branch, and committees of the legislative branch;

(3) receive and consider suggestions from the Alaska bench and bar, public officials, organizations, and individuals as to areas of law needing review and remedy;

(4) recommend changes in law needed to eliminate antiquated and inadequate rules of law and to bring the law into harmony with current needs and conditions.

(d) The commission may

(1) hold public hearings and other meetings as necessary throughout the state and shall determine an appropriate quorum for conducting business;

(2) establish one or more subcommissions to assist it in the performance of its duties.

(e) The staff of the Legislative Affairs Agency serves as staff for the commission. Subject to appropriation for the purpose, the commission may request the agency to contract with other agencies or persons for the performance of necessary services.

(f) The commission shall submit its reports and recommendations, and draft legislation as to revision of law, to the Legislative Council and shall distribute them to the governor, members of the legislature, and the chief justice of the supreme court.

(g) All branches of state government shall provide information and documents requested by the commission necessary to the accomplishment of its work.

(h) The commission shall make a formal request to the Legislative Council for funds it considers necessary for the per diem, travel, and contractual expenses of the commission. Funds appropriated to the commission are to be disbursed and accounted for under procedures required by the Legislative Affairs Agency. The commission chairman shall approve all expenditure documents. (§ 1 ch 114 SLA 1976; am § 1 ch 57 SLA 1977)

Editor's Note

Section 4, ch. 44, SLA 1980, effective May 27, 1980, provides: "The public member and the designee of the board of governors, serving on the Alaska Code Revision Commission on the effective date of this Act [May 27, 1980], shall determine the length of their terms by drawing lots. The term of one of those members ends June 30, 1980, and the term of the other ends June 30, 1982. After these initial dates, the six-year-term provisions of AS 24.20.075(b) apply."

ALASKA CODE REVISION COMMISSION

Proposed Budget for FY 83

Personal Services		
Secretary (Range 12, step K)		
~~12~~ mos. at 2,379 per month	$28,548	
Benefits at 27%	7,708	
		$36,256
research director (Range 23, step C)		
12 mo. at 4,022 per mo.		
Travel		
12 monthly hearings @	$29,278	
1 hearing in rural Alaska	6,136	
		$35,414
Contractual Services		
Telephone at $294 per mo.	$ 3,528	
Printing/advertising	2,354	
Rents/Leases	2,943	
Consultants	152,600	
		$161,425
Supplies and Materials		
Printing Supplies/Materials @ $196 per mo.	$2,352	
Stationery and office supplies	2,825	
		$5,177
Total Fiscal Year 1983	$238,272	
Rounded	$239,000	

SENATOR
PATRICK M. RODEY
3271 MONTCLAIRE COURT
ANCHORAGE, AK 99503

CHAIRMAN
SENATE JUDICIARY COMMITTEE
CHAIRMAN
SENATE SPECIAL COMMITTEE
ON BANKING

ALASKA STATE LEGISLATURE
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3717

March 2, 1982

Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Pouch V
Juneau, Alaska 99811

RE: SUNSET OF THE ALASKA CODE REVISION COMMISSION

Mr. Chairman and Members of the Committee:

As your Committee considers the performance record of the Alaska Code Revision Commission, I would like to go on record as supporting the continuation of this Commission.

I was the primary Sponsor of the legislation which created the Commission in 1976. Since its inception, I have served as Chairman, and am currently a member of the Commission. Working with the Commission for more than five years has given me an opportunity to observe its activities and performance on a first-hand basis. It is my believe that the Commission operates in a fair, efficient, economical and effective manner in carrying out its statutory functions and responsibilities.

The membership of the Commission provides a wide range of legislative, judicial, executive and public knowledge and perception. This broad base of experience and expertise has served the legislative process well and I believe it is in the Legislature's best interest to continue the Commission.

I hope the Committee will agree that the Alaska Code Revision Commission deserves continuation so the Legislature can still benefit from their services. The responsibility of revising and updating entire bodies of technical law is a task not performed by any other agency of state government.

Additionally, the Commission has accomplished a great deal toward identifying antiquated and superflous laws bringing them into conformity with current technological, economical, and social conditions. The Commission has undertaken a task, which if left to the Legislature, would place a heavy burden on our already taxed time.

Sincerely,

Patrick M. Rodey

Patrick M. Rodey

ALASKA CODE REVISION COMMISSION

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ALASKA STATE LEGISLATURE
POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-4870

EXECUTIVE SECRETARY
BILLY G. BERRIER

MEMORANDUM

TO: Senator Patrick M. Rodey
Representative Charles G. Anderson

FROM: Dickerson Regan, Consultant
Alaska Code Revision Commission

DATE: February 18, 1982

RE: Continuing the Alaska Code Revision Commission

Although I am sure you are aware of it, this is a reminder that the Alaska Code Revision Commission expires June 30, 1982 (except for a windup year) unless it is continued or reestablished (AS 44.66.010).

I understand each judiciary committee will be a "committee of reference" to hold "one or more hearings" (AS 44.66.050(a)), and to submit a report to the presiding officer of the (each) house not later than the 60th day of the legislative session (AS 44.66.050(d)). The committee of reference may introduce a bill providing for the reorganization or continuation of the commission (AS 44.66.050(e)). The maximum period of continuation is four years (AS 44.66.010(c)). It appears that the committee bill could be as simple as:

> An Act to continue the Alaska Code Revision Commission.
>
> AS 44.66.010(a)(8) is amended to read:
>
> (8) Alaska Code Revision Commission (AS 24.20.075) -- June 30, 1986;

I understand the audit of the commission will be submitted to the committees of reference about February 23rd, or shortly thereafter (AS 24.20.271(1)).

This memo is mainly to mention the report that is required by the 60th day of the session, and the bill that is necessary if the commission is to continue to function actively and not be in its windup year starting July 1, 1982.

DR:chw

ALASKA CODE REVISION COMMISSION

Proposed Budget for FY 83

Personal Services		
Secretary (Range 12, step K)		
12 mos. at 2,379 per month	$28,548	
Benefits at 27%	7,708	
		$36,256
research director (Range 23, Step C)		
12 mo. at 4,022 per mo.		
Travel		
12 monthly hearings @	$29,278	
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Contractual Services		
Telephone at $294 per mo.	$ 3,528	
Printing/advertising	2,354	
Rents/Leases	2,943	
Consultants	152,600	
		$161,425
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ON BANKING

ALASKA STATE LEGISLATURE
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3717

March 2, 1982

Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Pouch V
Juneau, Alaska 99811

RE: SUNSET OF THE ALASKA CODE REVISION COMMISSION

Mr. Chairman and Members of the Committee:

As your Committee considers the performance record of the Alaska Code Revision Commission, I would like to go on record as supporting the continuation of this Commission.

I was the primary Sponsor of the legislation which created the Commission in 1976. Since its inception, I have served as Chairman, and am currently a member of the Commission. Working with the Commission for more than five years has given me an opportunity to observe its activities and performance on a first-hand basis. It is my believe that the Commission operates in a fair, efficient, economical and effective manner in carrying out its statutory functions and responsibilities.

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Sincerely,

Patrick M. Rodey

Patrick M. Rodey

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SENATE BILL NO. 864
Title An Act continuing the existence of the Alaska Code Revision Commission and amending the statutes, etc Date 4-12-82
Requested by: Senate Finance Committee

II. FISCAL DETAIL
Agency Affected Legislative Affairs Agency
Program Category Affected General Government
BRU, Program, Or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		101.1	111.2	122.3		
200 TRAVEL		35.4	39.0	42.9		
300 CONTRACTUAL		96.6	106.3	116.9		
400 COMMODITIES		5.2	5.7	6.3		
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL		238.3	262.2	288.4		

FUNDING (Thousands of Dollars)

GENERAL FUND		238.3	262.2	288.4		
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME		2	2	2		
PART TIME						
TEMPORARY						

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

Fiscal Year 1983: (Fiscal Years 1984 and 1985 - add 10% per year)

Personal Services ---------- 101.1
Secretary - Range 12K - for 12 months @$2,379 per month
Research Director - Range 23C - for 12 mo @$4,251 per mo.
Plus benefits at 27%
Travel ---------- 35.4
12 monthly hearings -------- $29,278
1 hearing rural Alaska ---- 6,136
Contractual Services ---------- 96.6
Telephone @$294 per month - $3,528 Rents/Leases - $2,943
Printing/advertising ------ 2,354 Consultants --- 87,800
Supplies and Materials ---------- 5.2
Printing supplies/materials - @$196 per month - $2,352
Stationery and office supplies ---------- $2,825

IV. DATE 4-12-82 PREPARED BY Wally Harrison, Director
AGENCY Legislative Affairs Agency
Original: Legislative Finance PHONE 465-3850
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDING

JUNEAU, ALASKA 99811

February 24, 1982

TO: The Honorable Patrick M. Rodey
Chairman
Senate Judiciary Committee

FROM: Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

SUBJECT: Discussion of Legislative Oversight Responsibilities as Related to Sunset Audits

As required by "sunset" legislation, your Committee has been assigned the oversight review of the Alaska Code Revision Commission. In addition to the audit reports released earlier by this Division, the following information may be helpful.

According to AS 44.66.050, the standing committee of legislative jurisdiction as provided in Rule 20 of the Uniform Rules of the Legislature shall hold one or more hearings to receive testimony from the public and other parties that have associated responsibilities or interests. In addition, the Committee shall consider Legislative Audit's report, the agency's proposed budget, the agency's program performance report, and any other tools that might assist it in evaluating the conduct and activities of the agency being terminated.

It is important to note that the terminating agency shall have the burden of demonstrating a public need for its continued existence during the public hearings.

The determination of "public need" for continued existence shall take into consideration the following factors set out in AS 44.66.050(c):

1. The extent to which the board, commission or program has operated in the public interest.

2. The extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices which it has adopted, and any other matter including budgetary, resource, and personnel matters.

3. The extent to which the board, commission or agency has recommended statutory changes which are generally of benefit to the public interest.

4. The extent to which the board, commission or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service which it has provided.

5. The extent to which the board, commission or agency has encouraged public participation in the making of its regulations and decisions.

6. The efficiency with which public inquiries or complaints regarding the activities of the board, commission or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of the ombudsman have been processed and resolved.

7. The extent to which a board or commission which regulates entry into an occupation or profession has presented qualified applicants to serve the public.

8. The extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission or agency to its own activities and the area of activity or interest.

9. The extent to which statutory, regulatory, budgeting or other changes are necessary to enable the agency, board or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

The Legislative Audit reports have addressed these issues individually but only to the extent allowed by restricted audit scopes detailed within the reports.

The Law further states that the committee of reference shall, not later than the 60th day of the legislative session, submit a report to the presiding officer of each

house. The report is to include a summary of findings as to compliance with the "public need" factors enumerated above together with recommendations as to each of the following:

1. An identification of the problems or the needs that the programs and activities of the board, commission or agency are intended to address.

2. A statement, to the extent practicable, of the objectives of the program of the board, commission, or agency program, and its anticipated accomplishments.

3. An identification of any other programs having similar, conflicting or duplicate objectives.

4. An assessment of alternative methods of achieving the purposes of the program.

5. An assessment of the consequences of eliminating the board, commission or program and consolidating its activities with another program, or of funding it at a lower level.

6. A justification for the recommended continuation or extension of the board, commission or program, and an explanation of the manner in which it avoids duplication of or conflict with other efforts.

7. Any other information which, in the opinion of the committee, would improve the performance of the board, commission or agency with respect to its representation of and responsiveness to the public interest.

The committee of reference may introduce a bill providing for the reorganization or continuation of the agency being terminated as stipulated in AS 44.66.050(e).

If additional information is needed, please contact this office at 465-3830.

cc: Senator Arliss Sturgulewski
Chairman
Legislative Budget and Audit Committee

ALASKA CODE REVISION COMMISSION

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EXECUTIVE SECRETARY
BILLY G. BERRIER

MEMORANDUM

TO: Senator Patrick M. Rodey
Representative Charles G. Anderson

FROM: Dickerson Regan, Consultant
Alaska Code Revision Commission

DATE: February 18, 1982

RE: Continuing the Alaska Code Revision Commission

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I understand each judiciary committee will be a "committee of reference" to hold "one or more hearings" (AS 44.66.050(a)), and to submit a report to the presiding officer of the (each) house not later than the 60th day of the legislative session (AS 44.66.050(d)). The committee of reference may introduce a bill providing for the reorganization or continuation of the commission (AS 44.66.050(e)). The maximum period of continuation is four years (AS 44.66.010(c)). It appears that the committee bill could be as simple as:

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DR:chw

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

POUCH D
JUNEAU, ALASKA 99811
PHONE: 465-2500

March 5, 1982

The Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Fischer:

Re: Code Revision Committee

I have been advised by the Director of Occupational Licensing, that the Senate State Affairs Committee is in the process of reviewing the Code Revision Committee.

Although we have not always been in agreement with the Code Revision Committee, I would be remiss if we did not inform the Senate of our position.

As you may be aware, the Code Revision Committee has been reviewing Alaska Statute, Title 8, Business and Professions. This is the statutory authority for boards and commissions and the Division of Occupational Licensing. Members of my staff have been afforded the opportunity to offer testimony and suggestions and have been treated in a courteous manner. The Director of Occupational Licensing indicates a need for this type of committee, since many statutes become outdated and the process of having updates or changes by piecemeal would be extremely time consuming. We also agree the input from the public, professional licensing groups and governmental agencies is a fair evaluation when made by the committee. We appreciate the time and efforts expended by the committee.

Based on the information and comments from the Director of Occupational Licensing regarding Title 8, I would encourage the continuance of the Code Revision Committee.

If my department can be of any further assistance, please contact me or my staff.

Thank you for your consideration and the opportunity to convey our position.

Sincerely,

C.W. Webber

Charles R. Webber
Commissioner

08-H2LH

CRW/shB/25

SENATOR
PATRICK M. RODEY
3271 MONTCLAIRE COURT
ANCHORAGE, AK 99503

SENATE MAJORITY LEADER
CHAIRMAN
SENATE JUDICIARY COMMITTEE
CHAIRMAN
SENATE SPECIAL COMMITTEE
ON BANKING

ALASKA STATE LEGISLATURE
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3717

March 2, 1982

Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Pouch V
Juneau, Alaska 99811

RE: SUNSET OF THE ALASKA CODE REVISION COMMISSION

Mr. Chairman and Members of the Committee:

As your Committee considers the performance record of the Alaska Code Revision Commission, I would like to go on record as supporting the continuation of this Commission.

I was the primary Sponsor of the legislation which created the Commission in 1976. Since its inception, I have served as Chairman, and am currently a member of the Commission. Working with the Commission for more than five years has given me an opportunity to observe its activities and performance on a first-hand basis. It is my believe that the Commission operates in a fair, efficient, economical and effective manner in carrying out its statutory functions and responsibilities.

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Sincerely,

Patrick M. Rodey

Patrick M. Rodey

Effect of amendments. — The first 1979 amendment added subparagraph (G) to paragraph (4). The second 1979 amendment added paragraph (8).

Sec. 24.20.062. Legislative internship program. A legislative internship program established by the legislative council under AS 24.20.060(8) shall provide that

(1) the University of Alaska provide academic support and credit to the program;

(2) students enrolled and in good standing at any accredited postsecondary educational institution who have successfully completed at least two years of study are eligible to participate in the program;

(3) interns will be selected by a committee composed of members of the legislature appointed by the legislative council and representatives of the university appointed by the university;

(4) interns will be selected on the basis of their experience and interest in subjects which the legislative council feels are likely to be considered during a legislative session;

(5) legislative interns are entitled to receive academic credit and payment of $30 for each day of participation in the program during the legislative session. (§ 11 ch 87 SLA 1979)

Sec. 24.20.075. Alaska Code Revision Commission. (a) The Alaska Code Revision Commission is established as a permanent commission of the legislature.

(b) The commission consists of two legislators, one from each house, appointed by the presiding officer; one public member, who is not an employee of the state government, appointed by the governor; a designee of the governor, who is an attorney employed by the executive branch of the state government; a designee of the chief justice of the supreme court; and a designee of the Alaska Bar Association appointed by the board of governors of the association. Legislative members serve at the pleasure of the presiding officer; the designee of the governor and the designee of the chief justice serve at the pleasure of the governor and chief justice, respectively; the public member and the designee of the board of governors serve terms of six years each, beginning July 1 and ending on June 30 six years later. Members may be reappointed or redesignated. A vacancy in the membership of the commission occurring other than by expiration of term shall be filled in the same manner as the original appointment but, with regard to the legislative members, the public member, and the board of governors' designee, for the unexpired term only. Members who are not state employees or legislators are entitled to receive the standard per diem and travel allowance provided for members of independent boards and commissions. Legislative members are entitled to receive the regular legislative per diem and travel allowance for days spent on commission business, and members who are state employees are entitled to receive

the regular state employees per diem and travel allowance for days spent on commission business. The commission selects its chairman and vice-chairman. The director of legal services for the Legislative Affairs Agency, or his designee, serves as executive secretary for the commission.

(d) The commission may

(1) hold public hearings and other meetings as necessary throughout the state and shall determine an appropriate quorum for conducting business;

(2) establish one or more subcommission to assist it in the performance of its duties.

(e) The staff of the Legislative Affairs Agency serves as staff for the commission. Subject to appropriation for the purpose, the commission may request the agency to contract with other agencies or persons for the performance of necessary services.

(f) The commission shall submit its reports and recommendations, and draft legislation as to revision of law, to the Legislative Council and shall distribute them to the governor, members of the legislature, and the chief justice of the supreme court.

(g) All branches of state government shall provide information and documents requested by the commission necessary to the accomplishment of its work.

(h) The commission shall make a formal request to the Legislative Council for funds it considers necessary for the per diem, travel, and contractual expenses of the commission. Funds appropriated to the commission are to be disbursed and accounted for under procedures required by the Legislative Affairs Agency. The commission chairman shall approve all expenditure documents. (§ 1 ch 114 SLA 1976; am § 1 ch 57 SLA 1977; am §§ 1, 2 ch 44 SLA 1980)

ACRC-3-9

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

POUCH D
JUNEAU, ALASKA 99811
PHONE: 465-2500

March 2, 1982

Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Fischer:

Re: Alaska Code Revision Commission ("CRC")

The Division of Banking, Securities, Small Loans & Corporations does not have adequate personnel either in numbers or by training to monitor, prepare and propose necessary revisions to laws it is charged with administering.

The CRC has directed the preparation of revisions to several statutes affecting the division. They include:

The Alaska Business Corporation Act, AS 10.05;
The Alaska Nonprofit Corporation Act, AS 10.20; and
The Alaska Uniform Limited Partnership Act, AS 32.10.

It is important that laws affecting Alaska businesses and business activities be kept current and under regular review.

The CRC has been most responsive to our inquiries and suggestions concerning statutes which affect the division or which the division is charged with administering. The CRC in these matters has, in fact, treated us as a de facto member of the commission.

Mr. Kirkpatrick, director of the division, stands ready to answer any questions or furnish additional information.

Sincerely,

E.W. Elbock

Charles R. Webber
Commissioner

CRW/shB/30

cc: Katherine Walsh, Secretary, CRC
Pouch Y

08-H2LH

SB 2	SPEC APPROP/CAPITAL SITE PLAN CMSN/RELOCA	COLLETTA	1/13/81	FINANCE
SB 10	REPEAL LAW RE:EXPENDITURES/RELOCATING CAP	COLLETTA	1/13/81	FINANCE
SB 13	SPEC APPROP/CAPITAL IMPROVE/G.O. BONDS/19	COLLETTA	1/13/81	TRANSPORT
SB 21	SPEC APPROP/AK PERMANENT FUND; ED	RODEY	1/13/81	FINANCE
SB 43	RE/BONDS/CONTRACTORS/PUB BUILDINGS/WORKS	RULES	1/13/81	FINANCE
SB 59	RE/COLLECTIVE BARGAINING; ED	RAY	1/13/81	FINANCE
SB 66	PROVIDE ROYALTY OIL PREM PAYMENTS/ST RES;	RULES	1/13/81	FINANCE
SB 67	SPEC APPROP/ROYALTY OIL PREMIUM PAYMENTS;	RULES	1/13/81	FINANCE
SB 68	SPEC APPROP/AK PERMANENT FUND; ED	RULES	1/13/81	FINANCE
SB 73	RE/CAPITAL FELONIES/ESTAB SENTENCING PROC	BRADLEY	1/14/81	JUDICIARY
SB 82	REPEAL/CAMPAIGN CONTRIB TAX CREDIT; ED	COLLETTA	1/14/81	FINANCE
SB 92	RE/VETERANS' GUARDIANSHIP	BRADLEY	1/16/81	JUDICIARY
SB 93	RE/DECENTRALIZING/EXEC BRANCH/ST GOV; ED	FARR	1/16/81	-----
SB 104	RE/VETERAN'S PREFERENCE/STATE EMPLOYMENT	BRADLEY	1/26/81	FINANCE
SB 110	SPEC APPROP/DOT/SENIOR CITIZENS' BLDG/CHU	KELLY	1/27/81	FINANCE

SENATE STATE AFFAIRS COMMITTEE SUMM 14:38 2/24/82 PAGE 2 OF

BILL #	ABBREVIATED TITLE	SPONSOR	DATE	REFERRALS
SB 112	RE/RELOCATION OF STATE CAPITAL; ED	DANKWORTH	1/28/81	FINANCE
SB 18	NAME NORTH SLOPE HAUL RD AFTER WALTER J.	FERGUSON	1/29/81	-----
SB 121	AUTH CREDITED SERVICE/PUBLIC EMP RETIRE S	RAY	1/30/81	FINANCE
SB 143	ALLOW RETIRE CREDIT/UNUSED SICK LEAVE/PER	FARR	2/04/81	FINANCE
SB 175	RE/STND OF CONDUCT/PUB OFFICIALS/EMP/ST E	FISCHER	4/21/81	JUDICIARY
SB 183	EXEMPT PHYSICIANS/FIN DISCLOSE/AS 39.50;	MULCAHY	2/16/81	JUDICIARY
SB 194	RE/NEPOTISM/ST EMPLOYMENT; ED	RULES	2/20/81	JUDICIARY
SB 195	LIMIT ADJUST/RETIREMENT BENEFITS; ED	RULES	2/20/81	FINANCE
SB 196	RE/MEMBER PUB EMPLOYEE RETIRE BD	RULES	2/20/81	-----
SB 197	APPLY ADMIN PROC ACT (AS44.62)/REGS/ST RE	RULES	2/20/81	JUDICIARY
SB 262	RE/AK NATIONAL GUARD/NAVAL MILITIA; ED	BRADLEY	4/02/81	FINANCE
SB 296	PROHIBIT/SALE/G.O. BONDS; ED	STATE AFFA	3/17/81	TRANSPORT
SB 297	SPEC APPROP/CAPITAL PROJECTS/G.O. BONDS;	STATE AFFA	3/17/81	TRANSPORT
SB 334	SPEC APPROP/AK CAPITAL CITY DEVELOPMENT C	KELLY	3/25/81	FINANCE
SB 336	RE/STANDARD/CONDUCT/ESTAB ST ETHICS CMSN;	STIMSON	3/26/81	JUDICIARY
SB 356	RE/TEMPORARY SERVICE CREDIT/PERS; ED	RAY	3/31/81	FINANCE
SB 360	RE/INVEST/PUB EMPLOYEES/TEACHERS RETIREME	STIMSON	3/31/81	FINANCE
SB 361	SPEC APPROP/DEPT ADMIN/PMT/PUB EMP/TEACHE	STIMSON	4/02/81	FINANCE
SB 394	ALLOW SERVICE CREDIT/TRS/SERVICE IN PEACE	STIMSON	4/07/81	FINANCE
SB 402	RE/CREDITED SVC/PERS/ACTIVE MILITARY SERV	BRADLEY	4/08/81	FINANCE

SENATE STATE AFFAIRS COMMITTEE SUMM 14:39 2/24/82 PAGE 3 OF

BILL #	ABBREVIATED TITLE	SPONSOR	DATE	REFERRALS
SB 414	ESTAB/SMALL CONTRACTOR SURETY BONDING CLR	FISCHER	4/10/81	LABOR&COM
SB 415	RE/CONTRACT/COMPET BIDDING/FISCAL PROCED	FISCHER	4/10/81	TRANSPORT
SB 471	RE/RETROACTIVE CONTRIBUTIONS/PERS; ED	KERTTULA	4/20/81	JUDICIARY
SB 472	PROVIDE/TERRITORIAL EMPLOYEES/MEMBERS/PER	KERTTULA	4/20/81	JUDICIARY
SB 530	SPEC APPROP/DEPT ADMIN/TV TRANSLATOR/KYUK	HOLMAN	4/28/81	FINANCE
SB 538	RE/BONUSES FOR VETERANS/PRISONERS OF WAR/	BRADLEY	5/04/81	FINANCE
SB 539	SPEC APPROP/DEPT ADMIN/CONST/PERS ST TROO	RODEY	5/05/81	FINANCE
SB [illegible]	VETERANS CMTE/PERM INTERST CMTE/LEG	BRADLEY	5/08/81	FINANCE
SB [illegible]	TEACHERS/PUB EMPLOYEES/JUDICIAL/NATL G	FISCHER	5/11/81	JESS
SB 588	AUTH PARTICIP/AMER LEG/DEPT VETS/GROUP	ELIASON	5/15/81	HESS
SB 585	RE/RELOCATION/CAPITAL	RULES	5/[illegible]/81	FINANCE
SB 587	RE/EXPENDITURE/STATE GOV'T FACILITIES/STA	KELLY	6/03/81	FINANCE
SB 589	RE/CREDIT FOR SERVICE/PERS; ED	RAY	6/05/81	FINANCE
SB 591	RE/AK PERMANENT FUND	FISCHER	6/08/81	RESOURCES
SB 621	PROVIDE TAX CREDITS/EMPLOYERS/PERSONS OVE	BRADLEY	1/11/82	FINANCE
SB 625	PROVIDE PER DIEM/AK NATL GD/NAVAL MILITIA	FARR	1/11/82	FINANCE
SB 630	RE/LEGISLATIVE OVERSIGHT PROCEDURES/AS 08	STURGULEWS	1/18/82	LABOR&COM
SB 632	RE/GAMES OF CHANCE/CONTESTS OF SKILL; ED	FARR	1/11/82	JUDICIARY
SB 637	RE/MEMBERSHIP/AK HISTORICAL CMSN	ELIASON	1/11/82	FINANCE
SB 642	RE/EXPIRATION OF REGULATIONS; ED	COLLETTA	2/17/82	JUDICIARY

SENATE STATE AFFAIRS COMMITTEE SUM 14:39 2/24/82 PAGE 4 OF

BILL #	ABBREVIATED TITLE	SPONSOR	DATE	REFERRALS
SB 645	PROVIDE/ELECTION/STATE AUDITOR/LEGIS AUDI	KELLY	1/11/82	FINANCE
SB 652	RE/CONFIDENTIALITY/TRADE SECRETS/DEPT/ENV	RULES	1/12/82	LABOR&COM
SB 653	RE/EMPLOYEES/PUB EMPLOYMENT RELATIONS ACT	RULES	1/12/82	FINANCE
SB 685	RE/UNLAWFUL CONDUCT/MINORS	RODEY	1/27/82	JUDICIARY
SB 689	RE/APPROP/G O BONDS/CAPITAL PROJECTS; ED	STURGULEWS	1/27/82	FINANCE
SB 704	RE/ALASKAN SERVICEMEN'S MEMORIAL AT VETER	BRADLEY	2/02/82	FINANCE
SB 705	SPEC APPROP/DEPT/MILITARY AFFAIRS/CONST M	BRADLEY	2/02/82	FINANCE
SB 706	SPEC APPROP/DEPT/NAT RES/CONST/CARETAKER	BRADLEY	2/02/82	FINANCE
SB 707	RE/NAME GEOGRAPHIC FEATURES/RE-NAME BYERS	BRADLEY	2/02/82	FINANCE

Wed. 8am - computer

WAIVE SA

SB 818 Incr Long. Bonus - FIN.

SJR 68 forfeiture of legisl. office - JUD

SB 821 convening of special sessions → JUD

Forey

Olympic Fund - SB 790, SJR 73 BY REQUEST

SB 791 - LIO's + Teleconf.

SB 189 - Trails - ZERO fiscal note

ARLISS -

Sunset - Code Rev Comm - SA/JUD

Donna Pegues

Dick Bradley

conflict?

overlap?

Pavitt (overboard)

Wilkerson

48.78

Alaska State Legislature

Senate

Office of the Secretary

Official Business

Pouch V
State Capitol
Juneau Alaska 99811

M E M O R A N D U M

February 23, 1982

TO: Senator Fischer,
Chairman
State Affairs Committee

FROM: Peggy Mulligan
Secretary of the Senate

SUBJECT: Sunset Audit Report

The President has referred the following report to your Committee:

Alaska Code Revision Commission

Enclosure

12-2700
Walker

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the Alaska Code Revision Commission."

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

* Section 1. AS 24.20.075(c) is repealed and reenacted to read:

(c) The commission shall review and consider changes in the law as assigned by the Legislative Council or by a concurrent resolution of the legislature.

* Sec. 2. AS 24.20.075(f) is repealed and reenacted to read:

(f) The commission shall submit its draft reports and recommendations to the Legislative Affairs Agency for preparation and presentation to the Legislative Council.

* Sec. 3. AS 24.20.075 is amended by adding a new subsection to read:

(i) The commission shall report to the Legislative Council on any matter assigned to it for study by the council or by a concurrent resolution of the legislature. The Legislative Council shall report to the presiding officer of each house concerning the findings and recommendations of matters assigned to the commission by the legislature.

+ Sunset date revision: 1985(?)

ELIMINATION OF THE COMMISSION WOULD REMOVE THE BREADTH OF REVIEW AND PARTICIPATION THAT ACCRUE AS A RESULT OF CODE REVISION BEING SUPERVISED BY A MULTI-MEMBER GROUP. IT WOULD NOT, HOWEVER, NECESSARILY ~~RESULT IN REQUIRED~~ prevent unnecessary CODE REVISIONS BEING ACCOMPLISHED (SEE PRECEDING RESPONSE). ELIMINATION OF THE COMMISSION WOULD NOT RESULT IN ANY SIGNIFICANT SAVINGS, AS .... COMM MMBRS REC

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

3-4-82

SENATE STATE AFFAIRS COMMITTEE SCHEDULE

TUESDAY
March 9
1:00 pm

Room 124, Capitol

SUNSET REVIEW OF ALASKA CODE REVISION COMMISSION

(Joint meeting with House Judiciary Committee)

THURSDAY
March 11
1:30 pm

Room 423, Capitol

SJR 9, SJR 24, SJR 55---CONSTITUTIONAL AMENDMENT:
TERMS OF LEGISLATORS

SB 652---CONFIDENTIALITY OF TRADE SECRETS SUPPLIED
TO DEPT. OF ENVIRONMENTAL CONSERVATION

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

Mar. 11, 1982

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Mr. President.

In compliance with AS 44.66.050 and referral by the President of the Senate, the Senate Committee on State Affairs has conducted a sunset review of the Alaska Code Revision Commission.

The committee utilized Legislative Audit report 30-022-0025-R, A Performance Review of the Alaska Code Revision Commission, dated October 28, 1981; the 1981 Annual Report of the Alaska Code Revision Commission, dated February 1982; and the Commission's Proposed Budget for FY '83.

Testimony was received from the auditor, R.W. Pavitt, AICP; John W. Abbott, Chair; Billy G. Berrier, Executive Secretary; and James L. Baldwin, member of the Commission. Written communication was received from Patrick M. Rodey, member of the Commission, and Charles R. Webber, Commissioner of the Alaska Department of Commerce and Economic Development.

Findings required by AS 44.66.050(d) follow:

(1) an identification of the problems or the needs that the programs and activities of the board, commission or agency are intended to address;

Finding:

As a permanent commission of the legislature, the Commission is charged with the following duties:

> (1, examining the statutes of the state and judicial decisions to discover defects and anachronisms in the law;
> (2) reviewing and considering proposed changes in the law recommended by the National Law Institute, the National Conference of Commissioners on Uniform State Laws, the Alaska Judicial Council, the supreme court, the state or local bar associations, principal departments, agencies, boards and commissions of the legislative branch;
> (3) receiving and considering suggestions from the Alaska bench and bar, public officials, organizations, and individuals

as to areas of law needing review and remedy;
(4) recommending changes in law needed to eliminate antiquated and inadequate rules of law and to bring the law into harmony with current needs and conditions.

(2) a statement, to the extent practicable, of the objectives of the program of the board, commission, or agency program, and its anticipated accomplishments;

Finding:

The commission is directed to submit its report and recommendations, and draft legislation as to revision of law, to the Legislative Council, and distributes them to the governor, members of the legislature, and the chief justice of the supreme court. See 1981 Annual Report (attached Exhibit A) for a discussion of its accomplishments.

(3) an identification of any other programs having similar, conflicting or duplicative objectives;

Finding:

The duties and responsibilities assigned to the commission by the enabling act (AS 24.20.075) are substantially similar to those mandated to the Legislative Council, the Legislative Affairs Agency and the Co-revisors of Statutes (AS 01.05.036; 24.20.060(4); 24.20.065(a); and 24.20.070(b).

(4) an assessment of alternative methods of achieving the purposes of the program.

Finding:

Substantive revision of law in Alaska can be accomplished by legislatively-appointed special commissions (as in the case of the major Criminal Code revision), by a special committee of the legislature such as the committee that revised Title 4 (Alcoholic Beverages), or by the the Legislative Affairs Agency contracting with consultants.

(5) an assessment of the consequences of eliminating the board, commission, or program and consolidating its activities with another program, or of funding it at a lower level.

Finding:

Elimination of the Commission would remove the breadth of review and participation that accrue as a result of code revision being supervised by a multi-member group. Elimination would not, however, necessarily prevent needed code revisions from being accomplished (see preceding response). Elimination of the Commission would not result in any significant savings, as the Commission members receive no compensation for services rendered. The public member and the designee of the Alaska Bar Association board of governors do receive per diem and travel allowance.

(6) a justification for the recommended continuation or extension of the board, commission or program, and an explanation of the manner in which it avoids duplication or or conflict with other efforts;

Finding:

Its broad-based membership of legislative, executive and judicial branch representatives, as well as the public and Alaska Bar members, provide a breadth of legal knowledge, perception and experience that has much potential value as an advisory function to the lawmaking process. Particularly in areas of generally low legislative interest such as probate law, security law, real property conveyancing, bankruptcy law and the like, the Commission has shown that it can provide necessary expertise in recommending statutory revision that "will bring the law into harmony with current needs and conditions." (AS 24.20.075(c)(4)).

(7) any other information which, in the opinion of the committee, would improve the performance of the board, commission or agency with respect to its representation of and responsiveness to the public interest.

Finding:

The Committee acknowledges the numerous hours and efforts of the Commission but is concerned with the process the Commission utilizes to select topics for study and the duplication of responsibilities with other existing agencies. Therefore, the Committee recommends the following:

1) that the Commission be extended to June 30, 1985; and

2) that the Commission's duties be limited to reviewing and considering proposed changes in the law by the National Law Institute, and the National Conference of Commissioners on Uniform State Laws and any other matter referred to the Commission by a concurrent resolution of the legislature (see attached Exhibit "B").

Sen. Vic Fischer, Chair

Sen. Terry Stimson

Sen. Mike Colletta

Sen. Brad Bradley

Sen. Dick Eliason do not concur

ALASKA CODE REVISION COMMISSION

Proposed Budget for FY 83

Personal Services		
Secretary (Range 12, step K)		
12 mos. at 2,379 per month	$28,548	
Benefits at 27%	7,708	
		$36,256
research director (Range 23, Step C)		
12 mo. at 4,022 per mo.		
Travel		
12 monthly hearings @	$29,278	
1 hearing in rural Alaska	6,136	
		$35,414
Contractual Services		
Telephone at $294 per mo.	$ 3,528	
Printing/advertising	2,354	
Rents/Leases	2,943	
Consultants	152,600	
		$161,425
Supplies and Materials		
Printing Supplies/Materials @ $196 per mo.	$2,352	
Stationery and office supplies	2,825	
		$5,177
Total Fiscal Year 1983	$238,272	
Rounded	$239,000	

SENATOR
PATRICK M. RODEY
3271 MONTCLAIRE COURT
ANCHORAGE, AK 99503

CHAIRMAN
SENATE JUDICIARY COMMITTEE
CHAIRMAN
SENATE SPECIAL COMMITTEE
ON BANKING

ALASKA STATE LEGISLATURE
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3717

March 2, 1982

Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Pouch V
Juneau, Alaska 99811

RE: SUNSET OF THE ALASKA CODE REVISION COMMISSION

Mr. Chairman and Members of the Committee:

As your Committee considers the performance record of the Alaska Code Revision Commission, I would like to go on record as supporting the continuation of this Commission.

I was the primary Sponsor of the legislation which created the Commission in 1976. Since its inception, I have served as Chairman, and am currently a member of the Commission. Working with the Commission for more than five years has given me an opportunity to observe its activities and performance on a first-hand basis. It is my believe that the Commission operates in a fair, efficient, economical and effective manner in carrying out its statutory functions and responsibilities.

The membership of the Commission provides a wide range of legislative, judicial, executive and public knowledge and perception. This broad base of experience and expertise has served the legislative process well and I believe it is in the Legislature's best interest to continue the Commission.

I hope the Committee will agree that the Alaska Code Revision Commission deserves continuation so the Legislature can still benefit from their services. The responsibility of revising and updating entire bodies of technical law is a task not performed by any other agency of state government.

Additionally, the Commission has accomplished a great deal toward identifying antiquated and superflous laws bringing them into conformity with current technological, economical, and social conditions. The Commission has undertaken a task, which if left to the Legislature, would place a heavy burden on our already taxed time.

Sincerely,

Patrick M. Rodey

Patrick M. Rodey

ALASKA CODE REVISION COMMISSION

COMMISSIONERS
JOHN W. ABBOTT - CHAIRMAN
JAMES L. BALDWIN - VICE CHAIRMAN
PATRICK M. RODEY
CHARLES G. ANDERSON
L. S. KURTZ, JR.
JUDGE (RET.) THOMAS B. STEWART

ALASKA STATE LEGISLATURE
POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-4878

EXECUTIVE SECRETARY
BILLY G. BERRIER

MEMORANDUM

TO: Senator Patrick M. Rodey
Representative Charles G. Anderson

FROM: Dickerson Regan, Consultant
Alaska Code Revision Commission

DATE: February 18, 1982

RE: Continuing the Alaska Code Revision Commission

Although I am sure you are aware of it, this is a reminder that the Alaska Code Revision Commission expires June 30, 1982 (except for a windup year) unless it is continued or reestablished (AS 44.66.010).

I understand each judiciary committee will be a "committee of reference" to hold "one or more hearings" (AS 44.66.050(a)), and to submit a report to the presiding officer of the (each) house not later than the 60th day of the legislative session (AS 44.66.050(d)). The committee of reference may introduce a bill providing for the reorganization or continuation of the commission (AS 44.66.050(e)). The maximum period of continuation is four years (AS 44.66.010(c)). It appears that the committee bill could be as simple as:

> An Act to continue the Alaska Code Revision Commission.
>
> AS 44.66.010(a)(8) is amended to read:
>
> (8) Alaska Code Revision Commission (AS 24.20.075) -- June 30, 1986;

I understand the audit of the commission will be submitted to the committees of reference about February 23rd, or shortly thereafter (AS 24.20.271(1)).

This memo is mainly to mention the report that is required by the 60th day of the session, and the bill that is necessary if the commission is to continue to function actively and not be in its windup year starting July 1, 1982.

DR:chw

3-9-82

Bob Lavitt

criteria for measuring effectiveness
- acceptance by leg.

could do the same work w/o addit. staff + money
→ NO

Dir Leg Services

1976 → Barrier: "it's useful"
- different approach

overlap? similar service

Comm → Leg Affrs (into proper bill form)
→ Leg Council → Legisl

Jim Baldwin

add revisor of statutes, as voting member

March 9

Committee required audit
~~Annual report~~
— Purpose of Sunset —

— As required by statute, SSA Committee introduced legis

→ which states in relevant,
SSA introduced

CCR spend lots of time

Test. + audit — showed that CRC spends numerous hrs. working on legislation

definite overlap w/

LLA could contract w/
+ set up special task Force

Comm Beirne —

~~Thank~~

The attached forms used by your division have been brought to my attention.



Nancy

Nancy,
Bob Barnach 6-3138.
U.S. Principal wants
info on retirement legr.
Ira

Bob Barnach
6-3138

Independant
Options

work wouldn't normally be done
draft bill
large in scope
points out changes

perhaps — implicit
carries on lobbying — always available to testify + explain

don't act as a lobbyist

success of committee?
view Fav. - oversimplified
have expectations

— forced to make policy decision
— always attempted in transmittal letter — to point out policy

— pd. a legislative per diem + travel

VF estimate hours —
FAbb 9 meetings 6-8 days/yrs. - lobby
review 300-500 pg. materials

VF burden of proof - justify con't existence
seen development/increasing capability - Leg. Aff.?

F.Abb No
theory - Leg. Aff could do it
no outside expertise to draw on

private practice
all bills dealt w/ problem solving
promotes interest of ct. system
VF. Part II - recommendations
subjects matter
have sought guidance from
Leg.

Billy Berrier - Leg. Aff -
that overlap - useful &
~~did~~ deliberate - not a problem
difference is scope but good for

obsolete law - chging outside
Exemption Act - condition
statute policy impact

goes beyond scope of Leg. Aff.
staff same as 1976
difference in function/workpower

code revision - many different
meanings

turf war - conflict
overlapping powers should continue

Ramona Barnes
Per diem rate?
B.B. - not changed
how many consider uniform laws
state/Local rep. - Dept. of Law
Leg. Council & Code Revision

OF. – how many people in leg. Aff
Legal
BB – 10

OF – what do people do when leg.
not here — interim committee work

OF – what does commission do
that Leg. Services doesn't?
1) amt. of time
2) leg. consultant fees – private
practice
– brings outside prespective

OF – budget
Consultants?
BB – looking at local hire / residential
preference

OF Why couldn't your contract
BB – we could, but not
1) valuable time from private sector
2) our division is policy neutral

125
248
1000

VF – what does commission add —
BB 1) high level expertise – allfully
difficult to pay for

VF – use an advisory group?
responsibility rests in leg. aff. agency
2–3 day workshop
Ad-Hoc basis?
BB. Corp. basis – 20 – 2 day meeting
An administrative nightmare

F. Abb

Leg. council administers budget
no control

Dave Walker

Tim Baldwin
— Peace is at hand
— Minority voting position
— rep. of exec. branch
— should stay out of areas of controversy
— involved in
— most valuable legislation is less controversy

UCC - really important

UF - Enough public members?
✓ B - obtaining membership on Comm of revisor

should add revisor of statute
should vote

— turf wars - bunch of lawyers could iron out by adding revisor

John Abb
UF - what do you think of present commission
— 3 yrs. ago - draft bill add 2-4 new members — expressed grave doubts because of attendance
how restrictive rules re: quorum/amendment

2 private sector members end up doing the work
if we knew they would attend

no objection to extra private members

will solicit inputs from private

OE – who cares
& Abb – makes a big difference
Criminal Code

Probate Code

Joint Committee

3/9/82

Sunset - Alaska Code Revision Commission

Bob Pavitt - Pres.
did the audit

Mr. Jensen - here

numerous interviewed past & present members.
Donna
Dave
Dick Regan
Susan Burke
Jim Baldwin
Jerry Kurtz
direct quest. & ans.

code submitted a list

response - puzzling
adversary preceding
belligerent

review made in conformance w/ sunset

- difference - criteria for measuring effectiveness

Sen. Fisch -
1) How do you arrive at conclusion?

Pavitt Overall question - effectiveness
informal rating 9.8

- make recommendations of interest
- saw an sunset law

T.S. Any other sunsets?
Pav. Bd of Public Accountants 1979
Recommend accepted

T.S. → unique - a permanent committee of leg
what value?
what damage if you wipe out?

Pav. - correct apparent impression
totally useless - don't think
recognize unique functions
all att'y's - vast experience
chg. legislation to do away w/ conflicts

John Abbott - if commission not providing a service, should be sunseted

history-lab → Blue Ribbon Comm. - response to success w/ criminal code

5 bills in legislative process

defer to legislature - if political question

assisting legislature
1) technical revision
2) receive
3) CSHB 77 - Comm. Code 8 & 9
bring up-to-date

Dave Walker / Donna Pegues

review process - never
even review w/ Revisors

contracted out

bring bill to agency - but
doesn't change anything

fair / accurate statement

will review audit

I have an RE:A
Budget Oversite Meeting
Now — Sorry — I must
leave

Jerry



I HAVE P.M.
PTG AT. 11:30 P.M

SUNSET ☒ YES

☐ NO

APPOINT-MENTS

Alaska State Legislature

Senate

Office of the Secretary

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

M E M O R A N D U M

TO: Senator Vic Fischer
Chairman
State Affairs Committee

FROM: Peggy Mulligan
Secretary of the Senate

DATE: January 20, 1981

The President has referred the following Governor's appointments to your committee for your recommendation in accordance with AS 39.05.080:

STATE BOARD OF REGISTRATION FOR ARCHITECTS, ENGINEERS AND LAND SURVEYORS

Gerald Myers, Fairbanks, term expiring 7/1/86
Odin Strandberg, Anchorage, term expiring 7/1/81

ATHLETIC COMMISSION

Don Dennis, Fairbanks, term expiring 5/14/82
Reginald Joule, Kotzebue, term expiring 5/14/82

STATE COMMISSION FOR HUMAN RIGHTS

*James Chase, Anchorage, term expiring 1/31/86

PERSONNEL BOARD

*Morgan Reed, Skagway, term expiring 6/20/86

ALASKA PUBLIC UTILITIES COMMISSION

*Gordon Zerbetz, Anchorage, term expiring 10/31/86

*reappointments

RECEIVED
JUN 27 1980
GOVERNOR'S OFFICE

RESUME'

NAME: Gerald D. Myers

Martial Status: Married in 1955, No children

Occupation: Practicing Architecture in Alaska 12 years.

Overview:
University of Idaho: Bachelor of Architecture
Registered Architect in Alaska, No. 1848-A
Registered Architect in California No. 5704
Registered Architect in Idaho, No. AR-505

Professional Affiliations:
Past Commissioner, Fairbanks Historical Preservation Commission
Chairman Fairbanks Urban Beautification Commission
Past Chairman, Fairbanks Overall Development Program
Guest Lecturer, University of Alaska, School of Engineering
Past Commissioner North Star Borough Library Commission
Member American Institute of Architects
A.I.A. Representative to Alaska Professional Design Council

Previous Firm Affiliation:
Partner in Fairbanks Architectural/Engineering firm of Gray, Rogers, Myers & Morgan; 1968 - 1973

Current Firm Affiliation:
Architects: GDM & Associates, Inc. formed in 1974 with offices in Fairbanks and Anchorage.

TO: State of Alaska
Office of the Governor
ATTENTION: Vicki A. Clayman

RESUME

Name: E. Odin Strandberg
Address: 6502 Lakeway Drive, Anchorage, Alaska 99502 243-3122
Birthplace: Flat, Alaska May 16, 1915

Fifth of six children of David and Jenny Strandberg, Pioneers of Klondike, Fairbanks and Iditarod.

Alaska Residency: 65+ years

Professional Education:

University of Washington - 3 years
University of Alaska - 2 years

Professional Degree:

Bachelor of Science in Mining Engineering
University of Alaska - 1959

Registration:

State of Alaska:

Mining Engineer - License No. EM0834
Land Surveyor - License No. LS3971

Career History:

Thirty-two years active experience in exploration, evaluation and operation of placer and lode mining properties in Alaska. (Twenty years as a consulting engineer) Specific areas - Iditarod, Innoko, McGrath, Koyukuk, Fairbanks, Talkeetna, Prince William Sound, Kenai Peninsula, Kachemak Bay.

Ten years experience in electrical power generation, including design, installation and operation.

Ten years Municipal Engineering work in Soldotna and Anchorage, including eight years as Anchorage Building Official.

Professional Organizations:

American Institute of Mining, Metallurical and Petroleum Engineers (AIME)
National Society of Professional Engineers
Alaska Miners Association

Other:

Current Private Pilots' License No. 1500219

Immediate Family:

Married - Marie O. Nordstrand, August 10, 1939
Four Sons:

E. Odin Strandberg, Jr., P.E., Sonoma, CA
Sigvald John Strandberg, Realtor, Anchorage, AK
James Stephen Strandberg, P.E., Fairbanks, AK
Doerent Rudolph Strandberg, student, University of Alaska

Avocations:

Inland Boating
Boat Building
Flying
Skiing

Alaska Journal of Commerce
& Pacific Rim Reporter
715 L Street, Suite 5 • Anchorage, Alaska 99501 • (907) 278-3723

DONALD A. DENNIS
3011 Westgate Place
Fairbanks, Ak. 99701
Phone: (907) 456-6429

Age: 39
Birth: 9/8/39
Height: 6'4"
Weight: 240
Health: Excellent

Marital Status: Married, 4 Children
Scott 17, Steve 15, Teena 13, Todd 7
Education: Southern Colorado St. (B.S. '66)
Pueblo College (A.A. '59)
Occupation: Writer/Management Consultant
Religion: Presbyterian

PROFESSIONAL:

November 1959-August 1961	The Chieftain, Pueblo, Colo.	Sports Writer
August 1961-August 1964	The Sentinel, Grand Jct., Colo.	Sports Editor
August 1964-November 1967	The Chieftain, Pueblo, Colo.	Asst. Sports Editor
November 1967-August 1968	Jessen's Daily, Fairbanks, Ak.	Sports Editor
September 1968-April 1976	Daily News-Miner, Fairbanks, Ak.	News Editor (1968-70) Editor (1971-1976)
October 1968-March 1971	University of Alaska	Sports Information Director
January 1962-August 1964	Grand Junction Baseball Inc.	Business Manager
March 1965-November 1967	Pueblo Baseball Club Inc.	President/General Manager
February 1968-Present	Ak. Goldpanners Baseball Inc.	General Manager/Secretary
November 1975-Present	Valley Giants Baseball Inc.	General Manager/Treasurer
September 1978-~~Present~~ NOV. 1979	Pacific Rim Publishing Co.	President
November 1979-Present	Tundra Tours Inc.	General Manager

ORGANIZATIONS (Partial Listing Only)

Salvation Army	Fairbanks, Ak.	Advisory Board of Directors
Boys Club of Fairbanks	Fairbanks, Ak.	Executive Director
Quarterback Club	Fairbanks, Ak.	Board of Directors
U of A Blue & Gold Club	College, Ak.	Founder/Member
AAU Basketball	Fairbanks, Ak.	Chief Operating Officer
Sigma Delta Chi	Chicago, Ill.	Member
Parks & Recreation Commission	Fairbanks, Ak.	Commissioner
National Parks and Recreation Association (CBM)	Arlington, Va.	National Board of Directors
Arctic Winter Games Corp.	Whitehorse, Y.T.	President/Board of Director
Alaska Winter Games Inc.	Anchorage, Ak.	Board of Directors
American Association of College Baseball Coaches	Chicago, Ill.	Member
National Association of Summer Baseball Leagues	New York, N.Y.	Past President/Vice Presid
United States Baseball Federation	Greenville, Ill.	Delegate
Fairbanks Youth Sports Inc.	Fairbanks, Ak.	Board of Directors
Little Dribblers Basketball	Fairbanks, Ak.	Board of Directors
American Legion Baseball	Fairbanks, Ak.	Advisor
North of the Range League	Fairbanks, Ak.	Chief Operating Officer
Stadium Expansion Committee	Pueblo, Colo.	Member
Runyon Field Committee	Pueblo, Colo.	Member
Colorado All-State Games	Denver, Colo.	Member

HONORS (Most Cherished Only)
Executive of the Year, National Baseball Congress, Wichita, Kan.
Sportsman of the Year, Fairbanks Quarterback Club, Fairbanks, Ak

RESUME

Phone: Home 442-3452
Work 442-3411

Reginald L. Joule

Box 673
Kotzebue, Alaska 99752

October 14, 1980

PERSONAL DATA

Date of Birth:	July 14, 1952, in Nome
Social Security Number:	574-24-6194
Registered Voter in:	Kotzebue
Married:	Linda Joule; one daughter

EDUCATION

Copper Valley High School	Graduated in 1970
University of Alaska Fairbanks, Alaska	1970-73: Classes in Political Science

EMPLOYMENT

1974 to Present	Wien Air Alaska Ground Service Member Relief Operations Agent
1973 to 1974	NANA Regional Corporation I worked as an Assistant Planner for the NANA Regional Corporation, under an Economic Development grant. The purpose of my job was to plan and promote economic development and growth for this region. A few of the main emphases was on tourism, fisheries and the reindeer industry. Many of the ideas and proposals we put together at that time are now to this day a reality in this region. I did alot of traveling to the villages in this region and know some of the villagers' needs, working with NANA helped my understanding in this area. I served on the State JOM board during that year.
January 1973 to May 1973	Wien Air Alaska Bethel
1970 to 1973	Alaska Airlines Tour Guide

PERSONAL INTERESTS AND MEMBERSHIPS

For the past eleven years, I have been involved with the World Eskimo-Indian Olympics as a competitor and most recently (presently) as Vice President of the Board of Directors. I have also been involved in the Arctic Winter Games and since 1972 have done the selecting of the competitors for the Native Sports. I have served as Coach for that particular group. The selection is state-wide and I also have served as competitor. I have also worked with the Anchorage Fur Rendevous Committee in setting up demonstrations in the Eskimo blanket toss and high kicking for the past four years.

I served one year on the Kotzebue City Council in an appointed position.

February 1, 1980

Name: James H. Chase

Address: 3023 Madison Way
Anchorage, Alaska 99504

Education

1967 Master of Science, Industrial Management, University of North Dakota, Grand Forks, North Dakota,

1954 Bachelor of Science, Biology, Morgan State College, Baltimore, Maryland.

Present Position

1979/80 -Affirmative Action Officer for Anchorage Community College and University of Alaska, Anchorage. Address: 3211 Providence Drive, Anchorage, Alaska 99504. Telephone: (907) 263-1434.

Duties: Responsible for implementation, coordinating and monitoring the University's Affirmative Action Program for Anchorage Community College and the University of Alaska, Anchorage in compliance with current federal and state legislation, Presidential Executive Orders and court decisions. Insures that all educational services are delivered without regard to race, color, religion, national origin, sex, age, physical disability or veteran status. Trains management, first-line supervisors and other employees with regard to their affirmative action duties and responsibilities. Prepares and submits reports as required.

Develop and carry out two-way communications with local minority and women's organizations and other community groups to inform them of the University's EEO/AA policies and plans. Develop an accurate data base in order to provide meaningful goals and timetables for the Affirmative Action Plan.

Represent the units served at Federal and State agency hearings, grievance procedures, and court proceedings. Advise student, employees, and applicants of their rights including mechanisms both internal and external which may help the individual obtain relief from a complaint.

Positions Held

8/1977 to 10/1978 -Senior Associate, Center for Equality of Opportunity in Schooling, Alaska Native Foundation, 411 West 4th Avenue, Anchorage, Alaska 99501 Telephone: (907) 274-2541.

Specialization: Title IX and Human Relations

Primary Duties: Organizes and conducts workshops related especially to sex desegregation; provides technical assistance on race/sex desegregation issues to urban and rural school districts in developing needs assessment statements, program plans, affirmative action plans, grievance procedures, and compliance record keeping procedures. Provides follow-up services via written evaluations and reports and furnishing of resource materials. Analyzes race/sex desegregation problems and aids in planning for remedies.

Ancillary Duties: Planning and co-facilitating workshops, seminars, and conferences on multi-cultural, multi-lingual, values clarification, effective communication, team building, assertiveness and other human relations subjects.

2/1977 to 6/1977 -Acting Director, Anchorage Equal Rights Commission, Municipality of Anchorage, Anchorage Alaska.

Duties: Directs the Commissions's program involving all administrative and fiscal responsibilities; trains and supervises all staff employees; recommends the establishment of ordinances dealing with equal opportunity; represents the Commission in a wide variety of contracts; makes public appearances as required before groups and the general public; holds workshops/seminars; counsels employers, investigates complaints and develops solutions; maintains direct liaison with news media; sits as principal administrative officer at Commission meetings; prepares annual and supplemental budget; prepares newsletters and brochures outlining purposes of the Commission.

2/1975 to 2/1977 -Director, Human Relations Commission, City of Anchorage, Alaska

Duties: Directs the Commission's program involving all administrative and fiscal responsibilities; trains and supervises all staff employees; recommends the establishment of ordinances dealing with equal opportunity; represents the Commission in a wide variety of contacts; makes public appearances as required before groups and the general public; hold workshops/seminars; counsels employers, investigates complaints and develops solutions; maintains direct liaison with news media; sits as principal administrative officer at Commission meetings; prepares annual and supplemental budget; prepares newsletters and brochures outlining purposes of the Commission.

7/1972 to 11/1974 -Chief, Social Actions Office, 21st Composite Wing, Elmendorf Air Force Base, Alaska

Duties: Developed and administered Drug and Alcohol Abuse Education and Rehabilitation, Race Relations Education, Dissident and Protest, Domestic Actions, Equal Opportunity and

Affirmative Action programs. Served a population of more than 11,000 persons. Maintained liaison with civilian counterpart agencies. Established Elmendorf Human Relations Council and Drug Abuse Control Committee. Author of the Elmendorf AFB Affirmative Action Plan.

3/1970 to 6/1972 -Chief, Management Engineering Division, Manpower and Organization, Alaskan Air Command, Elmendorf Air Force Base, Alaska.

Duties: Developed and administered the Alaskan Air Command Management Engineering Program. Provided technical guidance and insured coordination of manpower determinants with staff agencies. Continuously reviewed and analyzed the Commands' manpower resources to assure credible and defensible utilization of authorizations. Utilized techniques of systems analysis, statistical analysis, time and motion studies and layout process flow analysis. Quantified reduction of 124 manpower spaces equating to a savings of more than $2 million.

4/1969 to 3/1970 -Commander, Cape Newenham Air Force Station, Cape Newenham, Alaska.

Responsible for the remote arctic radar station to include the Air Defense mission and the supporting housekeeping functions on a 24-hour-a-day basis. Responsible for the health, welfare and morale of more than one hundred officers, enlisted persons and Department of the Air Force civilians on isolated duty in an arctic environment.

Current Community and Professional Activities

Member -Joint Committee for International Human Rights

Member -National Association of Human Rights Workers

Board Member -Alaska Black Caucus

Member -Anchorage, NAACP

Board Member -Chugach Council of Camp Fire

Member -Alaska Vocational Rehabilitation Advisory Board

Member -Anchorage Community Chorus

Member -Editorial Board - The Journal of Intergroup Relations

Past Community and Professional Activities

1978/79	Western Regional Vice-President National Association of Human Rights Workers
1975/79	Board Member National Association of Human Rights Workers
1976/78	President, Black Arts Association
1976/77	U.S. Commission on Civil Rights Conference Planning Committee
1975/77	International Association of Official Human Rights Agencies
1972/77	Anchorage Community Chorus Board Member
1973/77	Anchorage Mayors' Charity Rose Ball Committee
1975/77	Anchorage Intergroup Relations Association
1970/76	Alaska Industrial Management Society
1973/75	City of Anchorage Budget Advisory Committee
1972/75	Anchorage Equal Rights Association
1973/76	Anchorage Roundtable

Honors and Awards

1979	Volunteer of the Year, Chugach Council of Campfire, Inc.
1979	Outstanding Volunteer, Alaska Black Caucus
1978	Maharishi Award, Transcendental Meditation Society
1978	Farnsworth Award, Chugach Council of Campfire, Inc.
1976	Golden Spike Award, Alaska Railroad
1974	Meritorious Service Medal, United States Air Force
1973	Presidential Award, Anchorage NAACP
1973	Presidential Award, Black Arts Association
1971	Outstanding Member of the Year Award, Alaska Industrial Management Society
1970	Commendation Medal with Oak Leaf Cluster, U.S.A.F.
1969	Commendation Medal, U.S.A.F
1967	Combat Readiness Award, U.S.A.F.

MEMORANDUM State of Alaska

TO: The Honorable Vic Fisher
Senator

DATE: January 28, 1981

FILE NO:

TELEPHONE NO: 465-3500

FROM: Vicki A. Clayman
Special Assistant
to the Governor

SUBJECT: Resumés for
Legislative
Confirmation

Attached as you requested in your memo of January 21, 1981, are the resumés of Janis Williams, Alaska Pipeline Commission; Don Dennis, Athletic Commission; and Gordon Zerbetz, Alaska Public Utilities Commission.

The resumé for [redacted] is not available in this office. An update was requested from him when he was reappointed in June of 1980, however, we have not received a response.

Brief information on Mr. Reed is as follows:

[redacted]

Please advise if I can be of further assistance.

Thank you.

Attachment

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

GORDON J. ZERBETZ
1100 MacKay Building
338 Denali Street
Anchorage, Alaska 99501

Business Phone: 276-6222
Home Phone: 279-9971

Birthplace: Ketchikan, Alaska

Education:
Ketchikan High School
Whitman College (BA Economics and Business Administration
Alaska Pacific University/Southern Methodist University (Master of Liberal Arts Candidate)
University of Alaska, Anchorage, Accounting Studies
National College of the Judiciary/University of Nevada, Administrative Law Judge Course
Fidder-Peabody Seminar Studies - Investment Finance
General Telephone and Electronics Corporation-Telephone Revenue Separations School.

Present Position: Commissioner, Chairman, Alaska Public Utilities Commission

Business Experience:

1950 - 1958 Alaska Bottling Company, Inc. General Manager, Co-owner

1950 - 1965 Alaska Meat Company, Partner

1952 - 1953 Southeast Alaska Marine Transportation, Inc., Co-Founder - Officer

1953 - 1973 Stedman Hotel Company, Inc. General Manager, President

1963 - 1980 Zerbetz Pine Apartment, Partner

[illegible] - 1980 Alaska Sea Ranch, Inc., Co-owner Director and

976 - 1983 Rarities Unlimited, Owner

1975 - 1985 MC Productions, Inc., Director and Vice President

Military Experience: Alaska Territorial Guard; U.S. Army Signal Corps; U.S. Coast Guard Reserve (Retired, Commander)

Public Service:

City of Ketchikan	Charter Commission; City Council; Centennial Committee; Rescue Squad; Civil Defense Director
Municipality of Anchorage	Civil Defense and Disaster Advisory Commission

Work Experience:

Fisheries Development	Oysters -- First successful large-scale oyster farm - new Alaskan industry; developing techniques for adapting various species for Alaskan waters; innovative oyster hatchery - experience with family-owned long-line halibut schooner; also, in Washington State I have participated in the development of innovative shellfish hatchery and ocean salmon ranching.
	Alaska Meat Company -- market development of local sea food products.
	Stedman Hotel Company, Inc. -- unique menus of Alaskan sea foods- fish and smokehouse operation.
Agriculture-Forestry Experience:	Personal experience in small scale handlogging and beach logging;
	As supplier and extender of credit to numerous logging companies, I have acquired considerable knowledge of logging and re-forestation techniques.
	Orchard work, Washington State - research and practical work in vegetable growing. presently experimenting with test plots of wild rice in Alaska.
Business Management:	Property development and management of commercial and residential properties.
	Owned and operated two hotels; restaurateur and fast food service.
	Tourism -- Active in development and sponsorship of Ketchikan's tourist melodrama, "The Fish Pirate's Daughter"; Promoted tourist-oriented technique for taking sea food home; Built 39 ft Indian war canoe as tourist attraction; Promotion of motor coach transportation via Marine Highway System.

Business Management: (continued)

Manufacturers representative for inflatable boats;

Marketing Ketchikan oysters;

Wholesale and retail meat operation;

Advisory Board for Commercial Loans, National Bank of Alaska;

Marine Transportation -- assisted in planning and operation of small-vessel freight system from Pacific Northwest to Southeastern Alaska;
Pioneered in containerized shipping.

Alaska Centennial Committee -- Chairman for Ketchikan area; totem restoral; promoted native art and dancing; major urbin renewal project including construction of library - museum complex; reinstruction of Fort Tongass; instrumental in establishing the Fort Tongass Drum and Bugle Corps.

Utility Regulation:

Because the role of a Public Utilities Commissioner extends beyond the statutory responsibilities, I have had the opportunity to participate from the outset in the satellite communications program.

Active in rural energy alternatives including biomass, wind, river, tidal power, small hydro, hydrogen energy and low BTU gas producer.

Member of NARUC Engineering Depreciation and Valuation Committee.

My position on the Commission and previous assignments in the military and private sector have required travel to all parts of Alaska. Current position requires working knowledge of business conditions throughout the State.

To: Vicki Cragman

RESUME

George W. McCoy

Alaskan Resident since February 1964

Residence: Mile 1.4 DeArmoun Road
Anchorage, Alaska

Mailing Address: P.O. Box 2302
Anchorage, Alaska 99510

Telephone: (907) 349-6631

Presently: General Manager
Newbery Alaska, Inc.
6800 Arctic Boulevard
Anchorage, Alaska 99502
Tel: (907) 349-6631

Business Experience:
Electrical Contracting Industry since 1954

Alaskan Experience -

1964 - Chief Estimator & Assistant Manager
Gustav Hirsch Organization, Inc.
1705 Ship Avenue
Anchorage, Alaska

1968 - Executive Vice President
Rogers Electric Corporation
719 East 11th Avenue
Anchorage, Alaska

Present - Newbery Alaska, Inc.

Alaska Electrical Contractors License No. 241 for Inside Wiring and Outside Line work

Education:

Point Pleasant, W. Virginia High School	1951
West Virginia University	1951-1952
General Engineering	
Marshall University	1960
Electronics Extension Course	

National Electrical Contractors Association Workshops:
National Electrical Code
Operation Guides to Better Management
Marketing Strategies for Increased Profits
Cash Flow Management
Executive Management Seminar

Education: (continued)

Associated Management Research Seminars:
Finance and Accounting for Managers
Managing By Transactional Analysis
Olympic Engineering Corporation
Value Engineering Seminar
Estimatic Corporation
Electrical Estimating

Activities:

Member - National Electrical Contractors Association
Member - Associated General Contractors of America
Member - International Association of Electrical Inspectors

Past Member - National Electrical Contractors Association, Alaska Chapter:

Code Committee	10 Years
Negotiating Committee	2 Years
Board of Directors	2 Years

Past Member - Construction Advisory Committee to The Anchorage School District

Past Member - Alaska Joint Electrical Apprenticeship Training (State) Committee - 10 Years
Received Meritorious Service Award for Apprenticeship Training Activities from U.S. Department of Labor, January 1977.

Statistics:

Born - September 7, 1934, Gallipolis, Ohio
Live with wife Peggy at LeArmoun residence - since 1966

Avocations:

Photography, sailing, hunting, fishing, skiing, snowmobiling

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

RESUME

KAREN W. CORY
Pouch A
Juneau, Alaska 99811
(907) 364-3452

PROFESSIONAL GOAL: Management position responsible for the interests of the State of Alaska with emphasis on facilitating the coordination of human and natural resources.

BUSINESS EXPERIENCE:

March 1979 to Present — Special Assistant to Governor Jay S. Hammond, State of Alaska, Juneau. Advisory function to the Governor in areas of human resources, primarily with Departments of Health and Social Services, Education, Labor, Law, Administration and the University of Alaska. Major responsibilities: Assist Governor, Commissioners and the Legislative Assistant in developing policy for the Governor's legislative package, and legislation generated by the Senate and the House; Consult with agencies in developing specific programs supporting Governor's philosophy; Negotiate budget reviews with specific recommendations for the Governor's Budget Review Committee; Mediate and resolve interagency problems among departments and between state and federal entities; Represent and communicate policies and their fiscal implications to diverse groups - boards and commissions, general public; Investigate and resolve individual issues with appropriate State officials.

June 1978 through March 1979 — Director, Division of Equal Employment Opportunity Juneau. Major responsibilities: Coordinated all State agency activities relating to equal employment opportunity; Managed statewide E.E.O. budget, supervised staff in Juneau and Anchorage; Formulated policies, Conducted worksessions; Maintained close communication with women and minority organizations statewide; Informed departments of federal, state, local legislation pertaining to civil rights. Recommended action to Commissioner which contributed to equal employment opportunities through changes in regulations and procedures; Determined guidelines, implementation mechanism, monitor systems and methods to measure program effectiveness; Represented the State at various conferences.

August 1976 through May 1978

Human Rights Field Representative, Alaska State Commission for Human Rights, State of Alaska, Anchorage. Major responsibilities: Researched and interpreted federal and state legislation regarding Civil Rights; Interviewed complainants and respondents, prepared investigative strategies, conducted resolution conferences between parties to analyze evidence, negotiated legal settlements, wrote findings, and served as a witness at public hearings. Several cases concerned pipeline construction and employment practices of private industries; Demonstrated ability to interpret and communicate laws to general public. Special accomplishments: Rated outstanding in the percentage of case closures attributable to resolution skills. Completed a proposal to inform the Native community (rural Alaska) of the laws. This proposal was unanimously approved by Commissioners.

March 1976 through August 1976

Human Relations, Anchorage School District, Anchorage. Major responsibilities: Facilitated human relations among various groups within the school community to alleviate prejudice/stereotyping on basis of a person's race, sex or similar characteristics. Assisted in organizing workshops for certified staff and students; Implemented Title IX of the Education Amendment Act of 1972 (sex discrimination); Interviewed, investigated, and resolved allegations of discrimination; Researched cross-cultural experiences of minority groups (Natives, Blacks, Hispanics, Asians, Filipinos and others). Special emphasis on issues of assimilation and acculturation facing rural communities.

1975

Partsperson, Teamsters Local 959, Associated Green Construction Company, Fairbanks. Assigned: Prospect Camp, TransAlaska Pipeline. Major responsibilities: Inventoried and delivered parts for heavy and light duty construction vehicles. Worked along various pipeline sites.

1973

Assistant Personnel Manager, The First National Bank of Anchorage, Anchorage. Major responsibilities Completed management Trainee Program. Extensive training in overall bank operations - accounting and finance. Promoted to Assistant Personnel Manager. Interviewed applicants, explained employee benefit package, participated in public relations activities. Special accomplishment: Surveyed methods to reduce turnover in transient and urban community.

February 1973 through September 1973	Production Assistant, Television, Radio, and Film Communications, (TRAFCO), Incorporated, Nashville, Tennessee. Major responsibilities: Interviewed actors for media; Assisted with cameras, props, set design, scripts; Reconciled expenses. Experienced in use of media as related to marketing ideas.
SUMMERS: 1966 through 1971	Teletype Assistant, Meter Reader, Secretary, Receptionist, Knoxville, Tennessee.

EDUCATION:

Present	Pursuing Masters Degree, Public Administration. University of Alaska, Anchorage.
April 1978	Equal Employment Opportunity Training Session, Washington, D.C., Federal E.E.O.C.
June 1977	Communication Techniques, Emma Walker, Title VII/Tacoma, Washington; Frank Battissee and Phyllis Lee, Human Relations/General Assistance Center of Portland, Oregon.
April 1977	Human Rights Technical Workshop, Alaska State Commission for Human Rights.
[illegible]	American Institute of Banking, Anchorage, Alaska.
[illegible] - 1972	University of Tennessee, 100 Alumni Hall, Knoxville, Tennessee 37916. Bachelor of Science: Political Science. Minor: Economics.
[illegible]ONAL [illegible]ION:	Born April 13, 1950. Major interests include: Politics, reading, economics, poetry and skiing. Extensive travel throughout Alaska.
[illegible]S:	Personal references may be obtained upon request.

JANIS C. WILLIAMS

4034 Reka Drive #2
Anchorage, Alaska 99504
Phone 337-6073

Born: November 12, 1948
Marital Status: Single
Health: Excellent

Admitted to Alaska Bar: May 29, 1975

EDUCATION

Legal: University of Denver College of Law, Denver, Colorado.
Juris Doctor Degree, December 1974.
Class Standing: Top 20%.
Honors and Activities: American Jurisprudence Award for excellence in Estate Planning, Vice-chairman, Student Faculty Committee on Sub-Professional/ Paralegal Education.
Internships:
Trusts, United Bank of Denver, Denver, Colorado. In-depth orientation to all aspects of the trust department of a large commercial bank including the investment, tax, sales and account management areas of both personal and corporate trusts.
Legal Aid, Arapahoe County Legal Aid, Englewood, Colorado. Legal work in domestic relations and general civil practice including representation of clients in court.

Paralegal: The Institute for Paralegal Training, Philadelphia, Pennsylvania. Certificate in Corporate and Securities Law, December 1970.

Undergraduate: Mount Holyoke College, South Hadley, Massachusetts.
Bachelor of Arts Degree in Economics, June 1970.
Study Abroad: Junior year spent in Brussels, Belgium studying the European Economic Community.

Other: Northwestern University, Chicago, Illinois. Accounting courses.

EMPLOYMENT

Assistant Attorney General, Department of Law, Juneau, Alaska.
Governmental Affairs Section, May 1978 to April 1979.
Duties: Legal advisor to various divisions of the Departments of Administration, Community and Regional Affairs, Military Affairs, Commerce and Economic Development and the Division of Elections. Also represented these departments in civil litigation.
Oil and Gas Special Projects Section, May 1979 to November 1980.
Duties: Legal advisor to various state agencies concerned with oil and gas matters, primarily the Departments of Natural Resources and Revenue. Handled a variety of oil and gas issues including sales of royalty oil and gas and oil and gas royalty and tax litigation.

City Attorney, City of Kenai, Alaska. June 1975 to February 1978.
Duties: Chief legal advisor to City Council and all City departments, prosecuting attorney for city, attorney for city in all civil litigation.

Special Assistant on Paralegal Affairs and Co-ordinator of Paralegal Program, University of Denver College of Law. January to December 1974.
Duties: Planning, administration and teaching of paralegal courses given by the Program of Advanced Professional Development of the law school and Continuing Legal Education in Colorado, Inc., attending meetings of interested organizations, speaking to school and community groups, and doing special projects on paralegals.

Paralegal in Corporate and Securities Area, Sidley & Austin, Chicago, Illinois. January 1971 to September 1972.
Duties: Drafting documents and agreements concerning incorporations, mergers, acquisitions and public stock and bond offerings of corporations represented by the firm, preparation of reports to state agencies and the Securities and Exchange Commission, and aiding in discovery in complex corporate litigation.

Alaska State Legislature

Senate

Office of the Secretary

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

M E M O R A N D U M

TO: Senator Fischer
Chairman
State Affairs Committee

FROM: Peggy Mulligan
Secretary of the Senate

DATE: January 20, 1981

The President has referred jointly to your committee and the Resources Committee the following Governor's appointments for your recommendation in accordance with AS 39.05.080:

ALASKA PIPELINE COMMISSION

Karen Cory, Anchorage, term expiring 4/4/86
Janis Williams, Juneau, term expiring 4/4/82

Alaska State Legislature

Senate

Office of the Secretary

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

M E M O R A N D U M

TO: Senator Vic Fischer
Chairman
State Affairs Committee

FROM: Peggy Mulligan
Secretary of the Senate

DATE: January 20, 1981

The President has referred the following Governor's appointments jointly to your committee and the Community and Regional Affairs Committee for your recommendation in accordance with AS 39.05.080:

BOARD OF ELECTRICAL EXAMINERS

George McCoy, Anchorage, term expiring 7/10/82
Terence Duszynski, Fairbanks, term expiring 7/10/83

Terence L. Duszynski
Star Route Box 10356
Fairbanks, Alaska

Personal Data

AGE - 33 MARRIED * 2 Children HOMEOWNER
¼ Mile Rosie Creek Rd.

7 Year Resident of Fairbanks

Educational Data

B.S. Business Management 1973

California State University at San Diego

Associate Arts 1970

Antelope Valley College, Lancaster California

Business History

Licenced Home Inspector 1977 - Present
Duszynski & Associates Inc.
Fairbanks, Alaska
Licenced By INTERIOR ALASKA DWELLING INSPECTION COUNCIL INC.

Cabinet & Furniture Maker 1977 - Present
Rosie Creek Woodworks
Fairbanks, Alaska

Vice President, General Manager 1976 - 1977
Dunrite Construction Systems Inc.
Fairbanks, Alaska

General Manager, Co-owner 1974 - 1976
Dunrite Drywall Systems
Fairbanks, Alaska

Business History Cont.

General Foreman	K & W Drywall Fairbanks, Alaska	1973 - 1974
General Foreman	French Drywall Escondido, California	1970 - 1973
Journeyman Carpenter	Various Companies in Lancaster & Los Angeles Ca.	1968 - 1970
Journeyman Drywall Hanger & Finisher	Various Companies in Florida	1965 - 1967
Apprentice Drywall Hanger & Finisher	Modern Drywall Co. Orlando, Florida	Summers from 1960

Memberships

Carpenters Local 1506 - Los Angeles, California	1968 - 1970
Carpenters Local 1300 - San Diego, California	1970 - 1973
Carpenters Local 1243 - Fairbanks, Alaska	1973 - 1978
Full Gospel Businessmans Fellowship International	1977 - Present
Qualified Foster Parent for State of Alaska	1976 - Present

Alaska State Legislature

Senate

Office of the Secretary

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

February 25, 1981

TO: Senator Fischer
Chairman
State Affairs Committee

FROM: Peggy Mulligan
Secretary of the Senate

The following Governor's appointee for legislative confirmation of appointment to the position noted has been referred to your committee:

ALASKA PUBLIC OFFICES COMMISSION

Mildred A. Opland, Anchorage, term expiring 2/1/86

A resume on the above individual is attached.

Applicant: Mildred A. Opland

Born in Grand Forks, North Dakota in 1931

Graduated with Bachelor of Science in Chemistry
University of North Dakota, 1952

Married Robert Opland in 1952

First came to Alaska in 1952.

Mother of four Alaskans ages 19,22,24 and 26

Community involvement:

- Active church member involved in choir, Sunday School and currently serving as President to our church women's organization
- Past area chairman for Heart Fund Drive
- Six years member of PTA board
- Area representative for HALO (homeowners) board
- Republican Women's Club past Vice President '77-'79
- Republican Party Precinct Committee Woman '58-'81
  - Delegate to District Conventions, '58, '64-'80;
  - Delegate to State Conventions, '68-'80;
  - Area Coordinator, '68-'72
  - District 10 Chairman , '72-'74
  - District 11 Bonus Vote, '76-'80
- Alaska Division of Elections
  - Registrar since election registration began
  - Precinct election board judge since '6
  - Southcentral Canvass Board, '74, '76, '78, '80

Favorite pastimes include sailing, hiking and reading.

MSG 81-00001580 PRTY 1 01/21/81 12:43:18 ORIG: LW00 IN= 0006 OUT= 0024
FROM: MARTIE/ MAT SU TO: SEN KERTTULA, REP CARNEY
TARGET: LJH2 SUBJ: POM PAGE 0001

TO: SEN KERTTULA AND REP CARNEY
FROM: RITA CAMPBELL, P.O.BOX 269, PALMER, AK 99645
RE: DON DENNIS AS CHAIRMAN OF COMMISSION ON ATHLETICS JAN 21 19[illegible]
I WOULD NOT LIKE TO SEE DON DENNIS AS CHAIRMAN OF THIS COMMISSION.
HIS RECORD WITH THE ALASKA LEAGUE INDICATES SOMETHING LESS THAN
HE SEEKING THE BEST INTERESTS OF ALL INVOLVED. HE HAS BEEN INVOLVED
WITH TOO MANY OF THE OTHER CLUBS WHILE OSTENSIBLY ONLY MANAGING ONE
OF THEM. HE SEEMS TO BE GIVEN TO MAKING PROMISES WITHOUT INTENDING
TO FULFILL THEM, AND THEN IS RELUCTANT EVEN REFUSING TO RELEASE
ANY RECORDS OR OTHER DOCUMENTATION OF ACTS AND CHARGES.

MSG 81-00001377 PRTY 1 01/20/81 13:01:17 ORIG: LW00 IN= 0003 OUT= 0029
FROM: MARTIE/MATSU TO: SEN. KERTTULA AND REP CARNEY
TARGET: LJH2 SUBJ: P.O.M. PAGE 0001

TO: SEN. KERTTULA
REP CARNEY
FROM CAROL WHITE, SRD BOX 9820, PALMER, 745-4516
RE: DON DENNIS AS CHAIRMAN OF ATHLETIC COMMISSION.
I DON'T FEEL DON DENNIS WOULD MAKE A VERY GOOD CHAIRMAN OF JAN 19 1981
SPORTS COMMISSION. HE'S NOT QUALIFIED!!!

TELEGRAM

02017 ML ANCHORAGE ALASKA 50 01-31 1710 AST

PMS SENATOR JALMAR KERTULLA
1584

JUNEAU AK

THE ALASKA INDEPENDENT BASEBALL LEAGUE GENERAL MANAGERS AND OFFICERS OPPOSE THE CONFIRMATION OF MR DON DENNIS AS STATE ATHLETIC COMMISSIONER. FOR REASONS ARE PAST PERFORMANCES. THEY BELIEVE DETRIMENTAL TO ALASKA BASEBALL.

VINCE ORILEY COMMISSIONER

JAN 19 1981

MSG 81-00001383 PRTY 1 01/20/81 13:08:14 ORIG: LW00 IN= 0004 OUT= 0030
FROM: MARTIE/MATSU TO: P.O.M.
TARGET: LSH2 SUBJ: PAGE 0001

P.O.M.
TO: SEN KERTTULA
FROM: KENNETH SOULE, BOX 36, PALMER, AK. 745 3722
CONFIRMING DON DENNIS AS CHAIRMAN OF THE COMMISSION ON
ATHLETICS.
MR. DENNIS DOES NOT HAVE GOOD RAPPORT WITH MANY PEOPLE IN
OUR AREA. IT WOULD NOT BE WISE TO HAVE HIM IN THIS POSITION.

TELEGRAM

FEB 3 1981

81 FEB 3 PM 1 43

02018 POM ANCHORAGE ALASKA 15 02-03 1124A AST

PMS SENATOR JALMAR KERTTULA

JUNEAU AK

I AM VEHEMENTLY AGAINST THE CONFIRMATION OF DON DENNIS

AS STATE ATHLETIC COMMISSIONER

JOE S ARMSTRONG 836 M ST ANCHORAGE 99501

MSG 81-00001415 PRTY 1 02/04/81 12:03:58 ORIG: LM00 IN= 0003 OUT= 0021
FROM: MARTIE/ MAT SU TO: SEN KERTTULA
TARGET: LJH2 SUBJ: POM PAGE 0003

FEB 5 1981

TO: SENATOR KERTTULA
FROM: RUSSELL E. MCKECHNIE, P.O. BOX 21, PALMER, AK.
RE: DON DENNIS, COMMISSION ON ATHLETICS
SENATOR KERTTULA, PLEASE NOTE MY OPPOSITION TO THE CONFIRMATION OF DON
DENNIS AS COMMISSIONER OF ATHLETICS. I OPPOSE HIM BECAUSE OF THE
ARROGANCE AND DECEIT WITH WHICH HE TREATED THE BASEBALL SUPPORTERS
IN THIS AREA.

TO: SEN KERTTULA

PAGE 0002

TO: SEN JAL[illegible] KERTTULA
FROM: JOHN [illegible] HARRIS, BOX 460, PALMER,
[illegible] DON DENNIS, COMMISSION OF ATHLETICS

FEB 5 1981

[illegible] JAY, I WOULD LIKE TO PROTEST THE NOMINATION OF MR. DON DENNIS FOR [illegible] FOR THE STATE OF ALASKA, DUE TO HIS TRYING TO [illegible] THE BASEBALL LEAGUE IN ALASKA, JUST BECAUSE HE COULD NOT GET [illegible] HIS DON WAY.

[illegible] VERY [illegible], AND NOT ALWAYS TRUTHFUL AND VERY HARD TO TALK TO UNLESS HE [illegible] EVERYTHING HE WANTS.

[illegible] REPRESENTING THE MAT SU MINERS.

[illegible]

[illegible] HARRIS

FEB 5 1981

[illegible] 12:03:58 ORIG: LM00 IN= 0003 OUT= 0024
[illegible] TO: SEN KERTTULA
[illegible] PAGE 0005

TO: SEN [illegible] KERTTULA
FROM: [illegible]
RE: DON DENNIS, COMMISSION IN ATHLETICS
DEAR JAY,
I WOULD LIKE TO TAKE THIS OPPORTUNITY TO URGE YOU NOT TO CONFIRM THE NOMINATION OF DON DENNIS AS COMMISSIONER OF ATHLETICS. THE EXPERIENCE OF THE MAT SU MINERS WITH MR DENNIS OVER THE PAST TRYING YEARS HAS CONVINCED US HE WOULD BE TOTALLY UNACCEPTABLE FOR THE JOB. I FEEL THAT HIS UNCOOPERATIVENESS HAS BEEN RESPONSIBLE FOR THE DIVISION OF THE ALASKA LEAGUE. I ALSO FEEL THAT IF [illegible] IS CHANNELED THROUGH HIS POSITION AS MANAGER IN FACT OR PRO TEM OF THREE TEAMS WOULD CONSTITUTE A HOPELESS CONFLICT OF INTEREST.
THANK YOU FOR WHATEVER YOU CAN DO.

[illegible] 12:03:58 ORIG: LM00 IN= 0003 OUT= 0024
[illegible] TO: SEN KERTTULA
[illegible] PAGE 0004

[illegible] KERTTULA

FEB 5 1981

[illegible] KENNETH SOULS [illegible]
[illegible] DON DENNIS, COMMISSION [illegible] ATHLETICS
[illegible] JAY, PLEASE VOTE [illegible] CONFIRMATION OF DON DENNIS AS COMMISSIONER OF ATHLETICS. HIS RUDE AND [illegible] AND ARROGANT ATTITUDE HAS TURNED [illegible] FRIENDS [illegible] PLAINS [illegible] APPOINTMENT.
[illegible] TRULY YOURS,
[illegible] SOULS

FEB 3 1981

TELEGRAM

#

FEB 3 1981

02051 POM ANCHORAGE ALASKA 15 02-04 1121A AST

PMS SENATOR JAY KERTTULA

JUNEAU AK

I WOULD LIKE TO OPPOSE THE APPOINTMENT OF DON DENNIS AS

STATE ATHLETIC COMMISSIONER.

ANN BROWN, ANNES CREATIVE CACHE

4011 ARCTIC BLVD ANCHORAGE AK 99503

FEB 3 198[illegible]

2-3-11

Dear Senator Kertulla:

I request that you vote Against confirmation of Don Dennis as commissioner of Athletics for the State of Alaska because of his very negative and destructive actions with the Valley entree in the Alaska Baseball League. He has been deceitful, and extremely rude in dealing with the Valley people. To a person, the 10 owners of the Mat-Su Miners are strongly opposed to his appointment. Certainly the State of Alaska can come up with more decent people than this for such a position.

John Hopkins
Box 467
Wasilla

[illegible]

#

02062 POM ANCHORAGE ALASKA 15 02-04 1121A AST

PMS SENATOR JAY KERTTULA

JUNEAU AK

PLEASE DO NOT CONFIRM DON DENNIS AS STATE ATHLETIC COMMISSIONER.

JOHN YOUNGBLOOD, DISTRICT DIRECTOR OF LITTLE LEAGUE BASEBALL

7501 HENNINGS WAY ANCHORAGE AK 99504

FEB 9 1981

Senator Jay Kertulla
Senate President
Alaska State Senate
Juneau, Alaska

Feb 3, 1981

Dear Jay:

One is always more comfortable in requesting a yes vote for conformation than he is in requesting a NO vote. However, I feel it would be a grave injustice to the many people involved in Alaskan baseball to have the one individual who has almost single handedly destroyed the former Alaska League appointed as the commissioner of athletics for Alaska. It would be almost impossible to find one person in the sports arena in the Mat Su Borough who has a good word for Don Dennis. Comments from the League (Anchorage, Kenai and Mat-Su) personnel are also unanimous in their opposition to this appointment. When Dennis is discussed the words Dishonest, Arrogance, Deceit and dis-courtesy are prevalent.

I urge you to do all you can to stop this Appointment.

Sincerely

Claude Smith

February 4, 1981

FEB 11 1981

The Honorable Jay Kertulla
Senate President
Pouch V
Juneau, Alaska 99811

Dear Mr. Kertulla:

It is my understanding that Don Dennis of Fairbanks is being considered for the new position of State Athletic Commissioner. I would, as a person interested in sports on the Kenai Peninsula, like to express my opposition to such an appointment.

I know that Don Dennis is very much opposed to the Peninsula Oilers Baseball Club and suspect that he would act against most sporting needs on the Peninsula.

I would appreciate any help you may be able to give on this matter.

Yours truly,

Burma Kernal

Burma Kernal
P. O. Box 4037
Kenai, Alaska 99611

Alaska State Legislature

Senate

Office of the President

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 12, 1981

Donna Kernal
P.O. Box 4037
Kenai, AK 99611

Dear Mr. Kernal:

I received your message concerning Don Dennis. I have received many such messages and you can be assured I will strongly consider your request. I am forwarding your letter on to the appropriate committee for their consideration.

Sincerely,

Senator Calvin Mandula
Senate President

[illegible]
[illegible]
State Affairs



Alaska Independent Baseball League, Inc.

FEB 6 1981

February 3, 1981

Honorable Jay Kerttula
State Senator
Pouch V
Juneau, AK.

Dear Jay:

In using criteria such as overall balance, receptiveness and an attitude of co-operation, I regret that I can not support the confirmation of Mr. Don Dennis of Fairbanks to the position of Athletic Commissioner for this State.

Sincerely,

Vince O'Reilly
Commissioner

VOR:jr

P.O. Box 3718 • Kenai, Alaska 99611 • 907-283-4946

A PERFORMANCE REVIEW
OF THE
ALASKA CODE REVISION COMMISSION

conducted by

R. W. Pavitt and Associates, Inc.

Members of the Alaska
Code Revision Commission

John W. Abbott, Chairman

Sen. Patrick M. Rodey
Rep. Charles G. Anderson
L.S. (Jerry) Kurtz, Jr., Esq.
James L. Baldwin
Hon. Thomas B. Stewart

Billy G. Berrier, Executive Secretary

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF—STATE CAPITOL

JUNEAU, ALASKA 99811

November 6, 1981

Members of the
Legislative Budget and Audit Committee:

In accordance with the intent of Title 24 and Title 44 of the Alaska Statutes, the Division of Legislative Audit was mandated to perform a "Sunset" review of the Alaska Code Revision Commission.

Since this Division is part of the Legislative Branch as is the Commission, we lack the apparent independence necessary to perform the review.

The Division contracted with Mr. R. W. Pavitt of R.W. Pavitt and Associates, Inc. to perform this review. This firm is a reputable planning and management consultant business that has been in operation for several years and is located in Juneau.

We feel this report discharges our responsibility, mandated under Title 24 and Title 44. The report is submitted for your review.

Gerald L. Wilkerson

Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

R. W. PAVITT AND ASSOCIATES, INC.
PLANNING CONSULTANTS

October 28, 1981

Legislative Audit Division
State of Alaska
Pouch W
Juneau, Alaska 99811

Att. Merle R. Jenson, Deputy Legislative Auditor

Dear Mr. Jenson:

In accordance with the Contract for Services between the Legislative Audit Division and our firm, we have completed a performance review of the Alaska Code Revision Commission using guidelines and standards established in Alaska Statutes for such "sunset" reviews.

The report, entitled PERFORMANCE REVIEW OF THE ALASKA CODE REVISION COMMISSION, is hereby submitted.

Respectfully,

R. W. Pavitt, AICP
President

RWP/bp

130 SEWARD STREET • ROOM 205
JUNEAU, ALASKA 99801 • (907) 586-2066

A PERFORMANCE REVIEW OF THE ALASKA CODE REVISION COMMISSION

Table of Contents

PURPOSE AND SCOPE OF THE REVIEW	- 1-
ORGANIZATION AND FUNCTION	- 3-
REPORT CONCLUSION	- 6-
FINDINGS AND RECOMMENDATIONS	- 9-
ANALYSIS OF PUBLIC NEED	-11-

Appendices

APPENDIX A	- Table summarizing subject matter studied by the Commission, 1975 - 1981	-13-
APPENDIX B	- Alaska Statutes regarding law revision	-17-
APPENDIX C	- Table indicating how other states deal with code revision	-20-
APPENDIX D	- Alaska Code Revision Commission Budgets, FY 77 - FY 82	-22-

Responses

- Letter from Alaska Code Revision Commission; 11/30/81 -24-
- Letter transmitting response from ACRC; 1/25/82 -25-
- Response to Performance Review of Alaska Code Revision Commission; 1/25/82 -26-
- Letter from R. W. Pavitt and Associates, Inc; 2/5/82 -32-
- Rebuttal to Response to Performance Review of Alaska Code Revision Commission; 2/5/82 -33-

PURPOSE AND SCOPE OF THE REVIEW

Purpose

In accordance with AS 24.20.271(1) and AS 44.66 (Sunset Legislation), a review of the Alaska Code Revision Commission was conducted to examine the commission's activities, operation, policies and accomplishments. The purpose of the review is to determine if the commission has operated in a fair, effective, efficient and economical manner in the performance of its statutory functions, duties and responsibilities.

As required by AS 44.66.050, this report shall be considered during the legislative oversight procedure in determining whether the Alaska Code Revision Commission should be continued or reestablished. AS 44.66.010(a) currently specifies that this commission will terminate on June 30, 1982, but will continue until June 30, 1983 for the purpose of concluding its affairs.

Scope

The major areas studied were the commission's operations, policies, administration, procedures; and the effectiveness of its recommendations in accomplishing its mandated objective of bringing "the law into harmony with current needs and conditions" (AS 24.20.075(c)(4)). The review consisted of examination, research, analysis and evaluation of the following:

(1) Applicable Alaska Statutes and amendments thereto;

(2) Minutes of the commission from its inception to the present;

(3) Annual Reports of the Alaska Code Revision Commission dated February 1979, February 1980, February 1981;

(4) Records and documents of the commission;

(5) Contracts with consultants;

(6) Commission budgets for FY 77, 78, 79, 80, 81 and 82;

(7) Code revision procedures in other states;

(8) Interviews conducted with:

- an Alaskan representative to the National Conference of Commissioners on Uniform State Laws (NCCUSL)

- Legislative Affairs Agency personnel:
  - Co-Revisors of Statutes
  - Director of Legal Services
  - Director of Administrative Services
- Legislative Finance Division personnel
- present members of the commission
- former members of the commission
- a consultant to the commission
- the secretary to the commission

(9) Observation of the Alaska Code Revision Commission during its October 12, 1981 meeting in Juneau.

*

ORGANIZATION AND FUNCTION

The Code Revision Commission was established as a permanent commission of the legislature by an act of that body (ch 114 SLA 1976). The act creating the commission established its membership as consisting of two legislators (one from each house appointed by the presiding officer); a public member appointed by the governor; a designee of the chief justice of the supreme court, and a designee of the board of governors of the Alaska Bar Association. The director of legal services for the Legislative Affairs Agency or his designee serves as executive secretary for the commission.

The commission was created to:

(1) examine the statutes of the state and judicial decisions to discover defects and anachronisms in the law;

(2) review and consider proposed changes in the law recommended by the National Law Institute, the National Conference of Commissioners on Uniform State Laws, the Alaska Judicial Council, the Supreme Court, the state or local bar associations, principal departments, agencies, boards and commissions of the executive or judicial branch, and committees of the legislative branch;

(3) receive and consider suggestions from the Alaska bench and bar, public officials, organizations and individuals as to areas of the law needing revision and remedy;

(4) recommend changes in law needed to eliminate antiquated and inadequate rules of law and to bring the law into harmony with current needs and conditions.

The commission was empowered to:

(1) hold public hearings and other meetings as necessary throughout the state, and to determine an appropriate quorum for conducting business;

(2) establish one or more subcommissions to assist it in the performance of its duties.

The staff of the Legislative Affairs Agency serves as staff for the commission, and (subject to appropriations for the purpose) contracts with other agencies or persons for the performance of necessary services for the commission.

Funds considered necessary for the commission (per diem, travel, contract expenses) are to be sought in a formal budget request to the legislative council. (Appropriated funds are dispersed and accounted for under procedures required by the Legislative Affairs Agency).

All branches of state government are directed to provide information and documents required by the commission necessary to the accomplishment of its work.

The commission is directed to submit its reports and recommendations, and draft legislation as to revision of law, to the Legislative Council, and shall distribute them to the governor, members of the legislature, and the chief justice of the supreme court.

In 1977, membership on the commission was broadened to include a "designee of the governor who is an attorney employed by the executive branch of the state government." (ch 57 SLA 1977).

The enabling legislation was further amended in 1980 to:

(1) clarify the name of the commission as the Alaska Code Revision Commission;

(2) establish 6 year terms for the public member and the designee of the Alaska Bar Association board of governors, and prescribe the manner in which vacancies are filled;

(3) clarify the per diem and travel allowances provided members of the commission; and,

(4) prescribe the manner in which the public member and the designee of the board of governors shall determine the length of their respective terms of office.

The amending act (ch 44 SLA 1980) also brings the Alaska Code Revision Commission (AS 24.20.075) within the purview of the sunset law, (AS 44.66.010), and adds the name of the commission to the list of boards and commissions scheduled to expire on June 30, 1982.

* *

REPORT CONCLUSION

Policy Issues

This review discusses issues raised as a result of our analysis and evaluation of the commission's responsibilities, structure, operations and procedures. Resolution of these policy matters will require legislative action. In debating these issues, the legislative oversight committees should consider the findings and alternatives presented in this report in reaching their decision.

Report Conclusion

In our opinion, the Alaska Code Revision Commission should not be continued in its present form.

That conclusion is supported by the following rationale:

- In the 5 years since its establishment, the commission has met 45 times. In terms of substantive revisions adopted into law by the Alaska Legislature, the results of the commission's work have not been commensurate with the thousands of hours devloted to the effort (see Appendix A)
- The duties and responsibilities assigned to the commission by the enabling act (AS 24.20.075) are substantially similar to those mandated to the Legislative Council, the Legislative Affairs Agency and the Co-revisors of Statutes (AS 01.05.036; 24.20.060(4); 24.20.065(a); and 24.20.070(b)). Such duplication of responsibilities tends to create tensions and conflict among legislative agencies which is not in the best interests of state government (see Appendix B)
- The subject matter considered by the commission is frequently not consistent with legislative needs and priorities.

The creation of the code revision commission resulted from a bill (SB 665) submitted by Senators Rodey and Rader in 1976. The commission envisioned

in the bill was to be "within the Legislative Affairs Agency" and "staffed by the agency". Membership was to include four legislators, four public members, a designee of the Alaska Bar Association and a designee of the chief justice of the supreme court. Substantive changes were made to the Rodey-Rader bill, and when it emerged from the legislative process as chapter 114 SLA 1976, the new commission had a different lineup of membership, and quasi-independent status as a "permanent commission of the legislature." Although the "Director of Legal Services for the Legislative Affairs Agency serves as executive secretary for the commission", the relationship between the commission and the agency is not sharply defined; and the responsibilities assigned to the commission are, in part, duplicative of revision tasks already required of the Legislative Council, the Legislative Affairs Agency and the Revisors of Statutes.

A major difference between Alaska's code revision commission and the prestigious California Law Revision Commission (after which it was intended to be patterned) is the manner in which subjects come before the commission for consideration. In the California model, topics for commission study are restricted to those approved by concurrent resolution of the Legislature. This system assures legislative concern and interest in the recommendations of the commission, and provides certainty that the subjects considered are consistent with the Legislature's desires and priorities.

Of 35 states answering a 1979 inquiry by the commission as regarding code revision procedures, 10 responded that the legislature itself (through its judiciary committees, legislative council or special committees) accomplished needed revisions. Revisors of Statutes and legislative affairs agencies accomplished revision work in 14 other jurisdictions. 11 states reported permanent law revision commissions, but of these, four are empowered to deal only with non-substantive revisions (see Appendix C).

Substantive revision of politically-sensitive law in Alaska has been successfully accomplished in the past by legislatively-appointed special commissions (as in the case of the major Criminal Code revision), or by a special committee of the legislature such as the committee that revised Title 4 (Alcoholic Beverages). A special committee is currently working on a major overhaul of Title 29 (Municipal Government).

Despite perceived conflicts resulting from the present statutory structure of the code revision commission, its broad-based membership of legislative, executive and judicial branch representatives, as well as the public and Alaska Bar members, provide a breadth of legal knowledge, perception and experience that has much potential value as an advisory function to the lawmaking process. Particularly in areas of generally low legislative interest such as probate law, security law, real property conveyancing, bankruptcy law and the like, the commission has shown that it can provide necessary expertise in recommending statutory revision that "will bring the law into harmony with current needs and conditions." (AS 24.20.075(c)(4)).

While this report concludes that the Alaska Code Revision Commission should not be continued in its present form, we believe that if the legislature desires to continue the commission after June 30, 1982, AS 24.20.075 should be substantively amended to eliminate the perceived conflicts with other legislative agencies, as well as to clarify the duties and responsibilities of the commission and its relationship to the Legislative Council. The Findings and Recommendations section of this report is thus divided into two parts. If the oversight committee considering this performance review opts to recommend termination of the commission, Part 1 includes the recommended procedure. Part 2 recommends statutory changes that should be considered if the committee wishes to recommend continuation of the Alaska Code Revision Commission.

* * *

FINDINGS AND RECOMMENDATIONS

PART 1

[TO TERMINATE THE ALASKA CODE REVISION COMMISSION - AS 44.66.010(a)(8)]

Recommendation No. 1

Repeal AS 24.20.075 effective June 30, 1983.

If the decision is made to terminate the commission, it will continue in existence until June 30 of 1983 for the purpose of concluding its affairs (AS 44.66.010(b)).

The FY 83 budget of the commission should contain sufficient funds for concluding its contractual obligations, submitting its final report, and transferring its records, files and office equipment to the Legislative Affairs Agency.

PART 2

[TO CONTINUE OR REESTABLISH THE ALASKA CODE REVISION COMMISSION - AS 44.66.010(c)]

Recommendation No. 1

Amend AS 24.20.075 to require that the commission annually file a report to the Legislative Council which shall contain a calendar of topics selected for study, including a list of the studies in progress and a list of topics intended for future consideration. After the filing of the final report, the commission shall confine its studies to those topics set forth in the calendar contained in its last preceding report which are thereafter approved for its study by resolution of the Legislative Council. The commission shall also study any topic which the legislature, by concurrent resolution, refers to it for such study.

The purpose of this recommended amendment is two-fold:

(1) to improve communication and understanding between the legislative council and the commission; and,
(2) to avoid conflict between special committees of the legislature and the commission with regard to study topics.

Recommendation No. 2

Amend AS 24.20.075 to clarify the role of the commission as an advisory body.

Conflict has arisen from time to time with respect to the actual drafting of legislation by the commission...a task that is clearly assigned to the Legislative Affairs Agency division of legal services by the legislative council.

Recommendation No. 3

Amend AS 24.20.075 to delete (c)(1).

AS 24.20.075(c)(1) states that the commission shall examine the statutes of the state and judicial decisions to discover defects and anachronisms in the law. This duty is assigned to other legislative agencies in AS 01.05.036 and AS 24.20.065.

* * * *

ANALYSIS OF PUBLIC NEED

The following analysis of Commission activities relates to the public need factors defined in AS 44.66.050(c). Inasmuch as the Alaska Code Revision Commission is not a regulatory body, a number of the factors are not applicable to the performance review of the commission.

I. The extent to which the board, commission or agency has operated in the public interest.

1. The commission has recommended revisions to Alaska law which in its judgement were in the general public interest.

II. The extent to which the operation of the board, commission or agency program has been impeded or enhanced by existing statutes, procedures and practices which it has adopted, and any other matter, including budgetary, resource and personnel matters.

1. Lack of its own staff and the inability of the legal services division of the legislative affairs agency to provide continuing services to the commission (because of its own heavy work load) tended to impede the commission's work in its early years. More recently, consultants have been engaged to keep up with the continuing work of the commission.

III. The extent to which the board, commission or agency has recommended statutory changes which are generally of benefit to the public interest.

See response to I.

IV. The extent to which the board, commission or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service which it has provided.

Not applicable to this commission.

V. The extent to which the board, commission or agency has encouraged public participation in the making of its regulations and decisions.

1. The commission has consistently notified parties of interest in topics that it was studying and encouraged their participation in its meetings.
2. The commission has held meetings in a number of locations in Alaska for the purpose of encouraging public participation on specific topics under consideration.

VI. The efficiency with which public inquiries or complaints regarding the activities of the board, commission or agency filed with it, with the department to which the board or commission is administratively assigned, or with the office of the ombudsman have been processed and resolved.

1. This review has not identified any record of complaints with respect to commission activities with either the Legislative Affairs Agency or the Office of the Ombudsman.

VII. The extent to which a board or commission which regulates entry into an occupation or profession has presented qualified applicants to serve the public.

Not applicable to this commission.

VIII. The extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission or agency to its own activities and the area of activity or interest.

Not applicable to this commission.

IX. The extent to which statutory, regulatory, budgeting or other changes are necessary to enable the agency, board or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

Please refer to the previous section, Findings and Recommendations, Part 2.

* * * * *

APPENDIX A

TABLE SUMMARIZING SUBJECT MATTER

STUDIED BY THE COMMISSION 1976-1981

LEGISLATION CONSIDERED	Referred by	Consultant	date first considered	ACRC ACTION	date of action	LEGISLATIVE ACTION
1. ALCOHOLIC BEVERAGES (Title 4)	Individual Legislator	Machyowsky	7/15/76	materials forwarded to Leg. Council for Leg. Committee use.	7/17/79	some materials used in ch 131 SLA 1980
2. INSURANCE (Title 21)	Individual Legislator	- - - - -	- - - - - See	No. 26 - - -	- - - - -	- - - - - -
3. CLASS ACTION ACT	NCCUSL	-	9/1/76	postponed pending Court action	12/10/76	
4. UNIFORM LAND TRANSACTIONS ACT	NCCUSL	MacMurtray	9/1/76	divided into sections, see Nos. 11, 16, 17 and 22		
5. UNIFORM EXEMPTIONS ACT	NCCUSL	LAA staff Jim Baldwin	9/1/76	approved for submission to Leg. Council	9/21/79	HB 74 ('81) HB 56 ('79)
6. UNIFORM COMPARATIVE FAULT ACT	NCCUSL	-	3/17/78	-	-	
7. CORPORATIONS (Title 10)	-	Fessler	6/22/78	to Leg. Affairs for drafting bill	11/17/80	
8. UNIFORM COMMERCIAL CODE (Articles 8 and 9)	NCCUSL	LAA staff Ken Vassar	6/22/78	approved for submission to Leg. Council	1978 1980	HB 55 ('79) HB 77 ('81)
9. UNIFORM PROBATE CODE (Homicide)	NCCUSL	-	6/22/78	considered	10/26/78	SB 56 ('79) ch 36 SLA 1979

LEGISLATION CONSIDERED	Referred by	Consultant	date first considered	ACRC action	date of action	LEGISLATIVE ACTION
10. INTERNATIONAL WILLS (Probate Code)	NCCUSL	-	3/16/78	approved for submission to Leg. Council	10/26/78	SB 54 ('79)
11. REAL PROPERTY CONVEYANCING	see No. 4	Peterson Regan	2/9/79			
12. UNIFORM MARRIAGE & DIVORCE ACT	NCCUSL	-	4/18/79	no further action	11/10/80	
13. UNIFORM FEDERAL TAX LIEN REGISTRATION ACT	NCCUSL	LAA staff Ken Vassar	10/18/79	modified and approved for submission to Leg. Council	11/18/79	included in SB 78 ('81)
14. UNIFORM BRAIN DEATH ACT	NCCUSL	-	10/18/79	no further action	10/18/..	
15. UNIFORM LIMITED PARTNERSHIP ACT	NCCUSL	LAA staff Jack Chenoweth	10/18/79			
16. OATHS, AFFIRMATIONS, ACKNOWLEDGEMENTS, NOTARIZATION AND VERIFICATION	see No.4 (includes Unif. Recog. of Acknowl. Act - NCCUSL)	Regan	2/9/79	approved for submission to Leg. Council	2/21/80	SB 80 ('81) ch 37 SLA 1981
17. RECORDING AND RECORDED DOCUMENTS	see No.4 and No. 13	Regan	2/9/79	approved for submission to Leg. Council	10/18/79	SB 78 ('81)
18. GUARDIANS AND CONSERVATORS	Individual Legislator	-	2/21/80	no further action	5/8/80	

LEGISLATION CONSIDERED	Referred by	Consultant	date first considered	ACRC action	date of action	LEGISLATIVE ACTION
19. MODEL PRODUCT LIABILITY ACT	Individual Legislator	-	2/22/80	no further action	4/10/80	
20. ALASKA HIRE	Several Legislators		2/22/80			
21. ADMINISTRATIVE PROCEDURES ACT	NCCUSL		4/10/80			
22. REAL PROPERTY SECURITY INTERESTS	see No. 4	Regan	2/9/79	approved for submission to Leg. Council	2/23/81	HB 403 ('81)
23. DOMESTIC VIOLENCE	Several Legislators	-	2/22/80	no further action	5/8/80	
24. SMALL LOANS		Regan	5/8/80	bill drafted no further action	12/12/80	
25. VITAL STATISTICS		Regan	5/8/80	bill drafted no further action	8/18/80	
26. INSURANCE CODE			5/8/80			
27. ALASKA SECURITIES ACT			5/8/80			
28. OCCUPATIONS AND PROFESSIONS		Regan	7/2/80			
29. UNIFORM DISPOSITION OF COMMUNITY PROPERTY RIGHTS AT DEATH ACT	NCCUSL		- - - - no record of action - - - - -			SB 79 ('81) SB 58 ('79)
30. NON-PROFIT CORPORATIONS		Fessler	11/17/80			

APPENDIX B

ALASKA STATUTES REGARDING LAW REVISION

APPENDIX B

ALASKA STATUTES REGARDING LAW REVISION

Sec. 01.05.036. Improvement of statutes. The Legislative Affairs Agency, working in cooperation with the revisor shall make recommendations to the legislative council concerning deficiencies, conflicts or obsolete provisions in and the need for reorganization or revision of the statutes, and, at the direction of the legislative council, shall prepare for submission to the legislature legislation for the correction or removal of the deficiencies, conflicts or obsolete provisions, or to otherwise improve the form or substance of any portion of the statute law of this state. - - - -

(emphasis added)

Sec. 24.20.060. The legislative council has the following powers:

- - - - - - - - - - - - - - -

(4)(B) conduct a continuing program for the revision and publication of the acts of the legislature.

(C) execute a program for the oversight of the administration and construction of laws by state agencies and the courts through regulations, opinions and rulings.

(emphasis added)

Section 24.20.065. Examination of Regulations and opinions. (a) The legislative council shall annually examine administrative regulations, published opinions of state and federal courts and of the Department of Law that rely on state statutes, and the final decisions adopted under the Administrative Procedure Act (AS 44.62) to determine whether or not

(1) the courts and agencies are properly implementing legislative purposes;

(2) there are court or agency expressions of dissatisfaction with state statutes;

(3) the opinions or regulations indicate unclear or ambiguous statutes.

(emphasis added)

Sec.24.20.070. Revision of Statutes. - - - - - - - - - - - - -

(b) Statute revision is a continuing responsibility of the council.

- - - - - - - - - - - - - - - - - - - -

(emphasis added)

Section 24.20.075. Code Revision Commission. - - - - - - - - - -

(c) The commission shall:

(1) examine the statutes of the state and judicial decisions to discover defects and anachronisms in the law.

(2) review and consider proposed changes in the law recommended by the National Law Institute, the National Conference of Commissioners on Uniform State Laws, the Alaska Judicial Council, the supreme court, the state or local bar associations, principal departments, agencies, boards and commissions of the executive or judicial branch, and committees of the legislative branch.

(3) receive and consider suggestions from the Alaska bench and bar, public officials, organizations and individuals as to areas of law needing review and remedy;

(4) recommend changes in law needed to eliminate antiquated and inadequate rules of law and to bring the law into harmony with current needs and conditions.

- - - - - - - - - - - - - - - - -

(emphasis added)

APPENDIX C

TABLE INDICATING HOW OTHER STATES
DEAL WITH CODE REVISION

APPENDIX C
HOW OTHER STATES DEAL WITH CODE REVISION

In 1979, the commission directed inquiries to 45 states seeking information on how those states accomplished code revision. 35 states responded to the survey. Following is a summary of those responses.

States that accomplish code revision through their legislative committee system, and/or the equivalent of Alaska's Legislative Council.

ARIZONA	NEW HAMPSHIRE
MAINE	NORTH DAKOTA
MISSOURI	OHIO
NEBRASKA	WEST VIRGINIA
NEVADA	WISCONSIN

States that accomplish code revision through their revisors of statutes, or through the equivalent of Alaska's Legislative Affairs Agency.

ALABAMA	NEW MEXICO
DELAWARE	OKLAHOMA
HAWAII	RHODE ISLAND
KANSAS	SOUTH DAKOTA
KENTUCKY	TENNESSEE
MINNESOTA	TEXAS
MONTANA	WYOMING

States that accomplish code revision through code revision commissions

CALIFORNIA	MARYLAND (n-s)
COLORADO	MICHIGAN
GEORGIA	NEW YORK
INDIANA (n-s)	NORTH CAROLINA
LOUISIANA	VERMONT (n-s)
	VIRGINIA (n-s)

(n-s) = commissions empowered to consider only non-substantive revisions

APPENDIX D

ALASKA CODE REVISION COMMISSION
BUDGETS FY 77 - FY 82

APPENDIX D

BUDGETS OF THE ALASKA CODE REVISION COMMISSION, FY 77 - FY 82

The following information was obtained from the Authorizations and Expenditures documents of the Legislative Affairs Agency, and from the records of the Alaska Code Revision Commission.

Budget for Fiscal year 1977	-	$ 57,000
Budget for Fiscal year 1978	-	53,000
Budget for Fiscal year 1979	-	100,000
Budget for Fiscal year 1980	-	119,000
Budget for Fiscal year 1981	-	175,000
Budget for Fiscal year 1982	-	219,000
TOTAL AUTHORIZED SINCE INCEPTION . . .		$ 723,000

ALASKA CODE REVISION COMMISSION

COMMISSIONERS
JOHN W. ABBOTT - CHAIRMAN
WM. GRANT CALLOW - VICE CHAIRMAN
PATRICK M. RODEY
FRED E. BROWN
L. S. KURTZ, JR.
JAMES L. BALDWIN

ALASKA STATE LEGISLATURE
POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-4878

EXECUTIVE SECRETARY
BILLY G. BERRIER

November 30, 1981

RECEIVED
DEC 01 1981
LEGISLATIVE
AUDIT

Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit
Pouch W, State Capitol
Juneau, Alaska 99811

Re: Performance review of the Alaska Code Revision Commission, October 28, 1981

Dear Mr. Wilkerson:

The Alaska Code Revision Commission acknowledges receipt of the preliminary performance review. Copies were distributed to members for review at the November 23-24, 1981 meeting in Anchorage. We are currently in the process of drafting a response as requested in your November 10, 1981 letter. However, because of further telecommunications between commissioners necessary for a thorough response, there will be a slight delay in submitting it to you within the allotted twenty-day time period. We sincerely regret the delay.

Please call if this creates any problems for you. Thank you for your consideration.

Very truly yours,

John W. Abbott
by: chw

John W. Abbott, Chairman
Alaska Code Revision Commission

JWA:chw

ALASKA CODE REVISION COMMISSION

COMMISSIONERS
JOHN W. ABBOTT - CHAIRMAN
JAMES L. BALDWIN - VICE CHAIRMAN
PATRICK M. RODEY
CHARLES G. ANDERSON
L. S. KURTZ, JR.
JUDGE (RET.) THOMAS B. STEWART

ALASKA STATE LEGISLATURE
POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-4878

EXECUTIVE SECRETARY
BILLY G. BERRIER

January 25, 1982

RECEIVED
JAN 27 1982
LEGISLATIVE AUDIT

Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit
Pouch WF, State Capitol
Juneau, Alaska 99811

Re: Response to Preliminary Performance Review of the Alaska Code Revision Commission

Dear Mr. Wilkerson:

Enclosed please find the report as referenced above as our response to the audit conducted by Mr. R. W. Pavitt and Associates, Inc.

Please contact me if you require further information by way of response.

Very truly yours,

John W. Abbott
by: chw

John W. Abbott, Chairman
Alaska Code Revision Commissi

JWA:chw

Enclosure

RESPONSE TO PERFORMANCE REVIEW OF ALASKA CODE REVISION COMMISSION

This response, in addition to addressing matters specifically requested to be addressed, will respond to both information and recommendations contained in the audit review of R. W. Pavitt and Associates, Inc.

Purpose and Scope of Review

Although the scope of review as set forth in the audit report was very broad, in fact little or no attention was paid to many factors in evaluating the commission. While the legislative mandate creating this commission is given lip service, in fact the thrust of the audit makes clear some significant misconceptions of commission functions and responsibilities by the auditor.

Little if any attention appears to have been given to Items (2) through (8). Only one present member of the Alaska Code Revision Commission was interviewed. Approximately one-half day of the October 12, 1981 meeting was observed by the auditor. A misconception concerning the work to be performed by the commission pursuant to its statutory mandate and the actual workings of this commission is apparent throughout the audit report and is further reflected in the recommendations contained in the report.

Organization and Function

The commission agrees with the auditor's statement of the organization and function of the commission.

Report Conclusion

The commission does not agree with the recommendation that it should not be continued in its present form. While it agrees with some of the recommendations set out in the report (as indicated below), it does not feel that legislative action is necessary at this time to restructure the commission.

The report conclusion is supported by the following reasons:

1. That in spite of the many hours devoted to producing proposed legislation, few of the commission bills have been adopted.

This rationale is incorrect in two respects:

(a) It assumes that the function of the commission is to get bills passed. The legislature, not the commission is responsible for the passage of legislation. The commission's work product has been used in many ways other than enactment of

commission proposed bills. The commission's work product has been used by the legislature in a research context; has been used to effect major revisions in existing law (Title 4); has been used as a research tool by Legislative Affairs and the Attorney General's Office; and language drafted by the commission has been used where appropriate in the drafting of many bills by other state agencies.

(b) At the present time there are five major bills proposed by the commission under consideration by this legislature. These include:

(1) Exemptions Act
(2) Amendments to Chapters 8 and 9 of the Uniform Commercial Code
(3) A Revised Recording Act
(4) A Security Interests Bill
(5) The Alaska Business Corporations Code

2. That the duties and responsibilities of the commission are substantially similar to those mandated to the Legislative Council, Legislative Affairs, and the Co-Revisors of Statutes.

This rationale is incorrect in the following respects:

(a) The commission, even where the mandate would permit, does not perform certain functions performed by the aforementioned bodies, including:

(i) Revisor duties of a strictly technical nature (e.g., adherence to the legislative drafting style, use of legislative format).

(ii) Review of draft legislation for the legislature or the executive branch of government or drafting.

(iii) Introduction of personal bills or special interest legislation.

(b) The commission reviews model act legislation, statutory changes amending or updating uniform laws, introduction of uniform laws recommended for adoption by the NCCUSL, legislation encompassing an entire title as opposed to amendments of existing laws.

3. That the enabling legislation for the commission has created problems concerning the duplication of legislative-type tasks.

Although the commission's mandate is extremely broad and would allow duplication of functions, in fact there is little or no duplication. The relationships and jurisdiction of the legislative bodies have been worked out through the cooperation of these bodies, and each now performs its own

functions in cooperation with the other legislative bodies.

4. The commission finds no significance in the fact or belief that it originally was patterned after the California Law Revision Commission. The commission's authority results from legislative enactment, and it is irrelevant what California does or does not do.

5. It is also irrelevant what other states have done. In Alaska, the legislature has created by statute the scope of the commission's authority. The statement contained in this paragraph of the audit report that substantive law revisions in Alaska have been successfully handled in the past is entirely incorrect. The success of the Criminal Code Commission provided the impetus for creation of a permanent code revision commission. The Title 4 revision was begun after the commission had half completed its revision of Title 4, and the legislature used all of the commission's factual data and draft legislation. No other major projects like those of the commission have been undertaken by any other body or group.

6. This paragraph is correct insofar as it goes. It fails to mention, however, that the extremely technical nature of the legislation considered by the commission renders it particularly suitable to blue-ribbon panel treatment. Moreover, technical statutory revision as accomplished by the commission has traditionally been deferred by the legislature to select committees, a fact which lead to the creation of both the criminal code and the Acode revision commissions.

7. The commission believes that it can continue to provide valuable assistance to the legislature in its present form without any changes in the present law, but is not opposed to legislation to make more clearly known to the commission the desires of the legislature so that the commission may better perform its functions.

Findings and Recommendations

Part I

If the commission is terminated, funds should be provided to allow it to fulfill its existing obligations and cease activities on June 30, 1983.

Part II

The commission now complies (and has in the past complied) with the below-listed recommendations:

(a) Filing of annual reports.

(b) Notification to the Legislative Council of the matters to be considered by the commission.

(c) Complete information, including minutes of all commission meetings, to apprise the Legislative Council of its activities.

(d) Consideration of any topics referred to it by the legislature, by formal or informal request; the formality of a concurrent resolution is not necessary, as the commission has on numerous occasions solicited projects from the legislature and its individual members.

(e) The commission has always maintained a calendar of topics to be considered and has to the extent practicable adhered to it.

The commission agrees that communications between it and the Legislative Council could be improved and has made repeated efforts for the past several years to do so.

The commission also agrees that a better mechanism should be developed to avoid conflicts between it and special legislative committees.

Recommendation No. 2

The commission now sees its mandate as providing advice and assistance to the legislature. All draft legislation is subject to review by the Legislative Council and is actually introduced through the council. Thereafter, it is subject to the same treatment as every bill introduced in the legislature. The commission acts in an advisory role.

Recommendation No. 3

The commission presently examines statutes of the state and judicial decisions as a part of its overall mandate to revise, in toto, anachronistic state laws.

Analysis of Public Need

The commission agrees with all of the paragraphs of this section except:

(a) IX which is responded to in the commission's reponse to Findings and Recommendations, Part II.

Conclusion

The commission performs a task that is not now performed by any other body in the state government: the substantial revision-updating of entire bodies of technical laws. Legislatures in Alaska have never undertaken these projects, and in fact they would normally be beyond its scope. These projects are logically and practically performed by a special commission similar to the Alaska Code Revision Commission.

APPENDIX

Appendix "A" to the Preliminary Audit incorrectly states commission action in a number of instances where column "ACRC action" of the exhibit says "no further action." The commission actively considered the Uniform Brain Death Act (Item 14) and the Uniform Marriage and Divorce Act (Item 12) and decided they were inappropriate for Alaska.

The appendix incorrectly states that a legislator referred the insurance code (Items 2 and 26) to the commission. Actually, in 1980 the Department of Commerce and Economic Development asked the commission to review AS 21. The commission realized revision of the insurance code would be a major project, and concluded that it could absorb no more major projects at that time. Later, the commission was informed that the Department of Commerce was working on the project so considered it no further.

The class action problem (Item 3) was solved by court rules. Real property conveyancing (Item 11) was dealt with under Item 22, which resulted in HB 403. The commission decided the matters covered by the Uniform Comparative Fault Act (Item 6) were best left for court resolution, some of which had occurred when that decision was made.

The Uniform Limited Partnership Act (Item 15) was renewed and redrafted by the Legislative Affairs Agency at the request of the commission. It then became apparent that it was a poor uniform act, and the commission decided to table it. This and the Uniform Marriage and Divorce Act are good examples of considerable effort devoted by the commission to reviewing and sometimes hearing testimony on uniform acts. "No further action" is a poor description of the time required for that review.

The commission's work on guardians and conservators was started by legislative request and stopped by legislative request, again not disclosed by the "no further action" in the appendix. The introduction of a bill on the subject by the administration also encouraged the commission to abandon the field.

Alaska Hire (Item 20) still is under active consideration by the commission after having been tabled pending completion of litigation. The commission now is seeking a constitutional law expert to explore the feasibility of new approaches to that legal thicket. Similarly, the commission has repeatedly discussed the Administrative Procedure Act (Item 2). We still are waiting for a statement of the administration's position and legislative action on SB 594 (Senator Rodey's Judiciary Committee bill). If neither the administration nor the legislature pushes the bill, the commission may. However, the commission now is being discouraged by both branches from moving ahead on this bill.

The commission is unaware of legislative direction to work on domestic violence (Item 23). While several legislators may have suggested that, others informed the commission to stay away from the area because bills were being actively considered by the legislature. One passed last year.

The commission started work on a revision of the Small Loans Act (Item 24). After hearing testimony and learning of the activity of the Special Senate Committee on Banking, the commission refrained from taking action on that subject. The commission has not worked on the Alaska Securities Act (Item 27), although the Department of Commerce has asked that the commission look at limited portions of it on several occasions.

R. W. PAVITT AND ASSOCIATES, INC.
PLANNING CONSULTANTS

February 5, 1982

Legislative Audit Division
State of Alaska
Pouch W
Juneau, Alaska 99811

Attention: Merle R. Jenson, Deputy Legislative Auditor

Dear Mr. Jenson:

I have completed close scrutiny of the 6-page document entitled RESPONSE TO PERFORMANCE REVIEW OF ALASKA CODE REVISION COMMISSION.

The thrust of the document (hereafter referred to as the Response) appears to hold that the PERFORMANCE REVIEW OF THE ALASKA CODE REVISION COMMISSION (hereafter referred to as the Review) incorrectly assesses the duties and responsibilities assigned to the commission by the Legislature; and, as a result of such misconception, erroneously recommends that the body by restructured or terminated.

I submit that the research accomplished in preparing the Review was thorough and adequate; that the factors considered in the Review are proper and consistent with the "sunset review" process, and that the conclusion and recommendations were arrived at logically and objectively from the evidence and material available.

With the exception of a minor amendment to the title of Appendix A (page - 13 -; change DETAILING to SUMMARIZING), I recommend that the report entitled A PERFORMANCE REVIEW OF THE ALASKA CODE REVISION COMMISSION, as submitted by the contractor, be forwarded to the appropriate legislative committee along with the responses received by the Legislative Audit Division.

As agreed, I will be available for testimony at such time as the committee considers the matter.

Respectfully,

R. W. Pavitt, AICP
President

RWP/bp

130 SEWARD STREET • ROOM 205
JUNEAU, ALASKA 99801 • (907) 586-2066

REBUTTAL

TO

RESPONSE TO PERFORMANCE REVIEW OF ALASKA CODE REVISION COMMISSION

Purpose and Scope of Review

The Response constitutes an unsupported attack on the methodology and the thoroughness of the performance audit.

- Contrary to the contention of the Response, great weight was given to items (2) through (8).
- In addition to the formal interview of one present member, the auditor, during the October 12, 1981 meeting, spent well over an hour in a direct question and answer session with all members (in attendance) of the commission, and informally discussed the matter of the sunset review further for 15 - 20 minutes during a coffee break with two of the commissioners. Two extensive interviews were also conducted with the Executive Secretary.
- The Response fails to document its contention that "a misconception" is apparent in the Review with respect to the mandate and the workings of the commission.

Organization and Function

The Response agrees with the Review.

Report Conclusion

The Response contends that the results of the commission's efforts in terms of substantive revisions adopted into law by the Alaska Legislature is not a valid measure of the overall effectiveness of the commission; and goes on to disagree with statements in the Review regarding duplication of code revision responsibility, and the conflicts that result from such redundancy of effort.

- Inasmuch as the responsibilities of the commission (AS 24.20.075) boil down to the charge to "recommend changes in law needed to eliminate

antiquated and inadequate rules of law and to bring the law into harmony with current needs and conditions", the acceptance of these recommendations by the Legislature, as reflected in substantive enactments, would appear to be the ultimate test of the commission's effectiveness.

- Interviews conducted with staff attorneys connected with the Legislative Affairs Agency and the Department of Law did not support the contention in the Response that the commission's work product has been an important research tool.

- The fact that the "duties and responsibilities of the commission are substantially similar to those mandated to the Legislative Council, Legislative Affa[illegible] and the Co-Revisors of Statutes" is clearly documented in the summary of Alaska Statutes regarding law revision contained in Appendix B to the Review.

- The Response states that "The commission, even where the mandate would permit, does not perform certain fuctions performed by the aforesaid bodies...." (emphasis added); and acknowledges that the "commission's mandate is extremely broad and would allow duplication of functions",.... (emphasis added). Although the Response holds that duplication and conflicts do not exist, interviews conducted during the Review with Legislative Affairs attorneys and a careful reading of the commission's minutes indicates that they in fact do.

Findings and Recommendations

Part I

The Response agrees with the statement in the Review that if the commission is terminated, sufficient funds should be provided to fulfill its existing obligations and cease activities on June 30, 1983.

Part II

The Response sets forth the parts of Recommendation No. 1 with which the commission feels it is now complying, and agrees that communications with the Legislative Council need improving, and that a mechanism for avoiding conflict with special legislative committees should be developed.

- Recommendation No. 1, as written, attempts to address these matters.

With respect to Recommendation No. 2, the Response indicates that the commission understands its advisory role in the lawmaking process.

- Recommendation No. 2, as written, seeks to statutorily clarify the relationship of legislative advisors.

Regarding Recommendation No. 3, the Response states that the commission presently sees the review of anachronistic state laws as part of its mandate.

- Recommendation No. 3, as written, seeks to leave this responsibility with the Co-Revisors of Statutes and the Legislative Affairs Agency where it presently is placed (AS 01.05.036)

Appendix

The Response takes umbrage at the use of the term "no further action", and suggests that in a number of instances, that term does not tell the whole story of the commission's consideration with respect to the item of legislation.

- Appendix "A" to the Review summarizes, in brief tabular form, the work of the commission on 30 items. The table was constructed from the minutes of the commission (7/15/76 - 8/5/81). In its preliminary form, it was independently checked for accuracy by a consultant to the commission and by a former member. Both suggested minor additions and corrections which were incorporated into the table.

- The auditor agrees that a 3-page table cannot totally detail 5+ years of commission effort. The table does, however, accurately summarize the actions of the commission and of the legislature. The suggestion is therefore made that the title of the appendix in question be changed to: "TABLE SUMMARIZING SUBJECT MATTER STUDIED BY THE COMMISSION 1976 - 1981"

The Response, in discussing the commission's consideration of the Administrative Procedure Act makes the statement: "If neither the administration nor the legislature pushes the bill, the commission may." (emphasis added)

- While the enthusiasm of the commission for exploring the difficult problems of the Administrative Procedure Act is commendable, the stridency of the statement quoted above appears to be in marked contrast to the claims in the Response that the commission fully perceives its duties and responsibilities vis-a-vis the legislative process.

* * *

February 5, 1982

TO: SENATOR FISCHER
CHAIRMAN STATE AFFAIRS

FROM: SENATOR JALMAR KERTTULA
SENATE PRESIDENT

DATE: FEBRUARY 9, 1981

RE: CONFIRMATION OF DON DENNIS

Enclosed are copies of telegrams and letters that I have received concerning the confirmation of Don Dennis as Athletic Commissioner. I am forwarding them on to you for committee review.

Incidently, I have no prejudice on the matter.

SENATE STATE AFFAIRS

CONFIRMATION OF THE FOLLOWING GUBERNATORIAL APPOINTMENTS TO VARIOUS BOARDS AND COMMISSIONS TO BE TAKEN UP THURSDAY, MARCH 12, 1981, 1:30

STATE BOARD OF REGISTRATION FOR ARCHITECTS, ENGINEERS AND LAND SURVEYORS

Gerald Myers, Fairbanks, term expiring 7/1/86
Odin Strandberg, Anchorage, term expiring 7/1/81

ATHLETIC COMMISSION

D[illegible] Dennis, Fairbanks, term expiring 5/14/82
Reginald Joule, Kotzebue, term expiring 5/14/82

STATE COMMISSION FOR HUMAN RIGHTS

*James Chase, Anchorage, term expiring 1/31/86

PERSONNEL BOARD

*Morgan Reed, Skagway, term expiring 6/20/86

ALASKA PUBLIC UTILITIES COMMISSION

~~*Gordon Zerbetz, Anchorage, term expiring 10/31/86~~

*reappointments

ALASKA PIPELINE COMMISSION

Karen Cory, Anchorage, term expiring 4/4/86
Janis Williams, Juneau, term expiring 4/4/82

BOARD OF ELECTRICAL EXAMINERS

George McCoy, Anchorage, term expiring 7/10/82
Terence Duszynski, Fairbanks, term expiring 7/10/83

ALASKA PUBLIC OFFICES COMMISSION

Mildred A. Opland, Anchorage, term expiring 2/1/86

Alaska State Legislature

Senate

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

March 27, 1981

TO: Senator Fischer, Chairman
State Affairs Committee

FROM: PJM Peggy Mulligan
Secretary of the Senate

RE: Governor's appointments

Please remove from your list of confirmation and appointments the following:

ALASKA PUBLIC UTILITIES COMMISSION

*Gordon Zerbetz

JAY S. HAMMOND
GOVERNOR

9

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 20, 1981

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear President Kerttula:

Please add to your list of Alaskans to be confirmed for appointment to boards and commissions the following:

BOARD OF PHARMACY

Margaret D. Soden, R.Ph., term expires March 31, 1986

Enclosed is Ms. Soden's résumé.

Also, please remove from your list the following two names as they have resigned.

BOARD OF FISHERIES

*Gordon Jensen

ALASKA PUBLIC UTILITIES COMMISSION

*Gordon Zerbetz

Thank you.

Sincerely,

Jay S. Hammond
Governor

*Reappointed

Enclosure

Mike BRADNER, Speaker of the House, Alaska State Legislature, et al., Appellants,

v.

Jay S. HAMMOND, Governor of the State of Alaska, Appellee.

No. 2802.

Supreme Court of Alaska.

Aug. 2, 1976.

Speaker of the House, President of the Senate and State Legislature brought action against Governor for declaratory judgment of constitutionality of statute which provided that appointment of deputy heads of each principal executive department and 19 specified directors of divisions were subject to confirmation by legislature and which prescribed procedures pertaining to confirmation process. The Superior Court, First Judicial District, Juneau, Thomas E. Schulz, J., granted Governor's motion for summary judgment and declared statute unconstitutional, and plaintiffs appealed. The Supreme Court, Rabinowitz, J., held that state constitutional provisions delineate full extent of legislature's authority to confirm Governor's appointment of subordinate executive officers and that such statute was violative of separation of powers requirements of State Constitution.

Judgment affirmed.

1. Constitutional Law ⊂=50

"Separation of powers doctrine" prohibits one branch of state government from encroaching upon and exercising powers of another branch.

See publication Words and Phrases for other judicial constructions and definitions.

2. States ⊂=46

Appointment of executive officers of state government is an "executive function" rather than a legislative one. Const. art. 3, §§ 1, 16.

See publication Words and Phrases for other judicial constructions and definitions.

3. States ⊂=46

Confirmation of appointment of executive officers of state government is an attribute of appointive power of Governor rather than a distinct legislative power. Const. art. 2, § 1; art. 3, §§ 1 et seq., 16.

4. States ⊂=46, 52

State constitutional provisions, which empower Governor to appoint and dismiss head of each principal executive department and subjects such appointments to confirmation by legislature and which, with regard to related offices, vests power of appointment in Governor and power to confirm in legislature and provides for removal of such officers as provided by law, delineate full extent of legislature's authority to confirm Governor's appointment of subordinate executive officers. Const. art. 3, §§ 25, 26.

5. Constitutional Law ⊂=58
States ⊂=46

Statute, which provided that appointment of deputy heads of each principal executive department and 19 specified directors of divisions were subject to confirmation by legislature and which prescribed procedures pertaining to confirmation process, was violative of separation of powers requirements of State Constitution. AS 39.05.020; Const. art. 2, § 1; art. 3, §§ 1, 16, 25, 26; art. 4, § 1.

6. Constitutional Law ⊂=50

"Separation of powers doctrine" requires that the blending of governmental powers will not be inferred in the absence of an express constitutional provision.

Terrance Sandalow, Ann Arbor, Mich., Billy G. Berrier, Juneau, for appellants.

Robert M. Johnson, Rodger W. Peggues, Asst. Attys. Gen., and Avrum M. Gross, Atty. Gen., Juneau, for appellee.

Before BOOCHEVER, C. J., RABINOWITZ and ERWIN, JJ., DIMOND, Justice Pro Tem., and TAYLOR, Superior Court Judge sitting as Justice Pro Tem.

OPINION

RABINOWITZ, Justice.

This appeal arises from a declaratory judgment suit which appellants instituted in superior court seeking a declaration that Section 1 of Chapter 82, SLA 1975 is constitutional. This legislative measure effected significant changes in the procedures for appointment and removal of subcabinet officials, including deputy commissioners and division heads of the executive branch of Alaska's government.[1] Specifically, it removed certain division directors from the classified service and placed them in the partially exempt service, provided that the appointment of deputy heads of each principal executive department and 19 specified directors of divisions were subject to confirmation by the legislature in joint session, and it prescribed procedures pertaining to the confirmation process.

The legislative history of Chapter 82 discloses that on April 28, 1975, Alaska's Ninth State Legislature enacted Free Conference Committee Substitute to Senate Bill 98. After it

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1. Chapter 82, SLA 1975 provides:

Section 1. AS 39.05.020 is amended to read:

Sec. 39.05.020. Appointment of department heads and other executive officers. The governor shall appoint the head of each principal executive department in the state government. Each appointment is subject to confirmation by a majority of the members of the legislature in joint session. The following executive appointments are also subject to confirmation by a majority of the members of the legislature in joint session:

(1) The deputy head of each principal executive department of the state;
(2) director, division of banking;
(3) director, division of insurance;
(4) director, division of family and childrens services;
(5) director, division of corrections;
(6) director, division of oil and gas;
(7) director, division of elections;
(8) director, division of policy planning and research;
(9) director, division of personnel;
(10) director, division of budget and management;
(11) director, division of medical assistance;
(12) director, division of mental health;
(13) director, division of public health;
(14) director, office of telecommunications;
(15) director, division of marine transportation;
(16) director, division of waters and harbors;
(17) director, division of lands;
(18) state geologist, division of geological and geophysical surveys;
(19) director, division of agriculture;
(20) director, division of aviation.

Section 2. AS 39.05.080(2) is amended to read:

(2) When appointments are presented to the legislature for confirmation,

(A) the presiding officer of each house shall assign the name of each appointee to a standing committee of that house for a hearing, report and recommendation; standing committees of the two houses assigned the same person's name for consideration may meet jointly to consider the qualifications of the person appointed and may issue either a separate or a joint report and recommendation concerning that person; then

(B) the legislature shall, before the end of the session in which the appointments are presented, in joint session assembled, act on the appointments by confirming or declining to confirm by a majority vote of all of the members the appointments presented.

Sec. 3. AS 39.25.040 is amended to read:

Sec. 39.25.040. Director of personnel. The head of the division of personnel is the director of personnel appointed by the commissioner of administration and responsible to the commissioner of administration for the execution of the duties and responsibilities imposed by this chapter and the rules adopted under this chapter. The director of personnel must have at least three years of practical working experience in the field of personnel administration.

Sec. 4. AS 39.25.120(2) is amended to read:

(2) the directors, division of personnel, division of mental health, division of public health, division of medical assistance, and those other directors of the major divisions of the principal departments of the executive branch as are specifically designated by the governor; . . .

2. AS 22.10.020(b);

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Bill 98. After initial passage, Governor Hammond vetoed the bill on the ground that Section 1 thereof impinged upon the executive power of appointment. On May 21, 1975, the legislature, in joint session, overrode the veto. The act then became law the following day as Chapter 82 of the 1975 Session Laws of Alaska (hereinafter Chapter 82).

Subsequent to enactment of Chapter 82, Governor Hammond appointed persons to posts affected by the Act's provisions. Under AS 39.05.080(1), part of the codification of Chapter 82, the governor was obliged to present to the legislature for confirmation the names of these persons. The governor refused to do so. Appellants then commenced this action for a declaratory judgment[2] of the constitutionality of Chapter 82. The superior court granted Governor Hammond's motion for summary judgment, declaring Section 1 unconstitutional. This appeal followed.

The controlling constitutional provisions we are called on to interpret here are contained in Article III of Alaska's constitution and concern the appointive powers of the governor.[3] Article III, Section 1 provides:

> The executive power of the State is vested in the governor.

Article III, Section 25 further provides that:

> The head of each principal department shall be a single executive unless otherwise provided by law. He shall be appointed by the governor, subject to confirmation by a majority of the members of the legislature in joint session, and shall serve at the pleasure of the governor, except as otherwise provided in this article with respect to the secretary of State. The heads of all principal departments shall be citizens of the United States.

This provision explicitly empowers the governor to appoint and dismiss the head of each principal department. It subjects these executive appointments to confirmation by a majority of the members of the legislature in joint session. Article III, Section 26 treats related offices and provides:

> When a board or commission is at the head of a principal department or a regulatory or quasi-judicial agency, its members shall be appointed by the governor, subject to confirmation by a majority of the members of the legislature in joint session, and may be removed as provided by law. They shall be citizens of the United States. The board or commission may appoint a principal executive officer when authorized by law, but the appointment shall be subject to the approval of the governor.

As with Section 25, Section 26 vests the power of appointment in the governor and the power to confirm in the legislature in joint session. Removal of Section 26 board or commission members is as provided by law and, therefore, not necessarily at the governor's pleasure.

As analyzed by appellants, the sole question in this appeal is whether Sections 25 and 26 of Article III describe the outer

2. AS 22.10.020(b) provides:
> In case of an actual controversy within the state, the superior court, upon the filing of an appropriate pleading, may declare the rights and legal relations of an interested party seeking the declaration, whether or not further relief is or could be sought. The declaration has the force and effect of a final judgment or decree and is reviewable as such. Further necessary or proper relief based on a declaratory judgment or decree may be granted, after reasonable notice and hearing, against an adverse party whose rights have been determined by the judgment.

3. There is no dispute that our constitution was designed with a strong executive in mind. Executive Committee Chairman Victor Rivers reported to the floor that "[w]e are all strongly agreed on the principle of the strong executive." Alaska Constitutional Convention Proceedings at 1984 (hereinafter ACCP). *Accord*, ACCP at 1102, 1741, 1986-88, 2038, 3103.

limits of the legislature's confirmation authority, or whether the legislature may by statute require confirmation of other high-level, policy-making officials within the executive branch. In arguing that Sections 25 and 26 only establish a constitutional minimum requiring that certain appointments within the executive branch must be legislatively confirmed, appellants emphasize that neither Section 25 nor 26 prohibits the legislature from requiring confirmation of other executive appointments. Admitting that the power to enact legislative confirmation requirements in addition to those provided for in Sections 25 and 26 is not explicitly conferred on the legislature by Alaska's constitution, appellants advance the contention that the validity of Chapter 82 turns on whether such enactments are within the ambit of the constitution's general grant of legislative power to the legislative branch of Alaska's government.[4]

In opposition, appellee Hammond primarily argues that the power to confirm executive officers is an executive power which may be lawfully exercised by the legislature only to the extent granted by the Alaska Constitution. Viewed in this manner, appellee analyzes the power to confirm executive officers as part of the appointment process, incapable of existence independent of the power of appointment, and characterizes this confirmation authority as a power "super-added" to the legislature's general legislative powers. Thus, appellee would find that Sections 25 and 26 set the maximum rather than the minimum parameters of the legislature's power to confirm appointments of executive officers. This follows, according to appellee, from the fact that legislative confirmation is a delegated function taken from an executive function, and thus the breadth of this delegated authority must be strictly construed.[5] Applying this strict interpretative criterion, appellee concludes that Chapter 82 is violative of the separation of powers doctrine implie tution.

After study of the oral arguments of re March 25, 1976, this c affirming the superio that Section 1, Chap unconstitutional. In t indicated that a full sued in due course.[6]

[1] In *Alaska St System v. Mueller*, 53(ka 1975), we observe wrote our constitution tional framework of ment. The governme State of Alaska was d three branches, the e tive and the judicial." partite form of gove Alaska, this court conc *fender Agency v. Su Judicial District*, 534 P 1975), that ". . . plied that this state do

4. Article II, Section 1 of the Alaska Constitution provides in part that "[t]he legislative power of the State is vested in a legislature . . ."

In support of their thesis that the confirmation power is within the legislative power grant of Article II, Section 1, appellants contend that the record of the constitutional convention demonstrates that the delegates "clearly understood that the legislature would have authority to enact statutory confirmation requirements." Additionally, appellants point to the circumstance that since the inception of statehood both the executive and legislative branches "have consistently acted upon the understanding that the legislature has such authority" and this longstanding interpretation should be accorded significant weight by the judiciary in matters of constitutional interpretation. *Okanogan Indians v. United States* (The Pocket Veto Case) 279 U.S. 655, 49 S.Ct. 463, 73 L.Ed. 894 (1929); *Hampton v. United States*, 276 U.S. 394, 48 S.Ct. 348, 72 L.Ed. 624 (1928); *Downes v. Bidwell*, 182 U.S. 244, 21 S.Ct. 770, 45 L.Ed. 1088 (1901); *see generally* 16 Am.Jur.2d Constitutional Law § 83 (1964); 16 C.J.S. Constitutional Law §§ 32-34 (1956).

In addition appellants emphasize that this interpretation dates back to the first years of statehood. Contemporaneous interpretation of fundamental law by those participating in its drafting has traditionally been viewed as especially weighty evidence of the framers' intent. *Myers v. United States*, 272 U.S. 52, 47 S.Ct. 21, 71 L.Ed. 160 (1926); *Cooper Mfg. Co. v. Ferguson*, 113 U.S. 727, 5 S.Ct. 739, 28 L.Ed. 1137 (1885); *Norfolk & W. Ry. Co. v. Board of Public Works*, 124 W.Va. 562, 21 S.E.2d 143 (1942); *Jones v. Williams*, 121 Tex. 94, 45 S.W.2d 130 (1931).

5. Countering appellants' contention, appellee's reading of Alaska's constitutional history demonstrates "an intent by the constitutional framers to restrict legislative confirmation of those officers set forth in Art. III, §§ 25 and 26."

The attorney general candidly admitted at oral argument that examination of practice between the legislative and executive branches since statehood indicates that the executive has at least acquiesced to legislative confirmation of certain subcabinet officials. However, he argued that the political reality of a legislature dominated by the same party as that of the governor, as well as the minor interference such intervention created, indicates that the executive stance in the past should not be read as a "constitutional interpretation by a coordinate branch of government," but rather as a product of a realistic ordering of executive goals at the time.

6. At oral argument vised that if a decisio in the immediate futur without prejudice to appeal, intended to various subcabinet ap lature in order to hearings. Our March to these disclosed time

7. In *Public Defender Court, Third Judicial* 950 (Alaska 1975), w though the Alask expressly address its separation of powers, what is implied is as constitution as what *Nolan*, 414 P.2d 689,

In reaching this c trine of separation o the Alaska Constitu *Billings*, 196 Kan. (1966), where the K neknowledged that th from the existence of tional provisions callin government.

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powers doctrine implied in Alaska's constitution.

After study of the excellent briefs and oral arguments of respective counsel, on March 25, 1976, this court issued an order affirming the superior court's declaration that Section 1, Chapter 82, SLA 1975 is unconstitutional. In this order we further indicated that a full opinion would be issued in due course.[6]

[1] In *Alaska State-Operated School System v. Mueller*, 536 P.2d 99, 103 (Alaska 1975), we observed that "[t]hose who wrote our constitution followed the traditional framework of American government. The governmental authority of the State of Alaska was distributed among the three branches, the executive, the legislative and the judicial." Analyzing this tripartite form of government provided for Alaska, this court concluded, in *Public Defender Agency v. Superior Court, Third Judicial District*, 534 P.2d 947, 950 (Alaska 1975), that ". . . it can be fairly implied that this state does recognize the separation of powers doctrine."[7] Our recent opinion in *Continental Insurance Cos. v. Bayless & Roberts, Inc.*, 548 P.2d 398, 410–11 (Alaska 1976), acknowledges that the underlying rationale of the doctrine of separation of powers is the avoidance of tyrannical aggrandizement of power by a single branch of government through the mechanism of diffusion of governmental powers.[8] It it clear that the doctrine is not a common law concept; it is, however, a brooding omnipresence by virtue of its conceptually central role in the structure of American constitutional government.

A problem inherent in applying the doctrine of "separation of powers" stem from the fact that the doctrine is descriptive of only one facet of American government. The complementary doctrine of checks and balances must of necessity be considered in determining the scope of the doctrine of separation of powers.[9] Both doctrines address and are designed to resolve the problem of efficient government versus tyrranical government[10] and have as their goal

6. At oral argument respective counsel advised that if a decision was not forthcoming in the immediate future, Governor Hammond, without prejudice to his position in this appeal, intended to submit the names of various subcabinet appointments to the legislature in order to facilitate confirmation hearings. Our March order was in response to these disclosed time constraints.

7. In *Public Defender Agency v. Superior Court, Third Judicial District*, 534 P.2d 947, 950 (Alaska 1975), we also said that "[a]lthough the Alaska Constitution does not expressly address itself to the doctrine of separation of powers, we have noted that often what is implied is as much a part of the constitution as what is expressed. *Wade v. Nolan*, 414 P.2d 689, 698 (Alaska 1966)."

In reaching this conclusion that the doctrine of separation of powers is implicit in the Alaska Constitution, we cited *Lira v. Billings*, 196 Kan. 726, 414 P.2d 13, 16 (1966), where the Kansas Supreme Court acknowledged that the doctrine is implied from the existence of three separate constitutional provisions calling for three branches of government.

8. *Continental* dealt in part with the inherent contempt powers of the courts of Alaska. There we observed that the inherent power to punish for contempt exists independently of statute and that although the legislature may regulate the procedure and enlarge the power, it cannot ". . . 'without trenching upon the constitutional powers of the court, and destroying the autonomy of that system of checks and balances which is one of the chief features of our triple-department form of government, fetter the power itself.'" *Continental Ins. Cos. v. Bayless & Roberts, Inc.*, 548 P.2d 398, 410 (Alaska 1976), quoting *In re Shortridge*, 99 Cal. 526, 528, 34 P. 227, 229 (1893).

The doctrine prohibits one branch from encroaching upon and exercising the powers of another branch. *Myers v. United States*, 272 U.S. 52, 47 S.Ct. 21, 71 L.Ed. 160 (1926); *Giss v. Jordan*, 82 Ariz. 152, 309 P.2d 770 (1957).

9. ". . . a dynamic relationship of cooperation and conflict. . . ." R. Tresolini & M. Shapiro, American Constitutional Law 9 (3d ed. 1970) [hereinafter Tresolini].

10. Tresolini, *supra* note 9, at 11. *Compare O'Donoghue v. United States*, 289 U.S. 516, 530, 53 S.Ct. 740, 77 L.Ed. 1356, 1360 (1933) *and United Public Workers of America v. Mitchell*, 330 U.S. 75, 91, 67 S.Ct. 556, 565, 91 L.Ed. 754, 768 (1947).

the protection of the electorate from tyranny.[11] In the instant appeal, the parties, in recognition of the controlling nature of the issue, dispute the meaning of the doctrine of separation of powers, and its implications for the determination as to whether Chapter 82 is violative of Alaska's constitution. In our view, the doctrine is of importance to the resolution of the merits of this appeal, for if the doctrine clearly precludes legislative intervention (by confirmation) in the appointment of executive officials, or requires "strict departmentali[illegible]ation," then Chapter 82, which purports to authorize legislative "meddling" in the exercise of an executive power, is unconstitutional because it would be violative of separation of powers requirements.

[2] In determining if Chapter 82 violates the doctrine of separation of powers, which is implicit in Alaska's constitution, it is necessary to answer the threshold question whether the appointment of executive officers is a legislative or executive function. Under the structure envisaged by Alaska's fundamental charter, the legislative power of the state is vested in the legislature,[12] the executive power in the governor,[13] and the judicial power in a supreme court, a superior court and such additional courts as established by the legislature.[14]

Appellee contends that the appointment of executive officers is an executive function.[15] We find appellee's contention most persuasive. In addition to vesting the executive power of the state in the governor, Section 16 of Article III provides that "[t]he governor shall be responsible for the faithful execution of the laws." In view of the responsibilities imposed by Section 16, and the authority granted by Section 1, the governor is necessarily clothed with the power to appoint subordinate executive officers to aid him in carrying out the laws of Alaska.[16] Thus, we conclude that the appointment of executive officers is an executive function;[17] for without such a power, the responsibility for executing executive duties would be diffused and the goal of separation of branches of government, avoiding too great a concentration [illegible] branch, would be defeated.

[3] Given our conc[illegible] Alaska's constitution t[illegible] subordinate executive o[illegible] ernor is an executive [illegible] necessary to determine [illegible] legislature's confirmati[illegible] we are in agreement wi[illegible] sis that under Alaska's [illegible] mation is a specific attri[illegible] tive power of the execut[illegible] which have been called [illegible] issue have been unanim[illegible] ings that confirmation [illegible] legislative power, but r[illegible] executive power of app[illegible] in turn been delegated [illegible] stances by constitution [illegible] branch of government.[19]

In light of the nature [illegible] power of confirmation, [illegible] er Sections 25 and 26 [illegible] scribe the outer limits [illegible] confirmation authority.

11. Justice Brandeis wrote, dissenting in *Myers v. United States*, 272 U.S. 52, 293-95, 47 S.Ct. 21, 85, 71 L.Ed. 160, 242-43 (1926):

> The doctrine of the separation of powers was adopted by the Convention of 1787 not to promote efficiency but to preclude the exercise of arbitrary power. The purpose was not to avoid friction, but, by means of the inevitable friction incident to the distribution of the governmental powers among three departments, to save the people from autocracy. . . . In America, as in England, the conviction prevailed then that the people must look to representation assemblies for the protection of their liberties. And protection of the individual, even if he be an official, from the arbitrary or capricious exercise of power was then believed to be an essential of free government.

Compare C. Antieau, 2 Modern Constitutional Law § 11:13, at 200 (1st ed. 1969):

> The doctrine of separation of powers was deemed necessary by the framers of the Constitution for two principal purposes: first, to protect the liberty of the citizen; and second, to safeguard the independence of each branch of the government and protect it from domination and interference by the others.

Cf. Warren v. Boucher, 543 P.2d 731, 734, 737 (Alaska 1975).

12. Art. II, § 1, Alaska Const.

13. Art. III, § 1, Alaska Const.

14. Art. IV, § 1, Alaska Const.

15. There is no dispute here that the appointees subjected to legislative confirmation by Chapter 82 are executive officers.

16. *Alcorn v. Bailey*, 104 Ariz. 250, 451 P.2d 30 (1969).

17. In *Springer v. Philippine Islands*, 277 U.S. 189, 202, 48 S.Ct. 480, 482, 72 L.Ed. 845, 849 (1927), the Supreme Court said:

> Legislative power, as distinguished from executive power, is the authority to make laws, but not to enforce them or appoint the agents charged with the duty of such enforcement. The latter are executive functions.

See also Myers v. United States, 272 U.S. 52, 115-16, 47 S.Ct. 21, 24-25, 71 L.Ed. 160, 165-66 (1926).

18. In *Myers v. United* [illegible] 169, 47 S.Ct. 21, 43 [illegible] (1926), the Supreme C[illegible] tion a power "super[illegible] sessed by the legislature

19. *Myers v. United St[illegible]* 39, 47 S.Ct. 21, 32-33, [illegible] (1926); *Wittler v. [illegible]* 446, 144 N.W.2d 62, [illegible] *Davis*, 398 S.W.2d 92[illegible] *v. Baker*, 145 Tex. [illegible] (1946); *State v. Do[illegible]* So. 593 (1928); *Pe[illegible]* 366, 222 P. 11 (1924).

20. *Compare Wacaser[illegible]* 518 P.2d 384, 391 (Wo[illegible]

21. In *O'Donoghue v. [illegible]* 516, 530, 53 S.Ct. 74[illegible] (1933) (emphasis ad[illegible] said:

> The Constitution [illegible] ers of government, and separate depar[illegible] the executive, and [illegible] ration is not merely [illegible] or of governmental [illegible] is basic and vital. *Islands*, 277 U.S. [illegible] 72 L.Ed. 845; and [illegible]

great a concentration of power in one branch, would be defeated.

[3] Given our conclusion that under Alaska's constitution the appointment of subordinate executive officers by the governor is an executive function, it is then necessary to determine the nature of the legislature's confirmation powers. Here we are in agreement with appellee's analysis that under Alaska's constitution confirmation is a specific attribute of the appointive power of the executive.[18] Other courts which have been called upon to resolve this issue have been unanimous in their holdings that confirmation is not a distinct legislative power, but rather a part of the executive power of appointment which has in turn been delegated in some specific instances by constitution to the legislative branch of government.[19]

In light of the nature of the legislature's power of confirmation, the question whether Sections 25 and 26 of Article III describe the outer limits of the legislature's confirmation authority, or whether the legislature may by statute require confirmation of other high-level, policy making officials within the executive branch, admits of but one resolution. As to this issue, we think the provisions of Sections 25 and 26 of Article III are clear and unambiguous.[20] Thus, we conclude that Sections 25 and 26 mark the full reach of the delegated, or shared, appointive function to Alaska's legislative branch of government.[21]

[4–6] The lack of ambiguity in Sections 25 and 26 of Article III of the Alaska Constitution mandate that this court interpret these express provisions as embodying not only the maximum parameters of the delegation of the executive appointive authority through the legislative confirmation function but, further, that they delineate the full extent of the constitution's express grant to the legislative branch of checks on the governor's power to appoint subordinate executive officers. In our view, the separation of powers doctrine requires that the blending of governmental powers will not be inferred in the absence of an express constitutional provision.[22]

18. In *Myers v. United States*, 272 U.S. 56, 169, 47 S.Ct. 21, 43, 71 L.Ed. 160, 187 (1926), the Supreme Court termed confirmation a power "super added" to those possessed by the legislature.

19. *Myers v. United States*, 272 U.S. 56, 138–39, 47 S.Ct. 21, 32–33, 71 L.Ed. 160, 174–75 (1926); *Wittler v. Baumgartner*, 180 Neb. 446, 144 N.W.2d 62, 67 (1966); *Spears v. Davis*, 398 S.W.2d 921 (Tex.1966); *Walker v. Baker*, 145 Tex. 121, 196 S.W.2d 324 (1946); *State v. Dowling*, 167 La. 907, 120 So. 593 (1928); *People v. Shawver*, 30 Wyo. 309, 222 P. 11 (1924).

20. *Compare Warwick v. State ex rel. Chance*, 548 P.2d 384, 391–96 (Alaska 1976).

21. In *O'Donoghue v. United States*, 289 U.S. 516, 530, 53 S.Ct. 740, 743, 77 L.Ed. 1356 (1933) (emphasis added), the Supreme court said:

> The Constitution, in distributing the powers of government, creates three distinct and separate departments—the legislative, the executive, and the judicial. This separation is not merely a matter of convenience or of governmental mechanism. Its object is basic and vital, *Springer v. Philippine Islands*, 277 U.S. 189, 201, 48 S.Ct. 480, 72 L.Ed. 845; namely, to preclude a commingling of these essentially different powers of government in the same hands. *And this object is none the less apparent and controlling because there is to be found in the Constitution an occasional specific provision conferring upon a given department certain functions, which, by their nature, would otherwise fall within the general scope of the powers of another.* Such exceptions serve rather to emphasize the generally inviolate character of the plan.

22. *Compare Lecge v. Martin*, 379 P.2d 447, 450 (Alaska 1963). *See also State v. Campbell*, 536 P.2d 105, 110-11 (Alaska 1975), where we said (footnotes omitted):

> This court is admittedly under a duty to reconcile, whenever possible, challenged legislation with the constitution by rendering a construction that would harmonize the statutory language with specific constitutional provisions. However, in fulfilling that duty, the extent to which the express language of the provision can be altered and departed from and the extent to which the infirmities can be rectified by the use of implied terms is limited by the constitutionally decreed separation of powers which prohibits this court from enacting legislation or redrafting defective statutes.

To hold otherwise would emasculate the restraints engendered by the doctrine of separation of powers and result in potentially serious encroachments upon the executive by the legislative branch, because there would be no logical termination point to the legislature's confirmation of executive appointments.[23]

The superior court's judgment is Affirmed.

CONNOR and BURKE, JJ., not participating.

Kenneth D. MOORE et al., Appellants,

v.

STATE of Alaska et al., Appellees.

STANDARD OIL COMPANY OF CALIFORNIA, Cross-Appellant,

v.

Kenneth D. MOORE et al., Cross-Appellees.

Nos. 2551, 2587.

Supreme Court of Alaska.

July 9, 1976.

Fishermen and owner of lodge on Kachemak Bay brought action challenging legality of sale of certain offshore oil and gas leases in the Bay. The Superior Court, Third Judicial District, Anchorage, Thomas E. Schulz, J., granted defendants' motion for summary judgment and fishermen and lodge owner appealed. The Supreme Court, in separate opinions by Connor and Rabinowitz, JJ., held that the action was not barred by laches; that legal requirements concerning publication of notice of sale were met; that determination that the sale was in the best interests of the State was required to be made prior to the sale; that contention that no such decision had been made was subject to judicial review; that the director of the division of lands had not made such a determination; that remand was required for determination of whether commissioner of natural resources had relieved the director of the division of lands of the responsibility for making that decision; that director of division of lands was required to consult with planning agencies in two cities and one borough in the vicinity of Kachemak Bay prior to entering into the sale; but that rule requiring the director to enter into such consultation would be applied prospectively only.

Remanded.

Dimond, J. pro tem., dissented in part and filed an opinion in which Rabinowitz, J., concurred.

Connor, J., filed a statement dissenting in part.

1. Appeal and Error ⇐949
Equity ⇐84

Decision to sustain a defense based on laches is properly addressed to the discretion of the trial court and will not be overturned unless the Supreme Court feels a definite and firm conviction that a mistake has been committed.

2. Appeal and Error ⇐1169(8)

Although clear error in a trial court ruling cannot be demonstrated by merely showing a conflict [illegible]lence and Supreme Court will [illegible]igh conflicting evidence, existence of [illegible]nets in evidence which give rise to genuine issues of material fact provides an adequate ground for reversal of a grant of summary judgment.

3. Equity ⇐72(1)

Before the equitable doctrine of laches can be applied, defendant must show that the plaintiff was guilty of inexcusable delay and that the delay resulted in undue prejudice to the defendant.

4. Equity ⇐71(2)

Element of undue [illegible] shown to establish laches diligence and neglect [illegible] and unexplained length cumstance permitting d[illegible]

5. Mines and Minerals ⇐

Where press rele[illegible] nor's office announce[illegible] offshore oil and gas [illegible] 1972, where call for [illegible] sued on July 13, 1973, sale was granted on where form [illegible] notices [illegible] November of 1973, w[illegible] December of 1973, w[illegible] sued in January of [illegible] mit authorizing lessee on November 12, 197[illegible] challenging the sale three weeks later, [illegible] leases were not guilty delay as to bar them. [illegible] laches, from asserting

6. Equity ⇐71(2)

In applying the court is not so much the alleged wrong [illegible] the determining wh[illegible] sulting prejudice to reasonable to expect the wrong.

7. Equity ⇐71(2)

One of the fac[illegible] measuring plaintiff's claim of laches wit[illegible] certain actions hav[illegible] when, under the c[illegible] no longer reasonab[illegible] sume that defendan[illegible] the law.

8. Appeal and Error

Although Supe[illegible] by the trial court's judgment and can[illegible] if the ultimate ju[illegible] the record, errors [illegible] cate that the judg[illegible] overall assessment [illegible]

23. Our holding makes it unnecessary to discuss any of the other arguments advanced in this appeal.

January 26, 1981

Nancy Carlson, Director
Alaska Public Offices Comm.
610 C Street
Anchorage, Ak. 99501

Dear Nancy:

As per the telephone call my office placed to you last week, I am requesting copies of conflict of interest statements (statements of financial disclosure) for the following persons. Your assistance in providing this information will be appreciated.

James Chase, Anchorage	Human Rights Commission
Morgan Reed, Skagway	Personnel Board
Gordon Zerbertz, Anchorage	Public Utilities Comm.
Karen Cory, Anchorage	Pipeline Commission
Janis Williams, Juneau	Pipeline Commission

The first three named are of reappointed persons. The last two are new appointments. We understand that the statements are for the 1980 calendar year, and for 1980 if available. Thank you.

Sincerely,

Sen. Vic Fischer
Chairman, Senate State Affairs Committee

/lf

COPY

Alaska State Legislature

Senate Committee on State Affairs
Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

MEMORANDUM

TO: Senator Jalmar Kerttula, President
Alaska State Senate

FROM: Senate State Affairs Committee

DATE: April 6, 1981

RE: Governor's appointment to the Alaska Public Offices Commission

---

Pursuant to your instructions the Senate State Affairs Committee has had under consideration the Governor's appointment to the Alaska Public Offices Commission and reports back with the following recommendation:

Mildred A. Opland, Anchorage, term expiring 2/1/86

Member	Recommendation
Senator Fischer, Chair	V. Fischer approved
Senator Colletta, Vice-Chair	Tike Colletta "
Senator Bradley	Brad Bradley approved
Senator Eliason	
Senator Stimson	approved

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Senator Jalmar Kerttula, President
Alaska State Senate

FROM: Senate State Affairs Committee

DATE: April 6, 1981

RE: Governor's appointments to the Board of Electrical Examiners

---

Pursuant to your instructions and in accordance with AS 39.05.080, the Senate State Affairs Committee has had under consideration the Governor's appointments to the Board of Electrical Examiners and reports back with the following recommendations:

George McCoy, Anchorage, term expiring 7/10/82
Terence Duszynski, Fairbanks, term expiring 7/10/83

Member	Recommendation
Senator Fischer, Chair	approved
Senator Colletta, Vice-Chair	"
Senator Bradley	approved
Senator Eliason	
Senator Stimson	approved

Alaska State Legislature

Senate Committee on State Affairs
Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Senator Jalmar Kerttula, President
Alaska State Senate

FROM: Senate State Affairs Committee

DATE: April 6, 1981

RE: Governor's appointments to the State Board of Registration for Architects, Engineers and Land Surveyors

---

Pursuant to your instructions and in accordance with AS 39.05.080, the Senate State Affairs Committee has had under consideration the Governor's appointments to the State Board of Registration for Architects, Engineers and Land Surveyors and reports back with the following recommendations:

Gerald Myers, Fairbanks, term expiring 7/1/86
Odin Strandberg, Anchorage, term expiring 7/1/81

Member	Recommendation
Senator Fischer, Chair	approved
Senator Colletta, Vice-Chair	"
Senator Bradley	"
Senator Eliason	
Senator Stimson	approved

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Senator Jalmar Kerttula, President
Alaska State Senate

FROM: Senate State Affairs Committee

DATE: April 6, 1981

RE: Governor's appointment to the State Commission for Human Rights

---

Pursuant to your instructions and in accordance with AS 39.05.080, the Senate State Affairs Committee has had under consideration the Governor's appointment to the State Commission for Human Rights and reports back with the following recommendation:

James Chase, Anchorage, term expiring 1/31/86

Member	Recommendation
Senator Fischer, Chair	V. Fischer approved
Senator Colletta, Vice-Chair	Terrie Colletta "
Senator Bradley	Brady Bradley approved
Senator Eliason	"
Senator Stimson	approved

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Senator Jalmar Kerttula, President
Alaska State Senate

FROM: Senate State Affairs Committee

DATE: April 6, 1981

RE: Governor's appointment to the Personnel Board

Pursuant to your instructions and in accordance with AS 39.05.080, the Senate State Affairs Committee has had under consideration the Governor's appointment to the Personnel Board and reports back with the following recommendation:

Morgan Reed, Skagway, term expiring 6/20/86

Member	Recommendation
Senator Fischer, Chair	V. Fischer approved
Senator Colletta, Vice-Chair	Mike Colletta "
Senator Bradley	Brad W. Bradley approved "
Senator Eliason	
Senator Stimson	J. Stimson approved

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Senator Jalmar Kerttula, President

FROM: Senate State Affairs Committee

DATE: April 6, 1981

RE: Governor's appointments to the Athletic Commission

Pursuant to your instructions and in accordance with AS 39.05.080, the Senate State Affairs Committee has had under consideration the Governor's appointments to the Athletic Commission and reports back with the following recommendations:

Don Dennis, Fairbanks, term expiring 5/14/82
Reginald Joule, Kotzebue, term expiring 5/14/82

Member	Recommendation
Senator Fischer, Chair	V. Fischer approved
Senator Colletta, Vice-Chair	Vicki Colletta "
Senator Bradley	Brad Bradley approved
Senator Eliason	[illegible] "
Senator Stimson	[illegible] Stimson approved

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Senator Jalmar Kerttula, President
Alaska State Senate

FROM: Senate State Affairs Committee

DATE: April 6, 1981

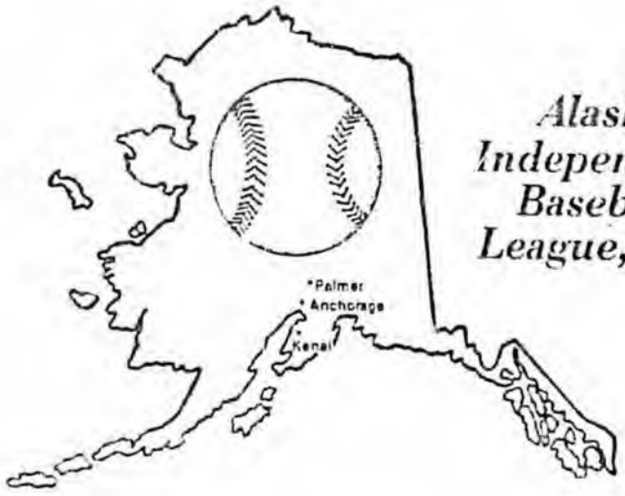
RE: Governor's appointments to the Alaska Pipeline Commission

---

Pursuant to your instructions and in accordance with AS 39.05.080, the Senate State Affairs Committee has had under consideration the Governor's appointments to the Alaska Pipeline Commission and reports back with the following recommendations:

Karen Cory, Anchorage, term expiring 4/4/86
Janis Williams, Juneau, term expiring 4/4/82

Member	~~Recommendation~~
Senator Fischer, Chair	V Fischer approved
Senator Colletta, Vice-Chair	Mike Colletta "
Senator Bradley	Brad Bradley approved
Senator Eliason	"
Senator Stimson	T Stimson approved



Alaska Independent Baseball League, Inc.

FEB 6 1981

February 3, 1981

Honorable Jay Kerttula
State Senator
Pouch V
Juneau, AK.

Dear Jay:

In using criteria such as overall balance, receptiveness and an attitude of co-operation, I regret that I can not support the confirmation of Mr. Don Dennis of Fairbanks t the position of Athletic Commissioner for this State.

Sincerely,

Vince O'Reilly
Commissioner

VOR:jr

P.O. Box 37 8 • Kenai, Alaska 99611 • 907-283-4946

STATE OF ALASKA
ALASKA PUBLIC OFFICES COMMISSION
610 C Street, Suite 209
Anchorage, Alaska 99501

RECEIVED
MAY 5 1980
PUBLIC OFFICES COMMISSION

CONFLICT OF INTEREST STATEMENT FOR PUBLIC OFFICIAL OR CANDIDATE

PART 1. GENERAL INFORMATION

REPORTING PERIOD: January 1, 19 79 to December 31, 19 79 (Preceding Calendar year)

REPORTING OFFICIAL: Name: James H. Chase

Resident Address: 3023 Madison Way Mailing Address: same

City: Anchorage State: ALASKA Zip Code: 99504

APPLICABLE OFFICE (Mark one or more, as appropriate, and complete blanks):

A. State Public Official:

/ / Legislative _____ (Senator or Representative) / / Judicial: _____ (title)

/ / Executive _____ (title of position) _____ (name of department)

/X/ Board or Commission Commission for Human Rights (name of Board or Commission)

B. Municipal Public Official:

/ / Mayor / / School Board Member

/ / Borough or City Manager / / Utility Board Member

/ / Assembly or Council Person / / Planning and Zoning Commission Member

TERM OF OFFICE: Begin _____ End _____

If Candidate, Date Declaration of Candidacy Filed: _____

If Appointed or Hired, Date of Appointment: April 9, 1980

MEMBERS OF FAMILY OF REPORTING OFFICIAL: (Please list names)

Spouse: Marlene G. Chase Dependent Children: Joyce N Chase, Donna L Chase

Non-dependent Children Living with Reporting Official: none

PART 2. CERTIFICATION

I, the undersigned, declare under oath and on penalty of perjury that the statements contained in this conflict of interest statement are, to the best of my knowledge, true, correct, and complete.

DATED: May 5 1980 SIGNED: James H Chase

SUBSCRIBED AND SWORN to before me this 5 day of May, 1980.

Notary Public: Mary Ann Baker

My commission expires: April 26, 1983

APOC FORM 39-1 (Rev. 11/79)

PART 3. SOURCES OF INCOME AND CAPITAL GAINS OVER $100
(see Manual of Instructions, page 7)

NAME (of reporting official, spouse, etc.)	SOURCE OF INCOME
1) Salary:	
James H. Chase	University of Alaska, Anchorage
James H. Chase	United States Air Force Pension
Marlene G. Chase	Anchorage School District
Joyce N. Chase	Three Sisters Fabric
Donna L. Chase	DOT State of Alaska
Donna L. Chase	Jeans West
2) Rentals:	
None	
3) Dividends and Interest:	
None	
4) Self employment (business name, clients, customers):	
Polychrome Consultants	Anchorage School District
5) Other:	

(Use continuation sheet if necessary)

PART 4. BUSINESS INVOLVEMENT OR OWNERSHIP INTEREST AS A STOCKHOLDER, OWNER, OFFICER, DIRECTOR, PARTNER, PROPRIETOR, OR EMPLOYEE

(see Manual of Instructions, page 9)

NAME (reporting official, spouse, etc.)	NATURE OF INVOLVEMENT OR INTEREST	NAME AND ADDRESS OF BUSINESS
James H. Chase	Owner	Polychrome Consultants P.O. Box 1394 Anchorage, AK 99510

(continue on blank sheet if necessary)

PART 5. REAL PROPERTY INTERESTS OWNED, INCLUDING OPTIONS TO BUY

(see Manual of Instructions, page 10)

NAME (of reporting official, spouse, etc.)	IDENTITY OF PROPERTY INCLUDING LOCATION AND CURRENT USE	NATURE OF INTEREST
James H. Chase	Lot 15 - Block 5 College Village s/d Addition #5	Owned Residence

(continue on blank sheet if necessary)

PART 6. BENEFICIAL INTEREST IN TRUSTS OR OTHER FIDUCIARY RELATION

(see Manual of Instructions, page 11)

NAME (reporting official, spouse, etc.)	TRUSTOR	PROPERTY	EXTEN. OF INTEREST
None			

(continue on blank sheet if necessary)

PART 7. LOANS, LOAN GUARANTEES OR OTHER FINANCIAL OBLIGATIONS OF $500 OR MORE
(see Manual of Instructions, page 12)

NAME (reporting official spouse, etc.)	IDENTITY OF MAKER OF LOAN, LOAN GUARANTOR, OR CREDITOR
Joyce N. Chase	State School Loan

(continue on blank sheet if necessary)

PART 8. CONTRACTS AND OFFERS TO CONTRACT WITH THE STATE OR AN INSTRUMENTALITY OF THE STATE
(see Manual of Instructions, page 13)

NAME AND RELATIONSHIP (John Doe, reporting off.; Jan Doe, spouse)	STATE CONTRACTING DEPT. OR INSTRUMENTALITY	IDENTITY OF CONTRACT	INDICATE: BID, HELD, OFFERED
None			

(continue on blank sheet if necessary)

PART 9. LEASES OR OFFERS TO LEASE MINERAL, TIMBER, OIL, OR OTHER NATURAL RESOURCES
(see Manual of Instructions, page 15)

NAME AND RELATIONSHIP (John Doe, reporting off.; Mary Doe, mother)	NATURE OF LEASE	IDENTITY OF LEASE	INDICATE: HELD OR OFFERED
None			

(continue on blank sheet if necessary)

STATE OF ALASKA
ALASKA PUBLIC OFFICES COMMISSION
610 C Street, Suite 209
Anchorage, Alaska 99501

RECEIVED
APR 17 1980
PUBLIC OFFICES COMMISSION

CONFLICT OF INTEREST STATEMENT FOR PUBLIC OFFICIAL OR CANDIDATE

PART 1. GENERAL INFORMATION

REPORTING PERIOD: January 1, 19 79 to December 31, 19 79 (Preceding Calendar year)

REPORTING OFFICIAL: Name: Thomas H. Reed

Resident Address: _____ Mailing Address: Box 692

City: Skagway State: ALASKA Zip Code: 99840

APPLICABLE OFFICE (Mark one or more, as appropriate, and complete blanks):

A. State Public Official:

/ / Legislative _____ (Senator or Representative) / / Judicial: _____ (title)

/ / Executive _____ (title of position) _____ (name of department)

/ / Board or Commission Labor Relations, Retirement Services (name of Board or Commission)

B. Municipal Public Official:

/ / Mayor / / School Board Member

/ / Borough or City Manager / / Utility Board Member

/ / Assembly or Council Person / / Planning and Zoning Commission Member

TERM OF OFFICE: Begin _____ End _____

If Candidate, Date Declaration of Candidacy Filed: _____

If Appointed or Hired, Date of Appointment: _____

MEMBERS OF FAMILY OF REPORTING OFFICIAL: (Please list names)

Spouse: Blodwen Dependent Children: _____

Non-dependent Children Living with Reporting Official: _____

PART 2. CERTIFICATION

I, the undersigned, declare under oath and on penalty of perjury that the statements contained in this conflict of interest statement are, to the best of my knowledge, true, correct, and complete.

DATED: 4-14-80 SIGNED: Thomas H. Reed

SUBSCRIBED AND SWORN to before me this 14 day of April, 19 80.

SKAGWAY, AK APR 14 1980

Notary Public: Wanda Warner

My commission expires: _____

APOC FORM 39-1 (Rev. 1/79)

PART 3. SOURCES OF INCOME AND CAPITAL GAINS OVER $100
(see Manual of Instructions, page 7)

NAME (of reporting official, spouse, etc.)	SOURCE OF INCOME
1) Salary:	
Morgan H. Reed	Natl. Bank Alaska
2) Rentals:	
R. Bissell — Berg Constr	L. La Force
J. Edwards	
J. Reynolds — D. Brenna	
B. Hoover — G. Hermans	
S. Thayer — M. Terazzo	
3) Dividends and Interest:	
Kaiser Steel	Brunswick
Realtin Laboratories	
Microwave	
4) Self employment (business name, clients, customers):	
5) Other:	

(Use continuation sheet if necessary)

APOC Form.39-1 (Rev. 11/79)

PART 4. BUSINESS INVOLVEMENT OR OWNERSHIP INTERESTS AS A STOCKHOLDER, OWNER, OFFICER, DIRECTOR, PARTNER, PROPRIETOR, OR EMPLOYEE
(see Manual of Instructions, page 9)

NAME (reporting official, spouse, etc.)	NATURE OF INVOLVEMENT OR INTEREST	NAME AND ADDRESS OF BUSINESS
Morgan W. Reed	Stockholder	Kaiser Steel Corp.
		Berkeley Laboratories
		Microwave
		Brunswick
		Simplicity Pattern

(continue on blank sheet if necessary)

PART 5. REAL PROPERTY INTERESTS OWNED, INCLUDING OPTIONS TO BUY
(see Manual of Instructions, page 10)

NAME (of reporting official, spouse, etc.)	IDENTITY OF PROPERTY INCLUDING LOCATION AND CURRENT USE		NATURE OF INTEREST
Morgan W. Reed	City of S Bayway		
	L 7 & 8 Block 27	Rental	own
	L 4 " 28	"	
	L 5 & 6 " 28	"	
	L 1-2-3-4 " 112	"	
	3 1/3 Acre Homesite Located Naku Bay Summer Residence		

(continue on blank sheet if necessary)

PART 6. BENEFICIAL INTEREST IN TRUSTS OR OTHER FIDUCIARY RELATION
(see Manual of Instructions, page 11)

NAME (reporting official, spouse, etc.)	TRUSTOR	PROPERTY	EXTENT OF INTEREST

(continue on blank sheet if necessary)

APOC FORM 39-1 (Rev. 11/79)

PART 7. LOANS, LOAN GUARANTEES OR OTHER FINANCIAL OBLIGATIONS OF $500 OR MORE
(see Manual of Instructions, page 12)

NAME (reporting official spouse, etc.)	IDENTITY OF MAKER OF LOAN, LOAN GUARANTOR, OR CREDITOR
Morgan H. Reed	National Bank Atlanta

(continue on blank sheet if necessary)

PART 8. CONTRACTS AND OFFERS TO CONTRACT WITH THE STATE OR AN INSTRUMENTALITY OF THE STATE
(see Manual of Instructions, page 13)

NAME AND RELATIONSHIP (John Doe, reporting off.; Jan Doe, spouse)	STATE CONTRACTING DEPT. OR INSTRUMENTALITY	IDENTITY OF CONTRACT	INDICATE: BID, HELD, OFFERED
None			

(continue on blank sheet if necessary)

PART 9. LEASES OR OFFERS TO LEASE MINERAL, TIMBER, OIL, OR OTHER NATURAL RESOURCES
(see Manual of Instructions, page 15)

NAME AND RELATIONSHIP (John Doe, reporting off.; Mary Doe, mother)	NATURE OF LEASE	IDENTITY OF LEASE	INDICATE: HELD OR OFFERED
None			

(continue on blank sheet if necessary)

STATE OF ALASKA
ALASKA PUBLIC OFFICES COMMISSION
610 C Street, Suite 209
Anchorage, Alaska 99501

RECEIVED
APR 14 1980
PUBLIC OFFICES COMMISSION

CONFLICT OF INTEREST STATEMENT FOR PUBLIC OFFICIAL OR CANDIDATE

PART 1. GENERAL INFORMATION

REPORTING PERIOD: January 1, 19 79 to December 31, 19 79 (Preceding Calendar year)

REPORTING OFFICIAL: Name: GORDON J. ZERBETZ

Resident Address: 525 W. 3rd Avenue Apt. #5 Mailing Address: 1100 MacKay Bldg. 338 Denali

City: Anchorage State: ALASKA Zip Code: 99501

APPLICABLE OFFICE (Mark one or more, as appropriate, and complete blanks):

A. State Public Official:

/ / Legislative _____ (Senator or Representative) / / Judicial: _____ (title)

/ / Executive _____ (title of position) _____ (name of department)

/X/ Board or Commission Alaska Public Utilities Commission (name of Board or Commission)

B. Municipal Public Official:

/ / Mayor / / School Board Member

/ / Borough or City Manager / / Utility Board Member

/ / Assembly or Council Person / / Planning and Zoning Commission Member

TERM OF OFFICE: Begin October 31, 1974 End October 31, 1980
If Candidate, Date Declaration of Candidacy Filed:
If Appointed or Hired, Date of Appointment: October 31, 1974

MEMBERS OF FAMILY OF REPORTING OFFICIAL: (Please list names)

Spouse: None Dependent Children: Evon Marie Zerbetz

Non-dependent Children Living with Reporting Official: None

PART 2. CERTIFICATION

I, the undersigned, declare under oath and on penalty of perjury that the statements contained in this conflict of interest statement are, to the best of my knowledge, true, correct, and complete.

DATED: April 14, 1980 SIGNED: Gordon J. Zerbetz

SUBSCRIBED AND SWORN to before me this 11th day of April, 19 80.

Notary Public: E. Pignatelli
My commission expires: (Commission expires 3-14-84)

APOC FORM 39-1 (Rev. 11/79)

PART 3. SOURCES OF INCOME AND CAPITAL GAINS OVER $100
(see Manual of Instructions, page 7)

NAME (of reporting official, spouse, etc.)	SOURCE OF INCOME
1) Salary:	
Gordon J. Zerbetz	State of Alaska
2) Rentals:	
Gordon J. Zerbetz	Leo Barlow
3) Dividends and Interest:	
Gordon J. Zerbetz	David Val
Gordon J. Zerbetz	The Islanders
Gordon J. Zerbetz	Dean Witter
Gordon J. Zerbetz	Merrill, Lynch
4) Self employment (business name, clients, customers):	
Gordon J. Zerbetz	Rarities Unlimited
5) Other:	
N/A .	

(Use continuation sheet if necessary)

PART 4. BUSINESS INVOLVEMENT OR OWNERSHIP INTEREST AS A STOCKHOLDER, OWNER, OFFICER, DIRECTOR, PARTNER, PROPRIETOR, OR EMPLOYEE

(see Manual of Instructions, page 9)

NAME (reporting official, spouse, etc.)	NATURE OF INVOLVEMENT OR INTEREST	NAME AND ADDRESS OF BUSINESS
Gordon J. Zerbetz	Stockholder	Stedman Hotel Co. c/o Self Ketchikan, Alaska
Gordon J. Zerbetz	Stockholder	Amstar Corporation NYSE
Gordon J. Zerbetz	Stockholder	National Bank of Alaska Anchorage, Alaska
Gordon J. Zerbetz	Stockholder	First National Bank of Ketchikan

(continue on blank sheet if necessary) (see continuation sheets)

PART 5. REAL PROPERTY INTERESTS OWNED, INCLUDING OPTIONS TO BUY

(see Manual of Instructions, page 10)

NAME (of reporting official, spouse, etc.)	IDENTITY OF PROPERTY INCLUDING LOCATION AND CURRENT USE	NATURE OF INTEREST
Gordon J. Zerbetz	Zerbetz Pine Apartments Co.	Co-owner
Gordon J. Zerbetz	Lot 3, Blk. 2, Gravina Island S/D	Owner
Gordon J. Zerbetz	Lot 172 USS 3156	Owner

(continue on blank sheet if necessary) (see continuation sheet)

PART 6. BENEFICIAL INTEREST IN TRUSTS OR OTHER FIDUCIARY RELATION

(see Manual of Instructions, page 11)

NAME (reporting official, spouse, etc.)	TRUSTOR	PROPERTY	EXTENT OF INTEREST
	N/A		

(continue on blank sheet if necessary)

PART 7. LOANS, LOAN GUARANTEES OR OTHER FINANCIAL OBLIGATIONS OF $500 OR MORE
(see Manual of Instructions, page 12)

NAME (reporting official spouse, etc.)	IDENTITY OF MAKER OF LOAN, LOAN GUARANTOR, OR CREDITOR
Gordon J. Zerbetz	State of Alaska Division of Veterans Affairs, Alaska

(continue on blank sheet if necessary)

PART 8. CONTRACTS AND OFFERS TO CONTRACT WITH THE STATE OR AN INSTRUMENTALITY OF THE STATE
(see Manual of Instructions, page 13)

NAME AND RELATIONSHIP (John Doe, reporting off.; Jan Doe, spouse)	STATE CONTRACTING DEPT. OR INSTRUMENTALITY	IDENTITY OF CONTRACT	INDICATE: BID, HELD, OFFERED
	N/A		

(continue on blank sheet if necessary)

PART 9. LEASES OR OFFERS TO LEASE MINERAL, TIMBER, OIL, OR OTHER NATURAL RESOURCES
(see Manual of Instructions, page 15)

NAME AND RELATIONSHIP (John Doe, reporting off.; Mary Doe, mother)	NATURE OF LEASE	IDENTITY OF LEASE	INDICATE: HELD OR OFFERED
Gregory (Son)	Aquaculture	Duke Island, AK	Held

(continue on blank sheet if necessary)

CONTINUATION SHEET

PART 4. BUSINESS INVOLVEMENT OR OWNERSHIP INTEREST AS A STOCKHOLDER, OWNER, OFFICER, DIRECTOR, PARTNER, PROPRIETOR, OR EMPLOYEE

NAME	NATURE OF INVOLVEMENT OR INTEREST	NAME AND ADDRESS OF BUSINESS
Gordon J. Zerbetz	Stockholder	Alaska Bank of Commerce Anchorage, AK.
Gordon J. Zerbetz		Celanese Corporation NYSE
Gordon J. Zerbetz		Pan-American Airline NYSE
Gordon J. Zerbetz		Pay Less Drugs NYSE
Gordon J. Zerbetz		Hyatt Corp. OTC Dean Witter Co.
Gordon J. Zerbetz		Perma-Bilt Ind. NYSE
Gordon J. Zerbetz		Computer Automation NYSE
Gordon J. Zerbetz	Partner, Officer & Stockholder	Alaska Sea Ranch, Inc. Duke Island, Alaska
Gordon J. Zerbetz	Partner	Rarities Unlimited 900 West 54th St. Anchorage, Alaska
Gordon J. Zerbetz	Officer & Stockholder	MC Productions, Inc. Anchorage, Alaska
Gordon J. Zerbetz	Stockholder	Bay Center Mariculture Bay Center, Washington
Gordon J. Zerbetz	Stockholder	Tongass Trading Co., Inc. Ketchikan, Alaska
Gordon J. Zerbetz	Stockholder	Rustenberg Platinum LOND. EX.
Gordon J. Zerbetz	Stockholder	Instrument Systems c/o Dean Witter
Gordon J. Zerbetz	Stockholder	East Met c/o Dean Witter
Gordon J. Zerbetz	Stockholder	RMIC Corporation c/o Dean Witter

CONTINUATION SHEET

PART 4. BUSINESS INVOLVEMENT OR OWNERSHIP INTEREST AS A STOCKHOLDER, OWNER, OFFICER, DIRECTOR, PARTNER, PROPRIETOR, OR EMPLOYEE

NAME	NATURE OF INVOLVEMENT OR INTEREST	NAME AND ADDRESS OF BUSINESS
Gordon J. Zerbetz	Stockholder	Alaska International Industries c/o Dean Witter
Gordon J. Zerbetz	Stockholder c/o Dean Witter	W. A. Kreuger
Gordon J. Zerbetz	Stockholder	Nordstrom c/o Dean witter
Gordon J. Zerbetz	Stockholder	Liberty Homes c/o Dean Witter

PART 5. REAL PROPERTY INTEREST OWNED, INCLUDING OPTIONS TO BUY

NAME	IDENTITY OF PROPERTY INCLUDING LOCATION AND CURRENT USE	NATURE OF INTEREST
Gordon J. Zerbetz	Turnagain Arms Condo Anchorage	Owner
Gordon J. Zerbetz	Lot 12, Sperstad S/D Anchorage	Owner
Gordon J. Zerbetz	Lots 1 and 2, Block 1 Pennock Island S/D	Owner

STATE OF ALASKA
ALASKA PUBLIC OFFICES COMMISSION
610 C Street, Suite 209
Anchorage, Alaska 99501

RECEIVED
JAN 15 1981
STATE OFFICES COMMISSION

CONFLICT OF INTEREST STATEMENT FOR PUBLIC OFFICIAL OR CANDIDATE

PART 1. GENERAL INFORMATION

REPORTING PERIOD: January 1, 19 ~~80~~ 79 to December 31, 19 ~~xxx~~ 79 (Preceding Calendar year)

REPORTING OFFICIAL: Name: Janis C. Williams

Resident Address: 4034 Reka Drive #2 Mailing Address: SAME

City: Anchorage State: ALASKA Zip Code: 99504

APPLICABLE OFFICE (Mark one or more, as appropriate, and complete blanks):

A. State Public Official:

/ / Legislative _____ (Senator or Representative) / / Judicial: _____ (title)

/ / Executive _____ (title of position) _____ (name of department)

/X/ Board or Commission Alaska Pipeline Commission (name of Board or Commission)

B. Municipal Public Official:

/ / Mayor / / School Board Member

/ / Borough or City Manager / / Utility Board Member

/ / Assembly or Council Person / / Planning and Zoning Commission Member

TERM OF OFFICE: Begin _____ End _____

If Candidate, Date Declaration of Candidacy Filed: _____

If Appointed or Hired, Date of Appointment: November 12, 1980

MEMBERS OF FAMILY OF REPORTING OFFICIAL: (Please list names)

Spouse: NONE Dependent Children: NONE

Non-dependent Children Living with Reporting Official: NONE

PART 2. CERTIFICATION

I, the undersigned, declare under oath and on penalty of perjury that the statements contained in this conflict of interest statement are, to the best of my knowledge, true, correct, and complete.

DATED: January 15, 1981 SIGNED: Janis C. Williams

SUBSCRIBED AND SWORN to before me this 15 day of January, 19 81.

Notary Public: Barbara A. Tennison

My commission expires: 1-19-83

APOC FORM 39-1 (Rev. 11/79)

PART 3. SOURCES OF INCOME AND CAPITAL GAINS OVER $100
(see Manual of Instructions, page 7)

NAME (of reporting official, spouse, etc.)	SOURCE OF INCOME
1) Salary:	
Janis C. Williams	STATE OF ALASKA
2) Rentals:	
N/A	
3) Dividends and Interest:	
N/A	
4) Self employment (business name, clients, customers):	
N/A	
5) Other:	
N/A	

(Use continuation sheet if necessary)

PART 4. BUSINESS INVOLVEMENT OR OWNERSHIP INTEREST AS A STOCKHOLDER, OWNER, OFFICER, DIRECTOR, PARTNER, PROPRIETOR, OR EMPLOYEE

(see Manual of Instructions, page 9)

NAME (reporting official, spouse, etc.)	NATURE OF INVOLVEMENT OR INTEREST	NAME AND ADDRESS OF BUSINESS
Janis C. Williams	Director and Officer	WILLIAMS THEATRES, INC. 101 S. Main Street Union, Missouri 63084

(continue on blank sheet if necessary)

PART 5. REAL PROPERTY INTERESTS OWNED, INCLUDING OPTIONS TO BUY

(see Manual of Instructions, page 10)

NAME (of reporting official, spouse, etc.)	IDENTITY OF PROPERTY INCLUDING LOCATION AND CURRENT USE	NATURE OF INTEREST
Janis C. Williams	Lot 3, Block 1, KAKNU KORNERS SUBDIVISION, located on Kaknu Road, Kenai Alaska, house unoccupied	OWNER

(continue on blank sheet if necessary)

PART 6. BENEFICIAL INTEREST IN TRUSTS OR OTHER FIDUCIARY RELATION

(see Manual of Instructions, page 11)

NAME (reporting official, spouse, etc.)	TRUSTOR	PROPERTY	EXTENT OF INTEREST
N/A			

(continue on blank sheet if necessary)

PART 7. LOANS, LOAN GUARANTEES OR OTHER FINANCIAL OBLIGATIONS OF $500 OR MORE
(see Manual of Instructions, page 12)

NAME (reporting official spouse, etc.)	IDENTITY OF MAKER OF LOAN, LOAN GUARANTOR, OR CREDITOR
Janis C. Williams	Irving Trust Company, 480 Madison Avenue, New York, NY 10017

(continue on blank sheet if necessary)

PART 8. CONTRACTS AND OFFERS TO CONTRACT WITH THE STATE OR AN INSTRUMENTALITY OF THE STATE
(see Manual of Instructions, page 13)

NAME AND RELATIONSHIP (John Doe, reporting off.; Jan Doe, spouse)	STATE CONTRACTING DEPT. OR INSTRUMENTALITY	IDENTITY OF CONTRACT	INDICATE: BID, HELD, OFFERED
N/A			

(continue on blank sheet if necessary)

PART 9. LEASES OR OFFERS TO LEASE MINERAL, TIMBER, OIL, OR OTHER NATURAL RESOURCES
(see Manual of Instructions, page 15)

NAME AND RELATIONSHIP (John Doe, reporting off.; Mary Doe, mother)	NATURE OF LEASE	IDENTITY OF LEASE	INDICATE: HELD OR OFFERED
N/A			

(continue on blank sheet if necessary)

STATE OF ALASKA
ALASKA PUBLIC OFFICES COMMISSION
610 C Street, Suite 209
Anchorage, Alaska 99501

RECEIVED
JAN 15 1981
PUBLIC OFFICES COMMISSION

CONFLICT OF INTEREST STATEMENT FOR PUBLIC OFFICIAL OR CANDIDATE

PART 1. GENERAL INFORMATION

REPORTING PERIOD: January 1, 19 80 to December 31, 19 80 (Preceding Calendar year)

REPOPTING OFFICIAL: Name: Janis C. Williams

Resident Address: 4034 Reka Drive #2 Mailing Address: SAME

City: Anchorage State: ALASKA Zip Code: 99504

APPLICABLE OFFICE (Mark one or more, as appropriate, and complete blanks):

A. State Public Official:

/ / Legislative _____ (Senator or Representative) / / Judicial: _____ (title)

/ / Executive _____ (title of position) _____ (name of department)

/X/ Board or Commission Alaska Pipeline Commission (name of Board or Commission)

B. Municipal Public Official:

/ / Mayor / / School Board Member

/ / Borough or City Manager / / Utility Board Member

/ / Assembly or Council Person / / Planning and Zoning Commission Member

TERM OF OFFICE: Begin _____ End _____
If Candidate, Date Declaration of Candidacy Filed: _____
If Appointed or Hired, Date of Appointment: November 12, 1980

MEMBERS OF FAMILY OF REPORTING OFFICIAL: (Please list names)

Spouse: NONE Dependent Children: NONE

Non-dependent Children Living with Reporting Official: NONE

PART 2. CERTIFICATION

I, the undersigned, declare under oath and on penalty of perjury that the statements contained in this conflict of interest statement are, to the best of my knowledge, true, correct, and complete.

DATED: January 15 1981 SIGNED: Janis C. Williams

SUBSCRIBED AND SWORN to before me this 15 day of January, 19 81.

Notary Public: Barbara A Tennyson
My commission expires: 1-19-83

APOC FORM 39-1 (Rev. 11/79)

PART 3. SOURCES OF INCOME AND CAPITAL GAINS OVER $100
(see Manual of Instructions, page 7)

NAME (of reporting official, spouse, etc.)	SOURCE OF INCOME
1) Salary:	
Janis C. Williams	STATE OF ALASKA
2) Rentals:	
N/A	
3) Dividends and Interest:	
N/A	
4) Self employment (business name, clients, customers):	
N/A	
5) Other:	
N/A	

(Use continuation sheet if necessary)

PART 4. BUSINESS INVOLVEMENT OR OWNERSHIP INTEREST AS A STOCKHOLDER, OWNER, OFFICER, DIRECTOR, PARTNER, PROPRIETOR, OR EMPLOYEE

(see Manual of Instructions, page 9)

NAME (reporting official, spouse, etc.)	NATURE OF INVOLVEMENT OR INTEREST	NAME AND ADDRESS OF BUSINESS
Janis C. Williams	Director and Officer	WILLIAMS THEATRES, INC. 101 S. Main Street Union, Missouri 63084

(continue on blank sheet if necessary)

PART 5. REAL PROPERTY INTERESTS OWNED, INCLUDING OPTIONS TO BUY

(see Manual of Instructions, page 10)

NAME (of reporting official, spouse, etc.)	IDENTITY OF PROPERTY INCLUDING LOCATION AND CURRENT USE	NATURE OF INTEREST
Janis C. Williams	Lot 3, Block 1, KAKNU KORNERS SUBDIVISION, located on Kaknu Road, Kenai, Alaska, house unoccupied	OWNER

(continue on blank sheet if necessary)

PART 6. BENEFICIAL INTEREST IN TRUSTS OR OTHER FIDUCIARY RELATION

(see Manual of Instructions, page 11)

NAME (reporting official, spouse, etc.)	TRUSTOR	PROPERTY	EXTENT OF INTEREST
N/A			

(continue on blank sheet if necessary)

PART 7. LOANS, LOAN GUARANTEES OR OTHER FINANCIAL OBLIGATIONS OF $500 OR MORE
(see Manual of Instructions, page 12)

NAME (reporting official spouse, etc.)	IDENTITY OF MAKER OF LOAN, LOAN GUARANTOR, OR CREDITOR
Janis C. Williams	Irving Trust Company, 480 Madison Avenue, New York, NY 10017

(continue on blank sheet if necessary)

PART 8. CONTRACTS AND OFFERS TO CONTRACT WITH THE STATE OR AN INSTRUMENTALITY OF THE STATE
(see Manual of Instructions, page 13)

NAME AND RELATIONSHIP (John Doe, reporting off.; Jan Doe, spouse)	STATE CONTRACTING DEPT. OR INSTRUMENTALITY	IDENTITY OF CONTRACT	INDICATE: BID, HELD, OFFERED
N/A			

(continue on blank sheet if necessary)

PART 9. LEASES OR OFFERS TO LEASE MINERAL, TIMBER, OIL, OR OTHER NATURAL RESOURCES
(see Manual of Instructions, page 15)

N/A

NAME AND RELATIONSHIP (John Doe, reporting off.; Mary Doe, mother)	NATURE OF LEASE	IDENTITY OF LEASE	INDICATE: HELD OR OFFERED
N/A			

(continue on blank sheet if necessary)

STATE OF ALASKA
ALASKA PUBLIC OFFICES COMMISSION
610 C Street, Suite 209
Anchorage, Alaska 99501

Received Alaska Public Offices Commission
APR 16 1980
Hand carried

CONFLICT OF INTEREST STATEMENT FOR PUBLIC OFFICIAL OR CANDIDATE

PART 1. GENERAL INFORMATION

REPORTING PERIOD: January 1, 19 79 to December 31, 19 79 (Preceding Calendar year)

REPORTING OFFICIAL: Name: Karen W. Cory

Resident Address: Cliff House Apts. #1 Juneau, AK. Mailing Address: Pouch A

City: Juneau State: ALASKA Zip Code: 99811

APPLICABLE OFFICE (Mark one or more, as appropriate, and complete blanks):

A. State Public Official:

☐ Legislative _____ (Senator or Representative) ☐ Judicial: _____ (title)

☒ Executive Special Assistant (title of position) Governor's office (name of department)

☐ Board or Commission _____ (name of Board or Commission)

B. Municipal Public Official: N/A

☐ Mayor ☐ School Board Member

☐ Borough or City Manager ☐ Utility Board Member

☐ Assembly or Council Person ☐ Planning and Zoning Commission Member

TERM OF OFFICE: Begin NA End _____

If Candidate, Date Declaration of Candidacy Filed: _____

If Appointed or Hired, Date of Appointment: _____

MEMBERS OF FAMILY OF REPORTING OFFICIAL: (Please list names)

Spouse: _____ Dependent Children: _____

Non-dependent Children Living with Reporting Official: _____

PART 2. CERTIFICATION

I, the undersigned, declare under oath and on penalty of perjury that the statements contained in this conflict of interest statement are, to the best of my knowledge, true, correct, and complete.

DATED: April 14, 1980 SIGNED: Karen W. Cory

SUBSCRIBED AND SWORN to before me this 16 day of April, 19 80

Notary Public: Jeanie Boone

My commission expires: My Commission Expires January 21, 1982

APOC FORM 39-1 (Rev. 11/79)

PART 3. SOURCES OF INCOME AND CAPITAL GAINS OVER $100
(see Manual of Instructions, page 7)

NAME (of reporting official, spouse, etc.)	SOURCE OF INCOME
1) Salary:	
Karen W. Cory	State of AK.
2) Rentals:	
3) Dividends and Interest:	
Karen W. Cory	AK Teamsters Fed. Credit Union (account presently closed)
4) Self employment (business name, clients, customers):	
N/A	
5) Other:	
N/A	

(Use continuation sheet if necessary)

PART 4. BUSINESS INVOLVEMENT OR OWNERSHIP INTEREST IN A STOCKHOLDER, OWNER, OFFICER, DIRECTOR, PARTNER, PROPRIETOR, OR EMPLOYEE
(see Manual of Instructions, page 9)

NAME (reporting official, spouse, etc.)	NATURE OF INVOLVEMENT OR INTEREST	NAME AND ADDRESS OF BUSINESS

(continue on blank sheet if necessary)

PART 5. REAL PROPERTY INTERESTS OWNED, INCLUDING OPTIONS TO BUY
(see Manual of Instructions, page 10)

NAME (of reporting official, spouse, etc.)	IDENTITY OF PROPERTY INCLUDING LOCATION AND CURRENT USE	NATURE OF INTEREST
NONE		

(continue on blank sheet if necessary)

PART 6. BENEFICIAL INTEREST IN TRUSTS OR OTHER FIDUCIARY RELATION
(see Manual of Instructions, page 11)

NAME (reporting official, spouse, etc.)	TRUSTOR	PROPERTY	EXTENT OF INTEREST
NONE			

(continue on blank sheet if necessary)

PART 7. LOANS, LOAN GUARANTEES OR OTHER FINANCIAL OBLIGATIONS OF $500 OR MORE
(see Manual of Instructions, page 12)

NAME (reporting official spouse, etc.)	IDENTITY OF MAKER OF LOAN, LOAN GUARANTOR, OR CREDITOR
NONE	

(continue on blank sheet if necessary)

PART 8. CONTRACTS AND OFFERS TO CONTRACT WITH THE STATE OR AN INSTRUMENTALITY OF THE STATE
(see Manual of Instructions, page 13)

NAME AND RELATIONSHIP (John Doe, reporting off.; Jan Doe, spouse)	STATE CONTRACTING DEPT. OR INSTRUMENTALITY	IDENTITY OF CONTRACT	INDICATE: BID, HELD, OFFERED
NONE			

(continue on blank sheet if necessary)

PART 9. LEASES OR OFFERS TO LEASE MINERAL, TIMBER, OIL, OR OTHER NATURAL RESOURCES
(see Manual of Instructions, page 15)

NAME AND RELATIONSHIP (John Doe, reporting off.; Mary Doe, mother)	NATURE OF LEASE	IDENTITY OF LEASE	INDICATE: HELD OR OFFERED
NONE			

(continue on blank sheet if necessary)

January 26, 1981

Nancy Carlson, Director
Alaska Public Offices Comm.
610 C Street
Anchorage, Ak. 99501

Dear Nancy:

As per the telephone call my office placed to you last week, I am requesting copies of conflict of interest statements (statements of financial disclosure) for the following persons. Your assistance in providing this information will be appreciated.

James Chase, Anchorage	Human Rights Commission
Morgan Reed, Skagway	Personnel Board
Gordon Zerbertz, Anchorage	Public Utilities Comm.
Karen Cory, Anchorage	Pipeline Commission
Janis Williams, Juneau	Pipeline Commission

The first three names are of reappointed persons. The last two are new appointments. We understand that the statements are for the 1980 calendar year, and for 1980 if available. Thank you.

Sincerely,

Sen. Vic Fischer
Chairman, Senate State Affairs Committee

/lf

CAMPAIGN CONTRIBUTION TAX CREDITS

To: Senator Victor Fischer
Chairman State Affairs Committee

Decemebr 27, 1981

From: bill Salamena

Re: Final Project Update

I hope that the final copy of the Political Contribution Tax Credit report will assist you in your deliberations on the future of public financing of political campaigns in Alaska.

Vic Fischer

Alaska State Legislature

Senator Vic Fischer • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

M E M O R A N D U M

To: Tom Williams, Commissioner

FROM: Senator Vic. Fischer

DATE: Feb. 11, 1982

RE: Political Campaign Contribution Credits

I am concerned about the operation of the Alaska Political Campaign Contribution Credit program. This is the first year in which claims for refund of payable credits are filed on a separate form independent of Individual Income Tax forms or Claim for Refund of Individual Income Tax forms. I understand that the 1981 Alaska Claim for Refund of Payable Credits form has only been mailed to persons who filed for a campaign contribution tax credit refund in 1980. This distribution is much smaller than the distribution of the combined individual income tax/campaign credit forms of prior years.

I am committed to the goal of maintaining a high level of participation in the campaign contribution credit program. I believe that each registered voter should receive a 1981 Alaska Claim for Refund of Payable Credit form. I hope you will expand your distribution list to include all registered voters, and please let me know if you can accomplish this.

I have been informed that your Manager of Document Processing for Administrative Services, Barbara Staubough, is receiving a slower rate of return on claims for refund of payable credits than had been received at this time in prior years. I am concerned by this trend, and it may well be due to limited distribution of claim forms. Please contact me if you have any suggestions for ways to maintain the high level of participation in the Alaska Political Campaign Contribution Credit program of previous years. As you may know, we are working on legislation dealing with this whole subject matter, and the current practices and results are an important factor in our analyses.

cc: Terry Miller, Lieutenant Governor
cc: Patty Ann Polley, Director Division of Elections

W.T. Salamenta
1671 S. Branch Pkwy
Springfield, Ma. 01129 NY

A



EXPRESS MAIL NEXT DAY SERVICE® POST OFFICE TO ADDRESSEE

FROM:

Customer Number, if any:

TO:

LABEL 11B DEC/80 U.S.G.P.O. 1981-336-234

TO REMOVE PEEL BACK HERE

EXPRESS MAIL SERVICE

To: Senator Fischer

From: Bill Calamenta

Re: Campaign Contribution tax credit Report

1. Here is the long awaited report from Calamenta.

2 Why don't you take a read through - mark the spots that you feel need clarification etc. and have Nancy give me a call about revisions.

3. I have a copy of the report here in Massachusetts and can quickly change any part.

4. I think that the Alaska Experience section is best, with the philosophic Arguements running a close second. The Federal State Experince section - reallly doesn't mean all that much - it has very little bearing on the Alaska situation.

5. Have a nice vacation - Happy Holidays.

DRAFT COPY 10/81

The Alaska Experience with Public Financing of Political Campaigns

In 1974 Alaska, like many other states and the federal government, adopted an election law reform package in the wake of the Watergate scandal.

One of the provisions in the reform package was the establishment of what is commonly called public financing of political campaign activities. A political contribution tax credit of up to $50 (since amended to up to $100) was established to encourage participation of small contributors in the funding of political campaigns.

Special interest money, money goven to political candidates by parties seeking to influence governmental decisions, has long been a source of concern to those concerned with keeping the electoral process open and competitive. An open and competitive electoral process is at the very heart of any democratic system, yet studies indicate that due to campaign monies flowing into incumbent office holders, subtle quid pro quos behind special interest contributions and as in Watergate the use of surplus campaign money for use in illegal campaign activites - campaign contributions can significantly effect the democratic process.

Campaigning and winning political office is big bussiness. In Alaska over twelve million dollars has been spent on running for political office since the Alaska public offices commission has been keeping records starting in 1974. A candidate for governor in Alaska can expect to spend up to a million dollars in seeking that office while a candidate for the legislature

can expect to spend on the average between twenty-two and twenty-seven thousand dollars. In a hotly contested race for a legislative seat the campaign price tag can rise as high as one hundred thousand dollars.

Since the political contribution tax credit appeared as a method for public financing of political campaigns in Alaska it has been reponsible for a major portion of all campaign monies contributed. 17.96% of all monies raised in political contests in Alaska since 1974 have come from the political contribution tax credit.

A total of $ 2,260,220.00 has been spent by the state of Alaska in tax credits or refunds. This dollar amount represents .0005% of all monies appropriated by the state in its operating budget during FY 1974 to 1980.

Participation in the program has grown since its inception. Slightly over forty thousand (40,062) tax credits have approved by the department of revenue. The actual number of individuals participating in the program is higher, however, because of the system of filing joint tax returns participation in the program is reflected in the number of credits given. With slight fluctuations in numbers of participants due to non-election activity in some years the program has steadily increased in participation. In 1980, the most sucessful year of the program, participation was 437% higher than in 1974, the year the program first started.

In 1980, the first year that Alaskans did not file a state income tax form, participation in the program was its highest. 15,290 contribtuion tax credits were given, a 100% increase in participation over the previously most sucessful year for the program, 1978. It appears that the system can work without being tied to a manditory filing of a tax form.

Draft Copy 10/81

The following table will give a year-by-year analysis of how the political contribution tax credit has worked in Alaska.

Year	Total Amount of Contributions	Contribution Tax Credit Amount	No. of Paticipants	%overall
1974	$ 1,144,819	$ 184,043	3,502	16%
1975	$ 393,910	$ 99,804	1,691	25%
1976	$ 1,260,632	$ 246,831	3.841	19.5%
1977	$ 198,261	$ 230,046	3,693	116%
1978	$ 6,098,688	$ 520, 58	7,575	8.5%
1979	$ 355,164	$ 296,518	4,470	91.5%
1980	$ 3,129,948	$ 682,529	15,290	21.8%
Total	$ 12,581,422	$ 2,260,220	40,062	17.96%

1. Total Amount of Contributions applies to State elections not Federal.
2. Number of participants shown relates to the number of tax credits given that year. The actual number of individuals involved is higher, however, because joint tax returns, participation level is measured in number of tax credits given.
3. % overall relates to the percentage of all money raised that year that was refunded through the contribution tax credit.
4. Information was obtained from the Alaska Public Offices Commission's Annual reports 1974 to 1980. The dollar amount and partiicpation level in the contribution tax credit program for 1980 was obtained from the Alaska dept. of revenue.

The unusually high percentage of total campaign funds that the contribution tax credit is responsible for in 1977 and 1979 is probably due to fund raising activities in those years by candidates in the 1978 gubinatoral race. A three year average for 1977, 1978 and 1979 shows the contribution tax credit providing 15.7% of all monies raised for those years which is closer to the overall average of the program, 17.96%.

The impact of the program is relatively high in comparison with other states that use public financing methods. The state of Oregon that also has a contribution tax credit program, which is a $25 credit for political contributions, only funds 7.8% of its total political contributions with the tax credit (1978 figure) and in 1976 only 7% of political contributions were funded by their tax credit.

Participation in the program can also be assessed in reviewing the percentage of all those filing state income tax forms that have used the contribution tax credit. In 1977 1.9% took advantage of the tax credit, in 1978 the figure was 4.1% and in 1979 2.4% used the credit. This compares with the Oregon system that had a 1.93% participation level during 1977 thru 1979 while Alaskans participated at a 2.8% level.

Although Alaskans were not required to file a state income tax form in 1980, if they had an estimated participation rate of 8.1% would have been realized based on the total number of state income tax filed in the previous year.

10/81

The tax credit contribution appears to have a growing rate of participation, however the program can also be reviewed with respect to the number of small contributions that it is incouraging versus the number of large contributions from special interests that the program is designed to offset.

This table represents the only statisites available of Alaska contributions of $100 or less and of contributions of over $100.

1974 Gubinatorial Primary and General Election

33% of all contributions $100 or less
47% of all contributions over $100

1975 All Municipal Elections

52% of all contributions $100 or less
11% of all contributions over $100

1976
1977 Information not available

1978 All State Elections

25% of all contributions $100 or less
43% of all contribtuions over $100

1979 Information not Available

1980 State Senate Elections

39% of all contributions $100 or less
50% of all contributions over $100

House of Representatives Elections

31% of all contributions $100 or less
51% of all contributions over $100

******* Remining % consists of candidates own contribution to the campaign fund.

The preceding table on page 5 does not demonstrate that the contribution tax credit has had any great impact on the percentage of small contributions increasing. It should be pointed out however, that the table is composed of different types of electoral positions with differing campaign costs, consitiuances and power over such things as budgets / power where most special interest money tends to flow.

Another measure of how the contribution tax credit is working to offset the influence of special interest money can be seen in an analysis of the Alaska Public Offices Commission's records of large contributors to political campaigns. It might be seen as rather presumtuous to call all large contributors to political campaigns in Alaska special interests and this report does not wish to equate "active" political participation by corporations, bussiness, issues organizations and individuals as such. However, contributions by these large contributors has a large impact on the total number of dollars raised in all political campaigns. It is also pointed out that there are contribution limitations for corporations and individuals in political campaigns, but there is no overall spending limitation on the amount these contributors can contribute nor a limitation on how many candidates or causes they can contribute to.

An individual example of a large contributor, that could be honestly pointed out as a "special interest" is the largest lobbying firm in the State of Alaska, Trust Consultant. The total dollar amount in political contributions made by this company and its principal employees amounted to $ 33,299.00 in 1980. This was aproximately 1% of all monies raised by political candidates that year.

The following table represents an overview of the impact that the large contributors on state elections in Alaska.

Year	Number of large contributors	Dollar Amount contributed	%overall
1976	172	$ 181,816	14.4%
1977	79	$ 126,257	63.7%
1978	248	$ 778,955	12.8%
1979	142	$ 277,644	78.1%
1980	235	$ 607,677	19.4%
Total	876	$ 1,972,349	17.86 %

The number of contributors on the above table represents the number of filings made each year with APOC. Some contributors are counted twice or as many as five times, so the actual number of contriutors is actually smaller. However, the number of 876 contributors will be used because the number of participants in the contribution tax credit program may also be counted more than once in the totals.

A comparsion with the contribution tax credit program reveals a very surprising statistic. The contribution tax credit equals the amount contributed by the large contibutors - only it takes 34,000 more people to do it.

1976 to 1980	Large Contributors	Contribution Tax Credit
Dollar Amount Contributed to political Campaigns:	1,972, 349	1,976,382
Percentage of total campaign contributions:	17.86%	17.87%
number of those contributing:	876	34,896

Draft
Copy 10/81

A review of the Alaska experience with Public financing of political campaigns throught the contribution Tax credit finds that:

1. The Tax credit program is growing and has done so, with only slight deviations during non-election or light election years.

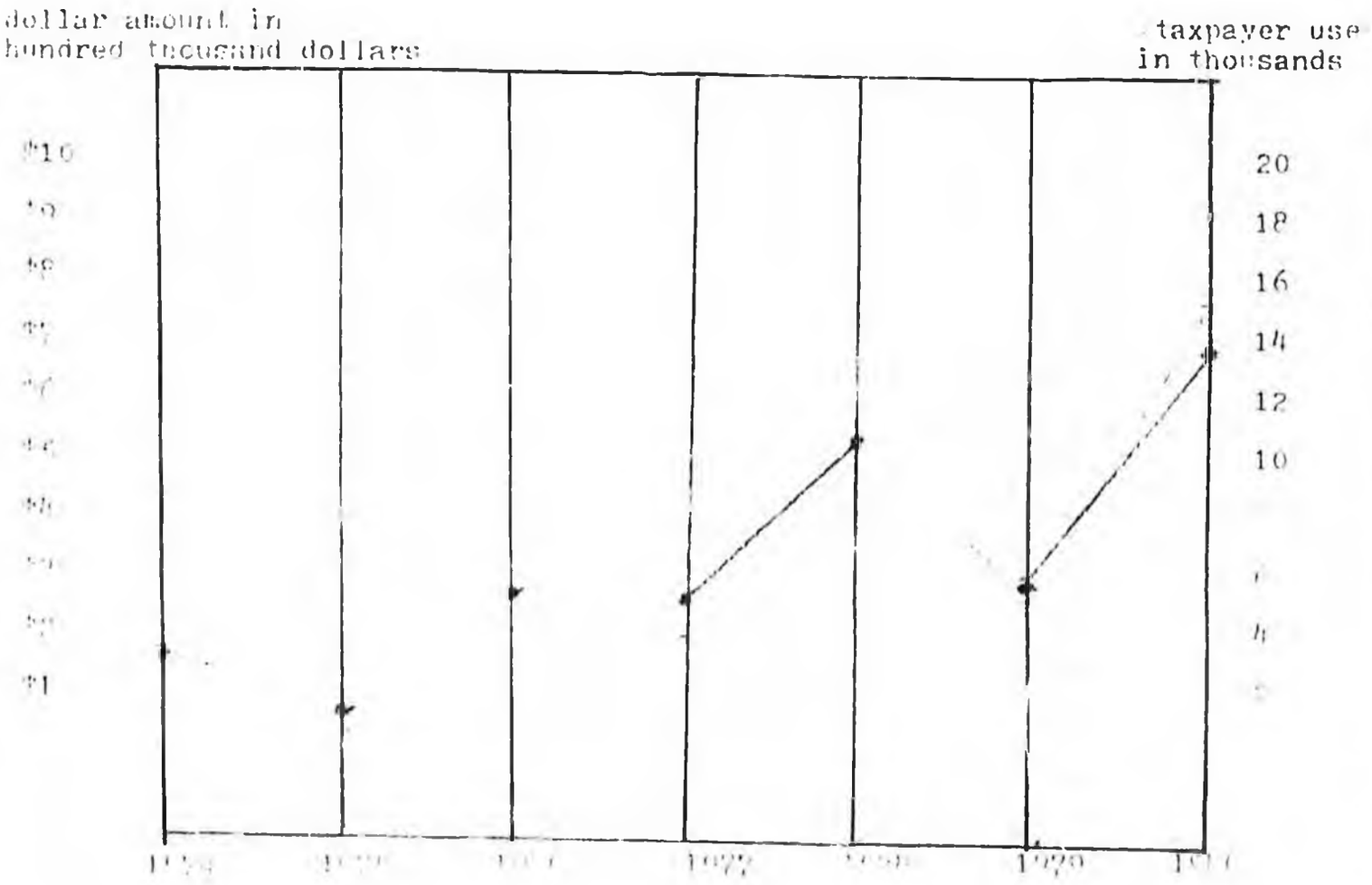
2. The program contributes a major proportion of all campaign funds collected by political candidates.

3. The program has not been hindered by the fact that Alaskans are no longer required to file a state income tax form each year. In the first year of the program, 1980, that this has happened the number of the participants using the contribution tax credit actually grew. In fact the program had its best year - with out manditory income tax forms being filed.

4. The program has been sucessful in ofsetting the amount of monies that large contributors donate to political campaigns. In fact the tax credit is almost exactly equal to the amount that large contributors give.

5. The Tax credit does not seem to have spurred more smaller contributions as a percentage of all monies given, however this particular area of analysis is difficult to discern in that the data is not complete and tends to contridict the other figures.

This graph gives a visual representation as to the growth of the Alaska tax credit system for donations to political campaigns.



Key: ———— represents dollar Amount

- - - - - - - represents taxpayer participation

10/81

The Federal and State Experience with Public Financing of Political Campaigns

From 1972 to 1974 the American political system was in danger. A third rate burglary of the Democratic National Committee's offices in Wahington led to the uncovering of massive abuse of the electoral sysstem and led to the eevenetual resignation of an incumbent President of the United States.

Press coverage and public concern about thses absues of the electoral system led to the enactment on the Federal level and in many states of reforms in the electoral system that would curb such absuses that put the democratic system in such parell.

Refroms were sought in the areas of campaign finance, political advertsing, supervison of campaign activites and enforcemnet of the campaign laws. The reforms took several general forms - that were adopted in different variations by states and the Federeal Government.

a. Reporting of Campaign Contributions and expenditures

b. Commissions to ensure that all candidates and political committees comply with reporting activites.

c. Public financing of political campaigns. This was to ensure that special interest money would not dominate the funding of elections. The two most popular methods of public financing were tax credits for contributions and a tax check-off system that creates a pool of money that is distribtued to political candidates or parties on a formula basis.

d. Limitations on contributions. Maximum amounts were assigned to individuals and corporations that they were able to give to individual candidates.

e. Overall spending limits on political campaigns. Maximum spending amounts were assigned to keep the cost of political campaigns down.

f. Curbs on who may contribute to campaigns were placed on corporations labor unions and federal employees.

All of the fifty states have adopted some of these generalized refroms.

49 states have adopted financial reporting reqyuirements with the exception of North Dakota.

36 states have suporvisory commiss'ons th. monitor campaign expendiutres contributioins and campaign act ivities while otheres have included stipulations in the laws that require Attorney Geneals or State secretaries to supervise elections.

23* states have some sort of public financing scheme.

5 states have a tax credit system of public finacing

8 states allow a deduction in personal income taxable.

13 states have a check off system that allows part of the state income tax to be put into a pool of funds to be used in elections.

25 states prohibit corporate contributions in political campaigns.

6 states provibit labor union contribtuions in political campaigns.

33 states have contribution limitations on how much an individual or corporation may contribute to a political campaign.

19 states had cieling on the amount of money that could be spent by candidates on politeal campaigns - however this has been ruled unconsititutional by the united states supreme court.

* some states have dual systems allowing a combination of a check off deduction and/or tax credit.

Idaho has a tax credit and check off system

Minnisota has a taex credit or Tax dedduction system

Iowa has a tax deduction and a checkoff system

Michigan has a tax deduction and a check off system

In those 23 states with some sort of public financing of politcal campaigns there are severa different meteods that are used and those metheds differ from state to state.

In those states that use a tax credit system:

a. Alaska has a tax credit up to $100.

b. Idaho has a a tax creit up to $10

c. Minnisota has a tax creidit of up to $25

d. Oregon has a tax credit of up to $25

e. The Distiret of columbia (wheih is not actually a state, yet) has atax credit of up to $50

In those states that have a tax deduction allowance:

a. Arkansas has a maximum of $25 deduction

b. California has a maximum tax deduction of $100

c. Hawaii has a tax deduction of a maximum of $100

d. Iowa has a tax deduction of up to $100/ if their tax credit is not used.

e. Michigan has a maximum deduction of $50

f. Minnesota has a selected tax deduction system with varying maximum deductions dependant upon which office the candidate is seeking.

g. Oklahoma has a maximum deduction of $100

h. Utah has a maximum deletion of $25

Copy 10/81

The Federal/State Experience, Page 4

The state 's that have a tax check off system system that allow a dollar of their income tax liablity to be put to use in theeir states public fineing of political campaigns program have a variety of systems of allocation and distribtuion f mulas. Only one state Massachusetts has an all together differen type of tax check off system, their system makes the dollar check off cost the tax payer a dollar more than the taxes that he is liable for - all other states the dollar check off is taken form the amount that they owe the in taxes.

An overview of the check off system reveals that the systems have two forms one that distibtes money directly to qualifying candidates and the other that distributes the funds to the political parties in the states.

a. A check off system that has all funds held in a general state account and then distributed equally amounst political parties is used in Iowa Kentuckyand Montana.

b. A check off system that diverts funds directly to designated political parties of the individual tax payer is used in Maine, North Caolina and Utha.

c. a mixed system of either direct contributions to political parties by taxpayer request and a general fund state account fro equal distribution, if no party designation is made by the tax payer who checks off the contribution, is used in Rhode Island.and Idho

d. Maryland Massachusetts,Michigan, Minnisota and Wisconson use a system that allocates monies collected in the check off fund directly to candidates for statewide consittutional offices such as governor, lieutenatnt governor, attorney general and secretary of state. These formulas differ from state to state but usually require a threshold amont of money to be raised by each canddiate, of small contributions under $250, to qualify for the public funding of their campaigns.

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The Federal Government's Public Financing of Presidential Campaigns contains most of the aspects of the general reforms that states used in formulation of their campaign reform laws. The Federal government's dollar check off on the Federal Income tax form provides the funds to run the public financing system.

If a major party in the previous election has drawn atleast 25% of the vote it is eligable for public funding. Presidential primaries are funded by a mixture of public and private funds. A candidate has to raise an initial "seed" amount in each of the primary states contested in order to be eligable for public monies.

It is interesting to note that while congress passed laws providing public financing of presidential races it choose not to participate in the system.

After looking at how these various systems work, both state and federal, it is important to point out that they are all in one fashion or another tied to a state income tax .

Citizen participation in a public financing scheme wether it be tax credit or tax deduction - is dependant upon the individual tax payer filing a tax form with the state government that is providing the system - no state without a state incometax has a public financing system.

Alaska therefore has a unique problem in that it now has a tax credit program and no tax form for its people to use, except for the special tax credits currently allowed by

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the state such as the political contribution tax credit.

Now that the various systems have been outlined, a look at how they are preforming appears to be in order.

The Federal Government reports that an average of 25% of those individuals and/or those filing joint Federal income tax forms participate in the Federal System of Public Financing of political campaigns. In that the Federal System only provides funds for presidential candidates - which takes place once every four years - the federal government is able to generate enough money through the tax check off system to fund the program. In 1980 the government estimated that it had approxiamately $150 million on hand for the presidential contests.

The State of Massachusetts that has a tax check off system of $1 on its state income tax form (this is a check off that adds one dollar to the existing tax liability rather than that of the Federal Governments check off for the public campaign fund that causes no additional liability). Massachusetts' experience has not been as successful, in 1978 the first year that statiscs were tallied, only 2.98% of those filing tax returns used the system, contributing $103,367.00 to the states fund. The following year even fewer participated in the program and $98,330.00 was contributed to the system. This total would have a negligible effect on the outcome of the statewide races that the Mass. state financing law is devised to fund. Statewide political Campaigns in Massachusetts can cost up to one and a half million dollars per candidate.

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The State of Oregon has a $25 dollar tax credit program for contributions to political campaigns. Oregon with a population of over 2 million has provided $2,267,00 for tax credits for political campiagns since 1976. Oregoneans participate at a rate of 1.9% of all those filing tax forms with the state and participating in the tax credit program - that is equal to 20,603 paticipants.

19,679 Alaskans choose to use their tax credit system for public financing of political campaigns during that same time period, a rather surprising statistic when you consider the difference in population between the states.

Between 1976 and 1979 267,660 Minesota residents took a tax credit of up to $25 on their state tax forms for political contributions -- Minesota has a popoulation of approximately 4 million.

When participation rates in each states public financing system is made based on population data (not on the actual number of tax returns because states differ as to how these are tabulated) Alaska shows a very high rate of participation.

Alaska 2.8% (tax credit)

Oregon 1.00% (tax Credit)

Minnesota 1.67% (tax credit)

Massachusetts 0.1% (additional dollar check off)

Draft
Copy 1 of 1

The Theoretical and Philosophic Arguements concerning Public Financing of Political Campaigns

Concern for the health of the democratic system of governing has brought about campaign reform measures in the United States and Alaska. In the case of Public Financing of Political Campaigns, as Common Cause, the Governmental Public Interest Research and Lobbying group that has been a leader in proposing such legislation puts it, the issue of wether campaign contributions provide access and influence that affects governmental decisions strikes at the very heart of an open and competitive democracy.

Critics of Public Financing of Political Campaigns argue that public financing of political campaigns inhibits freedom of speech which is basic to democracy.

An overview of these positions for and against Public Financing of Political Campaigns would involve the following positions:

Pro Public Financing

- Public Financing allows for equal access to public office by both the rich and poor.
- Public Financing helps eliminate the presures put upon the democratic system by special interests.
- Public Financing would help eliminate coruption in the public sector.
- Public Financing allows for the contesting of public offices through the electoral process.

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Against Public Financing

- Public Financing innibits freedom of speech
- Public Financing allows unqualified individuals to seek public office
- Government should not be involved in subsidizing political parties or candidates.
- Public Financing is overestimated in its effects on the political process
- Public Financing doesn't work.

The most basic arguement put forth by either side in discussing wether or not public financing should exist is that of Freedom of Speech and the rights of all citizens to seek public office. The ideas presented in these arguements are not new, in fact they date back to the beginings of democratic thought and the founding of this nation.

Democracy; the term is derived from the Greek words "demos" (the people) and "Kratos" (authority). Democracy requies a decisoin making system based on majority rule, with minority rights protected. Politcs parties and politicians are the catalytic agents that make democracy workable.

The Greeks, who invented the word, had a very different idea as to what a democratic state might look like than the present American and Alaskan democratic State. Aristotle, who lived in the years 384 to 322, did a great deal of

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writing about politics and democracy observed that a state should ideally have "each citizen of the state know one another personally". In such a state, politcal office seeking would not require great amounts of wealth.

In the founding of this nation, the first large scale test of democracy, the visions of the founding fathers concerning America's future use of the "people's authority" was cause for great debate.

Thomas Jefferson believed that this democracy should remain small and rual so that political activity could be confined to a small well educated "vituous" electorate. In such a system elections and the government that those elected would provide would be based on a common set of values and principals. In Jeffersons world, simplicity would beget good government. Jeffersons model of democracy would also discount wealth as either necessary or meaningful in elections.

The writers of the Federalist papers, Hamilton, Madison and Jay, had a different view of how democracy would work. Their view, a more accurate view of how the "experiment" was to work, called for a large and diverse population, so diverse and multi-faceted with interests that there would be no domination of factions that could cause an imbalence in the electoral or governmental system. The Federalists would have seen wealth balenced in elections, because of the multi-interested society that they envisioned wealth would not necessarily be found only on the side of one particular interest.

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What Aristotle, Jefferson and the federalists could not envision is the truely enormous physical size this country and its states would grow to be, nor were they able to envision the complex means of mass communications that would effect the democratic system. Yet, each one of these thinkers about democracy belived that the system should be open for all citizens to participate in the process (the defin.tion of citizen has had verying meanings throughout the ages - however today, in this democracy - citizen is defined as a l people of voting age).

To those who are in favor of Public Financing of Political Campaigns the arguements of Aristotle, Jefferson and the Federalists is clear - public financing of political campaigns provides the equality of access for all people to public office. The proponents argue that with the cost of running for public office so high because of the cost of media and the sheer size of the populous - public financing is the way to ensure representation of all interests in government.

Opponents of public financing argue that the founders of democracy would not agree with any scheme of governmental assistance in the election of public office holders. The presence of governmental funds creates imbalences in freedom of speech - because voices, factions, within the society that would not ordinarily participate in the electoral process are heard. Plus, with the financing of political campaigns usually comes the restrictions on how much individuals may give to political campaigns, therefore denying the rights of

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some to participate to there fullest extent. This denies a full freedom of expression or speech - which opponents to public financing see as a greater evil than equal access to public office.

The question of wether public financing helps eliminate the preasures of special interests on the democratic process follows a similar pattern of reasoning as did the arguement concerning public access to poliitcal office and freedom of speech, however with some exceptions. As the founders did not forsee the size of the country nor the advances in technology that would effect the electoral process, they were unable to see the effects of large corporate interests upon the democratic decisoin making process.

Proponents of the public financing system contend that money from large contributors in the election process enables those with the money to elect citizens that will favor their point of view. Proponents site instances were groups contributing heavily to a candidate rec- a preferential treatment. As Fred Wertheimer, a Common Cause Senior Vice President and public financing proponent has pointed out,"special interest contributions to political candidates is subtle, articulate quid pro quos are rarely involved, but the process does provide access and influence and it does effect decisoins".

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Opponents prefer to see political contributions by special interests as participation in the democratic experience. Money, like volunteer activity on a political campaign, they contend is simply a means of support of a candidate which provides the same type of access and influence that volunteerism has. Giving money in political campaigns is a form of expression and speech many in the opponent camp believe.

Corruption due to political contributions by special interests and those doing bussiness with the state is another ill of the democratic system that public financing proponents base their arguement for such laws. As with the quid pro quo of special interests in the governmental decison process - public financing would take away such questions as to wether or not a politcal contribution is a bribe for a favorable decision or a payment to seek favor in obtaining governmental contracts.

In the state of Massachusetts a special commission studying governmental corruption, The Ward Commission, found a link between shoddy workmanship on governmental buildings and political contributions to candidates handing out the contracts for those buildings. Several fund raising aides of past governors are now serving prison time for their roles in exchanging political contributions for favors in the awarding of construtions contracts. These instances of corrution were prompted by the fact that, as the testimony of the defendants revealed, giving political contributions in order to get contracts was "the way it was done" in Massachusetts.

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The final arguement that the proponents of public financing of political campaigns put forth is the most difficult arguement that legislators must deal with - public financing of political campaigns encourages competition within a democracy.

Competition for political office allows for exchange of ideas and values as to what the public good should be without competition the democratic process would eventually fail.

Common Cause studies indicate that campaign monies tend to flow to incumbent office holders. Examples are abundant, In the New Jersey 1973 legislative race 75% of all contributions from lobbists went to incumbents, in New Yorks 1978 legislative races 94% of three of the major contribting groups of, medical, banking and public employees went to incumbents, and in Missouri's 1976 legislative races the five winning senatorial candidates that were incumbents spent one and one half times more than there challengers on their political campaigns for reelection.

Some political observers site the flow of money to incumbent office holders as the reason for the high percentage of incumbents annually being returned to office. In 1978 all 51 of New York State's Senators seeking re-election won. The New York State Assembly's incumbent legislators enjoyed a 95% rate of re-election that year.

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This is a most difficult positon for the incumbent legislator because if public financing creates competition then by voting for such legislation - the legislator may be creating a situation that would eventually remove that legislator from public office. This creates a delema for even the most "conciencious" of law makers and may be the reason public financing of political campaigns has taken such a long time to evolve. In 1907 President Theodre Roosevelt called for a congressional appropriation of campaign funds "for the proper and legitimate expenses of each of the great parties". Not until the early 1970's and the revelations concerning the Watergate scandal did most states take up political campaign reform and public financing of political campaigns.

Opponents of public financing have an equally weighty arguement to counter the idea that public financing of political campaigns creates competition. They argue that if a candidate is real and legitimate then the monies for that candidates election will be forth coming. They site the history of movements and issues in this country that have flourished without the help of public monies in gaining a voice in the government.

Opponents to public financing also contend that with the participation of public monies in the political process unqualified candidates would be able to seek and even win a public office. If a candidate is unable to pull together the necessary resources to win public office on his own then should this person be elected.

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Probably the strongest arguement against public financing of political campaigns and the one that wins out most often; is the question as to wether or not government has <u>any</u> bussiness in funding political campaigns for public office. All philosophic arguements about competition, corruption, freedom of expression and equal access to public office aside - does a government that has responsibilities for such basic human needs as food and shelter of its poor - can it take funds away from vital human services to assist in the election of public office holders.

Recently, the Massachusetts legislature faced a bill to revise its campaign finance laws to make them stronger and allow more public monies into their public finace fund. Proponents argued that the findings of the Ward Commission concerning the relationship between poor constrution of public buildings and contributions to the political campaigns of those awarding those contracts was ample evidence to strengthen the public financing system. The bill was defeated - primarily on the grounds that the state of Massachusetts, which is having economic difficulties, cannot afford such a luxury. It is not known how much it will cost the state, however, to repair the faulty constrution of those state buildings constructed because the contractor made the proper political contribution.

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Finally, the question as to wether public financing actually works. Most proponents of any public financing scheme would say that they do not see it as a panacea for all that ails the political system, but that it should make the system more open, more competitive and more democratic. It is difficult to measure, in the short time that the various public financing systems have been in existance, if there has been less corruption, if the system is more competive or if the system is now more democratic than it was in 1970 simply because the systems have not had that many chances to prove itself. Most of the public financing systems rely on public participation - and that can be a long educational process.

To: Senator Victor Fischer
Chairman State Affairs Committee

December 27, 1981

From: Bill Salamenta

Re: Final Project Update

I hope that the final copy of the Political Contribution Tax Credit report will assist you in your deliberations on the future of public financing of political campaigns in Alaska.

To: The State Affairs Committee

Decemebr 27, 1981

From: Bill Salamenta W.S.

Pe: Final Billing

10 hours of contract work at $50 per hour $500.00
(amount covered by cash advance)

Ok Fischer

(wait for additional disbursements)

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 998
907-465-3991

CONTRACT BETWEEN

STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY
Pouch Y
Juneau, Alaska 99811

AND

WILLIAM T. SALAMENTA

The parties to this agreement are the LEGISLATIVE AFFAIRS AGENCY, on behalf of the Senate State Affairs Committee, hereinafter referred to as the "AGENCY," and WILLIAM T. SALAMENTA, hereinafter referred to as the "CONSULTANT."

THE PURPOSE OF THIS AGREEMENT is to provide the Senate State Affairs Committee with professional research assistance that will help the Committee examine alternative schemes for public financing of campaigns and evaluate their advantages and disadvantages.

IT IS THEREFORE MUTUALLY AGREED THAT:

CLAUSE I - STATEMENT OF WORK

(A) The Consultant shall examine the operation of the political campaign contribution tax credit in Alaska prior to and subsequent to repeal of the personal income tax. The Consultant will also summarize methods used in other states and by the Federal government to obtain citizens' participation in financing of political campaigns and to provide public funds to assist in campaign financing. In addition, the Consultant will analyze theoretical and practical issues that have been raised in literature on the subject to justify and to oppose public financing of elections.

(B) The Consultant shall provide a draft report covering work under (A). The draft report will include conclusions reached and may include any recommendations deemed appropriate by the Consultant.

(C) The Consultant shall provide to the Project Director a final report subsequent to approval by the Project Director of the draft report. Reproduction of the report is the responsibility of the Agency.

CLAUSE II - PERIOD AND DATES OF PERFORMANCE

(A) The work under this contract shall be performed beginning July 15, 1981, and shall be completed no later than October 15, 1981.

(B) This contract may be terminated by either party upon written notice to the other.

(C) Unless extended by written agreement, this contract expires on October 31, 1981.

CLAUSE III - PROJECT DIRECTOR

The Project Director shall be Senator Victor Fischer, acting on behalf of the Senate State Affairs Committee.

CLAUSE IV - COMPENSATION AND METHOD OF PAYMENT

(A) For the work specified in this contract, the Consultant shall be compensated at the rate of $25.00 (twenty-five dollars) per hour, with total compensation for this work not to exceed $3,500.00 (three thousand five hundred dollars).

(B) The Consultant shall be reimbursed for travel and other expenses authorized in advance by the Project Director, except that per diem shall be paid at prevailing State rates, and all air travel shall be reimbursed on the basis of coach fares.

(C) The Consultant may submit monthly billings to the Project Director. All billings should be accompanied by a statement and description of the work accomplished to the date of the billing.

(D) Total payments under this contract, including expenses, shall not exceed $4,000.00 (four thousand dollars).

(E) Payment of $1,000.00 (one thousand dollars) will be made to the Consultant upon execution of this contract.

CLAUSE V - OFFICE SPACE, EQUIPMENT AND CLERICAL SUPPORT

Office space, equipment and clerical support of the Consultant that will be necessary to carry out his obligations under this contract shall be supplied by the Consultant at no cost to the Agency.

CLAUSE VI - RECORDS, DOCUMENTS, AUDIT

The Consultant shall maintain accurate records, including detailed time records, as may be required by the Project Director. The records are subject to inspection by the Agency or the Project Director at all reasonable times. All documents, report and writings generated as a consequence of work done under this contract shall become the property of the State of Alaska and, on completion of the work or at the termination of this contract, shall be delivered to the Project Director and the Agency.

CLAUSE VII - REPORTS

The Consultant shall keep the Project Director informed as to the progress of the work performed under this agreement and shall provide progress reports as specified by the Project Director.

CLAUSE VIII - ALL WRITINGS CONTAINED HEREIN

This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject mater of this agreement shall be deemed to exist or to bind either of the parties of this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement on the dates indicated below.

CONSULTANT

William T. Salamenta DATE
SS No. #021-46-0307

LEGISLATIVE AFFAIRS AGENCY

M. R. Charney DATE
Executive Director

Accepted:

Senator Victor Fischer DATE
Chairman, Senate State Affairs Committee

Approved as to Form:

Billy G. Berrier DATE
AGENCY LEGAL COUNSEL

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

TOUCH-TONE STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800
FOR YOUR INFORMATION ONLY

M E M O R A N D U M

August 10, 1981

SUBJECT: Consulting Contract - William T. Salamenta

TO: Richard G. Berg, Director
Division of Administrative Services

FROM: David T. Walker
Legislative Counsel

I have no suggestions relating to the form of this contract.

I do have several observations relating to this contract.

(1) The contract will allow the consultant to bill for work performed prior to the execution of the contract.

(2) The termination clause (II(B)) could be more specific but is probably satisfactory for our purposes.

(3) I believe the (C) of the compensation clause would benefit if redrafted in a conversational style, i.e. "The Contractor may submit monthly billings to the Project Director. All billings should be accompanied by a statement and description of the work accomplished to the date of the billing."

(4) Since the contract does not establish a work or report schedule, the consultant could submit a bill for any number of hours of work without ever submitting a draft report or a final report. He would be compensated if the project director approved the bill. If a conflict arose, the consultant could terminate the contract prior to preparing any report and we would be left with a bill for professional services.

(5) As a matter of policy, I believe the reports and writings generated by the consultant should be delivered to the Agency.

I have no other comments relating to this contract.

DTW:jdn

Enclosure

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

FOR YOUR INFORMATION ONLY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907 465-3800

M E M O R A N D U M

August 10, 1981

SUBJECT: Consulting Contract -- James Packard Love

TO: Richard G. Berg, Director
Division of Administrative Services

FROM: David T. Walker
Legislative Counsel

I have no suggestions relating to the form of this contract but I would like to make the following observations:

(1) The first line on page 3 contains a clerical error -- the word "to" should be inserted between the word "as" and the word "progress".

(2) The contract will allow the consultant to bill for work performed prior to the execution of the contract.

(3) The termination clause (II(B)) could be more specific but is probably satisfactory for our purposes.

(4) I believe the (C) of the compensation clause would benefit if redrafted in a conversational style, i.e. "The Contractor may submit monthly billings to the Project Director. All billings should be accompanied by a statement and description of the work accomplished to the date of the billing."

(5) Since the contract does not establish a work or report schedule, the consultant could submit a bill for any number of hours of work without ever submitting a draft report or a final report. He would be compensated if the project director approved the bill. If a conflict arose, the consultant could terminate the contract prior to preparing any report and we would be left with a bill for professional services.

(6) As a matter of policy, I believe the reports and writings generated by the consultant should be delivered to the Agency.

I have no other observations relating to this contract.

DTW:jdn

Enclosure

To: The State Affairs Committee

From: William T. Salamenta

Date: September 10, 1931

Re: Billing

Research

80 Hours at $25/Hr.	$ 2,000.00
Total	$ 2,000.00

V. Fischer

APPROVED
Senator Victor Fischer

To: Senator Vic Fischer

From: Bill Salmenta

Date: September 10, 1981

Re: Statement of work to date

I have begun researching the various states that have some sort of public financing apparatus for political campaigns. I have begun to summarize these methods and analyze their possible application to the Alaska situation. I have also undertaken a study of the Federal Governments public financing program for presidential elections and have spoken with the staff at the Federal Elections Commission.

Vic

William T. Salamenta
109 Commonwealth Ave.
Boston, Mass. 02116
(617) 266-2770

October 14, 1981

Ms. Laura Flemming
The Senator Vic Fisher Office
511 West 4th Ave.
Anchorage, Alaska 99501

Hello there:

This is a bill from the Salamenta boy.

He is running out of money and would appreciate your assistance in getting some of it rather quickly.

If you could take a stroll down to the legislative information office and twix this down to Juneau - then ask them to return it to Anchorage - so that you could send the check via express mail - life would be wonderful.. I enclose enough $ to send it express mail.

Please send it directly to the above adress via express mail - they can do it - it just takes two days instead of one. Any problems call me at the above #.

A draft copy of my report to Vic and Nancy is coming under a seperate cover -. I should have done more of my typing up in your office - as you can see - this letter and the rest of the report are being typed on a turn of the century machine - last century's not the next.

Hope you guys liked my post-card, Nancy said that I am beginning to show some activity in the area of women's problems, oops, women's rights - sounds better I guess.

Hope all is well - will be talking to all when my report is in and critiqued (torn apart, dismanteled ect.) Lobking forward to the experience.

To: Senator Vic Fischer
Chairman State Affiars Committee

From: William T. Salamente WTS

Re: Contract Progress Report

My report on the Contribution tax credit for political campaigns is near completion of the first draft with revisoins and closer examination of the first section that you asked for. The report will ultimately contain three sections, the Alaska experience with the contribution tax credit, other forms of public financing of political campaigns in the united states and a look at the philosophic and futuristic ideas concerning the public financing of political campaigns. I will be awaiting your comments and criticisms of the draft report.

To: The State Affairs Committee

From: William T. Salamenta

Re: Billing

40 hrs of contract research @ $25/hr. (20 hrs included in advance)	$ 500.00
Expenses for round trip airfare to Alaska	$ 500.00
Total	$ 1,000.00

Committee Schedules

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

4/29/82

SENATE STATE AFFAIRS COMMITTEE SCHEDULE

May 1--May 7

THURSDAY
May 6
1:30 pm

HB 635	Operation of oversized implements of husbandry
HB 651	Alaska Marine Highway Authority
HB 654	Board of Transportation and Public Facilities
HB 866	Investment tax credit

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

4-8-82

SENATE STATE AFFAIRS COMMITTEE SCHEDULE

TUESDAY
April 13
1:30 pm — SB 93 Decentralization of state government

THURSDAY
April 15

1:30 pm — SB 685 Prosecution of minors

CSHB 344(Fin) Appropriation for fingerprint system

SJR 85 Nuclear disarmament

AND

THURSDAY
April 15

3:00 pm — VIDEO TELECONFERENCE, SENATE FINANCE COMMITTEE ROOM, 5th Floor Capitol

INTERIM REPORT, NEW CAPITAL SITE PLANNING COMMISSION
(Joint meeting with House State Affairs Committee.)

With the exception of the video teleconference at 3:00 pm, Thursday, all meetings will be held in the Senate State Affairs Committee Room, 423 Capitol.

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

3/23/82

SENATE STATE AFFAIRS COMMITTEE SCHEDULE

TUESDAY
March 30
1:30 pm

SB 653	Public Employees/Strike Prohibition
SB 777	Professional Staff Loan Program
SB 778	Vending facilities operated by the blind
SB 799	Alaska Senior Citizens Employment Team
SB 846	Architectural barrier regulations
SCR 47	Property rights/divorced persons
SJR 83	Release of Vitaly Shevchenko

THURSDAY
April 1
1:30 pm

SB 689	Capital projects/Maintenance and Operating Fund
SB 791	Expansion of teleconference network
SB 833	License for purchase of alcoholic beverages

TUESDAY
April 6
1:30 pm

SJR 72	World War II artifacts
SB 704	Alaska Servicemen's Memorial--Veterans Lake
SB 705	Appropriation for SB 704
SB 706	Appropriation for caretaker facility
SB 707	Renaming Byers Lake as Veterans Lake
SB 740	World War II artifacts

THURSDAY
April 8
1:30 pm

SB 13	G. O. [illegible]/Defeasance
SB 296	G. O. Bonds/Defeasance
SB 297	G. O. Bonds/Defeasance

THURSDAY
April 15

VIDEO TELECONFERENCE, 3:00 pm, BUTROVICH ROOM
INTERIM REPORT, NEW CAPITAL SITE PLANNING COMMISSION
(Joint meeting with House State Affairs Committee)

UNLESS OTHERWISE NOTED, COMMITTEE MEETINGS WILL BE HELD IN THE SENATE STATE AFFAIRS COMMITTEE ROOM, 423 CAPITOL. THANK YOU.

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

3/18/82

REVISED

SENATE STATE AFFAIRS COMMITTEE SCHEDULE

TUESDAY March 23 1:30 pm	SB 45	Surety bonding exemptions
	SB 414	Small Contractor Surety Bonding Corp.
	SB 415	Contracting, procurement and competitive bidding
	SR 23	Study of contracting for state services
	SCR 50	Delivery of state services
	SB 865	Award of state contracts to minority groups
	SB 866	Appropriation for study of state contracting
	SB 867	Incentive to hire older Alaskans
	SB 868	Committee on Employment and Productivity
	SB 869	Recordkeeping requirements for surety insurers

THURSDAY
March 25
1:30 pm Further consideration of bills listed above

Committee meetings will be conducted in the Senate State Affairs Committee Room, 423 Capitol.

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

3-11-82

Official Business

SENATE STATE AFFAIRS CALENDAR

TUESDAY
Mar. 16
1:30 pm

HCR 50	Girls' State
HCR 57	Boys' State
HJR 30	Military Maneuvers on State Land
HB 154	APOC/Financial Disclosure
SB 183	APOC/exempt physicians/Financial disclosure
SJR 80	National Policy in the Arctic

THURSDAY
Mar. 18
1:30 pm

BILLS IN STATE AFFAIRS DEALING WITH RETIREMENT

SB 121, SB 143, SB 195, SB 196, SB 197, SB 262, SB 356, SB 360, SB 361, SP 394, SB 402, SB 471, SB 472, SB 557, SB 568, SB 589, SB 827

COMMITTEE MEETINGS WILL BE CONDUCTED IN ROOM 423 CAPITOL

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

3-11-82

SENATE STATE AFFAIRS COMMITTEE
Tentative Schedule

TUESDAY Mar.23 1:30pm	SB 45	Contractor Bonds/Public Works
	SB 414	Surety Bonding
	SB 415	Bidding Preference/Minorities/Females
	SB 621	Tax Cred for employers
THURSDAY Mar. 25 1:30 pm	(Location to be announced)	
	SB 791	Appropriation for teleconference network: additional sites
	SB 833	License for purchase of alcoholic beverages
TUESDAY Mar. 30 1:30 pm	SJR 72	World War II artifacts
	SB 704	Alaska Servicemen's Memorial-Veterans Lake
	SB 705	Appropriation for SB 704
	SB 706	Appropriation for caretaker facility
	SB 707	Renaming Byers Lake as Veterans Lake
	SB 740	World War II artifacts
THURSDAY April 1 1:30 pm	SB 13	Appropriation/capital improvements
	SB 296	Prohibit sale of G.O. Bonds
	SB 297	Appropriation/capital projects/G.O. Bonds
	SB 689	Maintenance and operating fund/capital projects

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

3-11-82

Official Business

SENATE STATE AFFAIRS CALENDAR

TUESDAY
Mar. 16
1:30 pm

HCR 50	Girls' State
HCR 57	Boys' State
HJR 30	Military Maneuvers on State Land
HB 154	APOC/Financial Disclosure
SB 183	APOC/exempt physicians/Financial disclosure
SJR 80	National Policy in the Arctic

THURSDAY
Mar. 18
1:30 pm

BILLS IN STATE AFFAIRS DEALING WITH RETIREMENT

SB 121, SB 143, SB 195, SB 196, SB 197, SB 262, SB 356, SB 360, SB 361, SB 394, SB 402, SB 471, SB 472, SB 557, SB 568, SB 589, SB 327

COMMITTEE MEETINGS WILL BE CONDUCTED IN ROOM 423 CAPITOL

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

3-4-82

SENATE STATE AFFAIRS COMMITTEE SCHEDULE

TUESDAY
March 9
1:00 pm

Room 124, Capitol

SUNSET REVIEW OF ALASKA CODE REVISION COMMISSION

(Joint meeting with House Judiciary Committee)

THURSDAY
March 11
1:30 pm

Room 423, Capitol

SJR 9, SJR 24, SJR 55---CONSTITUTIONAL AMENDMENT:
TERMS OF LEGISLATORS

SB 652---CONFIDENTIALITY OF TRADE SECRETS SUPPLIED
TO DEPT. OF ENVIRONMENTAL CONSERVATION

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

2-25-82

Official Business

SENATE STATE AFFAIRS COMMITTEE SCHEDULE

TUESDAY March 2 1:30 pm	SB 557	Retirement
	SB 753	Retirement
	SB 813	Retirement
	SB 790	Alaska-United States Olympic Trust Fund
	SJR 73	Alaska federal taxpayer set aside for Olympic Trust Fund
	SJR 71	Cost of living allowance paid to federal employees
	SB 727	Duties of the State Geographic Board
THURSDAY March 4 1:30 pm	SB 689	Regarding appropriations for G.O. Bonds for capital projects
	SB 93	Decentralizing the executive branch of state government

ALL COMMITTEE MEETINGS WILL BE CONDUCTED IN THE SENATE STATE AFFAIRS COMMITTEE ROOM, #423 CAPITOL.

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

SENATE STATE AFFAIRS COMMITTEE SCHEDULE

ROOM 423 CAPITOL

TUESDAY
Feb. 23
1:30 p.m.

SJR 13	D.C. voting rights
SJR 62	MX missiles in Alaska
SJR 75	Martial law in Poland
SB 637	Historical Commission
HB 708	Capital Site Planning Commission appropriation
SB 630	Sunset legislation
SB 632	Games of chance

THURSDAY
Feb. 25
1:30 p.m.

SB 557	Retirement
SB 735	Retirement

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

SENATE STATE AFFAIRS COMMITTEE SCHEDULE

TUESDAY FEB. 9

Work Session
SSSB 175, standard of conduct

THURSDAY FEB. 11

SJR 13, District of Columbia voting rights

SSSB 175, standard of conduct

COMMITTEE MEETINGS WILL BE CONDUCTED IN THE SENATE STATE AFFAIRS COMMITTEE ROOM, #423 CAPITOL. THANK YOU.

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

SENATE STATE AFFAIRS COMMITTEE SCHEDULE

TUESDAY FEB. 9

Work Session
Proposed Committee Substitute for SSSB 175
An Act relating to adopting a code of ethics for state officials and employees, and establishing a State Ethics Commission

THURSDAY FEB. 11

SJR 13
Relating to the ratification of an amendment to the Constitution of the U. S. defining Congressional representation and voting rights for residents of the District of Columbia

SSSB 175
An Act relating to adopting a code of ethics for state officials and employees and establishing a State Ethics Commission

Alaska State Legislature

1-28-82

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

SENATE STATE AFFAIRS COMMITTEE SCHEDULE

TUESDAY Feb. 2, 1982
1:30 p.m.

SSSB 630 An Act relating to the legislative oversight procedures relating to state agencies, boards, and commissions under AS 08.03 and AS 44.66; and providing for an effective date.

SR 20 Requesting the installation of teleconference facilities at the Alaska Pioneers' Homes.

SB 632 An Act relating to games of chance and contests of skill; and providing for an effective date.

THURSDAY Feb. 4, 1982
1:30 p.m.

SSSB 175 An Act relating to standards of conduct for public officials and employees; establishing a State Ethics Commission; and providing for an effective date.

COMMITTEE WORK SESSION COMMITTEE WORK SESSION

COMMITTEE MEETINGS WILL BE CONDUCTED IN THE SENATE STATE AFFAIRS COMMITTEE ROOM, #423 CAPITOL. THANK YOU.

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

REVISED SENATE STATE AFFAIRS COMMITTEE SCHEDULE

TUESDAY Jan. 26
1:30 p.m.

SSSB 175 An Act relating to a standard of conduct for public officials and employees; establishing a State Ethics Commission; and providing for an effective date.

THURSDAY Jan. 28
1:30 p.m.

SSSB 630 An Act relating to the legislative oversight procedures relating to state agencies, boards, and commissions under AS 08.03 and AS 44.66; and providing for an effective date.

SR 20 Requesting the installation of teleconference facilities at the Alaska Pioneers' Homes.

SB 632 An Act relating to games of chance and contests of skill; and providing for an effective date.

COMMITTEE MEETINGS WILL BE CONDUCTED IN THE SENATE STATE AFFAIRS COMMITTEE ROOM, #423 CAPITOL. THANK YOU.

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

JAN. 19, 1982

SENATE STATE AFFAIRS COMMITTEE SCHEDULE

THURSDAY Jan. 21,
1:30 p.m.

NO MEETING

TUESDAY Jan. 26
1:30 p.m.

SSSB 175 An Act relating to a standard of conduct for public officials and employees; establishing a State Ethics Commission; and providing for an effective date.

SSSB 630 An Act relating to the legislative oversight procedures relating to state agencies, boards, and commissions under AS 08.03 and AS 44.66; and providing for an effective date.

SR 20 Requesting the installation of teleconference facilities at the Alaska Pioneers' Homes.

THURSDAY Jan. 28
1:30 p.m.

SAME CALENDAR AS TUESDAY, Jan. 26

AND

SB 632 An Act relating to games of chance and contests of skill; and providing for an effective date.

COMMITTEE MEETINGS WILL BE CONDUCTED IN THE SENATE STATE AFFAIRS COMMITTEE ROOM, #423 CAPITOL.

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

SENATE STATE AFFAIRS COMMITTEE SCHEDULE

TUESDAY
JAN. 19
1:30 p.m.

SESSION LIMIT

SJR 6 Proposing an amendment to the Constitution of the State of Alaska relating to sessions of the Legislature

SJR 57 Proposing amendments to the Alaska Constitution relating to legislative session length

THURSDAY
JAN. 21
1:30 p.m.

SESSION LIMIT

SJR 6 and SJR 57

MEETINGS WILL BE CONDUCTED IN THE CAPITOL BUILDING, ROOM 423

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

SENATE STATE AFFAIRS COMMITTEE

SESSION LIMIT

423 CAPITOL

1:30 p.m., JANUARY 19 AND JANUARY 21 SJR 6, SJR 57 (both days)

Submitted 1-13-82

CONFIRMATION OF APPOINTMENT

Alaska State Legislature

Senate

Office of the Secretary

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

M E M O R A N D U M

TO: Senator Vic Fischer
Chairman
State Affairs Committee

FROM: Peggy Mulligan
Secretary of the Senate

DATE: January 20, 1981

The President has referred the following Governor's appointments to your committee for your recommendation in accordance with AS 39.05.080:

STATE BOARD OF REGISTRATION FOR
ARCHITECTS, ENGINEERS AND LAND SURVEYORS

Gerald Myers, Fairbanks, term expiring 7/1/86
Odin Strandberg, Anchorage, term expiring 7/1/81

ATHLETIC COMMISSION

Don Dennis, Fairbanks, term expiring 5/14/82
Reginald Joule, Kotzebue, term expiring 5/14/82

STATE COMMISSION FOR HUMAN RIGHTS

*James Chase, Anchorage, term expiring 1/31/86

PERSONNEL BOARD

*Morgan Reed, Skagway, term expiring 5/20/86

ALASKA PUBLIC UTILITIES COMMISSION

*Gordon Zerbetz, Anchorage, term expiring 10/31/86

*reappointments

RESUME'

RECEIVED
JUN 27 1980
GOVERNOR'S OFFICE

NAME: Gerald D. Myers

Martial Status: Married in 1955, No children

Occupation: Practicing Architecture in Alaska 12 years.

Overview: University of Idaho: Bachelor of Architecture
Registered Architect in Alaska, No. 1848-A
Registered Architect in California No. 5704
Registered Architect in Idaho, No. AR-505

Professional Affiliations: Past Commissioner, Fairbanks Historical Preservation Commission
Chairman Fairbanks Urban Beautification Commission
Past Chairman, Fairbanks Overall Development Program
Guest Lecturer, University of Alaska, School of Engineering
Past Commissioner North Star Borough Library Commission
Member American Institute of Architects
A.I.A. Representative to Alaska Professional Design Council

Previous Firm Affiliation: Partner in Fairbanks Architectural/Engineering Firm of Gray, Rogers, Myers & Morgan; 1968 - [illegible]

Current Firm Affiliation: Architects: GDM & Associates, Inc. formed in 1974 with offices in Fairbanks and Anchorage.

TO: State of Alaska
Office of the Governor
ATTENTION: Vicki A. Clayman

RESUME

Name: E. Odin Strandberg
Address: 6502 Lakeway Drive, Anchorage, Alaska 99502 243-[illegible]82
Birthplace: Flat, Alaska May 15, 1915

Fifth of six children of David and Jenny Strandberg, Pioneers of Klondike, Fairbanks and Iditarod.

Alaska Residency: 65+ years

Professional Education:

University of Washington - 3 years
University of Alaska - 2 years

Professional Degree:

Bachelor of Science in Mining Engineering
University of Alaska - 1959

Registration:

State of Alaska:

Mining Engineer - License No. EM0834
Land Surveyor - License No. LS3971

Career History:

Thirty-two years active experience in exploration, evaluation and operation of placer and lode mining properties in Alaska. (Twenty years as a consulting engineer) Specific areas - Iditarod, Innoko, McGrath, Koyukuk, Fairbanks, Talkeetna, Prince William Sound, Kenai Peninsula, Kachemak Bay.

Ten years experience in electrical power generation, including design, installation and operation.

Ten years Municipal Engineering work in Soldotna and Anchorage, including eight years as Anchorage Building Official.

Professional Organizations:

American Institute of Mining, Metallurical and Petroleum Engineers (AIME)
National Society of Professional Engineers
Alaska Miners Association

Other:

Current Private Pilots' License No. 1500819

Immediate Family:

Married - Marie D. Nordstrand, August 10, 1939
Four Sons:

E. Odin Strandberg, Jr., P.E., Sonoma, CA
Sigvald John Strandberg, Realtor, Anchorage, AK
James Stephen Strandberg, P.E., Fairbanks, AK
Boerent Rudolph Strandberg, student, University of Alaska

Avocations:

Inland Boating
Boat Building
Flying
Skiing

Alaska Journal of Commerce
& Pacific Rim Reporter
715 L Street, Suite 5 • Anchorage, Alaska 99501 • (907) 278-3723

DONALD A. DENNIS
3011 Westgate Place
Fairbanks, Ak. 99701
Phone: (907) 456-6429
Age: 39
Birth: 9/8/39
Height: 6'4"
Weight: 240
Health: Excellent

Marital Status: Married, 4 Children
Scott 17, Steve 15, Teena 13, Todd 7
Education: Southern Colorado St. (B.S. '66)
Pueblo College (A.A. '59)
Occupation: Writer/Management Consultant
Religion: Presbyterian

PROFESSIONAL:

November 1959-August 1961	The Chieftain, Pueblo, Colo	Sports Writer
August 1961-August 1964	The Sentinel, Grand Jct., Colo.	Sports Editor
August 1964-November 1967	The Chieftain, Pueblo, Colo.	Asst. Sports Editor
November 1967-August 1968	Jessen's Daily, Fairbanks, Ak.	Sports Editor
September 1968-April 1976	Daily News-Miner, Fairbanks, Ak.	News Editor (1968-70) Editor (1971-1976)
October 1968-March 1971	University of Alaska	Sports Information Director
January 1962-August 1964	Grand Junction Baseball Inc.	Business Manager
March 1965-November 1967	Pueblo Baseball Club Inc.	President/General Manager
February 1968-Present	Ak. Goldpanners Baseball Inc.	General Manager/Secretary
November 1975-Present	Valley Giants Baseball Inc.	General Manager/Treasurer
September 1978-NOV. 1979	Pacific Rim Publishing Co.	President
November 1979-Present	Tundra Tours Inc.	General Manager

ORGANIZATIONS (Partial Listing Only)

Salvation Army	Fairbanks, Ak.	Advisory Board of Directors
Boys Club of Fairbanks	Fairbanks, Ak.	Executive Director
Quarterback Club	Fairbanks, Ak.	Board of Directors
U of A Blue & Gold Club	College, Ak.	Founder/Member
AAU Basketball	Fairbanks, Ak.	Chief Operating Officer
Sigma Delta Chi	Chicago, Ill.	Member
Parks & Recreation Commission	Fairbanks, Ak.	Commissioner
National Parks and Recreation Association (CBM)	Arlington, Va.	National Board of Directors
Arctic Winter Games Corp.	Whitehorse, Y.T.	President/Board of Directors
Alaska Winter Games Inc.	Anchorage, Ak.	Board of Directors
American Association of College Baseball Coaches	Chicago, Ill.	Member
National Association of Summer Baseball Leagues	New York, N.Y.	Past President/Vice President
United States Baseball Federation	Greenville, Ill.	Delegate
Fairbanks Youth Sports Inc.	Fairbanks, Ak.	Board of Directors
Little Dribblers Basketball	Fairbanks, Ak.	Board of Directors
American Legion Baseball	Fairbanks, Ak.	Advisor
North of the Range League	Fairbanks, Ak.	Chief Operating Officer
Stadium Expansion Committee	Pueblo, Colo.	Member
Runyon Field Committee	Pueblo, Colo.	Member
Colorado All-State Games	Denver, Colo.	Member

HONORS (Most Cherished Only)
Executive of the Year, National Baseball Congress, Wichita, Kan.
Sportsman of the Year, Fairbanks Quarterback Club, Fairbanks, Ak

RESUME

Phone: Home 442-3452
Work 442-3411

Reginald L. Joule

Box 673
Kotzebue, Alaska 99752

October 14, 1980

PERSONAL DATA

Date of Birth:	July 14, 1952, in Nome
Social Security Number:	574-24-6194
Registered Voter in:	Kotzebue
Married:	Linda Joule; one daughter

EDUCATION

Copper Valley High School	Graduated in 1970
University of Alaska Fairbanks, Alaska	1970-73: Classes in Political Science

EMPLOYMENT

1974 to Present	Wien Air Alaska Ground Service Member Relief Operations Agent
1973 to 1974	NANA Regional Corporation I worked as an Assistant Planner for the NANA Regional Corporation, under an Economic Development grant. The purpose of my job was to plan and promote economic development and growth for this region. A few of the main emphases was on tourism, fisheries and the reindeer industry. Many of the ideas and proposals we put together at that time are now to this day a reality in this region. I did alot of traveling to the villages in this region and know some of the villagers' needs, working with NANA helped my understanding in this area. I served on the State JOM board during that year.
January 1973 to May 1973	Wien Air Alaska Bethel
1970 to 1973	Alaska Airlines Tour Guide

PERSONAL INTERESTS AND MEMBERSHIPS

For the past eleven years, I have been involved with the World Eskimo-Indian Olympics as a competitor and most recently (presently) as Vice President of the Board of Directors. I have also been involved in the Arctic Winter Games and since 1972 have done the selecting of the competitors for the Native Sports. I have served as Coach for that particular group. The selection is state-wide and I also have served as competitor. I have also worked with the Anchorage Fur Rendevous Committee in setting up demonstrations in the Eskimo blanket toss and high kicking for the past four years.

I served one year on the Kotzebue City Council in an appointed position.

February 1, 1980

Name: James H. Chase

Address: 3023 Madison Way
Anchorage, Alaska 99504

Education

1967 Master of Science, Industrial Management, University of North Dakota, Grand Forks, North Dakota,

1954 Bachelor of Science, Biology, Morgan State College, Baltimore, Maryland.

Present Position

1979/80 -Affirmative Action Officer for Anchorage Community College and University of Alaska, Anchorage. Address: 3211 Providence Drive, Anchorage, Alaska 99504. Telephone: (907) 263-1434.

Duties: Responsible for implementation, coordinating and monitoring the University's Affirmative Action Program for Anchorage Community College and the University of Alaska, Anchorage in compliance with current federal and state legislation, Presidential Executive Orders and court decisions. Insures that all educational services are delivered without regard to race, color, religion, national origin, sex, age, physical disability or veteran status. Trains management, first-line supervisors and other employees with regard to their affirmative action duties and responsibilities. Prepares and submits reports as required.

Develop and carry out two-way communications with local minority and women's organizations and other community groups to inform them of the University's EEO/AA policies and plans. Develop an accurate data base in order to provide meaningful goals and timetables for the Affirmative Action Plan.

Represent the units served at Federal and State agency hearings, grievance procedures, and court proceedings. Advise student, employees, and applicants of their rights including mechanisms both internal and external which may help the individual obtain relief from a complaint.

Positions Held

8/1977 to 10/1978 -Senior Associate, Center for Equality of Opportunity in Schooling, Alaska Native Foundation, 411 West 4th Avenue, Anchorage, Alaska 99501 Telephone: (907) 274-2541.

Specialization: Title IX and Human Relations

Primary Duties: Organizes and conducts workshops related especially to sex desegregation; provides technical assistance on race/sex desegregation issues to urban and rural school districts in developing needs assessment statements, program plans, affirmative action plans, grievance procedures, and compliance record keeping procedures. Provides follow-up services via written evaluations and reports and furnishing of resource materials. Analyzes race/sex desegregation problems and aids in planning for remedies.

Ancillary Duties: Planning and co-facilitating workshops, seminars, and conferences on multi-cultural, multi-lingual, values clarification, effective communication, team building. assertiveness and other human relations subjects.

2/1977 to 6/1977 -Acting Director, Anchorage Equal Rights Commission, Municipality of Anchorage, Anchorage Alaska.

Duties: Directs the Commissions's program involving all administrative and fiscal responsibilities; trains and supervises all staff employees; recommends the establishment of ordinances dealing with equal opportunity; represents the Commission in a wide variety of contracts; makes public appearances as required before groups and the general public; holds workshops/seminars; counsels employers, investigates complaints and develops solutions; maintains direct liaison with news media; sits as principal administrative officer at Commission meetings; prepares annual and supplemental budget; prepares newsletters and brochures outlining purposes of the Commission.

2/1975 to 2/1977 -Director, Human Relations Commission, City of Anchorage, Alaska

Duties: Directs the Commission's program involving all administrative and fiscal responsibilities; trains and supervises all staff employees; recommends the establishment of ordinances dealing with equal opportunity; represents the Commission in a wide variety of contacts; makes public appearances as required before groups and the general public; hold workshops/seminars; counsels employers, investigates complaints and develops solutions; maintains direct liaison with news media; sits as principal administrative officer at Commission meetings; prepares annual and supplemental budget; prepares newsletters and brochures outlining purposes of the Commission.

7/1972 to 11/1974 -Chief, Social Actions Office, 21st Composite Wing, Elmendorf Air Force Base, Alaska

Duties: Developed and administered Drug and Alcohol Abuse Education and Rehabilitation, Race Relations Education, Dissident and Protest, Domestic Actions, Equal Opportunity and

Affirmative Action programs. Served a population of more than 11,000 persons. Maintained liaison with civilian counterpart agencies. Established Elmendorf Human Relations Council and Drug Abuse Control Committee. Author of the Elmendorf AFB Affirmative Action Plan.

3/1970 to 6/1972 -Chief, Management Engineering Division, Manpower and Organization, Alaskan Air Command, Elmendorf Air Force Base, Alaska.

Duties: Developed and administered the Alaskan Air Command Management Engineering Program. Provided technical guidance and insured coordination of manpower determinants with staff agencies. Continuously reviewed and analyzed the Commands' manpower resources to assure credible and defensible utilization of authorizations. Utilized techniques of systems analysis, statistical analysis, time and motion studies and layout process flow analysis. Quantified reduction of 124 manpower spaces equating to a savings of more than $2 million.

4/1969 to 3/1970 -Commander, Cape Newenham Air Force Station, Cape Newenham, Alaska.

Responsible for the remote arctic radar station to include the Air Defense mission and the supporting housekeeping functions on a 24-hour-a-day basis. Responsible for the health, welfare and morale of more than one hundred officers, enlisted persons and Department of the Air Force civilians on isolated duty in an arctic environment.

Current Community and Professional Activities

Member -Joint Committee for International Human Rights

Member -National Association of Human Rights Workers

Board Member -Alaska Black Caucus

Member -Anchorage, NAACP

Board Member -Chugach Council of Camp Fire

Member -Alaska Vocational Rehabilitation Advisory Board

Member -Anchorage Community Chorus

Member -Editorial Board - The Journal of Intergroup Relations

past Community and Professional Activities

1978/79	Western Regional Vice-President National Association of Human Rights Workers
1975/79	Board Member National Association of Human Rights Workers
1976/78	President, Black Arts Association
1976/77	U.S. Commission on Civil Rights Conference Planning Committee
1975/77	International Association of Official Human Rights Agencies
1972/77	Anchorage Community Chorus Board Member
1973/77	Anchorage Mayors' Charity Rose Ball Committee
1975/77	Anchorage Intergroup Relations Association
1970/76	Alaska Industrial Management Society
1973/75	City of Anchorage Budget Advisory Committee
1972/75	Anchorage Equal Rights Association
1973/76	Anchorage Roundtable

Honors and Awards

1979	Volunteer of the Year, Chugach Council of Campfire, Inc.
1979	Outstanding Volunteer, Alaska Black Caucus
1978	Maharishi Award, Transcendental Meditation Society
1978	Farnsworth Award, Chugach Council of Campfire, Inc.
1976	Golden Spike Award, Alaska Railroad
1974	Meritorious Service Medal, United States Air Force
1973	Presidential Award, Anchorage NAACP
1973	Presidential Award, Black Arts Association
1971	Outstanding Member of the Year Award, Alaska Industrial Management Society
1970	Commendation Medal with Oak Leaf Cluster, U.S.A.F.
1969	Commendation Medal, U.S.A.F
1967	Combat Readiness Award, U.S.A.F.

MEMORANDUM State of Alaska

TO: The Honorable Vic Fisher
Senator

DATE: January 28, 1981

FILE NO:

TELEPHONE NO: 465-3500

FROM: Vicki A. Clayman
Special Assistant
to the Governor

SUBJECT: Résumés for
Legislative
Confirmation

Attached as you requested in your memo of January 21, 1981, are the résumés of Janis Williams, Alaska Pipeline Commission; Don Dennis, Athletic Commission; and Gordon Zerbetz, Alaska Public Utilities Commission.

The résumé for [redacted] is not available in this office. An update was requested from him when he was reappointed in June of 1980, however, we have not received a response.

Brief information on Mr. Reed is as follows:

[redacted]

Please advise if I can be of further assistance.

Thank you.

Attachment

GORDON J. ZERBETZ
1100 MacKay Building
338 Denali Street
Anchorage, Alaska 99501

Business Phone: 276-6222
Home Phone: 279-9972

Birthplace: Ketchikan, Alaska

Education:
Ketchikan High School
Whitman College (BA Economics and Business Administration
Alaska Pacific University/Southern Methodist University (Master of Liberal Arts Candidate)
University of Alaska, Anchorage, Accounting Studies
National College of the Judiciary/University of Nevada, Administrative Law Judge Course
Fidder-Peabody Seminar Studies - Investment Finance
General Telephone and Electronics Corporation-Telephone Revenue Separations School

Present Position: Commissioner, Chairman, Alaska Public Utilities Commission

Business Experience:

1950 - 1950	Alaska Bottling Company, Inc. General Manager, Co-owner
1950 - 1965	Alaska Boat Company, Partner
1952 - 1953	Southeast Alaska Marine Transportation, Inc., Co-Founder - Officer
1953 - 1973	Stedman Hotel Company, Inc. General Manager, President
1963 - 1980	Zerbetz Pine Apartment, Partner
1976 - 1980	Alaska Sea Ranch, Inc., Co-owner
1976 - 1983	Rarities Unlimited, Owner
1976 - 1983	MC Productions, Inc., Director and Vice President

Military Experience: Alaska Territorial Guard; U.S. Army Signal Corps; U.S. Coast Guard Reserve (Retired, Commander)

Public Service:

City of Ketchikan	Charter Commission; City Council; Centennial Committee; Rescue Squad; Civil Defense Director
Municipality of Anchorage	Civil Defense and Disaster Advisory Commission

Work Experience:

Fisheries Development	Oysters -- First successful large-scale oyster farm - new Alaskan industry; developing techniques for adapting various species for Alaskan waters; innovative oyster hatchery - experience with family-owned long-line halibut schooner; also, in Washington State I have participated in the development of innovative shellfish hatchery and ocean salmon ranching.
	Alaska Meat Company -- market development of local sea food products.
	Stedman Hotel Company, Inc. -- unique menus of Alaskan sea foods- fish and smokehouse operation.
Agriculture-Forestry Experience:	Personal experience in small scale hand-logging and beach logging;
	As supplier and extender of credit to numerous logging companies, I have acquired considerable knowledge of logging and re-forestation techniques.
	Orchard work, Washington State - research and practical work in vegetable growing; presently experimenting with test plots of wild rice in Alaska.
Business Management:	Property development and management of commercial and residential properties.
	Owned and operated two hotels; restaurates; fast food service.
	Tourism -- Active in development and sponsorship of Ketchikan's tourist melodrama, "The Fish Pirate's Daughter"; Promoted tourist-oriented technique for taking sea food home; Built 30 ft Indian war canoe as tourist attraction; Promotion of motor coach transportation via Marine Highway System.

Business Management: (continued)

Manufacturers representative for inflatable boats;

Marketing Ketchikan oysters;

Wholesale and retail meat operation;

Advisory Board for Commercial Loans, National Bank of Alaska;

Marine Transportation -- assisted in planning and operation of small-vessel freight system from Pacific Northwest to Southeastern Alaska;
Pioneered in containerized shipping.

Alaska Centennial Committee -- Chairman for Ketchikan area; totem restoral; promoted native art and dancing; major urban renewal project including construction of library - museum complex; reconstruction of Fort Tongass; instrumental in establishing the Fort Tongass Drum and Bugle Corps.

Utility Regulation:

Because the role of a Public Utilities Official not extends beyond the statutory responsibilities, I have had the opportunity to participate from the outset in the satellite communications program.

Active in rural energy alternatives including biomass, wind, river, tidal power, small hydro, hydrogen energy and low BTU gas producer.

Member of NARUC Engineering (depreciation and valuation) Committee.

My position on the Commission and previous assignments in the military and private sector have required travel to all parts of Alaska. Current position requires working knowledge of business conditions throughout the State.

Alaska State Legislature

Senate

Office of the Secretary

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

DATE: 22 March 1982

TO : Senator Fischer, Chairman
State Affairs Committee

FROM: Peggy Mulligan
Secretary of the Senate

RE : Governor's Appointments

The President has referred the following Governor appointee's to your Committee for recommendation in accordance with AS 39.5.080:

STATE BOARD OF REGISTRATION FOR ARCHITECTS, ENGINEERS AND LAND SURVEYORS

Robert B. Boswell, Fairbanks, term expiring 07/01/87

NEW CAPITAL SITE PLANNING COMMISSION

*Glenn W. Fredericks, Anchorage
*George A. Morrison, Anchorage
(Term expiring see AS 44.06.200)

*Reappointment

Resumes enclosed

LAKE & BOSWELL CONSULTING ELECTRICAL ENGINEERS, INC.

JAMES M. LAKE, P.E.
ROBERT B. BOSWELL, P.E.

543 THIRD AVENUE, ROOM 206
FAIRBANKS, ALASKA 99701
PHONE 907-452-1441

RESUME

Robert B. Boswell
Vice President
Lake & Boswell, Consulting
Electrical Engineers, Inc.

August 6, 1981

Born:

May 26, 1938, Fairbanks, Alaska

Education:

Graduate Fairbanks High School, 1956
Bachelor of Science Degree in Electrical Engineering from the University of Washington, 1967

Years Experience:

6 years with James M. Lake, Consulting Electrical Engineer
8 years with Lake and Boswell

Active Registration:

Registered Professional Engineer in the State of Alaska - 1971
Registration Number 2284-E

Professional Societies:

Member, Institute of Electrical and Electronic Engineers
Member, National Society of Professional Engineers
Member, Illuminating Engineering Society

Community Service:

Past Member and Vice-Chairman, Fairbanks Municipal Utilities System Public Utilities Board
Member, Board of Directors University of Alaska Heating Corporation
Member and President of the Fairbanks Rotary Club
Executive Board Member and Past Treasurer of the Midnight Sun Council, Boy Scouts of America
Alaska Bar Association Discipline Hearing Committee 4th Judicial District, Non-Attorney Member

A F F I D A V I T

QUALIFICATIONS FOR APPOINTMENT

TO AN ALASKA BOARD OR COMMISSION

FULL NAME Robert Booth Boswell

PLACE OF RESIDENCE 1216 - 10th Avenue, Fairbanks, Alaska 99701

BIRTHPLACE Fairbanks, Alaska

MAILING ADDRESS 543 3rd Avenue, Room 206, Fairbanks, Alaska 99701

I HAVE LIVED IN ALASKA FOR 43 YEARS.

DATE/PLACE OF NATURALIZATION, IF A NATURALIZED CITIZEN

N/A

PLEASE GIVE EXACT NAME OR NUMBER OF THE ALASKA PRECINCT IN WHICH YOU LAST VOTED Fairbanks Precinct #5

I, Robert B. Boswell, DO SOLEMNLY SWEAR (OR AFFIRM) THAT THE ABOVE STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Robert B. Boswell

Subscribed and Sworn to before me this 26th day of January, 1982.

Margaret Miles

Notary Public, State of Alaska
My Commission expires: 8/10/85

STATE OF ALASKA

OATH OF OFFICE

Office or Department Department of Commerce & Economic Development

I, Robert B. Boswell, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States, and the Constitution of the State of Alaska, and that I will faithfully discharge my duties as a member of (board or commission) the Board of Registration for Architects, Engineers & Land Surveyors to the best of my ability.

Robert B Boswell

Subscribed and Sworn to before me this 26th day of January, 19 82.

Notary Public, State of Alaska
My Commission expires: 8/10/85

(Seal)

DECEMBER, 1981

R E S U M E

GLENN W. FREDERICKS

PERSONAL DATA: Age: 46 Weight: 170 Pounds
Height: 5'10" Married: Three Children

EDUCATION: Palmer High School, 1954

EXPERIENCE:

June 1973 to Present: BAROMETER MOUNTAIN BUILDERS

Owner, General Construction Company

January, 1973 to June, 1975: CALISTA CORPORATION

Area Manager
Responsible for coordination and communication of all phases of Alaska Native Claims Act between central office in Anchorage and eleven villages on the middle Kuskokwim. Involved in instructing villagers in implementation of the Act, advising on budgets, financial management, social and economic development.

June, 1969 to October, 1972: PULIS BUILDERS

Construction Foreman
Responsible for supervision of job and men for all of company's "bush" contracts. Jobs included hospitals, steel buildings, concrete work and private homes. Supervised up to thirteen men working in various construction capacities.

April, 1966 to October, 1968: NORTH STATE CONSTRUCTION

Carpenter
Assigned to assist in carpentry from rough finish to finish work. Jobs included commercial buildings and private homes.

EXPERIENCE CONT'D:

July, 1963 to
October, 1965: STEWARDALL CONSTRUCTION

Carpenter
Assigned to assist in carpentry from rough finish to finish work. Jobs included commercial buildings and private homes.

MILITARY EXPERIENCE:

UNITED STATES MARINE CORPS

Served from October, 1954 to October, 1957. Assigned to Military Police; stationed one year in California and two years in Japan. Received honorable discharge.

OTHER AFFILIATIONS:

President, The Kuskokwim Corporation
1973 - Present

President, Kuskokwim Native Association
1972 - Present

Director, Calista Corporation
1980 - Present

Director, Lower Yukon-Kuskokwim Acquaculture Association, 1980 - Present

Commissioner, New Capital Site Planning Commission

Chairman, Regional Advisory Board, Bureau of Indian Affairs, Bethel Agency

Member, Regional Government Study Team, Southwest Alaska

Member, Oil & Gas Committee, Association of Village Council Presidents

Member, Alaska Federation of Natives Land Managers Association; member of task forces on gravel, airports and 14(c)

Elected Traditional Lifetime Chief, by Association of Village Council Presidents Convention Delegates, 1979

Continued from page 3

BOARD MEETINGS HELD...

September 19, 19[illegible] t Sleetmute, Alaska.

—Glenn Fredericks, Nick Mellick, Jr., and Leo Morgan were approved to serve as the Credentials Committee for the annual meeting.

—The Board voted to hold the annual meeting in a different village each year, alternating between up-river villages and down-river villages.

—The general manager was directed by the Board to make arrangements to hold a potlatch following the meeting. Board members also agreed that a plane should be sent to each village to pick up shareholders for the annual meeting. Sign up sheets are to be posted in each village for shareholders interested in attending.

—A proposal from Buckstock Mining for exploration activities on corporation lands was reviewed and discussed at length. The general manager was directed to meet with Calista concerning the proposal and to collect additional background information on the company and its owners.

—A request from Buckstock to lease land from the corporation for construction of a runway was denied by the Board. Board members felt that existing village airports should be used to increase the potential for villages to provide support facilities and to insure more local hire.

—Since the general manager had not had time to prepare an operational budget for fiscal 1982, Directors voted to approve operational expenses for fiscal 1982 at the same level as fiscal 1981 expenses through September 30, 1981.

—Board members approved the program outline for the sawmill study as designed by management.

—An outline for the preparation of the interim land management plan was reviewed and approved by directors. Management was directed to pre-

Continued on page 11

Calista Corp.

PRESIDENT GLENN FREDERICKS

Anchorage address: 276-2101 W.
1400 Virginia Ct. 274-2194 h.

***Editor's Note:** Since the President is not running for reelection this year, we thought this might be a good time to let shareholders know more about the duties and activities of the President.*

Most of you know Glenn "Tiny" Fredericks very well; many of you grew up with him. For those of you less familiar with the President, he was born and raised in the village of Sleetmute. He left the village to attend high school in Palmer and went from high school into the Marine Corps. After finishing his enlistment in the Marines, he began his career in construction, beginning as a carpenter, working up to a superintendent until finally, in 1973, he formed his own construction company and became a general contractor. Shortly after the passage of the Land Claims Act, Fredericks moved back to his home village of Sleetmute and lived there three years while he traveled throughout the area to inform village residents about the Act and to help get village corporations set up. In 1975, when the office of Kuskokwim Management Corporation was established, Fredericks moved to Anchorage to assume an active role in the on going operations of the company.

Glenn is just completing his fourth year as President of The Kuskokwim Corporation, a position he has held since the corporation was established through the merger in 1977. Prior to that, he served as President of Kuskokwim Management Corporation and the village corporation of Georgetown, Incorporated, for a total of nine years in the position of President. This may be a record among the Native corporations established in 1971.

The duties of the President include calling all meetings of the Board and Executive Committee, presiding over all meetings of the Board of Directors and the Executive Committee, and signing all corporate documents. In addition to these duties, the President takes an active role in the on going operations of the company. He supervises management to make sure Board policies are carried out correctly, he represents the corporation at public and private meetings where corporate-related issues are discussed, and he maintains contacts with the Legislature and public and private officials where the interests of the corporation are involved. He also functions in a part-time staff position for the company. In his staff position, Fredericks handles all land matters for the corporation and keeps current information on the status of all Land Claims Act issues, including current legislation pending and/or passed.

In addition to the time Glenn spends working directly for the corporation, he accepts many invitations to sit on Boards of other organizations, participate in various studies being conducted in the area and/or speak to other village corporations about corporate management. In these cases, the President's travel and expenses are covered by the organization who issued the invitation. These activities require a considerable amount of travel and a great deal of time for which the President receives no pay. However, Mr. Fredericks has always felt it very important to keep actively informed of activities

going on in the area because of the way they may affect shareholders or because of potential development possibilities for the TKC area.

Some of the President's activities in this area include:

- —Participant in a reindeer feasibility study being conducted by Kuskokwim Community College.
- —Member of the Regional Government Study Team, Southwest Alaska.
- --Member of the AVCP Oil and Gas Committee.
- —Member of Alaska Federation of Natives Land Managers Association and a member of the Land Managers Association task forces on gravel, airports and 14(c).
- —Director, Lower Yukon Kuskokwim Acquaculture Association.
- —Consultant to the Alaska Native Foundation's Village Management Assistance Program.
- —President, Kuskokwim Native Association.
- —Regional Advisory Board member, Bureau of Indian Affairs, Bethel Agency.

Finally, out of concern over directions taken by the regional corporation, President Fredericks ran for the Board of Directors of Calista Corporation last year and won the Unit 3 seat. As a director of Calista Corporation, Glenn serves as Chairman of the personnel committee, as a member of the finance committee and as a Director of Calista Construction Company, a wholly-owned subsidiary of Calista Corporation. He was also elected to represent Calista as a Director of Alaska Consolidated Shipping, Inc., a company owned in part by Calista. Alaska Consolidated Shipping subsequently elected Fredericks to the position of Treasurer of the company.

For his services to The Kuskokwim Corporation, President Fredericks receives a part-time gross salary of $787.50 per month. This represents Fredericks' total compensation from the corporation. Since he is a part-time staff member, he receives no other benefits such as medical insurance or retirement, and he is not paid directors' fees for attendance at meetings.

President Fredericks is widely respected as a leader who shows genuine concern for the people and the area he represents. He has contributed significant time and effort to the growth of the corporation, the education of shareholders and the advancement of the area, sacrificing many opportunities along the way for his own personal gain. He continues to do so by choice in the belief that his contributions and efforts will long survive him through future generations of shareholders. ■



President Fredericks traveling on the Kuskokwim

George Morrison

STATE OF ALASKA

OFFICE OF THE GOVERNOR
Pouch A
Juneau, Alaska 99811

BOARDS AND COMMISSIONS RESUMÉ

INSTRUCTIONS

A separate application is required for each position for which you apply. Complete and specific answers will aid in rapid and accurate processing of your resumé. The initial determination of whether you qualify for the position specified will be based on this application.

Please type or print legibly in ink. Forward to the above address. Be sure your answers are true. A willfully false answer may result in your disqualification or removal from office if you are appointed.

Position for which I am applying:

Please list any other Board or Commission on which you serve:

Name	Previous Name applied under
George A. Morrison	
Mailing Address	**Residence Address**
2135 SORBUS WAY	Same
City, State and Zip Code	
ANCHORAGE, ALASKA 99504	
Home Telephone	**Business or Message Telephone**
279-5278	274-3561

REPORT ADDRESS AND TELEPHONE CHANGES PROMPTLY

AS 39.05.100 requires that a person appointed to a board or commission be a registered voter before the last general election:

Are you a registered voter? ☑ YES ☐ NO

Voter Registration Number (Optional) Social Security Number (Optional)

Have you ever been convicted of a misdemeanor within the past five years or a felony within the past ten years? ☐ YES ☑ NO

If "YES", explain the circumstances on a separate sheet of paper and attach it to this application. A conviction is not necessarily grounds for disqualification. The number of convictions, nature, recency and relationship to the board position applied for will be evaluated and a determination will be made after a review of all relevant facts.

A policy in the Governor's Office pertaining to boards and commissions is that a member attend at least 75% of the meetings. Are there any circumstances in either your professional or personal life which would prevent you from participating at the required authorized meetings? ☐ YES ☑ NO

If "YES", explain on a separate sheet of paper and attach to this application.

This position may require that the member travel to either urban or rural (or both) areas. Are there any circumstances which would prevent you from participating? NO

CONFLICTS OF INTEREST: Certain Boards and Commissions require full disclosure of personal financial data under AS 39.50.010. If required for the Board or Commission for which you are applying, are you willing to do so? ☒ YES ☐ NO

Could you or any member of your family be affected financially be decisions to be made by the Board or Commission for which you have applied?
☐ YES ☒ NO If "YES", explain.

The Office of the Governor will not discriminate against an applicant for a Board or Commission based on Sex, Age, National Origin, Marital Status, Pregnancy, Handicap, Religion or Parenthood.

01-012/2/81

TRAINING & EXPERIENCE: (If résumé attached, it is not necessary to complete items A-D)

A. List any professional licenses, certifications, or registrations and dates obtained that may be used as qualifying criteria:

Certified Public Accountant 10-4-1967

B. List both formal and informal education and training experiences: (Use additional paper if necessary)

3BAD - Gonzaga University

C. List any community service positions, municipal government positions, state positions held, and list any awards received. These include both compensated and uncompensated positions (for example, president of a service organization or a mayor). Also include length of time served in the positions.

Commissioner of Revenue - State of Alaska 1967-1971
Executive Director, Legislative Audit - State of Alaska 1960-1967
Controller, Alaska Court System 1971-1973

D. Employment work history: paid, unpaid or voluntary: (Use additional paper if necessary)

Senior Vice President - Alaska Mutual Bank 1973-Present

The Office of the Governor and the State of Alaska have an Affirmative Action Equal Employment Opportunity Program. To assist in the program, you are asked to voluntarily answer the following questions to provide the information necessary for reporting purposes. Under State and Federal law, the information you provide will not be used to illegally discriminate against you.

SEX
☒ Male
☐ Female

ETHNIC BACKGROUND
☒ White ☐ Black ☐ Hispanic ☐ Alaska Native ☐ Asian or Pacific Islander ☐ American Indian

Date of Birth	Military Service (If applicable, give dates)
3-23-26	USN 1943-1945 1949-1951

CERTIFICATION: I swear that the information I have entered on this form is true to the best of my knowledge. I understand that if I deliberately conceal or enter false information on the form my application may be rejected, I may be removed from the list of eligible candidates or I may be removed from the position. I agree that the Office of the Governor may contact present or former employers or other persons who know me to obtain additional information about my skills and abilities. I understand that the information on this application is public information and may be released through a legal request for such information.

Signature In Ink	Date
[signature]	2-26-82

01-012(1/81) Back

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Senate State Affairs Committee Members

FROM: Sen. Vic Fischer Vic

DATE: March 23, 1982

RE: Confirmation of appointments

My memorandum of March 18 (see attached) concerned confirmation of the Governor's appointments to the State Board of Registration for Architects, Engineers and Land Surveyors and to the New Capital Site Planning Commission.

Attached please find additional appointments submitted to the State Affairs Committee for recommendation. If you would like any of these persons to appear before the committee prior to our making a recommendation, or if you have any questions, please contact my office prior to March 24. Appropriate resumes are attached for your information.

Thank you for your consideration.

3/26/82

From: Brad

To: Vic

I approve George D. Morrison.

I do not care to have any to appear before committee.

B

Alaska State Legislature

Senate

Office of the Secretary

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

DATE: February 10, 1982

TO : Senator Fischer
Chairman
State Affairs Committee

FROM: Peggy Mulligan
Secretary of the Senate

RE : Governor's Appointments

The President has referred the following Governor's appointee's to your Committee for recommendation in accordance with AS 39.5.080:

STATE BOARD OF REGISTRATION FOR ARCHITECTS, ENGINEERS AND LAND SURVEYORS

*E. Odin Strandberg, Anchorage, term expiring 7/1/87

NEW CAPITAL SITE PLANNING COMMISSION

Margaret Branson, Seward, terms expiring see AS 44.06.200
*George W. Easley, Anchorage
Caroline Powell, Yakutat
Felix Toner, Juneau
Merry Tuten, Fairbanks

*Reappointment

Resumes enclosed

TO: State of Alaska
Office of the Governor
ATTENTION: Vicki A. Clayman

RESUME

Name: E. Odin Strandberg
Address: 6502 Lakeway Drive, Anchorage, Alaska 99502 243-1122
Birthplace: Flat, Alaska May 16, 1915

Fifth of six children of David and Jenny Strandberg, Pioneers of Klondike, Fairbanks and Iditarod.

Alaska Residency: 65+ years

Professional Education:

University of Washington - 3 years
University of Alaska - 2 years

Professional Degree:

Bachelor of Science in Mining Engineering
University of Alaska - 1959

Registration:

State of Alaska:

Mining Engineer - License No. EM0834
Land Surveyor - License No. LS3971

Career History:

Thirty-two years active experience in exploration, evaluation and operation of placer and lode mining properties in Alaska. (Twenty years as a consulting engineer) Specific areas - Iditarod, Innoko, McGrath, Koyukuk, Fairbanks, Talkeetna, Prince William Sound, Kenai Peninsula, Kachemak Bay.

Ten years experience in electrical power generation, including design, installation and operation.

Ten years Municipal Engineering work in Soldotna and Anchorage, including eight years as Anchorage Building Official.

Professional Organizations:

American Institute of Mining, Metallurgical and Petroleum Engineers (AIME)
National Society of Professional Engineers
Alaska Miners Association

Other:

Current Private Pilots' License No. 1503819

Immediate Family:

Married - Marie O. Nordstrand, August 10, 1939
Four Sons:

E. Odin Strandberg, Jr., P.E., Sonoma, CA
Sigvald John Strandberg, Realtor, Anchorage, AK
James Stephen Strandberg, P.E., Fairbanks, AK
Boerent Rudolph Strandberg, student, University of Alaska

Avocations:

Inland Boating
Boat Building
Flying
Skiing

STATE OF ALASKA

RECEIVED
JAN 7 '81
GOVERNORS OFFICE

Log Copy

OATH OF OFFICE

Office or Department Office of the Governor

I, E Odin Strandberg, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States, and the Constitution of the State of Alaska, and that I will faithfully discharge my duties as a member of (board or commission) Board of Registration for Architects Engineers and Land Surveyors to the best of my ability.

E Odin Strandberg PE

Subscribed and Sworn to before me this 5th day of January, 19 81.

Leslie J. Jordan
Notary Public State of Alaska
My Commission expires: 2-20-83

(Seal)

LESLIE J. JORDAN
NOTARY PUBLIC
STATE OF ALASKA

A F F I D A V I T

QUALIFICATIONS FOR APPOINTMENT

TO AN ALASKA BOARD OR COMMISSION

RECEIVED
JAN 7 '81
GOVERNORS OFFI

FULL NAME Edward Odin Strandberg

PLACE OF RESIDENCE Anchorage, Alaska

BIRTHPLACE Flat, Alaska

MAILING ADDRESS 6502 Lakewood Dr 99502

I HAVE LIVED IN ALASKA FOR 45 YEARS.

DATE/PLACE OF NATURALIZATION, IF A NATURALIZED CITIZEN

N/A

PLEASE GIVE EXACT NAME OR NUMBER OF THE ALASKA PRECINCT IN WHICH YOU LAST VOTED District 3, Precinct 40

I, Edward Odin Strandberg, DO SOLEMNLY SWEAR (OR AFFIRM) THAT THE ABOVE STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

E. Odin Strandberg

Subscribed and Sworn to before me 5 day of January, 19 81.

LESLIE J. JORDAN
NOTARY PUBLIC
STATE OF ALASKA

Leslie J. Jordan
Notary Public, State of Alaska
My Commission expires: 2-20-83

RESUME'

Margaret A. Branson
500 Fourth Avenue
Box 271
Seward, Alaska 99664

(907) 224-3212

Birthplace: Sheridan, Wycming May 12, 1927

Spouse: Ralph B. Branson Children: Melissa, Malcolm, Seth, Alec

EDUCATION:
Colorado Women's College 1946-47
University of Denver, B. A. Anthropology 1949
University of Oregon, Labor & Industrial Relations Institute, 1972-73

EXPERIENCE:

1979-81 Alaska State Representative, District 5
Standing Committees: Community and Regional Affairs
Labor and Management
Interium Committees: Small Scale Hydro/Geothermal and Solar Alternatives, Limited Entry Study Committee, Aquaculture Policy Study Committee, Title 29 Revision Committee.
Delegate: Energy Committee National Council State Legislatures, LEGIS 50
MINORITY WHIP

1977-78 Vice President, Kenai Peninsula Borough Assembly
Commissioner, Cook Inlet Air Resources Management District; Chairman, Roads and Trails/Solid Waste Committee; Chairman, Legislative Overview Committee

1-77 -6-77 Administrative Assistant, Labor and Management Committee
1974-81 Owner/Partner Turquoise Barrabora Gift Shop and Art Gallery, Cooper Landing, Alaska

1973-74 State of Alaska, Dept. of Education
Alaska Skill Center,Manpower Specialist

1972-73 Graduate Teaching Fellow, Labor and Industrial Relations Institute, University of Oregon

1969-72 State of Alaska, Dept of Labor
Alaska Skill Center, Manpower Specialist/Job Developer

1966-78
1980-81 Newspaper Columnist, Seward Phoenix Log

1978-present Arbitration Board, Kenai Peninsula Borough

COMMUNITY SERVICE
Sitka Chamber of Commerce, Sitka Hospital Auxilary, Executive Secretary Alaska State Jaycees (1964) President Cooper Landing Advisory School Committee, President (3 years) Cooper Landing Community Club. Ex Officio Member Advisory Planning Commissions for communities of Hope, Cooper Landing, Moose Pass

STATE OF ALASKA

OATH OF OFFICE

Office or Department _____

I, MARGARET A. BRANSON, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States, and the Constitution of the State of Alaska, and that I will faithfully discharge my duties as a Member of (board or commission) CAPITAL SITE PLANNING COMMISSION to the best of my ability.

Margaret A Branson

Subscribed and Sworn to before me this 8th day of October, 1981.

Barbara K. Stabler
Notary Public, State of Alaska
My Commission expires: _____

My Commission Expires
December 20, 1983

(Seal)

A F F I D A V I T

QUALIFICATIONS FOR APPOINTMENT
TO AN ALASKA BOARD OR COMMISSION

FULL NAME MARGARET ABER BRANSON

PLACE OF RESIDENCE 500 FOURTH AVE SEWARD, ALASKA

BIRTHPLACE SHERIDAN, WYOMING

MAILING ADDRESS BOX 271 SEWARD, ALASKA 99664

I HAVE LIVED IN ALASKA FOR 23 YEARS.

DATE/PLACE OF NATURALIZATION, IF A NATURALIZED CITIZEN

PLEASE GIVE EXACT NAME OR NUMBER OF THE ALASKA PRECINCT IN WHICH YOU LAST VOTED SEWARD NO 2.

I, MARGARET A. BRANSON, DO SOLEMNLY SWEAR (OR AFFIRM) THAT THE ABOVE STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Margaret A Branson

Subscribed and Sworn to before me this 8th day of October, 1981.

Brenda K. Stelly
Notary Public, State of Alaska
My Commission expires:

My Commission expires
December 20, 1983

GEORGE W. EASLEY - Biographical Information (Use Information as Desired)

ADDRESS: 333 "M" Street, Unit 210
Anchorage, AK 99501

PHONE: Home..... (907) 279-8179
Office... (907) 276-7915

EMPLOYMENT INFORMATION:

March 1, 1976 to Present
President, George W. Easley Company - General Contractor

February 1974 to March 1, 1976
Served as Senior Vice President, Executive Vice President and President of Burgess Construction Company

January 1971 to February 1974
Commissioner of Public Works for the State of Alaska

June 1969 to January 1971
Principal Associate-in-Charge in the Los Angeles office of Wilbur Smith and Associates, Consulting Engineers

March 1962 to June 1969
Traffic Engineer and Assistant City Manager for the City of Anchorage

February 1953 to March 1962
Highway Traffic Engineer for the State of Virginia, Department of Highways

EDUCATION AND SERVICE:

Attended the University of Richmond and Northwestern University
Served 18 years in the U.S.Army Reserves

PROFESSIONAL AND BUSINESS ASSOCIATIONS:

Past Board Member	Alaska Private Industry Council
Vice Chairman	Alaska State Chamber of Commerce
Member	American Public Works Association
Past President	Anchorage Chamber of Commerce
Past Board Member	Anchorage Convention and Visitors Bureau
Past Member	Anchorage Metropolitan Area Transportation Study Advisory Board
Past Chairman	Anchorage Transportation Commission
Director/Treasurer	Associated General Contractors
Member	AGC National Committees on Education and Metric Conversion
Bd.Member/Past Pres.	Common Sense for Alaska, Inc.
Life Member/Past Pres.	Greater Anchorage, Inc.
Director/Secretary	Highway Users Federation of Alaska
Member	Institute for Municipal Engineering
Member	Institute of Traffic Engineers
Honorary Member	International Organization of Masters, Mates and Pilots
Board Member	Junior Achievement of Alaska, Inc.
Vice President	Society of Military Engineers, Alaska Chapter
Member	State Commission on Capital Planning Relocation

COMMENDATIONS:

1966	City of Anchorage
1969	Greater Anchorage, Inc.
1973	Ketchikan Chamber of Commerce
1974	Alaska State Legislature
1974	Governor of Alaska

AWARDS:

1964	Outstanding Young Man - Anchorage Jr. Chamber of Commerce
1969	Gold Pan Award - Anchorage Chamber of Commerce on behalf of Greater Anchorage, Inc. Fur Rendezvous
1977	Gold Pan Award - Anchorage Chamber of Commerce for outstanding service

REGISTRATION: Professional Engineer, State of California - TR 0134

Rev. 10/81

STATE OF ALASKA

OATH OF OFFICE

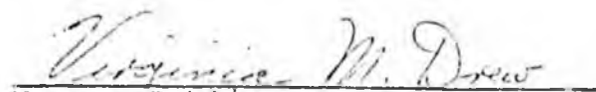
Office or Department _____

I, GEORGE W. EASLEY, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States, and the Constitution of the State of Alaska, and that I will faithfully discharge my duties as a member of (board or commission) Capital Site Planning Commission to the best of my ability.



Subscribed and Sworn to before me this 7th day of October, 19 81.

(Seal)



Notary Public, State of Alaska
My Commission expires: 7/25/83

A F F I D A V I T

QUALIFICATIONS FOR APPOINTMENT

TO AN ALASKA BOARD OR COMMISSION

FULL NAME GEORGE W. EASLEY

PLACE OF RESIDENCE 333 "M" Street, Suite 210, Anchorage, AK 99501

BIRTHPLACE Williamson, West Virginia, USA

MAILING ADDRESS 101 West Benson Blvd., Suite 320, Anchorage, AK 99503

I HAVE LIVED IN ALASKA FOR 19 YEARS.

DATE/PLACE OF NATURALIZATION, IF A NATURALIZED CITIZEN

PLEASE GIVE EXACT NAME OR NUMBER OF THE ALASKA PRECINCT IN WHICH YOU LAST VOTED Anchorage Precinct #7

I, GEORGE W. EASLEY, DO SOLEMNLY SWEAR (OR AFFIRM) THAT THE ABOVE STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Subscribed and Sworn to before me this 7th day of October, 19 81.

Notary Public, State of Alaska
My Commission expires: 7/25/83

RESUME

NAME: CAROLINE C. POWELL

BIRTHDATE: APRIL 3, 1944

BIRTHPLACE: YAKUTAT, ALASKA

MARITAL STATUS: MARRIED, LARRY

RESIDENCE: YAKUTAT, ALASKA

BUSINESS: PARTNERSHIP WITH LARRY IN OWNERSHIP OF A GENERAL STORE AND RENTALS: POST OFFICE BUILDING AND APARTMENTS IN YAKUTAT

EDUCATION: SHELDON JACKSON JUNIOR COLLEGE, SITKA ALASKA
WESTERN WASHINGTON UNIV., BELLINGHAM, WASHINGTON - 1 year
ADDITIONAL COURSE WORK, UNIVERSITY OF ALASKA

TRAINING: V.I.S.T.A. (VOLUNTEER IN SERVICE TO AMERICA) 1976
GRANT WRITING WORKSHOPS, PLANNING SEMINARS, BOTTOMFISH WORKSHOPS, RESOURCE IDENTIFICATION AND PLANNING WORKSHOP, AND LAND USE PLANNING

POSITIONS HELD: YAKUTAT PLANNING & ZONING COMMISSION, CHAIRPERSON 1976-1981
YAKUTAT OVERALL ECONOMIC DEVELOPMENT PLANNING, CHAIRPERSON 1976-1981
YAKUTAT EMERGENCY MEDICAL SERVICE COUNCIL, MEMBER 1981
YAKUTAT CITY SCHOOL BOARD, 1966-1976, PRESIDENT FOR FIVE YEARS
V.I.S.T.A. POSITION: ECONOMIC DEVELOPMENT SPECIALIST, YAKUTAT, 1976
TLINGIT & HAIDA REGIONAL HOUSING AUTHORITY, MEMBER 1973-1975
STATE OF ALASKA RIGHT-TO-READ BOARD 1973
YAKUTAT CITY COUNCIL, 1965-1966
STATE OF ALASKA RURAL DEVELOPMENT COUNCIL, CHAIRPERSON, 1981

STATE OF ALASKA

OATH OF OFFICE

Office or Department _____

I, Caroline C. Powell, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States, and the Constitution of the State of Alaska, and that I will faithfully discharge my duties as a _____ of (board or commission) New Capital Site Planning Commission to the best of my ability.

Caroline C Powell

Subscribed and Sworn to before me this 2 day of October, 1981.

Lawrence J Gallagher
Notary Public, State of
My Commission expires: Magistrate

(Seal)

A F F I D A V I T

QUALIFICATIONS FOR APPOINTMENT

TO AN ALASKA BOARD OR COMMISSION

FULL NAME Caroline Cornelia Powell

PLACE OF RESIDENCE YAKUTAT, Alaska

BIRTHPLACE YAKUTAT, Alaska

MAILING ADDRESS P.O. BOX 159

I HAVE LIVED IN ALASKA FOR 37 YEARS.

DATE/PLACE OF NATURALIZATION, IF A NATURALIZED CITIZEN

PLEASE GIVE EXACT NAME OR NUMBER OF THE ALASKA PRECINCT IN WHICH YOU LAST VOTED YAKUTAT

I, Caroline C. Powell, DO SOLEMNLY SWEAR (OR AFFIRM) THAT THE ABOVE STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Caroline C. Powell

Subscribed and Sworn to before me this 2 day of October, 1981.

Terrence J. Gallagher
Notary Public, State of
My Commission expires: Magistrate

RESUME OF FELIX J. TONER, P.E. JULY 20, 1981

1. PERSONAL DATA:

Born April 19, 1914 in Philadelphia, Pennsylvania.

Married 1941 to Mary F. Vanderleest of Juneau, Alaska.

Have four daughters - Kathleen (Boley), Marijo, Nora Ann and Stacy.

Member of the Catholic Church, Elk's Lodge 420, Greater Juneau Chamber of Commerce, U.S. Chamber of Commerce and Washington Athletic Club.

2. EDUCATIONAL DATA:

Completed elementary and high school education in Philadelphia.

Graduated in 1939 from the University of Notre Dame with a Bachelor of Science Degree in Mining Engineering(cum laude).

3. EMPLOYMENT DATA:

June 1939 to April 1944 employed at the Alaska Juneau Gold Mining Co., Juneau, Alaska. Job title at time of leaving this employment was Mine Engineer.

April 1944 to January 1946 employed by the U.S. Army Engineers in the Juneau District Office as an Associate Engineer with a P-3, Step 2 rating.

January 1946 to date have been self-employed as a consulting engineer. First operated as Felix J. Toner, Registered Engineer and, for the past twentyone years, as Toner & Nordling, Registered Engineers.

4. PROFESSIONAL DATA:

Registered as a Professional Civil Engineer and Land Surveyor in Alaska since 1945. Engineering License License No. 133-E and Land Surveyor License No. 3075-S.

Member of the American Society of Civil Engineers.

Member of the National Society of Professional Engineers.

Member of the Professional Engineers in Private Practice.

4. PROFESSIONAL DATA: (cont.)

Chairman of the State Board of Architects and Engineers Examiners 1965-70.

Chairman of the State Board Of Registration for Architects, Engineers and Land Surveyors 1972-74.

Member of the National Council of Engineering Examiners 1965-70 and 1972-74.

5. BUSINESS DATA:

Manager and part owner of the Triangle Building Co. 1949 to date.

Director of the 1st. National Bank of Juneau 1954-63

Manager and Stockholder of the Channel Investors, Inc. 1958-1974.

Vice President of Systems Northwest Incorporated 1975 to date.

All of the above businesses were Juneau based.

6. PUBLIC SERVICE DATA:

Served as an appointed member of the Juneau City Council in the years 1969-70.

Served as the Juneau Chamber of Commerce representative to the Southeast Conference 1957-67.

Served as President of the Southeast Congerence 1959-60.

Served as Chairman of the State Reapportionment Advisory Board in 1965, 1971, 1973.

Over the years have served on numerous committees of the City of Juneau, the City and Borough of Juneau and the Greater Juneau Chamber of Commerce.

7. POLITICAL DATA:

Registered member of the Democratic Party. Have held office from the precinct level to the State level during the period 1946 thru 1972. Served as State Chairmen 1956 to 1960. Elected Delegate to National Convention 1956, 1960 and 1968.

STATE OF ALASKA

OATH OF OFFICE

Office or Department Office of the Governor

I, Felix J. Toner, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States, and the Constitution of the State of Alaska, and that I will faithfully discharge my duties as a member of (board or commission) the New Capital Site Planning Commission to the best of my ability.

Felix J. Toner

Subscribed and Sworn to before me this 1st day of October, 1981.

C. R. Fordling
Notary Public, State of Alaska
My Commission expires: 11-23-84

(Seal)

A F F I D A V I T

QUALIFICATIONS FOR APPOINTMENT
TO AN ALASKA BOARD OR COMMISSION

FULL NAME Felix J. Toner

PLACE OF RESIDENCE 127 W. 7th. Street, Juneau, Alaska

BIRTHPLACE Philadelphia, Pennsylvania

MAILING ADDRESS Box 570 Juneau, Alaska 99802

I HAVE LIVED IN ALASKA FOR 42 years YEARS.

DATE/PLACE OF NATURALIZATION, IF A NATURALIZED CITIZEN

PLEASE GIVE EXACT NAME OR NUMBER OF THE ALASKA PRECINCT IN WHICH YOU LAST VOTED Juneau Precinct No. 3 4

I, Felix J. Toner, DO SOLEMNLY SWEAR (OR AFFIRM) THAT THE ABOVE STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Felix J. Toner

Subscribed and Sworn to before me this 1st day of October, 19 81.

C. R. Nordling
Notary Public, State of Alaska
My Commission expires: 11-23-84

MERRY ALLYN TUTEN

	Work:	Home:
ADDRESS	3354 College Road Fairbanks, Alaska 99701	Star Rt. 20090.C Fairbanks, Alaska 99701
TELEPHONE	(907) 479-7421 479-7838	(907) 479-8186

EDUCATION

M.S. Natural Resources, The University of Michigan
M.A. Environmental Studies, University of California
Continuing education in real estate development, land titles, land use controls, appraising, and right-of-way acquisition.

EXPERIENCE

1980-Present

DIRECTOR OF LAND MANAGEMENT/STATEWIDE, UNIVERSITY OF ALASKA. Manager of all land and natural resources owned or leased by the University. Includes ownership of 115,000 acres of land which is valued in excess of $300 million and utilized to generate income and/or provide a land base for educational programs; and 10 million acres of land leased exclusively for educational purposes. Design and administer: natural resource development programs to produce income from the sale of hard-rock minerals, timber, gravel, peat, oil and gas; commercial, residential and industrial ground leases; land sales and exchanges. Service all real property needs of 40 campuses and research institutes statewide, and administer a $10+ million budget for new land acquisition. Position requires comprehensive economic analyses and the organization and presentation of varied information and data; extensive interaction with the Board of Regents, President, attorneys, state and federal agencies, native corporations, and private business interests; supervision of all consultant contracts and 7-10 full time employees; and other office budget and management matters. Frequently involved in broad policy, legal, and legislative matters affecting the University as a member of the President's Staff.

1978-1980

UNIVERSITY LAND MANAGER, OFFICE OF FACILITIES PLANNING AND CONSTRUCTION, UNIVERSITY OF ALASKA. Directed the reorganization of University land management from a passive one-person liason function, to an active statewide management office. Developed resource assessments and recovery systems. Assessed economic potential, actively pursued legal and legislative relief for past adverse actions by the State and other entities, and devised new policies and priorities. Established and staffed the Statewide Office of Land Management and assumed position of Director in 1980.

1976, 1978 — LAND USE SPECIALIST, NATIONAL PARK SERVICE, COOPERATIVE PARK STUDIES UNIT/UNIVERSITY OF ALASKA. Initiated and obtained a contract to evaluate the effect of a proposed national monument on the people and resources of the Alaska Peninsula. Involved extensive travel in rural Alaska and experience in communicating with various interest groups such as commercial fishermen, sport hunting guides, local residents, and Alaska Department of Fish and Game personnel. Quantified and analyzed economic and biological data and conducted historical research to determine land use patterns. Research resulted in two publications which were utilized in determining subsistence provisions for the management of Aniakchak Caldera National Monument, established by the Alaska National Interest Lands Conservation Act.

1977 — TEACHING FELLOW, SCHOOL OF NATURAL RESOURCES, THE UNIVERSITY OF MICHIGAN. Prepared lectures and guided discussions for course in natural resource policies and administration; graded exams and papers; and counseled students.

1974-76 — RESEARCH ASSISTANT AND READER, DEPARTMENTS OF BIOLOGY, HISTORY AND ENVIRONMENTAL STUDIES, UNIVERSITY OF CALIFORNIA. Conducted the legal and historical research for a text on environmental issues published by Addison-Wesley in 1976; taught review sessions and graded exams and papers for courses in three separate disciplines; counseled students. Served as program representative to visiting American and foreign dignitaries.

APPOINTMENTS

1981-1985 — NEW CAPITAL SITE PLANNING COMMISSION - VICE CHAIRMAN. Appointed by the Governor, elected by membership, pending confirmation by state legislature. Responsible for determining the total cost of moving the state capital from Juneau to Willow, Alaska, in accordance with legislation passed during the 1981 session.

PUBLICATIONS

Data Collection and Dissemination for the Management of Public Lands. National Academy of Sciences. Contract No. CNR 28-81-404(17). Jackson, Wyoming, September 15, 1981.

A Bibliography on Alaskan Subsistence. Federal-State Land Use Planning Commission. Volume 28. 1977.

Preliminary Study of Subsistence on the Pacific Coast of the Proposed Aniakchak Caldera National Monument. Occ. Paper No. 4. CPSU University of Alaska. 1977.

STATE OF ALASKA

OATH OF OFFICE

Office or Department _____

I, Merry Tuten, do solemnly ~~swear~~ (or affirm) that I will support and defend the Constitution of the United States, and the Constitution of the State of Alaska, and that I will faithfully discharge my duties as a member of ~~(board or~~ commission) Capitol Site Planning Commission to the best of my ability.

Merry Tuten

Subscribed and Sworn to before me this 29th day of September, 1981.

Carla Buckner
Notary Public, State of Alaska
My Commission expires: 4/24/82

(Seal)

A F F I D A V I T

QUALIFICATIONS FOR APPOINTMENT

TO AN ALASKA BOARD OR COMMISSION

FULL NAME Merry Allyn Tuten

PLACE OF RESIDENCE Fairbanks, Alaska

BIRTHPLACE Long Beach, California

MAILING ADDRESS S.R. 20090.C Fairbanks, Alaska 99701

I HAVE LIVED IN ALASKA FOR 5 1/2 YEARS.

DATE/PLACE OF NATURALIZATION, IF A NATURALIZED CITIZEN

PLEASE GIVE EXACT NAME OR NUMBER OF THE ALASKA PRECINCT IN WHICH YOU LAST VOTED Goldstream Precinct/Election District No. 20

I, Merry Tuten, DO SOLEMNLY SWEAR (OR AFFIRM) THAT THE ABOVE STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Merry Tuten

Subscribed and Sworn to before me this 29th day of September, 19 81.

Notary Public, State of Alaska
My Commission expires: 4/24/82

Alaska State Legislature

Senate

Office of the Secretary

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

February 25, 1981

TO: Senator Fischer
Chairman
State Affairs Committee

FROM: Peggy Mulligan
Secretary of the Senate

The following Governor's appointee for legislative confirmation of appointment to the position noted has been referred to your committee:

ALASKA PUBLIC OFFICES COMMISSION

Mildred A. Opland, Anchorage, term expiring 2/1/86

A resume on the above individual is attached.

Applicant: Mildred A. Opland

Born in Grand Forks, North Dakota in 1931

Graduated with Bachelor of Science in Chemistry
University of North Dakota, 1952

Married Robert Opland in 1952

First came to Alaska in 1952.

Mother of four Alaskans ages 19,22,24 and 26

Community involvement:

Active church member involved in choir, Sunday School and currently serving as President to our church women's organization

Past area chairman for Heart Fund Drive

Six years member of PTA board

Area representative for HALO (homeowners) board

Republican Women's Club past Vice President '77-'79

Republican Party Precinct Committee Woman '58-'81

Delegate to District Conventions, '58, '64-'80;

Delegate to State Conventions, '68-'80;

Area Coordinator, '68-'72

District 10 Chairman, '72-'74

District 11 Bonus Vote, '76-'80

Alaska Division of Elections

Registrar since election registration began

Precinct election board judge since '6

Southcentral Canvass Board, '74, '76, '78, '80

Favorite pastimes include sailing, hiking and reading.

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Senator Jalmar Kerttula, President
Alaska State Senate

FROM: Senate State Affairs Committee

DATE: April 6, 1981

RE: Governor's appointment to the Personnel Board

Pursuant to your instructions and in accordance with AS 39.05.080, the Senate State Affairs Committee has had under consideration the Governor's appointment to the Personnel Board and reports back with the following recommendation:

Morgan Reed, Skagway, term expiring 6/20/86

Member	Recommendation
Senator Fischer, Chair	V. Fischer approved
Senator Colletta, Vice-Chair	Mike Colletta "
Senator Bradley	Brad M Bradley approved "
Senator Elinson	
Senator Stimson	approved

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Senate State Affairs Committee Members

FROM: Sen. Vic Fischer

DATE: March 23, 1982

RE: Confirmation of appointments

My memorandum of March 18 (see attached) concerned confirmation of the Governor's appointments to the State Board of Registration for Architects, Engineers and Land Surveyors and to the New Capital Site Planning Commission.

Attached please find additional appointments submitted to the State Affairs Committee for recommendation. If you would like any of these persons to appear before the committee prior to our making a recommendation, or if you have any questions, please contact my office prior to March 24. Appropriate resumes are attached for your information.

Thank you for your consideration.

FYI
NAN

Alaska State Legislature

Senate Committee on State Affairs
Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

MEMORANDUM

TO: Senate State Affairs Committee Members

FROM: Sen. Vic Fischer Vic

DATE: March 18, 1982

RE: Confirmation of appointments

The Senate President has referred the Governor's appointees to the State Board of Registration for Architects, Engineers and Land Surveyors and to the New Capital Site Planning Commission to the State Affairs Committee for recommendation in accordance with AS 39.05.080.

If you would like any of these persons to appear before the committee prior to our making a recommendation, or if you have any questions, please contact my office prior to March 24. Appropriate resumes have been attached.

Thank you for your consideration.

Alaska State Legislature

Senate

Office of the Secretary

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

DATE: February 10, 1982

TO : Senator Fischer
Chairman
State Affairs Committee

FROM: Peggy Mulligan
Secretary of the Senate

RE : Governor's Appointments

The President has referred the following Governor's appointee's to your Committee for recommendation in accordance with AS 39.5.080:

STATE BOARD OF REGISTRATION FOR ARCHITECTS, ENGINEERS AND LAND SURVEYORS

*E. Odin Strandberg, Anchorage, term expiring 7/1/87

NEW CAPITAL SITE PLANNING COMMISSION

Margaret Branson, Seward, terms expiring see AS 44.06.200
*George W. Easley, Anchorage
Caroline Powell, Yakutat
Felix Toner, Juneau
Merry Tuten, Fairbanks

*Reappointment

Resumes enclosed

TO: State of Alaska
Office of the Governor
ATTENTION: Vicki A. Clayman

RESUME

Name: E. Odin Strandberg
Address: 6502 Lakeway Drive, Anchorage, Alaska 99502 243-1182
Birthplace: Flat, Alaska May 16, 1915

Fifth of six children of David and Jenny Strandberg, Pioneers of Klondike, Fairbanks and Iditarod.

Alaska Residency: 65+ years

Professional Education:

University of Washington - 3 years
University of Alaska - 2 years

Professional Degree:

Bachelor of Science in Mining Engineering
University of Alaska - 1959

Registration:

State of Alaska:

Mining Engineer - License No. EM0834
Land Surveyor - License No. LS3971

Career History:

Thirty-two years active experience in exploration, evaluation and operation of placer and lode mining properties in Alaska. (Twenty years as a consulting engineer) Specific areas - Iditarod, Innoko, McGrath, Koyukuk, Fairbanks, Talkeetna, Prince William Sound, Kenai Peninsula, Kachemak Bay.

Ten years experience in electrical power generation, including design, installation and operation.

Ten years Municipal Engineering work in Soldotna and Anchorage, including eight years as Anchorage Building Official.

Professional Organizations:

American Institute of Mining, Metallorical and Petroleum Engineers (AIME)
National Society of Professional Engineers
Alaska Miners Association

Other:

Current Private Pilots' License No. 1500819

Immediate Family:

Married - Marie D. Nordstrand, August 10, 1939
Four Sons:

E. Odin Strandberg, Jr., P.E., Sonoma, CA
Sigvald John Strandberg, Realtor, Anchorage, AK
James Stephen Strandberg, P.E., Fairbanks, AK
Boerent Rudolph Strandberg, student, University of Alaska

Avocations:

Inland Boating
Boat Building
Flying
Skiing

STATE OF ALASKA

RECEIVED
JAN 7 '81
GOVERNORS OFFICE

log copy

OATH OF OFFICE

Office or Department Office of the Governor

I, E. Odin Strandberg, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States, and the Constitution of the State of Alaska, and that I will faithfully discharge my duties as a member of (board or commission) Board of Registration for Architects, Engineers and Land Surveyors to the best of my ability.

E Odin Strandberg PE

Subscribed and Sworn to before me this 5th day of January, 1981.

Leslie J. Jordan
Notary Public, State of Alaska
My Commission expires: 2-22-83

(Seal)

LESLIE J. JORDAN
NOTARY PUBLIC
STATE OF ALASKA

A F F I D A V I T

QUALIFICATIONS FOR APPOINTMENT

TO AN ALASKA BOARD OR COMMISSION

RECEIVED
JAN 7 '81
GOVERNORS OFFI

FULL NAME Edward Odin Strandberg

PLACE OF RESIDENCE Anchorage, Alaska

BIRTHPLACE Flat, Alaska

MAILING ADDRESS 6502 Lakeway Dr 99502

I HAVE LIVED IN ALASKA FOR 45 YEARS.

DATE/PLACE OF NATURALIZATION, IF A NATURALIZED CITIZEN

N/A

PLEASE GIVE EXACT NAME OR NUMBER OF THE ALASKA PRECINCT IN WHICH YOU LAST VOTED District 3, Precinct 40

I, Edward Odin Strandberg, DO SOLEMNLY SWEAR (OR AFFIRM) THAT THE ABOVE STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

E. Odin Strandberg

Subscribed and Sworn to before me this 5 day of January, 19 81.

LESLIE J. JORDAN
NOTARY PUBLIC
STATE OF ALASKA

Leslie J. Jordan
Notary Public, State of Alaska
My Commission expires: 2-20-83

RESUME'

Margaret A. Branson
500 Fourth Avenue
Box 271
Seward, Alaska 99664

(907) 224-3212

Birthplace: Sheridan, Wyoming May 12, 1927

Spouse: Ralph B. Branson Children: Melissa, Malcolm, Seth, Alec

EDUCATION:
Colorado Women's College 1946-47
University of Denver, B. A. Anthropology 1949
University of Oregon, Labor & Industrial Relations Institute, 1972-73

EXPERIENCE:

1979-81 Alaska State Representative, District 5
Standing Committees: Community and Regional Affairs
Labor and Management
Interium Committees: Small Scale Hydro/Geothermal and Solar Alternatives, Limited Entry Study Committee, Aquaculture Policy Study Committee, Title 29 Revision Committee.
Delegate Energy Committee National Council State Legislatures, LEGIS 50
MINORITY WHIP

1977-78 Vice President, Kenai Peninsula Borough Assembly
Commissioner, Cook Inlet Air Resources Management District; Chairman, Roads and Trails/Solid Waste Committee; Chairman, Legislative Overview Committee

1-77 -6-77 Administrative Assistant, Labor and Management Committee
1974-81 Owner/Partner Turquoise Barrabora Gift Shop and Art Gallery, Cooper Landing, Alaska

1973-74 State of Alaska, Dept. of Education
Alaska Skill Center,Manpower Specialist

1972-73 Graduate Teaching Fellow, Labor and Industrial Relations Institute, University of Oregon

1969-72 State of Alaska, Dept of Labor
Alaska Skill Center, Manpower Specialist/Job Developer

1966-78
1980-81 Newspaper Columnist, Seward Phoenix Log

1978--present Arbitration Board, Kenai Peninsula Borough

COMMUNITY SERVICE
Sitka Chamber of Commerce, Sitka Hospital Auxilary, Executive Secretary Alaska State Jaycees (1964) President Cooper Landing Advisory School Committee, President (3 years) Cooper Landing Community Club. Ex Officio Member Advisory Planning Commissions for communities of Hope, Cooper Landing, Moose Pass

STATE OF ALASKA

OATH OF OFFICE

Office or Department _____

I, MARGARET A. BRANSON, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States, and the Constitution of the State of Alaska, and that I will faithfully discharge my duties as a Member of (board or commission) CAPITAL SITE PLANNING COMMISSION to the best of my ability.

Margaret A Branson

Subscribed and Sworn to before me this 8th day of October, 1981.

Barbara K. Stelly
Notary Public, State of Alaska
My Commission expires: My Commission Expires December 20, 1983

(Seal)

A F F I D A V I T

QUALIFICATIONS FOR APPOINTMENT
TO AN ALASKA BOARD OR COMMISSION

FULL NAME MARGARET ABER BRANSON

PLACE OF RESIDENCE 500 FOURTH AVE SEWARD, ALASKA

BIRTHPLACE SHERIDAN, WYOMING

MAILING ADDRESS BOX 271 SEWARD, ALASKA 99664

I HAVE LIVED IN ALASKA FOR 23 YEARS.

DATE/PLACE OF NATURALIZATION, IF A NATURALIZED CITIZEN

PLEASE GIVE EXACT NAME OR NUMBER OF THE ALASKA PRECINCT IN WHICH YOU LAST VOTED SEWARD NO 1.

I, MARGARET A. BRANSON, DO SOLEMNLY SWEAR (OR AFFIRM) THAT THE ABOVE STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Margaret A Branson

Subscribed and Sworn to before me this 8th day of October, 1981.

Barbara K. Stelly

Notary Public, State of Alaska
My Commission expires:

My Commission Expires
December 20, 1983

GEORGE W. EASLEY - Biographical Information (Use Information as Desired)

ADDRESS: 333 "M" Street, Unit 210
Anchorage, AK 99501

PHONE: Home..... (907) 279-8179
Office... (907) 276-7915

EMPLOYMENT INFORMATION:

March 1, 1976 to Present
President, George W. Easley Company - General Contractor

February 1974 to March 1, 1976
Served as Senior Vice President, Executive Vice President and President of Burgess Construction Company

January 1971 to February 1974
Commissioner of Public Works for the State of Alaska

June 1969 to January 1971
Principal Associate-in-Charge in the Los Angeles office of Wilbur Smith and Associates, Consulting Engineers

March 1962 to June 1969
Traffic Engineer and Assistant City Manager for the City of Anchorage

February 1953 to March 1962
Highway Traffic Engineer for the State of Virginia, Department of Highways

EDUCATION AND SERVICE:

Attended the University of Richmond and Northwestern University
Served 18 years in the U.S.Army Reserves

PROFESSIONAL AND BUSINESS ASSOCIATIONS:

Past Board Member	Alaska Private Industry Council
Vice Chairman	Alaska State Chamber of Commerce
Member	American Public Works Association
Past President	Anchorage Chamber of Commerce
Past Board Member	Anchorage Convention and Visitors Bureau
Past Member	Anchorage Metropolitan Area Transportation Study Advisory Board
Past Chairman	Anchorage Transportation Commission
Director/Treasurer	Associated General Contractors
Member	AGC National Committees on Education and Metric Conversion
Bd.Member/Past Pres.	Common Sense for Alaska, Inc.
Life Member/Past Pres.	Greater Anchorage, Inc.
Director/Secretary	Highway Users Federation of Alaska
Member	Institute for Municipal Engineering
Member	Institute of Traffic Engineers
Honorary Member	International Organization of Masters, Mates and Pilots
Board Member	Junior Achievement of Alaska, Inc.
Vice President	Society of Military Engineers, Alaska Chapter
Member	State Commission on Capital Planning Relocation

COMMENDATIONS:

1966	City of Anchorage
1969	Greater Anchorage, Inc.
1973	Ketchikan Chamber of Commerce
1974	Alaska State Legislature
1974	Governor of Alaska

AWARDS:

1964	Outstanding Young Man - Anchorage Jr. Chamber of Commerce
1969	Gold Pan Award - Anchorage Chamber of Commerce on behalf of Greater Anchorage, Inc. Fur Rendezvous
1977	Gold Pan Award - Anchorage Chamber of Commerce for outstanding service

REGISTRATION: Professional Engineer, State of California - TR 0134

Rev. 10/81

S T A T E O F A L A S K A

O A T H O F O F F I C E

Office or Department _____

I, GEORGE W. EASLEY, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States, and the Constitution of the State of Alaska, and that I will faithfully discharge my duties as a member of (board or commission) Capital Site Planning Commission to the best of my ability.



Subscribed and Sworn to before me this 7th day of October, 19 81.

(Seal)



Notary Public, State of Alaska
My Commission expires: 7/25/83

A F F I D A V I T

QUALIFICATIONS FOR APPOINTMENT

TO AN ALASKA BOARD OR COMMISSION

FULL NAME GEORGE W. EASLEY

PLACE OF RESIDENCE 333 "M" Street, Suite 210, Anchorage,AK 99501

BIRTHPLACE Williamson, West Virginia, USA

MAILING ADDRESS 101 West Benson Blvd., Suite 320, Anchorage, AK 99503

I HAVE LIVED IN ALASKA FOR 19 YEARS.

DATE/PLACE OF NATURALIZATION, IF A NATURALIZED CITIZEN

PLEASE GIVE EXACT NAME OR NUMBER OF THE ALASKA PRECINCT IN WHICH YOU LAST VOTED Anchorage Precinct #7

I, GEORGE W. EASLEY, DO SOLEMNLY SWEAR (OR AFFIRM) THAT THE ABOVE STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Subscribed and Sworn to before me this 7th day of October, 19 81.

Notary Public, State of Alaska
My Commission expires: 7/25/83

RESUME

NAME:	CAROLINE C. POWELL
BIRTHDATE:	APRIL 3, 1944
BIRTHPLACE:	YAKUTAT, ALASKA
MARITAL STATUS:	MARRIED, LARRY
RESIDENCE:	YAKUTAT, ALASKA
BUSINESS:	PARTNERSHIP WITH LARRY IN OWNERSHIP OF A GENERAL STORE AND RENTALS: POST OFFICE BUILDING AND APARTMENTS IN YAKUTAT
EDUCATION:	SHELDON JACKSON JUNIOR COLLEGE, SITKA ALASKA WESTERN WASHINGTON UNIV., BELLINGHAM, WASHINGTON - 1 year ADDITIONAL COURSE WORK, UNIVERSITY OF ALASKA
TRAINING:	V.I.S.T.A. (VOLUNTEER IN SERVICE TO AMERICA) 1976 GRANT WRITING WORKSHOPS, PLANNING SEMINARS, BOTTOMFISH WORKSHOPS, RESOURCE IDENTIFICATION AND PLANNING WORKSHOP, AND LAND USE PLANNING
POSITIONS HELD:	YAKUTAT PLANNING & ZONING COMMISSION, CHAIRPERSON 1976-1981 YAKUTAT OVERALL ECONOMIC DEVELOPMENT PLANNING, CHAIRPERSON 1976-1981 YAKUTAT EMERGENCY MEDICAL SERVICE COUNCIL, MEMBER 1981 YAKUTAT CITY SCHOOL BOARD, 1966-1976, PRESIDENT FOR FIVE YEARS V.I.S.T.A. POSITION: ECONOMIC DEVELOPMENT SPECIALIST, YAKUTAT, 1976 TLINGIT & HAIDA REGIONAL HOUSING AUTHORITY, MEMBER 1973-1975 STATE OF ALASKA RIGHT-TO-READ BOARD 1973 YAKUTAT CITY COUNCIL, 1965-1966 STATE OF ALASKA RURAL DEVELOPMENT COUNCIL, CHAIRPERSON, 1981

STATE OF ALASKA

OATH OF OFFICE

Office or Department _____

I, Caroline C. Powell, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States, and the Constitution of the State of Alaska, and that I will faithfully discharge my duties as a _____ of (board or commission) New Capital Site Planning Commission to the best of my ability.

Caroline C Powell

Subscribed and Sworn to before me this 2 day of October, 1981.

Lawrence J Gallagher
Notary Public, State of _____
My Commission expires: Magistrate

(Seal)

A F F I D A V I T

QUALIFICATIONS FOR APPOINTMENT

TO AN ALASKA BOARD OR COMMISSION

FULL NAME Caroline Cornelia Powell

PLACE OF RESIDENCE YAKUTAT, Alaska

BIRTHPLACE YAKUTAT, Alaska

MAILING ADDRESS P.O. Box 159

I HAVE LIVED IN ALASKA FOR 37 YEARS.

DATE/PLACE OF NATURALIZATION, IF A NATURALIZED CITIZEN

PLEASE GIVE EXACT NAME OR NUMBER OF THE ALASKA PRECINCT IN WHICH YOU LAST VOTED YAKUTAT

I, Caroline C. Powell, DO SOLEMNLY SWEAR (OR AFFIRM) THAT THE ABOVE STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Caroline C. Powell

Subscribed and Sworn to before me this 2 day of October, 1981.

Lawrence J. Gallagher
Notary Public, State of
My Commission expires: Magistrate

RESUME OF FELIX J. TONER, P.E. JULY 20, 1981

1. PERSONAL DATA:

Born April 19, 1914 in Philadelphia, Pennsylvania.

Married 1941 to Mary F. Vanderleest of Juneau, Alaska.

Have four daughters - Kathleen (Boley), Marijo, Nora Ann and Stacy.

Member of the Catholic Church, Elk's Lodge 420, Greater Juneau Chamber of Commerce, U.S. Chamber of Commerce and Washington Athletic Club.

2. EDUCATIONAL DATA:

Completed elementary and high school education in Philadelphia.

Graduated in 1939 from the University of Notre Dame with a Bachelor of Science Degree in Mining Engineering(cum laude).

3. EMPLOYMENT DATA:

June 1939 to April 1944 employed at the Alaska Juneau Gold Mining Co., Juneau, Alaska. Job title at time of leaving this employment was Mine Engineer.

April 1944 to January 1946 employed by the U.S. Army Engineers in the Juneau District Office as an Associate Engineer with a P-3, Step 2 rating.

January 1946 to date have been self-employed as a consulting engineer. First operated as Felix J. Toner, Registered Engineer and, for the past twentyone years, as Toner & Nordling, Registered Engineers.

4. PROFESSIONAL DATA:

Registered as a Professional Civil Engineer and Land Surveyor in Alaska since 1945. Engineering License License No. 133-E and Land Surveyor License No. 3075-S.

Member of the American Society of Civil Engineers.

Member of the National Society of Professional Engineers.

Member of the Professional Engineers in Private Practice.

4. PROFESSIONAL DATA: (cont.)

Chairman of the State Board of Architects and Engineers Examiners 1965-70.

Chairman of the State Board Of Registration for Architects, Engineers and Land Surveyors 1972-74.

Member of the National Council of Engineering Examiners 1965-70 and 1972-74.

5. BUSINESS DATA:

Manager and part owner of the Triangle Building Co. 1949 to date.

Director of the 1st. National Bank of Juneau 1954-63

Manager and Stockholder of the Channel Investors, Inc. 1958-1974.

Vice President of Systems Northwest Incorporated 1975 to date.

All of the above businesses were Juneau based.

6. PUBLIC SERVICE DATA:

Served as an appointed member of the Juneau City Council in the years 1969-70.

Served as the Juneau Chamber of Commerce representative to the Southeast Conference 1957-67.

Served as President of the Southeast Congerence 1959-60.

Served as Chairman of the State Reapportionment Advisory Board in 1965, 1971, 1973.

Over the years have served on numerous committees of the City of Juneau, the City and Borough of Juneau and the Greater Juneau Chamber of Commerce.

7. POLITICAL DATA:

Registered member of the Democratic Party. Have held office from the precinct level to the State level during the period 1946 thru 1972. Served as State Chairmen 1956 to 1960. Elected Delegate to National Convention 1956, 1960 and 1968.

STATE OF ALASKA

OATH OF OFFICE

Office or Department Office of the Governor

I, Felix J. Toner, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States, and the Constitution of the State of Alaska, and that I will faithfully discharge my duties as a member of (board or commission) the New Capital Site Planning Commission to the best of my ability.

Felix J. Toner

Subscribed and Sworn to before me this 1st day of October, 1981.

C. R. Nordling
Notary Public, State of Alaska
My Commission expires: 11-23-84

(Seal)

A F F I D A V I T

QUALIFICATIONS FOR APPOINTMENT
TO AN ALASKA BOARD OR COMMISSION

FULL NAME Felix J. Toner

PLACE OF RESIDENCE 127 W. 7th. Street, Juneau, Alaska

BIRTHPLACE Philadelphia, Pennsylvania

MAILING ADDRESS Box 570 Juneau, Alaska 99802

I HAVE LIVED IN ALASKA FOR 42 years YEARS.

DATE/PLACE OF NATURALIZATION, IF A NATURALIZED CITIZEN

PLEASE GIVE EXACT NAME OR NUMBER OF THE ALASKA PRECINCT IN WHICH YOU LAST VOTED Juneau Precinct No. 3

I, Felix J. Toner, DO SOLEMNLY SWEAR (OR AFFIRM) THAT THE ABOVE STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Felix J. Toner

Subscribed and Sworn to before me this 15th day of October, 19 81.

C. R. Nordling
Notary Public, State of Alaska
My Commission expires: 11-23-84

MERRY ALLYN TUTEN

	Work:	Home:
ADDRESS	3354 College Road Fairbanks, Alaska 99701	Star Rt. 20090.C Fairbanks, Alaska 99701
TELEPHONE	(907) 479-7421 479-7838	(907) 479-8186

EDUCATION

M.S. Natural Resources, The University of Michigan
B.A. Environmental Studies, University of California
Continuing education in real estate development, land titles, land use controls, appraising, and right-of-way acquisition.

EXPERIENCE

1980-Present

DIRECTOR OF LAND MANAGEMENT/STATEWIDE, UNIVERSITY OF ALASKA. Manager of all land and natural resources owned or leased by the University. Includes ownership of 115,000 acres of land which is valued in excess of $300 million and utilized to generate income and/or provide a land base for educational programs; and 10 million acres of land leased exclusively for educational purposes. Design and administer: natural resource development programs to produce income from the sale of hard-rock minerals, timber, gravel, peat, oil and gas; commercial, residential and industrial ground leases; land sales and exchanges. Service all real property needs of 40 campuses and research institutes statewide, and administer a $10+ million budget for new land acquisition. Position requires comprehensive economic analyses and the organization and presentation of varied information and data; extensive interaction with the Board of Regents, President, attorneys, state and federal agencies, native corporations, and private business interests; supervision of all consultant contracts and 7-10 full time employees; and other office budget and management matters. Frequently involved in broad policy, legal, and legislative matters affecting the University as a member of the President's Staff.

1978-1980

UNIVERSITY LAND MANAGER, OFFICE OF FACILITIES PLANNING AND CONSTRUCTION, UNIVERSITY OF ALASKA. Directed the reorganization of University land management from a passive one-person liason function, to an active statewide management office. Developed resource assessments and recovery systems. Assessed economic potential, actively pursued legal and legislative relief for past adverse actions by the State and other entities, and devised new policies and priorities. Established and staffed the Statewide Office of Land Management and assumed position of Director in 1980.

1976, 1978 — LAND USE SPECIALIST, NATIONAL PARK SERVICE, COOPERATIVE PARK STUDIES UNIT/UNIVERSITY OF ALASKA. Initiated and obtained a contract to evaluate the effect of a proposed national monument on the people and resources of the Alaska Peninsula. Involved extensive travel in rural Alaska and experience in communicating with various interest groups such as commercial fishermen, sport hunting guides, local residents, and Alaska Department of Fish and Game personnel. Quantified and analyzed economic and biological data and conducted historical research to determine land use patterns. Research resulted in two publications which were utilized in determining subsistence provisions for the management of Aniakchak Caldera National Monument, established by the Alaska National Interest Lands Conservation Act.

1977 — TEACHING FELLOW, SCHOOL OF NATURAL RESOURCES, THE UNIVERSITY OF MICHIGAN. Prepared lectures and guided discussions for course in natural resource policies and administration; graded exams and papers; and counseled students.

1974-76 — RESEARCH ASSISTANT AND READER, DEPARTMENTS OF BIOLOGY, HISTORY AND ENVIRONMENTAL STUDIES, UNIVERSITY OF CALIFORNIA. Conducted the legal and historical research for a text on environmental issues published by Addison-Wesley in 1976; taught review sessions and graded exams and papers for courses in three separate disciplines; counseled students. Served as program representative to visiting American and foreign dignitaries.

APPOINTMENTS

1981-1985 — NEW CAPITAL SITE PLANNING COMMISSION - VICE CHAIRMAN. Appointed by the Governor, elected by membership, pending confirmation by state legislature. Responsible for determining the total cost of moving the state capital from Juneau to Willow, Alaska, in accordance with legislation passed during the 1981 session.

PUBLICATIONS

Data Collection and Dissemination for the Management of Public Lands. National Academy of Sciences. Contract No. CNR 28-81-404(17). Jackson, Wyoming, September 15, 1981.

A Bibliography on Alaskan Subsistence. Federal-State Land Use Planning Commission. Volume 28. 1977.

Preliminary Study of Subsistence on the Pacific Coast of the Proposed Aniakchak Caldera National Monument. Occ. Paper No. 4. CPSU University of Alaska. 1977.

STATE OF ALASKA

OATH OF OFFICE

Office or Department _____

I, Merry Tuten, do solemnly ~~swear~~ (or affirm) that I will support and defend the Constitution of the United States, and the Constitution of the State of Alaska, and that I will faithfully discharge my duties as a member of ~~(board~~ or commission) Capitol Site Planning Commission to the best of my ability.

Merry Tuten

Subscribed and Sworn to before me this 29th day of September, 1981.

Carla Buckard
Notary Public, State of Alaska
My Commission expires: 4/24/82

(Seal)

A F F I D A V I T

QUALIFICATIONS FOR APPOINTMENT

TO AN ALASKA BOARD OR COMMISSION

FULL NAME Merry Allyn Tuten

PLACE OF RESIDENCE Fairbanks, Alaska

BIRTHPLACE Long Beach, California

MAILING ADDRESS S.R. 20090.C Fairbanks, Alaska 99701

I HAVE LIVED IN ALASKA FOR 5 1/2 YEARS.

DATE/PLACE OF NATURALIZATION, IF A NATURALIZED CITIZEN

PLEASE GIVE EXACT NAME OR NUMBER OF THE ALASKA PRECINCT IN WHICH YOU LAST VOTED Goldstream Precinct/Election District No. 20

I, Merry Tuten, DO SOLEMNLY SWEAR (OR AFFIRM) THAT THE ABOVE STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Merry Tuten

Subscribed and Sworn to before me this 29th day of September, 19 81.

Notary Public, State of Alaska
My Commission expires: 4/24/82

Alaska State Legislature

Senate

Office of the Secretary

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

M E M O R A N D U M

DATE: 22 March 1982

TO : Senator Fischer, Chairman
State Affairs Committee

FROM: Peggy Mulligan
Secretary of the Senate

RE : Governor's Appointments

The President has referred the following Governor appointee's to your Committee for recommendation in accordance with AS 39.5.080:

STATE BOARD OF REGISTRATION FOR ARCHITECTS, ENGINEERS AND LAND SURVEYORS

Robert B. Boswell, Fairbanks, term expiring 07/01/87

NEW CAPIT'L SITE PLANNING COMMISSION

*Glenn W. Fredericks, Anchorage
*George A. Morrison, Anchorage
(Term expiring see AS 44.06.200)

*Reappointment

Resumes enclosed

LAKE & BOSWELL CONSULTING ELECTRICAL ENGINEERS, INC.

JAMES M. LAKE, P.E.
ROBERT B. BOSWELL, P.E.

543 THIRD AVENUE, ROOM 206
FAIRBANKS, ALASKA 99701
PHONE 907-452-1441

RESUME

Robert B. Boswell
Vice President
Lake & Boswell, Consulting
Electrical Engineers, Inc.

August 6, 1981

Born:

May 26, 1938, Fairbanks, Alaska

Education:

Graduate Fairbanks High School, 1956
Bachelor of Science Degree in Electrical Engineering from the University of Washington, 1967

Years Experience:

6 years with James M. Lake, Consulting Electrical Engineer
8 years with Lake and Boswell

Active Registration:

Registered Professional Engineer in the State of Alaska - 1971
Registration Number 2284-E

Professional Societies.

Member, Institute of Electrical and Electronic Engineers
Member, National Society of Professional Engineers
Member, Illuminating Engineering Society

Community Service:

Past Member and Vice-Chairman, Fairbanks Municipal Utilities System Public Utilities Board
Member, Board of Directors University of Alaska Heating Corporation
Member and President of the Fairbanks Rotary Club
Executive Board Member and Past Treasurer of the Midnight Sun Council, Boy Scouts of America
Alaska Bar Association Discipline Hearing Committee 4th Judicial District, Non-Attorney Member

A F F I D A V I T

QUALIFICATIONS FOR APPOINTMENT

TO AN ALASKA BOARD OR COMMISSION

FULL NAME Robert Booth Boswell

PLACE OF RESIDENCE 1216 - 10th Avenue, Fairbanks, Alaska 99701

BIRTHPLACE Fairbanks, Alaska

MAILING ADDRESS 543 3rd Avenue, Room 206, Fairbanks, Alaska 99701

I HAVE LIVED IN ALASKA FOR 43 YEARS.

DATE/PLACE OF NATURALIZATION, IF A NATURALIZED CITIZEN

N/A

PLEASE GIVE EXACT NAME OR NUMBER OF THE ALASKA PRECINCT IN WHICH YOU LAST VOTED Fairbanks Precinct #5

I, Robert B. Boswell, DO SOLEMNLY SWEAR (OR AFFIRM) THAT THE ABOVE STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Robert B Boswell

Subscribed and Sworn to before me this 26th day of January, 1982.

Notary Public, State of Alaska
My Commission expires: 8/10/85

STATE OF ALASKA

OATH OF OFFICE

Office or Department Department of Commerce & Economic Development

I, Robert B. Boswell, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States, and the Constitution of the State of Alaska, and that I will faithfully discharge my duties as a member of (board or commission) the Board of Registration for Architects, Engineers & Land Surveyors to the best of my ability.

Robert B. Boswell

Subscribed and Sworn to before me this 26th day of January, 19 82.

Notary Public, State of Alaska
My Commission expires: 8/16/85

(Seal)

DECEMBER, 1981

R E S U M E

GLENN W. FREDERICKS

PERSONAL DATA:

Age: 46 Weight: 170 Pounds
Height: 5'10" Married: Three Children

EDUCATION:

Palmer High School, 1954

EXPERIENCE:

June 1973 to Present: BAROMETER MOUNTAIN BUILDERS

Owner, General Construction Company

January, 1973 to June, 1975: CALISTA CORPORATION

Area Manager
Responsible for coordination and communication of all phases of Alaska Native Claims Act between central office in Anchorage and eleven villages on the middle Kuskokwim. Involved in instructing villagers in implementation of the Act, advising on budgets, financial management, social and economic development.

June, 1969 to October, 1972: PULIS BUILDERS

Construction Foreman
Responsible for supervision of job and men for all of company's "bush" contracts. Jobs included hospitals, steel buildings, concrete work and private homes. Supervised up to thirteen men working in various construction capacities.

April, 1966 to October, 1968: NORTH STATE CONSTRUCTION

Carpenter
Assigned to assist in carpentry from rough finish to finish work. Jobs included commercial buildings and private homes.

EXPERIENCE CONT'D:

July, 1963 to
October, 1965: STEWARDALL CONSTRUCTION

Carpenter
Assigned to assist in carpentry from rough finish to finish work. Jobs included commercial buildings and private homes.

MILITARY EXPERIENCE:

UNITED STATES MARINE CORPS

Served from October, 1954 to October, 1957. Assigned to Military Police; stationed one year in California and two years in Japan. Received honorable discharge.

OTHER AFFILIATIONS:

President, The Kuskokwim Corporation
1973 - Present

President, Kuskokwim Native Association
1972 - Present

Director, Calista Corporation
1980 - Present

Director, Lower Yukon-Kuskokwim Acquaculture Association, 1980 - Present

Commissioner, New Capital Site Planning Commission

Chairman, Regional Advisory Board, Bureau of Indian Affairs, Bethel Agency

Member, Regional Government Study Team, Southwest Alaska

Member, Oil & Gas Committee, Association of Village Council Presidents

Member, Alaska Federation of Natives Land Managers Association; member of task forces on gravel, airports and 14(c)

Elected Traditional Lifetime Chief, by Association of Village Council Presidents Convention Delegates, 1979

Continued from page 3

BOARD MEETINGS HELD...

September 19, 1981 at Sleetmute, Alaska.

- —Glenn Fredericks, Nick Mellick, Jr., and Leo Morgan were approved to serve as the Credentials Committee for the annual meeting.
- —The Board voted to hold the annual meeting in a different village each year, alternating between up-river villages and down-river villages.
- —The general manager was directed by the Board to make arrangements to hold a potlatch following the meeting. Board members also agreed that a plane should be sent to each village to pick up shareholders for the annual meeting. Sign up sheets are to be posted in each village for shareholders interested in attending.
- —A proposal from Buckstock Mining for exploration activities on corporation lands was reviewed and discussed at length. The general manager was directed to meet with Calista concerning the proposal and to collect additional background information on the company and its owners.
- —A request from Buckstock to lease land from the corporation for construction of a runway was denied by the Board. Board members felt that existing village airports should be used to increase the potential for villages to provide support facilities and to insure more local hire.
- —Since the general manager had not had time to prepare an operational budget for fiscal 1982, Directors voted to approve operational expenses for fiscal 1982 at the same level as fiscal 1981 expenses through September 30, 1981.
- —Board members approved the program outline for the sawmill study as designed by management.
- —An outline for the preparation of the interim land management plan was reviewed and approved by directors. Management was directed to pre-

Continued on page 11

Calista Corp.

PRESIDENT GLENN FREDERICKS

W.

Anchorage address: 276-2101
1400 Virginia Ct. 274-2194 h.

***Editor's Note:** Since the President is not running for reelection this year, we thought this might be a good time to let shareholders know more about the duties and activities of the President.*

Most of you know Glenn "Tiny" Fredericks very well; many of you grew up with him. For those of you less familiar with the President, he was born and raised in the village of Sleetmute. He left the village to attend high school in Palmer and went from high school into the Marine Corps. After finishing his enlistment in the Marines, he began his career in construction, beginning as a carpenter, working up to a superintendent until finally, in 1973, he formed his own construction company and became a general contractor. Shortly after the passage of the Land Claims Act, Fredericks moved back to his home village of Sleetmute and lived there three years while he traveled throughout the area to inform village residents about the Act and to help get village corporations set up. In 1975, when the office of Kuskokwim Management Corporation was established, Fredericks moved to Anchorage to assume an active role in the on going operations of the company.

Glenn is just completing his fourth year as President of The Kuskokwim Corporation, a position he has held since the corporation was established through the merger in 1977. Prior to that, he served as President of Kuskokwim Management Corporation and the village corporation of Georgetown, Incorporated, for a total of nine years in the position of President. This may be a record among the Native corporations established in 1971.

The duties of the President include calling all meetings of the Board and Executive Committee, presiding over all meetings of the Board of Directors and the Executive Committee, and signing all corporate documents. In addition to these duties, the President takes an active role in the on going operations of the company. He supervises management to make sure Board policies are carried out correctly, he represents the corporation at public and private meetings where corporate-related issues are discussed, and he maintains contacts with the Legislature and public and private officials where the interests of the corporation are involved. He also functions in a part-time staff position for the company. In his staff position, Fredericks handles all land matters for the corporation and keeps current information on the status of all Land Claims Act issues, including current legislation pending and/or passed.

In addition to the time Glenn spends working directly for the corporation, he accepts many invitations to sit on Boards of other organizations, participate in various studies being conducted in the area and/or speak to other village corporations about corporate management. In these cases, the President's travel and expenses are covered by the organization who issued the invitation. These activities require a considerable amount of travel and a great deal of time for which the President receives no pay. However, Mr. Fredericks has always felt it very important to keep actively informed of activities

going on in the area because of the way they may affect shareholders or because of potential development possibilities for the TKC area.

Some of the President's activities in this area include:

- —Participant in a reindeer feasibility study being conducted by Kuskokwim Community College.
- —Member of the Regional Government Study Team, Southwest Alaska.
- —Member of the AVCP Oil and Gas Committee.
- —Member of Alaska Federation of Natives Land Managers Association and a member of the Land Managers Association task forces on gravel, airports and 14(c).
- —Director, Lower Yukon Kuskokwim Acquaculture Association.
- —Consultant to the Alaska Native Foundation's Village Management Assistance Program.
- —President, Kuskokwim Native Association.
- —Regional Advisory Board member, Bureau of Indian Affairs, Bethel Agency.

Finally, out of concern over directions taken by the regional corporation, President Fredericks ran for the Board of Directors of Calista Corporation last year and won the Unit 3 seat. As a director of Calista Corporation, Glenn serves as Chairman of the personnel committee, as a member of the finance committee and as a Director of Calista Construction Company, a wholly-owned subsidiary of Calista Corporation. He was also elected to represent Calista as a Director of Alaska Consolidated Shipping, Inc., a company owned in part by Calista. Alaska Consolidated Shipping subsequently elected Fredericks to the position of Treasurer of the company.

For his services to The Kuskokwim Corporation, President Fredericks receives a part-time gross salary of $787.50 per month. This represents Fredericks' total compensation from the corporation. Since he is a part-time staff member, he receives no other benefits such as medical insurance or retirement, and he is not paid directors' fees for attendance at meetings.

President Fredericks is widely respected as a leader who shows genuine concern for the people and the area he represents. He has contributed significant time and effort to the growth of the corporation, the education of shareholders and the advancement of the area, sacrificing many opportunities along the way for his own personal gain. He continues to do so by choice in the belief that his contributions and efforts will long survive him through future generations of shareholders. ■



President Fredericks traveling on the Kuskokwim

George Morrison

STATE OF ALASKA

OFFICE OF THE GOVERNOR
Pouch A
Juneau, Alaska 99811

BOARDS AND COMMISSIONS RESUMÉ

INSTRUCTIONS

A separate application is required for each position for which you apply. Complete and specific answers will aid in rapid and accurate processing of your resumé. The initial determination of whether you qualify for the position specified will be based on this application.

Please type or print legibly in ink. Forward to the above address. Be sure your answers are true. A willfully false answer may result in your disqualification or removal from office if you are appointed.

Position for which I am applying:

Please list any other Board or Commission on which you serve:

Name	Previous Name applied under
George A. Morrison	
Mailing Address	**Residence Address**
2135 SORBUS WAY	Same
City, State and Zip Code	
ANCHORAGE, ALASKA 99504	
Home Telephone	**Business or Message Telephone**
279-5278	274-3561

REPORT ADDRESS AND TELEPHONE CHANGES PROMPTLY

AS 39.05.100 requires that a person appointed to a board or commission be a registered voter before the last general election:

Are you a registered voter? ☑ YES ☐ NO

Voter Registration Number (Optional) Social Security Number (Optional)

Have you ever been convicted of a misdemeanor within the past five years or a felony within the past ten years? ☐ YES ☑ NO

If "YES", explain the circumstances on a separate sheet of paper and attach it to this application. A conviction is not necessarily grounds for disqualification. The number of convictions, nature, recency and relationship to the board position applied for will be evaluated and a determination will be made after a review of all relevant facts.

A policy in the Governor's Office pertaining to boards and commissions is that a member attend at least 75% of the meetings. Are there any circumstances in either your professional or personal life which would prevent you from participating at the required authorized meetings? ☐ YES ☑ NO

If "YES", explain on a separate sheet of paper and attach to this application.

This position may require that the member travel to either urban or rural (or both) areas. Are there any circumstances which would prevent you from participating? NO

CONFLICTS OF INTEREST: Certain Boards and Commissions require full disclosure of personal financial data under AS 39.50.010. If required for the Board or Commission for which you are applying, are you willing to do so? ☒ YES ☐ NO

Could you or any member of your family be affected financially be decisions to be made by the Board or Commission for which you have applied?
☐ YES ☒ NO If "YES", explain.

The Office of the Governor will not discriminate against an applicant for a Board or Commission based on Sex, Age, National Origin, Marital Status, Pregnancy, Handicap, Religion or Parenthood.

01-017(2/81)

TRAINING & EXPERIENCE: (If résumé attached, it is not necessary to complete items A-D)

A. List any professional licenses, certifications, or registrations and dates obtained that may be used as qualifying criteria:

Certified Public Accountant 10-4-1967

B. List both formal and informal education and training experiences: (Use additional paper if necessary)

3BAD - Gonzaga University

C. List any community service positions, municipal government positions, state positions held, and list any awards received. These include both compensated and uncompensated positions (for example, president of a service organization or a mayor). Also include length of time served in the positions.

Commissioner of Revenue - State of Alaska 1967-1971
Executive Director, Legislative Audit - State of Alaska 1960-1967
Controller, Alaska Court System 1971-1973

D. Employment work history: paid, unpaid or voluntary: (Use additional paper if necessary)

Senior Vice President - Alaska Mutual Bank 1973-Present

The Office of the Governor and the State of Alaska have an Affirmative Action Equal Employment Opportunity Program. To assist in the program, you are asked to voluntarily answer the following questions to provide the information necessary for reporting purposes. Under State and Federal law, the information you provide will not be used to illegally discriminate against you.

SEX
☒ Male
☐ Female

ETHNIC BACKGROUND
☒ White ☐ Black ☐ Hispanic ☐ Alaska Native ☐ Asian or Pacific Islander ☐ American Indian

Date of Birth	Military Service (If applicable, give dates)
5-23-26	USN 1943-1945 1949-1951

CERTIFICATION: I swear that the information I have entered on this form is true to the best of my knowledge. I understand that if I deliberately conceal or enter false information on the form my application may be rejected, I may be removed from the list of eligible candidates or I may be removed from the position. I agree that the Office of the Governor may contact present or former employers or other persons who know me to obtain additional information about my skills and abilities. I understand that the information on this application is public information and may be released through a legal request for such information.

Signature In Ink	Date
George A. Morrison	2-26-82

01-012(1/81) Back

Alaska State Legislature

Senate

Office of the Secretary

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

M E M O R A N D U M

TO: Senator Vic Fischer
Chairman
State Affairs Committee

FROM: Peggy Mulligan
Secretary of the Senate

DATE: January 20, 1981

The President has referred the following Governor's appointments jointly to your committee and the Community and Regional Affairs Committee for your recommendation in accordance with AS 39.05.080:

BOARD OF ELECTRICAL EXAMINERS

George McCoy, Anchorage, term expiring 7/10/82
Terence Duszynski, Fairbanks, term expiring 7/10/83

RESUME

George W. McCoy

Alaskan Resident since February 1964

Residence: Mile 1.4 DeArmoun Road
Anchorage, Alaska

Mailing Address: P.O. Box 2592
Anchorage, Alaska 99510

Telephone: (907) 349-6631

Presently: General Manager
Newbery Alaska, Inc.
6800 Arctic Boulevard
Anchorage, Alaska 99502
Tel: (907) 349-6631

Business Experience:
Electrical Contracting Industry since 1954

Alaskan Experience -

1964 - Chief Estimator & Assistant Manager
Gustav Hirsch Organization, Inc.
1705 Ship Avenue
Anchorage, Alaska

1968 - Executive Vice President
Rogers Electric Corporation
719 East 11th Avenue
Anchorage, Alaska

Present - Newbery Alaska, Inc.

Alaska Electrical Contractors License No. 241 for Inside Wiring and Outside Line work

Education:
Point Pleasant, W. Virginia High School 1951
West Virginia University 1951-1952
General Engineering
Marshall University 1969
Electronics Extension Course
National Electrical Contractors Association Workshops:
National Electrical Code
Operation Guides to [illegible] Management
Marketing Strategies for Increased Profits
Cash Flow Management
Executive Management Seminar

Education: (continued)

Associated Management Research Seminars:
Finance and Accounting for Managers
Managing By Transactional Analysis
Olympic Engineering Corporation
Value Engineering Seminar
Estimatic Corporation
Electrical Estimating

Activities:

Member - National Electrical Contractors Association
Member - Associated General Contractors of America
Member - International Association of Electrical Inspectors

Past Member - National Electrical Contractors Association, Alaska Chapter:

Code Committee	10 Years
Negotiating Committee	2 Years
Board of Directors	2 Years

Past Member - Construction Advisory Committee to The Anchorage School District

Past Member - Alaska Joint Electrical Apprenticeship Training (State) Committee - 10 Years
Received Meritorious Service Award for Apprenticeship Training Activities from U.S. Department of Labor, January 1977.

Statistics:

Born - September 7, 1934, Gallipolis, Ohio
Live with wife Peggy at DeArmoun residence - since 1966

Avocations:

Photography, sailing, hunting, fishing, skiing, snowmobiling

Terence L. Duszynski
Star Route Box 10356
Fairbanks, Alaska

Personal Data

AGE - 33 MARRIED * 2 Children HOMEOWNER
¼ Mile Rosie Creek Rd.

7 Year Resident of Fairbanks

Educational Data

B.S. Business Management 1973

California State University at San Diego

Associate Arts 1970

Antelope Valley College, Lancaster California

Business History

Licenced Home Inspector 1977 - Present
Duszynski & Associates Inc.
Fairbanks, Alaska
Licenced By INTERIOR ALASKA DWELLING INSPECTION COUNCIL INC.

Cabinet & Furniture Maker 1977 - Present
Rosie Creek Woodworks
Fairbanks, Alaska

Vice President, General Manager 1976 - 1977
Dunrite Construction Systems Inc.
Fairbanks, Alaska

General Manager, Co-owner 1974 - 1976
Dunrite Drywall Systems
Fairbanks, Alaska

Business History Cont.

General Foreman	K & W Drywall Fairbanks, Alaska	1973 - 1974
General Foreman	French Drywall Escondido, California	1970 - 1973
Journeyman Carpenter	Various Companies in Lancaster & Los Angeles Ca.	1968 - 1970
Journeyman Drywall Hanger & Finisher	Various Companies in Florida	1965 - 1967
Apprentice Drywall Hanger & Finisher	Modern Drywall Co. Orlando, Florida	Summers from 1960

Memberships

Carpenters Local 1506 - Los Angeles, California	1968 - 1970
Carpenters Local 1300 - San Diego, California	1970 - 1973
Carpenters Local 1243 - Fairbanks, Alaska	1973 - 1978
Full Gospel Businessmans Fellowship International	1977 - Present
Qualified Foster Parent for State of Alaska	1976 - Present

MEMORANDUM State of Alaska

TO The Honorable Vic Fisher
Senator

DATE: January 22, 1981

FILE NO:

TELEPHONE NO: 465-3500

FROM: Vicki A. Clayman
Special Assistant
to the Governor

SUBJECT: Résumés for
Legislative
Confirmation

Attached are the résumés you've requested for Senate State Affairs Committee except for the following:

Janis Williams, Alaska Pipeline Commission
Don Dennis, Athletic Commission
Morgan Reed, Personnel Board
Gordon Zerbetz, Alaska Public Utilities Commission

Résumés have been requested from the individuals and we will deliver them to you as soon as possible.

Attachment

Alaska State Legislature

Senate

Office of the Secretary

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

TO: Senator Fischer
Chairman
State Affairs Committee

FROM: Peggy Mulligan
Secretary of the Senate

DATE: January 20, 1981

The President has referred jointly to your committee and the Resources Committee the following Governor's appointments for your recommendation in accordance with AS 39.05.080:

ALASKA PIPELINE COMMISSION

Karen Cory, Anchorage, term expiring 4/4/86
Janis Williams, Juneau, term expiring 4/4/82

RESUME

KAREN W. CORY
Pouch A
Juneau, Alaska 99811
(907) 364-3452

PROFESSIONAL GOAL: Management position responsible for the interests of the State of Alaska with emphasis on facilitating the coordination of human and natural resources.

BUSINESS EXPERIENCE:

March 1979 to Present — Special Assistant to Governor Jay S. Hammond, State of Alaska, Juneau. Advisory function to the Governor in areas of human resources, primarily with Departments of Health and Social Services, Education, Labor, Law, Administration and the University of Alaska. Major responsibilities: Assist Governor, Commissioners and the Legislative Assistant in developing policy for the Governor's legislative package, and legislation generated by the Senate and the House; Consult with agencies in developing specific programs supporting Governor's philosophy; Negotiate budget reviews with specific recommendations for the Governor's Budget Review Committee; Mediate and resolve interagency problems among departments and between state and federal entities; Represent and communicate policies and their fiscal implications to diverse groups - boards and commissions, general public; Investigate and resolve individual issues with appropriate State officials.

June 1978 through March 1979 — Director, Division of Equal Employment Opportunity Juneau. Major responsibilities: Coordinated all State agency activities relating to equal employment opportunity; Managed statewide E.E.O. budget, supervised staff in Juneau and Anchorage; Formulated policies, Conducted worksessions; Maintained close communication with women and minority organizations statewide; Informed departments of federal, state, local legislation pertaining to civil rights. Recommended action to Commissioner which contributed to equal employment opportunities through changes in regulations and procedures; Determined guidelines, implementation mechanism, monitor systems and methods to measure program effectiveness; Represented the State at various conferences.

August 1976 through May 1978 — Human Rights Field Representative, Alaska State Commission for Human Rights, State of Alaska, Anchorage. Major responsibilities: Researched and interpreted federal and state legislation regarding Civil Rights; Interviewed complainants and respondents, prepared investigative strategies, conducted resolution conferences between parties to analyze evidence, negotiated legal settlements, wrote findings, and served as a witness at public hearings. Several cases concerned pipeline construction and employment practices of private industries; Demonstrated ability to interpret and communicate laws to general public. Special accomplishments: Rated outstanding in the percentage of case closures attributable to resolution skills. Completed a proposal to inform the Native community (rural Alaska) of the laws. This proposal was unanimously approved by Commissioners.

March 1976 through August 1976 — Human Relations, Anchorage School District, Anchorage. Major responsibilities: Facilitated human relations among various groups within the school community to alleviate prejudice/stereotyping on basis of a person's race, sex or similar characteristics. Assisted in organizing workshops for certified staff and students; Implemented Title IX of the Education Amendment Act of 1972 (sex discrimination); Interviewed, investigated, and resolved allegations of discrimination; Researched cross-cultural experiences of minority groups (Natives, Blacks, Hispanics, Asians, Filipinos and others). Special emphasis on issues of assimilation and acculturation facing rural communities.

[illegible] 1975 — Partsperson, Teamsters Local 959, Associated Green Construction Company, Fairbanks. Assigned: Prospect Camp, TransAlaska Pipeline. Major responsibilities: Inventoried and delivered parts for heavy and light duty construction vehicles. Worked along various pipeline sites.

[illegible] 1973 — Assistant Personnel Manager, The First National Bank of Anchorage, Anchorage. Major responsibilities Completed management Trainee Program. Extensive training in overall bank operations - accounting and finance. Promoted to Assistant Personnel Manager. Interviewed applicants, explained employee benefit package, participated in public relations activities. Special accomplishment: Surveyed methods to reduce turnover in transient and urban community.

February 1973 through September 1973	Production Assistant, Television, Radio, and Film Communications, (TRAFCO), Incorporated, Nashville, Tennessee. Major responsibilities: Interviewed actors for media; Assisted with cameras, props, set design, scripts; Reconciled expenses. Experienced in use of media as related to marketing ideas.
SUMMERS: 1966 through 1971	Teletype Assistant, Meter Reader, Secretary, Receptionist, Knoxville, Tennessee.

EDUCATION:

Present	Pursuing Masters Degree, Public Administration. University of Alaska, Anchorage.
April 1978	Equal Employment Opportunity Training Session, Washington, D.C., Federal E.E.O.C.
June 1977	Communication Techniques, Emma Walker, Title VII/Tacoma, Washington; Frank Battissee and Phyllis Lee, Human Relations/General Assistance Center of Portland, Oregon.
April 1977	Human Rights Technical Workshop, Alaska State Commission for Human Rights.
[illegible]	American Institute of Banking, Anchorage, Alaska.
[illegible] 1972	University of Tennessee, 100 Alumni Hall, Knoxville, Tennessee 37916. Bachelor of Science: Political Science. Minor: Economics.
[illegible]AL [illegible]TION:	Born April 13, 1950. Major interests include: Politics, reading, economics, poetry and skiing. Extensive travel throughout Alaska.
[illegible]S:	Personal references may be obtained upon request.

JANIS C. WILLIAMS

4034 Reka Drive #2
Anchorage, Alaska 99504
Phone 337-6073

Born: November 12, 1948
Marital Status: Single
Health: Excellent

Admitted to Alaska Bar: May 29, 1975

EDUCATION

Legal:

University of Denver College of Law, Denver, Colorado.
Juris Doctor Degree, December 1974.
Class Standing: Top 20%.
Honors and Activities: American Jurisprudence Award. for excellence in Estate Planning, Vice-chairman, Student Faculty Committee on Sub-Professional/ Paralegal Education.
Internships:
Trusts, United Bank of Denver, Denver, Colorado.
In-depth orientation to all aspects of the trust department of a large commercial bank including the investment, tax, sales and account management areas of both personal and corporate trusts.
Legal Aid, Arapahoe County Legal Aid, Englewood, Colorado.
Legal work in domestic relations and general civil practice including representation of clients in court.

Paralegal:

The Institute for Paralegal Training, Philadelphia, Pennsylvania. Certificate in Corporate and Securities Law, December 1970.

Undergraduate:

Mount Holyoke College, South Hadley, Massachusetts.
Bachelor of Arts Degree in Economics, June 1970.
Study Abroad: Junior year spent in Brussels, Belgium studying the European Economic Community.

Other:

Northwestern University, Chicago, Illinois. Accounting courses.

EMPLOYMENT

Assistant Attorney General, Department of Law, Juneau, Alaska.
Governmental Affairs Section, May 1978 to April 1979.
Duties: Legal advisor to various divisions of the Departments of Administration, Community and Regional Affairs, Military Affairs, Commerce and Economic Development and the Division of Elections. Also represented these departments in civil litigation.
Oil and Gas Special Projects Section, May 1979 to November 1980.
Duties: Legal advisor to various state agencies concerned with oil and gas matters, primarily the Departments of Natural Resources and Revenue. Handled a variety of oil and gas issues including sales of royalty oil and gas and oil and gas royalty and tax litigation.

City Attorney, City of Kenai, Alaska. June 1975 to February 1978.
Duties: Chief legal advisor to City Council and all City departments, prosecuting attorney for city, attorney for city in all civil litigation.

Special Assistant on Paralegal Affairs and Co-ordinator of Paralegal Program, University of Denver College of Law. January to December 1974.
Duties: Planning, administration and teaching of paralegal courses given by the Program of Advanced Professional Development of the law school and Continuing Legal Education in Colorado, Inc., attending meetings of interested organizations, speaking to school and community groups, and doing special projects on paralegals.

Paralegal in Corporate and Securities Area, Sidley & Austin, Chicago, Illinois. January 1971 to September 1972.
Duties: Drafting documents and agreements concerning incorporations, mergers, acquisitions and public stock and bond offerings of corporations represented by the firm, preparation of reports to state agencies and the Securities and Exchange Commission, and aiding in discovery in complex corporate litigation.

Alaska State Legislature

Senate

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

March 27, 1981

TO: Senator Fischer, Chairman
State Affairs Committee

FROM: PJM Peggy Mulligan
Secretary of the Senate

RE: Governor's appointments

Please remove from your list of confirmation and appointments the following:

ALASKA PUBLIC UTILITIES COMMISSION

*Gordon Zerbetz

JAY S. HAMMOND
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 20, 1981

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear President Kerttula:

Please add to your list of Alaskans to be confirmed for appointment to boards and commissions the following:

BOARD OF PHARMACY

Margaret D. Soden, R.Ph., term expires March 31, 1986

Enclosed is Ms. Soden's résumé.

Also, please remove from your list the following two names as they have resigned.

BOARD OF FISHERIES

*Gordon Jensen

ALASKA PUBLIC UTILITIES COMMISSION

*Gordon Zerbetz

Thank you.

Sincerely,

Jay S. Hammond
Governor

*Reappointed

Enclosure

GORDON J. ZERBETZ
1100 MacKay Building
338 Denali Street
Anchorage, Alaska 99501

Business Phone: 276-6222
Home Phone: 279-9971

Birthplace: Ketchikan, Alaska

Education:
Ketchikan High School
Whitman College (BA Economics and Business Administration
Alaska Pacific University/Southern Methodist University (Master of Liberal Arts Candidate)
University of Alaska, Anchorage, Accounting Studies
National College of the Judiciary/University of Nevada, Administrative Law Judge Course
Bidder-Peabody Seminar Studies - Investment Finance
General Telephone and Electronics Corporation-Telephone Revenue Separations School.

Present Position: Commissioner, Chairman, Alaska Public Utilities Commission

Business Experience:

1950 - 1959 Alaska Bottling Company, Inc. General Manager, Co-owner

1950 - 1965 Alaska Meat Company, Partner

1952 - 1953 Southeast Alaska Marine Transportation, Inc., Co-Founder - Officer

1953 - 1973 Stedman Hotel Company, Inc. General Manager, President

1963 - 1980 Zerbetz Pine Apartment, Partner

1976 - 1980 Alaska Sea Ranch, Inc., Co-owner

1976 - 1980 Rarities Unlimited, Owner

1976 - 1980 MZ Productions, Inc., Director and Vice President

Military Experience: Alaska Territorial Guard; U.S. Army Signal Corps; U.S. Coast Guard Reserve (Retired, Commander)

Public Service:

City of Ketchikan	Charter Commission; City Council; Centennial Committee; Rescue Squad; Civil Defense Director
Municipality of Anchorage	Civil Defense and Disaster Advisory Commission

Work Experience:

Fisheries Development	Oysters -- First successful large-scale oyster farm - new Alaskan industry; developing techniques for adapting various species for Alaskan waters; innovative oyster hatchery - experience with family-owned long-line halibut schooner; also, in Washington State I have participated in the development of innovative shellfish hatchery and ocean salmon ranching.
	Alaska Meat Company -- market development of local sea food products.
	Stedman Hotel Company, Inc. -- unique menus of Alaskan sea foods- fish and smokehouse operation.
Agriculture-Forestry Experience:	Personal experience in small scale hand-logging and beach logging;
	As supplier and extender of credit to numerous logging companies, I have acquired considerable knowledge of logging and re-forestation techniques.
	Orchard work, Washington State - research and practical work in vegetable growing; presently experimenting with test plots of wild rice in Alaska.
Business Management:	Property development and management of commercial and residential properties.
	Owned and operated two hotels; restaurateur and fast food service.
	Tourism -- Active in development and sponsorship of Ketchikan's tourist melodrama, "The Fish Pirate's Daughter"; Promoted tourist-oriented technique for taking sea food home; Built 30 ft Indian war canoe as tourist attraction; Promotion of motor coach transportation via Marine Highway System.

Business Management: (continued)

Manufacturers representative for inflatable boats;

Marketing Ketchikan oysters;

Wholesale and retail meat operation;

Advisory Board for Commercial Loans, National Bank of Alaska;

Marine Transportation -- assisted in planning and operation of small-vessel freight system from Pacific Northwest to Southeastern Alaska;
Pioneered in containerized shipping.

Alaska Centennial Committee -- Chairman for Ketchikan area; totem restoral; promoted native art and dancing; major urbin renewal project including construction of library - museum complex; reconstruction of Fort Tongass; instrumental in establishing the Fort Tongass Drum and Bugle Corps.

Utility Regulation:

Because the role of a Public Utilities Commissioner extends beyond the statutory responsibilities, I have had the opportunity to participate from the outset in the satellite communications program.

Active in rural energy alternatives including biomass, wind, river, tidal power, small hydro, hydrogen energy and low BTU gas producer.

Member of NARUC Engineering (depreciation and valuation) Committee.

My position on the Commission and previous assignments in the military and private sector have required travel to all parts of Alaska. Current position requires working knowledge of business conditions throughout the State.

STATE OF ALASKA
ALASKA PUBLIC OFFICES COMMISSION
610 C Street, Suite 209
Anchorage, Alaska 99501

RECEIVED:
MAY 5 1980
PUBLIC OFFICES COMMISSION

CONFLICT OF INTEREST STATEMENT FOR PUBLIC OFFICIAL OR CANDIDATE

PART 1. GENERAL INFORMATION

REPORTING PERIOD: January 1, 19 79 to December 31, 19 79 (Preceding Calendar year)

REPORTING OFFICIAL: Name: James H. Chase

Resident Address: 3023 Madison Way Mailing Address: same

City: Anchorage State: ALASKA Zip Code: 99504

APPLICABLE OFFICE (Mark one or more, as appropriate, and complete blanks):

A. State Public Official:

/ / Legislative _____ (Senator or Representative) / / Judicial: _____ (title)

/ / Executive _____ (title of position) _____ (name of department)

/X/ Board or Commission Commission for Human Rights (name of Board or Commission)

B. Municipal Public Official:

/ / Mayor / / School Board Member

/ / Borough or City Manager / / Utility Board Member

/ / Assembly or Council Person / / Planning and Zoning Commission Member

TERM OF OFFICE: Begin _____ End _____

If Candidate, Date Declaration of Candidacy Filed: _____

If Appointed or Hired, Date of Appointment: April 9, 1980

MEMBERS OF FAMILY OF REPORTING OFFICIAL: (Please list names)

Spouse: Marlene G. Chase Dependent Children: Joyce N Chase, Donna L Chase

Non-dependent Children Living with Reporting Official: none

PART 2. CERTIFICATION

I, the undersigned, declare under oath and on penalty of perjury that the statements contained in this conflict of interest statement are, to the best of my knowledge, true, correct, and complete.

DATED: May 5 1980 SIGNED: James H Chase

SUBSCRIBED AND SWORN to before me this 5 day of May, 1980.

Notary Public: Mary Ann Baker

My commission expires: April 26, 1983

APOC FORM 39-1 (Rev. 11/79)

PART 3. SOURCES OF INCOME AND CAPITAL GAINS OVER $100
(see Manual of Instructions, page 7)

NAME (of reporting official, spouse, etc.)	SOURCE OF INCOME
1) Salary:	
James H. Chase	University of Alaska, Anchorage
James H. Chase	United States Air Force Pension
Marlene G. Chase	Anchorage School District
Joyce N. Chase	Three Sisters Fabric
Donna L. Chase	DOT State of Alaska
Donna L. Chase	Jeans West
2) Rentals:	
None	
3) Dividends and Interest:	
None	
4) Self employment (business name, clients, customers):	
Polychrome Consultants	Anchorage School District
5) Other:	

(Use continuation sheet if necessary)

PART 4. BUSINESS INVOLVEMENT OR OWNERSHIP INTEREST AS A STOCKHOLDER, OWNER, OFFICER, DIRECTOR, PARTNER, PROPRIETOR, OR EMPLOYEE
(see Manual of Instructions, page 9)

NAME (reporting official, spouse, etc.)	NATURE OF INVOLVEMENT OR INTEREST	NAME AND ADDRESS OF BUSINESS
James H. Chase	Owner	Polychrome Consultants P.O. Box 1394 Anchorage, AK 99510

(continue on blank sheet if necessary)

PART 5. REAL PROPERTY INTERESTS OWNED, INCLUDING OPTIONS TO BUY
(see Manual of Instructions, page 10)

NAME (of reporting official, spouse, etc.)	IDENTITY OF PROPERTY INCLUDING LOCATION AND CURRENT USE	NATURE OF INTEREST
James H. Chase	Lot 15 - Block 5 College Village s/d Addition #5	Owned Residence

(continue on blank sheet if necessary)

PART 6. BENEFICIAL INTEREST IN TRUSTS OR OTHER FIDUCIARY RELATION
(see Manual of Instructions, page 11)

NAME (reporting official, spouse, etc.)	TRUSTOR	PROPERTY	EXTENT OF INTEREST
None			

(continue on blank sheet if necessary)

PART 7. LOANS, LOAN GUARANTEES OR OTHER FINANCIAL OBLIGATIONS OF $500 OR MORE

(see Manual of Instructions, page 12)

NAME (reporting official spouse, etc.)	IDENTITY OF MAKER OF LOAN, LOAN GUARANTOR, OR CREDITOR
Joyce N. Chase	State School Loan

(continue on blank sheet if necessary)

PART 8. CONTRACTS AND OFFERS TO CONTRACT WITH THE STATE OR AN INSTRUMENTALITY OF THE STATE

(see Manual of Instructions, page 13)

NAME AND RELATIONSHIP (John Doe, reporting off.; Jan Doe, spouse)	STATE CONTRACTING DEPT. OR INSTRUMENTALITY	IDENTITY OF CONTRACT	INDICATE: BID, HELD, OFFERED
None			

(continue on blank sheet if necessary)

PART 9. LEASES OR OFFERS TO LEASE MINERAL, TIMBER, OIL, OR OTHER NATURAL RESOURCES

(see Manual of Instructions, page 15)

NAME AND RELATIONSHIP (John Doe, reporting off.; Mary Doe, mother)	NATURE OF LEASE	IDENTITY OF LEASE	INDICATE: HELD OR OFFERED
None			

(continue on blank sheet if necessary)

STATE OF ALASKA
ALASKA PUBLIC OFFICES COMMISSION
610 C Street, Suite 209
Anchorage, Alaska 99501

RECEIVED
APR 17 1980
PUBLIC OFFICES COMMISSION

CONFLICT OF INTEREST STATEMENT FOR PUBLIC OFFICIAL OR CANDIDATE

PART 1. GENERAL INFORMATION

REPORTING PERIOD: January 1, 19 79 to December 31, 19 79 (Preceding Calendar year)

REPORTING OFFICIAL: Name: Morgan W. Reed

Resident Address: _____ Mailing Address: Box 492

City: Skagway State: ALASKA Zip Code: 99840

APPLICABLE OFFICE (Mark one or more, as appropriate, and complete blanks):

A. State Public Official:

/ / Legislative _____ (Senator or Representative) / / Judicial: _____ (title)

/ / Executive _____ (title of position) _____ (name of department)

/ / Board or Commission Labor Relations, Retirement, Personnel (name of Board or Commission)

B. Municipal Public Official:

/ / Mayor / / School Board Member

/ / Borough or City Manager / / Utility Board Member

/ / Assembly or Council Person / / Planning and Zoning Commission Member

TERM OF OFFICE: Begin _____ End _____
If Candidate, Date Declaration of Candidacy Filed: _____
If Appointed or Hired, Date of Appointment: _____

MEMBERS OF FAMILY OF REPORTING OFFICIAL: (Please list names)

Spouse: Blodwen Dependent Children: _____

Non-dependent Children Living with Reporting Official: _____

PART 2. CERTIFICATION

I, the undersigned, declare under oath and on penalty of perjury that the statements contained in this conflict of interest statement are, to the best of my knowledge, true, correct, and complete.

DATED: 4-14-80 SIGNED: Morgan W. Reed

SUBSCRIBED AND SWORN to before me this 14 day of April, 19 80.

Notary Public: Wanda Warner
My commission expires: _____

SKAGWAY, AK APR 14 1980

APOC FORM 39-1 (Rev. 1979)

PART 3. SOURCES OF INCOME AND CAPITAL GAINS OVER $100
(see Manual of Instructions, page 7)

NAME (of reporting official, spouse, etc.)	SOURCE OF INCOME
1) Salary:	
Morgan W. Reed	Natl. Bank Alaska
2) Rentals:	
R. Bissell — Berg Constr	L. La Force
J. Elwood	
J. Reynolds — D. Brewer	
B. Hoover — G. Herman	
S. Mayer — G. Terazzo	
3) Dividends and Interest:	
Kaiser Steel	Brunswick
Redkin Laboratories	
Microwave	
4) Self employment (business name, clients, customers):	
5) Other:	

(Use continuation sheet if necessary)

APOC Form.39-1 (Rev. 11/79)

PART 4. BUSINESS INVOLVEMENT OR OWNERSHIP INTEREST; A STOCKHOLDER, OWNER, OFFICER, DIRECTOR, PARTNER, PROPRIETOR, OR EMPLOYEE
(see Manual of Instructions, page 9)

NAME (reporting official, spouse, etc.)	NATURE OF INVOLVEMENT OR INTEREST	NAME AND ADDRESS OF BUSINESS
Morgan H. Read	Stockholder	Kaiser Steel Corp.
		Rocket Laboratories
		Microwave
		Brunswick
		Simplicity Pattern

(continue on blank sheet if necessary)

PART 5. REAL PROPERTY INTERESTS OWNED, INCLUDING OPTIONS TO BUY
(see Manual of Instructions, page 10)

NAME (of reporting official, spouse, etc.)	IDENTITY OF PROPERTY INCLUDING LOCATION AND CURRENT USE		NATURE OF INTEREST
Morgan H. Read	City of Stanwood		
	L 7+8 Block 27	Rental	Own
	L 4 " 25	"	
	L 5+6 " 25	"	
	L 1-2-3-4 " 2	"	
	3 1/3 Acres Homesite Located Main Day Summer Residence		

(continue on blank sheet if necessary)

PART 6. BENEFICIAL INTEREST IN TRUSTS OR OTHER FIDUCIARY RELATION
(see Manual of Instructions, page 11)

NAME (reporting official, spouse, etc.)	TRUSTOR	PROPERTY	EXTENT OF INTEREST

(continue on blank sheet if necessary)

PART 7. LOANS, LOAN GUARANTEES OR OTHER FINANCIAL OBLIGATIONS OF $500 OR MORE
(see Manual of Instructions, page 12)

NAME (reporting official spouse, etc.)	IDENTITY OF MAKER OF LOAN, LOAN GUARANTOR, OR CREDITOR
Morgan H. Reed	National Bank Atlanta

(continue on blank sheet if necessary)

PART 8. CONTRACTS AND OFFERS TO CONTRACT WITH THE STATE OR AN INSTRUMENTALITY OF THE STATE
(see Manual of Instructions, page 13)

NAME AND RELATIONSHIP (John Doe, reporting off.; Jan Doe, spouse)	STATE CONTRACTING DEPT. OR INSTRUMENTALITY	IDENTITY OF CONTRACT	INDICATE: BID, HELD, OFFERED
None			

(continue on blank sheet if necessary)

PART 9. LEASES OR OFFERS TO LEASE MINERAL, TIMBER, OIL, OR OTHER NATURAL RESOURCES
(see Manual of Instructions, page 15)

NAME AND RELATIONSHIP (John Doe, reporting off.; Mary Doe, mother)	NATURE OF LEASE	IDENTITY OF LEASE	INDICATE: HELD OR OFFERED
None			

(continue on blank sheet if necessary)

STATE OF ALASKA
ALASKA PUBLIC OFFICES COMMISSION
610 C Street, Suite 209
Anchorage, Alaska 99501

RECEIVED
APR 14 1980
PUBLIC OFFICES COMMISSION

CONFLICT OF INTEREST STATEMENT FOR PUBLIC OFFICIAL OR CANDIDATE

PART 1. GENERAL INFORMATION

REPORTING PERIOD: January 1, 19 79 to December 31, 19 79 (Preceding Calendar year)

REPORTING OFFICIAL: Name: GORDON J. ZERBETZ

Resident Address: 525 W. 3rd Avenue Apt. #5 Mailing Address: 1100 MacKay Bldg. 338 Denali

City: Anchorage State: ALASKA Zip Code: 99501

APPLICABLE OFFICE (Mark one or more, as appropriate, and complete blanks):

A. State Public Official:

/ / Legislative _____ (Senator or Representative) / / Judicial: _____ (title)

/ / Executive _____ (title of position) _____ (name of department)

/X/ Board or Commission Alaska Public Utilities Commission (name of Board or Commission)

B. Municipal Public Official:

/ / Mayor / / School Board Member

/ / Borough or City Manager / / Utility Board Member

/ / Assembly or Council Person / / Planning and Zoning Commission Member

TERM OF OFFICE: Begin October 31, 1974 End October 31, 1980

If Candidate, Date Declaration of Candidacy Filed: _____

If Appointed or Hired, Date of Appointment: October 31, 1974

MEMBERS OF FAMILY OF REPORTING OFFICIAL: (Please list names)

Spouse: None Dependent Children: Evon Marie Zerbetz

Non-dependent Children Living with Reporting Official: None

PART 2. CERTIFICATION

I, the undersigned, declare under oath and on penalty of perjury that the statements contained in this conflict of interest statement are, to the best of my knowledge, true, correct, and complete.

DATED: April 14, 1980 SIGNED: Gordon J. Zerbetz

SUBSCRIBED AND SWORN to before me this 11th day of April, 19 80.

Notary Public: E. Pignotelli
My commission expires: Commission expires 2-14-84

APOC FORM 39-1 (Rev. 11/79)

PART 3. SOURCES OF INCOME AND CAPITAL GAINS OVER $100
(see Manual of Instructions, page 7)

NAME (of reporting official, spouse, etc.)	SOURCE OF INCOME
1) Salary:	
Gordon J. Zerbetz	State of Alaska
2) Rentals:	
Gordon J. Zerbetz	Leo Barlow
3) Dividends and Interest:	
Gordon J. Zerbetz	David Val
Gordon J. Zerbetz	The Islanders
Gordon J. Zerbetz	Dean Witter
Gordon J. Zerbetz	Merrill, Lynch
4) Self employment (business name, clients, customers):	
Gordon J. Zerbetz	Rarities Unlimited
5) Other:	
N/A	

(Use continuation sheet if necessary)

PART 4. BUSINESS INVOLVEMENT OR OWNERSHIP INTEREST AS A STOCKHOLDER, OWNER, OFFICER, DIRECTOR, PARTNER, PROPRIETOR, OR EMPLOYEE

(see Manual of Instructions, page 9)

NAME (reporting official, spouse, etc.)	NATURE OF INVOLVEMENT OR INTEREST	NAME AND ADDRESS OF BUSINESS
Gordon J. Zerbetz	Stockholder	Stedman Hotel Co. c/o Self Ketchikan, Alaska
Gordon J. Zerbetz	Stockholder	Amstar Corporation NYSE
Gordon J. Zerbetz	Stockholder	National Bank of Alaska Anchorage, Alaska
Gordon J. Zerbetz	Stockholder	First National Bank of Ketchikan

(continue on blank sheet if necessary) (see continuation sheets)

PART 5. REAL PROPERTY INTERESTS OWNED, INCLUDING OPTIONS TO BUY

(see Manual of Instructions, page 10)

NAME (of reporting official, spouse, etc.)	IDENTITY OF PROPERTY INCLUDING LOCATION AND CURRENT USE	NATURE OF INTEREST
Gordon J. Zerbetz	Zerbetz Pine Apartments Co.	Co-owner
Gordon J. Zerbetz	Lot 3, Blk. 2, Gravina Island S/D	Owner
Gordon J. Zerbetz	Lot 172 USS 3156	Owner

(continue on blank sheet if necessary) (see continuation sheet)

PART 6. BENEFICIAL INTEREST IN TRUSTS OR OTHER FIDUCIARY RELATION

(see Manual of Instructions, page 11)

NAME (reporting official, spouse, etc.)	TRUSTOR	PROPERTY	EXTENT OF INTEREST
	N/A		

(continue on blank sheet if necessary)

PART 7. LOANS, LOAN GUARANTEES OR OTHER FINANCIAL OBLIGATIONS OF $500 OR MORE
(see Manual of Instructions, page 12)

NAME (reporting official spouse, etc.)	IDENTITY OF MAKER OF LOAN, LOAN GUARANTOR, OR CREDITOR
Gordon J. Zerbetz	State of Alaska Division of Veterans Affairs, Alaska

(continue on blank sheet if necessary)

PART 8. CONTRACTS AND OFFERS TO CONTRACT WITH THE STATE OR AN INSTRUMENTALITY OF THE STATE
(see Manual of Instructions, page 13)

NAME AND RELATIONSHIP (John Doe, reporting off.; Jan Doe, spouse)	STATE CONTRACTING DEPT. OR INSTRUMENTALITY	IDENTITY OF CONTRACT	INDICATE: BID, HELD, OFFERED
	N/A		

(continue on blank sheet if necessary)

PART 9. LEASES OR OFFERS TO LEASE MINERAL, TIMBER, OIL, OR OTHER NATURAL RESOURCES
(see Manual of Instructions, page 15)

NAME AND RELATIONSHIP (John Doe, reporting off.; Mary Doe, mother)	NATURE OF LEASE	IDENTITY OF LEASE	INDICATE: HELD OR OFFERED
Gregory (Son)	Aquaculture	Duke Island, AK	Held

(continue on blank sheet if necessary)

CONTINUATION SHEET

PART 4. BUSINESS INVOLVEMENT OR OWNERSHIP INTEREST AS A STOCKHOLDER, OWNER, OFFICER, DIRECTOR, PARTNER, PROPRIETOR, OR EMPLOYEE

NAME	NATURE OF INVOLVEMENT OR INTEREST	NAME AND ADDRESS OF BUSINESS
Gordon J. Zerbetz	Stockholder	Alaska Bank of Commerce Anchorage, AK.
Gordon J. Zerbetz		Celanese Corporation NYSE
Gordon J. Zerbetz		Pan-American Airline NYSE
Gordon J. Zerbetz		Pay Less Drugs NYSE
Gordon J. Zerbetz		Hyatt Corp. OTC Dean Witter Co.
Gordon J. Zerbetz		Perma-Bilt Ind. NYSE
Gordon J. Zerbetz		Computer Automation NYSE
Gordon J. Zerbetz	Partner, Officer & Stockholder	Alaska Sea Ranch, Inc. Duke Island, Alaska
Gordon J. Zerbetz	Partner	Rarities Unlimited 900 West 54th St. Anchorage, Alaska
Gordon J. Zerbetz	Officer & Stockholder	MC Productions, Inc. Anchorage, Alaska
Gordon J. Zerbetz	Stockholder	Bay Center Mariculture Bay Center, Washington
Gordon J. Zerbetz	Stockholder	Tongass Trading Co., Inc. Ketchikan, Alaska
Gordon J. Zerbetz	Stockholder	Rustenberg Platinum LOND. EX.
Gordon J. Zerbetz	Stockholder	Instrument Systems c/o Dean Witter
Gordon J. Zerbetz	Stockholder	East Met c/o Dean Witter
Gordon J. Zerbetz	Stockholder	RMIC Corporation c/o Dean Witter

CONTINUATION SHEET

PART 4. BUSINESS INVOLVEMENT OR OWNERSHIP INTEREST AS A STOCKHOLDER, OWNER, OFFICER, DIRECTOR, PARTNER, PROPRIETOR, OR EMPLOYEE

NAME	NATURE OF INVOLVEMENT OR INTEREST	NAME AND ADDRESS OF BUSINESS
Gordon J. Zerbetz	Stockholder	Alaska International Industries c/o Dean Witter
Gordon J. Zerbetz	Stockholder c/o Dean Witter	W. A. Kreuger
Gordon J. Zerbetz	Stockholder	Nordstrom c/o Dean witter
Gordon J. Zerbetz	Stockholder	Liberty Homes c/o Dean Witter

PART 5. REAL PROPERTY INTEREST OWNED, INCLUDING OPTIONS TO BUY

NAME	IDENTITY OF PROPERTY INCLUDING LOCATION AND CURRENT USE	NATURE OF INTEREST
Gordon J. Zerbetz	Turnagain Arms Condo Anchorage	Owner
Gordon J. Zerbetz	Lot 12, Sperstad S/D Anchorage	Owner
Gordon J. Zerbetz	Lots 1 and 2, Block 1 Pennock Island S/D	Owner

STATE OF ALASKA
ALASKA PUBLIC OFFICES COMMISSION
610 C Street, Suite 209
Anchorage, Alaska 99501

RECEIVED
JAN 15 1981
ALASKA PUBLIC OFFICES COMMISSION

CONFLICT OF INTEREST STATEMENT FOR PUBLIC OFFICIAL OR CANDIDATE

PART 1. GENERAL INFORMATION

REPORTING PERIOD: January 1, 19 ~~80~~ 79 to December 31, 19~~xx~~ 79 (Preceding Calendar year)

REPORTING OFFICIAL: Name: Janis C. Williams

Resident Address: 4034 Reka Drive #2 Mailing Address: SAME

City: Anchorage State: ALASKA Zip Code: 99504

APPLICABLE OFFICE (Mark one or more, as appropriate, and complete blanks):

A. State Public Official:

/ / Legislative _____ (Senator or Representative) / / Judicial: _____ (title)

/ / Executive _____ (title of position) _____ (name of department)

/X/ Board or Commission Alaska Pipeline Commission (name of Board or Commission)

B. Municipal Public Official:

/ / Mayor / / School Board Member

/ / Borough or City Manager / / Utility Board Member

/ / Assembly or Council Person / / Planning and Zoning Commission Member

TERM OF OFFICE: Begin _____ End _____

If Candidate, Date Declaration of Candidacy Filed: _____

If Appointed or Hired, Date of Appointment: November 12, 1980

MEMBERS OF FAMILY OF REPORTING OFFICIAL: (Please list names)

Spouse: NONE Dependent Children: NONE

Non-dependent Children Living with Reporting Official: NONE

PART 2. CERTIFICATION

I, the undersigned, declare under oath and on penalty of perjury that the statements contained in this conflict of interest statement are, to the best of my knowledge, true, correct, and complete.

DATED: January 15, 1981 SIGNED: Janis C. Williams

SUBSCRIBED AND SWORN to before me this 15 day of January, 19 81.

Notary Public: Barbara A Tennison
My commission expires: 1-19-83

APOC FORM 39-1 (Rev. 11/79)

PART 3. SOURCES OF INCOME AND CAPITAL GAINS OVER $100
(see Manual of Instructions, page 7)

NAME (of reporting official, spouse, etc.)	SOURCE OF INCOME
1) Salary:	
Janis C. Williams	STATE OF ALASKA
2) Rentals:	
N/A	
3) Dividends and Interest:	
N/A	
4) Self employment (business name, clients, customers):	
N/A	
5) Other:	
N/A	

(Use continuation sheet if necessary)

PART 4. BUSINESS INVOLVEMENT OR OWNERSHIP INTEREST AS A STOCKHOLDER, OWNER, OFFICER, DIRECTOR, PARTNER, PROPRIETOR, OR EMPLOYEE

(see Manual of Instructions, page 9)

NAME (reporting official, spouse, etc.)	NATURE OF INVOLVEMENT OR INTEREST	NAME AND ADDRESS OF BUSINESS
Janis C. Williams	Director and Officer	WILLIAMS THEATRES, INC. 101 S. Main Street Union, Missouri 63084

(continue on blank sheet if necessary)

PART 5. REAL PROPERTY INTERESTS OWNED, INCLUDING OPTIONS TO BUY

(see Manual of Instructions, page 10)

NAME (of reporting official, spouse, etc.)	IDENTITY OF PROPERTY INCLUDING LOCATION AND CURRENT USE	NATURE OF INTEREST
Janis C. Williams	Lot 3, Block 1, KAKNU KORNERS SUBDIVISION, located on Kaknu Road, Kenai Alaska, house unoccupied	OWNER

(continue on blank sheet if necessary)

PART 6. BENEFICIAL INTEREST IN TRUSTS OR OTHER FIDUCIARY RELATION

(see Manual of Instructions, page 11)

NAME (reporting official, spouse, etc.)	TRUSTOR	PROPERTY	EXTENT OF INTEREST
N/A			

(continue on blank sheet if necessary)

PART 7. LOANS, LOAN GUARANTEES OR OTHER FINANCIAL OBLIGATIONS OF $500 OR MORE
(see Manual of Instructions, page 12)

NAME (reporting official spouse, etc.)	IDENTITY OF MAKER OF LOAN, LOAN GUARANTOR, OR CREDITOR
Janis C. Williams	Irving Trust Company, 480 Madison Avenue, New York, NY 10017

(continue on blank sheet if necessary)

PART 8. CONTRACTS AND OFFERS TO CONTRACT WITH THE STATE OR AN INSTRUMENTALITY OF THE STATE
(see Manual of Instructions, page 13)

NAME AND RELATIONSHIP (John Doe, reporting off.; Jan Doe, spouse)	STATE CONTRACTING DEPT. OR INSTRUMENTALITY	IDENTITY OF CONTRACT	INDICATE: BID, HELD, OFFERED
N/A			

(continue on blank sheet if necessary)

PART 9. LEASES OR OFFERS TO LEASE MINERAL, TIMBER, OIL, OR OTHER NATURAL RESOURCES
(see Manual of Instructions, page 15)

NAME AND RELATIONSHIP (John Doe, reporting off.; Mary Doe, mother)	NATURE OF LEASE	IDENTITY OF LEASE	INDICATE: HELD OR OFFERED
N/A			

(continue on blank sheet if necessary)

STATE OF ALASKA
ALASKA PUBLIC OFFICES COMMISSION
610 C Street, Suite 209
Anchorage, Alaska 99501

RECEIVED
JAN 15 1981
PUBLIC OFFICES COMMISSION

CONFLICT OF INTEREST STATEMENT FOR PUBLIC OFFICIAL OR CANDIDATE

PART 1. GENERAL INFORMATION

REPORTING PERIOD: January 1, 19 80 to December 31, 19 80 (Preceding Calendar year)

REPORTING OFFICIAL: Name: Janis C. Williams

Resident Address: 4034 Reka Drive #2 Mailing Address: SAME

City: Anchorage State: ALASKA Zip Code: 99504

APPLICABLE OFFICE (Mark one or more, as appropriate, and complete blanks):

A. State Public Official:

/ / Legislative _____ (Senator or Representative) / / Judicial: _____ (title)

/ / Executive _____ (title of position) _____ (name of department)

/X/ Board or Commission Alaska Pipeline Commission (name of Board or Commission)

B. Municipal Public Official:

/ / Mayor / / School Board Member

/ / Borough or City Manager / / Utility Board Member

/ / Assembly or Council Person / / Planning and Zoning Commission Member

TERM OF OFFICE: Begin _____ End _____
If Candidate, Date Declaration of Candidacy Filed: _____
If Appointed or Hired, Date of Appointment: November 12, 1980

MEMBERS OF FAMILY OF REPORTING OFFICIAL: (Please list names)

Spouse: NONE Dependent Children: NONE

Non-dependent Children Living with Reporting Official: NONE

PART 2. CERTIFICATION

I, the undersigned, declare under oath and on penalty of perjury that the statements contained in this conflict of interest statement are, to the best of my knowledge, true, correct, and complete.

DATED: January 15, 1981 SIGNED: Janis Williams

SUBSCRIBED AND SWORN to before me this 15 day of January, 1981.

Notary Public: Barbara A Tennison
My commission expires: 1-19-83

APOC FORM 39-1 (Rev. 11/79)

PART 3. SOURCES OF INCOME AND CAPITAL GAINS OVER $100
(see Manual of Instructions, page 7)

NAME (of reporting official, spouse, etc.)	SOURCE OF INCOME
1) Salary:	
Janis C. Williams	STATE OF ALASKA
2) Rentals:	
N/A	
3) Dividends and Interest:	
N/A	
4) Self employment (business name, clients, customers):	
N/A	
5) Other:	
N/A	

(Use continuation sheet if necessary)

PART 4. BUSINESS INVOLVEMENT OR OWNERSHIP INTEREST AS A STOCKHOLDER, OWNER, OFFICER, DIRECTOR, PARTNER, PROPRIETOR, OR EMPLOYEE

(see Manual of Instructions, page 9)

NAME (reporting official, spouse, etc.)	NATURE OF INVOLVEMENT OR INTEREST	NAME AND ADDRESS OF BUSINESS
Janis C. Williams	Director and Officer	WILLIAMS THEATRES, INC. 101 S. Main Street Union, Missouri 63084

(continue on blank sheet if necessary)

PART 5. REAL PROPERTY INTERESTS OWNED, INCLUDING OPTIONS TO BUY

(see Manual of Instructions, page 10)

NAME (of reporting official, spouse, etc.)	IDENTITY OF PROPERTY INCLUDING LOCATION AND CURRENT USE	NATURE OF INTEREST
Janis C. Williams	Lot 3, Block 1, KAKNU KORNERS SUBDIVISION, located on Kaknu Road, Kenai, Alaska, house unoccupied	OWNER

(continue on blank sheet if necessary)

PART 6. BENEFICIAL INTEREST IN TRUSTS OR OTHER FIDUCIARY RELATION

(see Manual of Instructions, page 11)

NAME (reporting official, spouse, etc.)	TRUSTOR	PROPERTY	EXTENT OF INTEREST
N/A			

(continue on blank sheet if necessary)

PART 7. LOANS, LOAN GUARANTEES OR OTHER FINANCIAL OBLIGATIONS OF $500 OR MORE
(see Manual of Instructions, page 12)

NAME (reporting official spouse, etc.)	IDENTITY OF MAKER OF LOAN, LOAN GUARANTOR, OR CREDITOR
Janis C. Williams	Irving Trust Company, 480 Madison Avenue, New York, NY 10017

(continue on blank sheet if necessary)

PART 8. CONTRACTS AND OFFERS TO CONTRACT WITH THE STATE OR AN INSTRUMENTALITY OF THE STATE
(see Manual of Instructions, page 13)

NAME AND RELATIONSHIP (John Doe, reporting off.; Jan Doe, spouse)	STATE CONTRACTING DEPT. OR INSTRUMENTALITY	IDENTITY OF CONTRACT	INDICATE: BID, HELD, OFFERED
N/A			

(continue on blank sheet if necessary)

PART 9. LEASES OR OFFERS TO LEASE MINERAL, TIMBER, OIL, OR OTHER NATURAL RESOURCES
(see Manual of Instructions, page 15)

N/A

NAME AND RELATIONSHIP (John Doe, reporting off.; Mary Doe, mother)	NATURE OF LEASE	IDENTITY OF LEASE	INDICATE: HELD OR OFFERED
N/A			

(continue on blank sheet if necessary)

STATE OF ALASKA
ALASKA PUBLIC OFFICES COMMISSION
610 C Street, Suite 209
Anchorage, Alaska 99501

Received Juneau Off.
APR 16 1980
Hand carried

CONFLICT OF INTEREST STATEMENT FOR PUBLIC OFFICIAL OR CANDIDATE

PART 1. GENERAL INFORMATION

REPORTING PERIOD: January 1, 19 79 to December 31, 19 79 (Preceding Calendar year)

REPORTING OFFICIAL: Name: Karen W. Cory

Resident Address: Cliff House Apts #1 Juneau, AK. Mailing Address: Pouch A

City: Juneau State: ALASKA Zip Code: 99811

APPLICABLE OFFICE (Mark one or more, as appropriate, and complete blanks):

A. State Public Official:

[ ] Legislative _____ (Senator or Representative) [ ] Judicial: _____ (title)

[X] Executive Special Assistant (title of position) Governor's office (name of department)

[ ] Board or Commission _____ (name of Board or Commission)

B. Municipal Public Official: N/A

[ ] Mayor [ ] School Board Member

[ ] Borough or City Manager [ ] Utility Board Member

[ ] Assembly or Council Person [ ] Planning and Zoning Commission Member

TERM OF OFFICE: Begin NA End _____

If Candidate, Date Declaration of Candidacy Filed: _____

If Appointed or Hired, Date of Appointment: _____

MEMBERS OF FAMILY OF REPORTING OFFICIAL: (Please list names)

Spouse: _____ Dependent Children: _____

Non-dependent Children Living with Reporting Official: _____

PART 2. CERTIFICATION

I, the undersigned, declare under oath and on penalty of perjury that the statements contained in this conflict of interest statement are, to the best of my knowledge, true, correct, and complete.

DATED: April 14, 1980 SIGNED: Karen W. Cory

SUBSCRIBED AND SWORN to before me this 16 day of April, 19 80

Notary Public: Jean Boone

My commission expires: My Commission Expires January 21, 1982

APOC FORM 39-1 (Rev. 11/79)

PART 3. SOURCES OF INCOME AND CAPITAL GAINS OVER $100
(see Manual of Instructions, page 7)

NAME (of reporting official, spouse, etc.)	SOURCE OF INCOME
1) Salary:	
Karen W. Cory	State of AK.
2) Rentals:	
3) Dividends and Interest:	
Karen W. Cory	AK Teamsters Fed. Credit Union (account presently closed)
4) Self employment (business name, clients, customers):	
N/A	
5) Other:	
N/A	

(Use continuation sheet if necessary)

PART 4. BUSINESS INVOLVEMENT OR OWNERSHIP INTEREST AS A STOCKHOLDER, OWNER, OFFICER, DIRECTOR, PARTNER, PROPRIETOR, OR EMPLOYEE
(see Manual of Instructions, page 9)

NAME (reporting official, spouse, etc.)	NATURE OF INVOLVEMENT OR INTEREST	NAME AND ADDRESS OF BUSINESS

(continue on blank sheet if necessary)

PART 5. REAL PROPERTY INTERESTS OWNED, INCLUDING OPTIONS TO BUY
(see Manual of Instructions, page 10)

NAME (of reporting official, spouse, etc.)	IDENTITY . PROPERTY INCLUDING LOCATION AND CURRENT USE	NATURE OF INTEREST
NONE		

(continue on blank sheet if necessary)

PART 6. BENEFICIAL INTEREST IN TRUSTS OR OTHER FIDUCIARY RELATION
(see Manual of Instructions, page 11)

NAME (reporting official, spouse, etc.)	TRUSTOR	PROPERTY	EXTENT OF INTEREST
NONE			

(continue on blank sheet if necessary)

PART 7. LOANS, LOAN GUARANTEES OR OTHER FINANCIAL OBLIGATIONS OF $500 OR MORE
(see Manual of Instructions, page 12)

NAME (reporting official spouse, etc.)	IDENTITY OF MAKER OF LOAN, LOAN GUARANTOR, OR CREDITOR
NONE	

(continue on blank sheet if necessary)

PART 8. CONTRACTS AND OFFERS TO CONTRACT WITH THE STATE OR AN INSTRUMENTALITY OF THE STATE
(see Manual of Instructions, page 13)

NAME AND RELATIONSHIP (John Doe, reporting off.; Jan Doe, spouse)	STATE CONTRACTING DEPT. OR INSTRUMENTALITY	IDENTITY OF CONTRACT	INDICATE: BID, HELD, OFFERED
NONE			

(continue on blank sheet if necessary)

PART 9. LEASES OR OFFERS TO LEASE MINERAL, TIMBER, OIL, OR OTHER NATURAL RESOURCES
(see Manual of Instructions, page 15)

NAME AND RELATIONSHIP (John Doe, reporting off.; Mary Doe, mother)	NATURE OF LEASE	IDENTITY OF LEASE	INDICATE: HELD OR OFFERED
NONE			

(continue on blank sheet if necessary)

Alaska State Legislature

Senate

Office of the Secretary

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

February 25, 1981

TO: Senator Fischer
Chairman
State Affairs Committee

FROM: Peggy Mulligan
Secretary of the Senate

The following Governor's appointee for legislative confirmation of appointment to the position noted has been referred to your committee:

ALASKA PUBLIC OFFICES COMMISSION

Mildred A. Opland, Anchorage, term expiring 2/1/86

A resume on the above individual is attached.

Applicant: Mildred A. Opland

Born in Grand Forks, North Dakota in 1931

Graduated with Bachelor of Science in Chemistry
University of North Dakota, 1952

Married Robert Opland in 1952

First came to Alaska in 1952.

Mother of four Alaskans ages 19,22,24 and 26

Community involvement:

Active church member involved in choir, Sunday School and currently serving as President to our church women's organization

Past area chairman for Heart Fund Drive

Six years member of PTA board

Area representative for HALO (homeowners) board

Republican Women's Club past Vice President '77-'79

Republican Party Precinct Committee Woman '58-'81
Delegate to District Conventions, '58, '64-'80;
Delegate to State Conventions, '68-'80;
Area Coordinator, '58-'72
District 10 Chairman, '72-'74
District 11 Bonus Vote, '76-'80

Alaska Division of Elections
Registrar since election registration began
Precinct election board judge since '
Southcentral Canvass Board, '74, '76, '78, '80

Favorite pastimes include sailing, hiking and reading.

Alaska State Legislature

Senate

Office of the Secretary

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

M E M O R A N D U M

TO: Senator Vic Fischer
Chairman
State Affairs Committee

FROM: Peggy Mulligan
Secretary of the Senate

DATE: January 20, 1981

The President has referred the following Governor's appointments jointly to your committee and the Community and Regional Affairs Committee for your recommendation in accordance with AS 39.05.080:

BOARD OF ELECTRICAL EXAMINERS

George McCoy, Anchorage, term expiring 7/10/82
Terence Duszynski, Fairbanks, term expiring 7/10/83

Alaska State Legislature

Senate

Office of the Secretary

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

DATE: 22 March 1982

TO : Senator Fischer, Chairman
State Affairs Committee

FROM: Peggy Mulligan
Secretary of the Senate

RE : Governor's Appointments

The President has referred the following Governor appointee's to your Committee for recommendation in accordance with AS 39.5.080:

STATE BOARD OF REGISTRATION FOR ARCHITECTS, ENGINEERS AND LAND SURVEYORS

Robert B. Boswell, Fairbanks, term expiring 07/01/87

N..W CAPITAL SITE PLANNING COMMISSION

*Glenn W. Fredericks, Anchorage
*George A. Morrison, Anchorage
(Term expiring see AS 44.06.200)

*Reappointment

Resumes enclosed

LAKE & BOSWELL CONSULTING ELECTRICAL ENGINEERS, INC.

JAMES M. LAKE, P.E.
ROBERT B. BOSWELL, P.E.

543 THIRD AVENUE, ROOM 206
FAIRBANKS, ALASKA 99701
PHONE 907-45[illegible]1441

RESUME

Robert B. Boswell
Vice President
Lake & Boswell, Consulting
Electrical Engineers, Inc.

August 6, 1981

Born:

May 26, 1938, Fairbanks, Alaska

Education:

Graduate Fairbanks High School, 1956
Bachelor of Science Degree in Electrical Engineering from the University of Washington, 1967

Years Experience:

6 years with James M. Lake, Consulting Electrical Engineer
8 years with Lake and Boswell

Active Registration:

Registered Professional Engineer in the State of Alaska - 1971
Registration Number 2284-E

Professional Societies:

Member, Institute of Electrical and Electronic Engineers
Member, National Society of Professional Engineers
Member, Illuminating Engineering Society

Community Service:

Past Member and Vice-Chairman, Fairbanks Municipal Utilities System Public Utilities Board
Member, Board of Directors University of Alaska Heating Corporation
Member and President of the Fairbanks Rotary Club
Executive Board Member and Past Treasurer of the Midnight Sun Council, Boy Scouts of America
Alaska Bar Association Discipline Hearing Committee 4th Judicial District, Non-Attorney Member

A F F I D A V I T

QUALIFICATIONS FOR APPOINTMENT

TO AN ALASKA BOARD OR COMMISSION

FULL NAME Robert Booth Boswell

PLACE OF RESIDENCE 1216 - 10th Avenue, Fairbanks, Alaska 99701

BIRTHPLACE Fairbanks, Alaska

MAILING ADDRESS 543 3rd Avenue, Room 206, Fairbanks, Alaska 99701

I HAVE LIVED IN ALASKA FOR 43 YEARS.

DATE/PLACE OF NATURALIZATION, IF A NATURALIZED CITIZEN

N/A

PLEASE GIVE EXACT NAME OR NUMBER OF THE ALASKA PRECINCT IN WHICH YOU LAST VOTED Fairbanks Precinct #5

I, Robert B. Boswell, DO SOLEMNLY SWEAR (OR AFFIRM) THAT THE ABOVE STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Robert B. Boswell

Subscribed and Sworn to before me this 26th day of January, 1982.

Margaret Miles

Notary Public, State of Alaska
My Commission expires: 8/10/85

STATE OF ALASKA

OATH OF OFFICE

Office or Department Department of Commerce & Economic Development

I, Robert B. Boswell, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States, and the Constitution of the State of Alaska, and that I will faithfully discharge my duties as a member of (board or commission) the Board of Registration for Architects, Engineers & Land Surveyors to the best of my ability.

Robert B Boswell

Subscribed and Sworn to before me this 26th day of January, 19 82.

Notary Public, State of Alaska
My Commission expires: 8/10/85

(Seal)

DECEMBER, 1981

R E S U M E

GLENN W. FREDERICKS

PERSONAL DATA: Age: 46 Weight: 170 Pounds
Height: 5'10" Married: Three Children

EDUCATION: Palmer High School, 1954

EXPERIENCE:

June 1973 to Present: BAROMETER MOUNTAIN BUILDERS

Owner, General Construction Company

January, 1973 to June, 1975: CALISTA CORPORATION

Area Manager
Responsible for coordination and communication of all phases of Alaska Native Claims Act between central office in Anchorage and eleven villages on the middle Kuskokwim. Involved in instructing villagers in implementation of the Act, advising on budgets, financial management, social and economic development.

June, 1969 to October, 1972: PULIS BUILDERS

Construction Foreman
Responsible for supervision of job and men for all of company's "bush" contracts. Jobs included hospitals, steel buildings, concrete work and private homes. Supervised up to thirteen men working in various construction capacities.

April, 1966 to October, 1968: NORTH STATE CONSTRUCTION

Carpenter
Assigned to assist in carpentry from rough finish to finish work. Jobs included commercial buildings and private homes.

EXPERIENCE CONT'D:

July, 1963 to
October, 1965: STEWARDALL CONSTRUCTION

Carpenter
Assigned to assist in carpentry from rough finish to finish work. Jobs included commercial buildings and private homes.

MILITARY EXPERIENCE:

UNITED STATES MARINE CORPS

Served from October, 1954 to October, 1957. Assigned to Military Police; stationed one year in California and two years in Japan. Received honorable discharge.

OTHER AFFILIATIONS:

President, The Kuskokwim Corporation
1973 - Present

President, Kuskokwim Native Association
1972 - Present

Director, Calista Corporation
1980 - Present

Director, Lower Yukon-Kuskokwim Acquaculture Association, 1980 - Present

Commissioner, New Capital Site Planning Commission

Chairman, Regional Advisory Board, Bureau of Indian Affairs, Bethel Agency

Member, Regional Government Study Team, Southwest Alaska

Member, Oil & Gas Committee, Association of Village Council Presidents

Member, Alaska Federation of Natives Land Managers Association; member of task forces on gravel, airports and 14(c)

Elected Traditional Lifetime Chief, by Association of Village Council Presidents Convention Delegates, 1979

Continued from page 3

BOARD MEETINGS HELD...

September 19, 1981 at Sleetmute, Alaska.

—Glenn Fredericks, Nick Mellick, Jr., and Leo Morgan were approved to serve as the Credentials Committee for the annual meeting.

—The Board voted to hold the annual meeting in a different village each year, alternating between up-river villages and down-river villages.

—The general manager was directed by the Board to make arrangements to hold a potlatch following the meeting. Board members also agreed that a plane should be sent to each village to pick up shareholders for the annual meeting. Sign up sheets are to be posted in each village for shareholders interested in attending.

—A proposal from Buckstock Mining for exploration activities on corporation lands was reviewed and discussed at length. The general manager was directed to meet with Calista concerning the proposal and to collect additional background information on the company and its owners.

—A request from Buckstock to lease land from the corporation for construction of a runway was denied by the Board. Board members felt that existing village airports should be used to increase the potential for villages to provide support facilities and to insure more local hire.

—Since the general manager had not had time to prepare an operational budget for fiscal 1982, Directors voted to approve operational expenses for fiscal 1982 at the same level as fiscal 1981 expenses through September 30, 1981.

—Board members approved the program outline for the sawmill study as designed by management.

—An outline for the preparation of the interim land management plan was reviewed and approved by directors. Management was directed to pre-

Continued on page 11

Calista Corp.

PRESIDENT GLENN FREDERICKS

Anchorage address: 276-2101
1400 Virginia Ct. 274-2194 h.

***Editor's Note:** Since the President is not running for reelection this year, we thought this might be a good time to let shareholders know more about the duties and activities of the President.*

Most of you know Glenn "Tiny" Fredericks very well; many of you grew up with him. For those of you less familiar with the President, he was born and raised in the village of Sleetmute. He left the village to attend high school in Palmer and went from high school into the Marine Corps. After finishing his enlistment in the Marines, he began his career in construction, beginning as a carpenter, working up to a superintendent until finally, in 1973, he formed his own construction company and became a general contractor. Shortly after the passage of the Land Claims Act, Fredericks moved back to his home village of Sleetmute and lived there three years while he traveled throughout the area to inform village residents about the Act and to help get village corporations set up. In 1975, when the office of Kuskokwim Management Corporation was established, Fredericks moved to Anchorage to assume an active role in the on going operations of the company.

Glenn is just completing his fourth year as President of The Kuskokwim Corporation, a position he has held since the corporation was established through the merger in 1977. Prior to that, he served as President of Kuskokwim Management Corporation and the village corporation of Georgetown, Incorporated, for a total of nine years in the position of President. This may be a record among the Native corporations established in 1971.

The duties of the President include calling all meetings of the Board and Executive Committee, presiding over all meetings of the Board of Directors and the Executive Committee, and signing all corporate documents. In addition to these duties, the President takes an active role in the on going operations of the company. He supervises management to make sure Board policies are carried out correctly, he represents the corporation at public and private meetings where corporate-related issues are discussed, and he maintains contacts with the Legislature and public and private officials where the interests of the corporation are involved. He also functions in a part-time staff position for the company. In his staff position, Fredericks handles all land matters for the corporation and keeps current information on the status of all Land Claims Act issues, including current legislation pending and/or passed.

In addition to the time Glenn spends working directly for the corporation, he accepts many invitations to sit on Boards of other organizations, participate in various studies being conducted in the area and/or speak to other village corporations about corporate management. In these cases, the President's travel and expenses are covered by the organization who issued the invitation. These activities require a considerable amount of travel and a great deal of time for which the President receives no pay. However, Mr. Fredericks has always felt it very important to keep actively informed of activities

going on in the area because of the way they may affect shareholders or because of potential development possibilities for the TKC area.

Some of the President's activities in this area include:

- —Participant in a reindeer feasibility study being conducted by Kuskokwim Community College.
- —Member of the Regional Government Study Team, Southwest Alaska.
- —Member of the AVCP Oil and Gas Committee.
- —Member of Alaska Federation of Natives Land Managers Association and a member of the Land Managers Association task forces on gravel, airports and 14(c).
- —Director, Lower Yukon Kuskokwim Acquaculture Association.
- —Consultant to the Alaska Native Foundation's Village Management Assistance Program.
- —President, Kuskokwim Native Association.
- —Regional Advisory Board member, Bureau of Indian Affairs, Bethel Agency.

Finally, out of concern over directions taken by the regional corporation, President Fredericks ran for the Board of Directors of Calista Corporation last year and won the Unit 3 seat. As a director of Calista Corporation, Glenn serves as Chairman of the personnel committee, as a member of the finance committee and as a Director of Calista Construction Company, a wholly-owned subsidiary of Calista Corporation. He was also elected to represent Calista as a Director of Alaska Consolidated Shipping, Inc., a company owned in part by Calista. Alaska Consolidated Shipping subsequently elected Fredericks to the position of Treasurer of the company.

For his services to The Kuskokwim Corporation, President Fredericks receives a part-time gross salary of $787.50 per month. This represents Fredericks' total compensation from the corporation. Since he is a part-time staff member, he receives no other benefits such as medical insurance or retirement, and he is not paid directors' fees for attendance at meetings.

President Fredericks is widely respected as a leader who shows genuine concern for the people and the area he represents. He has contributed significant time and effort to the growth of the corporation, the education of shareholders and the advancement of the area, sacrificing many opportunities along the way for his own personal gain. He continues to do so by choice in the belief that his contributions and efforts will long survive him through future generations of shareholders. ◘



President Fredericks traveling on the Kuskokwim

STATE OF ALASKA

OFFICE OF THE GOVERNOR
Pouch A
Juneau, Alaska 99811

BOARDS AND COMMISSIONS RESUMÉ

INSTRUCTIONS

A separate application is required for each position for which you apply. Complete and specific answers will aid in rapid and accurate processing of your resumé. The initial determination of whether you qualify for the position specified will be based on this application.

Please type or print legibly in ink. Forward to the above address. Be sure your answers are true. A willfully false answer may result in your disqualification or removal from office if you are appointed.

Position for which I am applying:

Please list any other Board or Commission on which you serve:

Name	Previous Name applied under
George A. Morrison	
Mailing Address	**Residence Address**
2135 SORBUS WAY	Same
City, State and Zip Code	
ANCHORAGE, ALASKA 99504	
Home Telephone	**Business or Message Telephone**
279-5278	274-3561

REPORT ADDRESS AND TELEPHONE CHANGES PROMPTLY

AS 39.05.100 requires that a person appointed to a board or commission be a registered voter before the last general election:

Are you a registered voter? ☑ YES ☐ NO

Voter Registration Number (Optional)

Social Security Number (Optional)

Have you ever been convicted of a misdemeanor within the past five years or a felony within the past ten years? ☐ YES ☑ NO

If "YES", explain the circumstances on a separate sheet of paper and attach it to this application. A conviction is not necessarily grounds for disqualification. The number of convictions, nature, recency and relationship to the board position applied for will be evaluated and a determination will be made after a review of all relevant facts.

A policy in the Governor's Office pertaining to boards and commissions is that a member attend at least 75% of the meetings. Are there any circumstances in either your professional or personal life which would prevent you from participating at the required authorized meetings? ☐ YES ☑ NO

If "YES", explain on a separate sheet of paper and attach to this application.

This position may require that the member travel to either urban or rural (or both) areas. Are there any circumstances which would prevent you from participating? NO

CONFLICTS OF INTEREST: Certain Boards and Commissions require full disclosure of personal financial data under AS 39.50.010. If required for the Board or Commission for which you are applying, are you willing to do so? ☒ YES ☐ NO

Could you or any member of your family be affected financially be decisions to be made by the Board or Commission for which you have applied?
☐ YES ☒ NO If "YES", explain.

The Office of the Governor will not discriminate against an applicant for a Board or Commission based on Sex, Age, National Origin, Marital Status, Pregnancy, Handicap, Religion or Parenthood.

01-012(2/81)

TRAINING & EXPERIENCE: (If résumé attached, it is not necessary to complete items A-D)

A. List any professional licenses, certifications, or registrations and dates obtained that may be used as qualifying criteria:

Certified Public Accountant 10-4-1967

B. List both formal and informal education and training experiences: (Use additional paper if necessary)

3BAD - Gonzaga University

C. List any community service positions, municipal government positions, state positions held, and list any awards received. These include both compensated and uncompensated positions (for example, president of a service organization or a mayor). Also include length of time served in the positions.

Commissioner of Revenue - State of Alaska 1967-1971
Executive Director, Legislative Audit - State of Alaska 1960-1967
Controller, Alaska Court System 1971-1973

D. Employment work history: paid, unpaid or voluntary: (Use additional paper if necessary)

Senior Vice President - Alaska Mutual Bank 1973-Present

The Office of the Governor and the State of Alaska have an Affirmative Action Equal Employment Opportunity Program. To assist in the program, you are asked to voluntarily answer the following questions to provide the information necessary for reporting purposes. Under State and Federal law, the information you provide will not be used to illegally discriminate against you.

SEX
- [x] Male
- [ ] Female

ETHNIC BACKGROUND
- [x] White
- [ ] Black
- [ ] Hispanic
- [ ] Alaska Native
- [ ] Asian or Pacific Islander
- [ ] American Indian

Date of Birth	Military Service (If applicable, give dates)
3-23-26	USN 1943-1945 1949-1951

CERTIFICATION: I swear that the information I have entered on this form is true to the best of my knowledge. I understand that if I deliberately conceal or enter false information on the form my application may be rejected, I may be removed from the list of eligible candidates or I may be removed from the position. I agree that the Office of the Governor may contact present or former employers or other persons who know me to obtain additional information about my skills and abilities. I understand that the information on this application is public information and may be released through a legal request for such information.

Signature In Ink	Date
George A. Morrison	2-26-76

01-012(1/81) Back

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Sen. Jalmar Kerttula
Senate President

FROM: Senate State Affairs Committee

DATE: March 31, 1982

RE: Governor's appointments to the New Capital Site Planning Commission

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The Senate State Affairs Committee has had under consideration the Governor's appointments to the New Capital Site Planning Commission and reports back with the following recommendations:

Margaret Branson, Seward, terms expiring see AS 44.06.200
*George W. Easley, Anchorage
Caroline Powell, Yakutat
Felix Toner, Juneau
Merry Tuten, Fairbanks
*George A. Morrison, Anchorage
*Glenn W. Fredericks, Anchorage

* Reappointment

Member	Recommendation
Senator Vic Fischer, Chair	V. Fischer no objection
Senator Mike Colletta	Mike Colletta no objection
Senator Brad Bradley	Brad Bradley no objection
Senator Dick Eliason	DK Eliason
Senator Terry Stimson	Terry Stimson No Objection

Alaska Journal of Commerce
& Pacific Rim Reporter
715 L Street, Suite 5 • Anchorage, Alaska 99501 • (907) 278-3723

DONALD A. DENNIS
3011 Westgate Place
Fairbanks, Ak. 99701
Phone: (907) 456-6429

Age: 39
Birth: 9/8/39
Height: 6'4"
Weight: 240
Health: Excellent

Marital Status: Married, 4 Children
Scott 17, Steve 15, Teena 13, Todd 7
Education: Southern Colorado St. (B.S. '66)
Pueblo College (A.A. '59)
Occupation: Writer/Management Consultant
Religion: Presbyterian

PROFESSIONAL:

November 1959-August 196..	The Chieftain, Pueblo, Colo.	Sports Writer
August 1961-August 1964	The Sentinel, Grand Jct., Colo.	Sports Editor
August 1964-November 1967	The Chieftain, Pueblo, Colo.	Asst. Sports Editor
November 1967-August 1968	Jessen's Daily, Fairbanks, Ak.	Sports Editor
September 1968-April 1976	Daily News-Miner, Fairbanks, Ak.	News Editor (1968-70) Editor (1971-1976)
October 1968-March 1971	University of Alaska	Sports Information Director
January 1962-August 1964	Grand Junction Baseball Inc.	Business Manager
March 1965-November 1967	Pueblo Baseball Club Inc.	President/General Manager
February 1968-Present	Ak. Goldpanners Baseball Inc.	General Manager/Secretary
November 1975-Present	Valley Giants Baseball Inc.	General Manager/Treasurer
September 1978-~~Present~~ NOV. 1979	Pacific Rim Publishing Co.	President
November 1979-Present	Tundra Tours Inc.	General Manager

ORGANIZATIONS (Partial Listing Only)

Salvation Army	Fairbanks, Ak.	Advisory Board of Directors
Boys Club of Fairbanks	Fairbanks, Ak.	Executive Director
Quarterback Club	Fairbanks, Ak.	Board of Directors
U of A Blue & Gold Club	College, Ak.	Founder/Member
AAU Basketball	Fairbanks, Ak.	Chief Operating Officer
Sigma Delta Chi	Chicago, Ill.	Member
Parks & Recreation Commission	Fairbanks, Ak.	Commissioner
National Parks and Recreation Association (CBM)	Arlington, Va.	National Board of Directors
Arctic Winter Games Corp.	Whitehorse, Y.T.	President/Board of Directors
Alaska Winter Games Inc.	Anchorage, Ak.	Board of Directors
American Association of College Baseball Coaches	Chicago, Ill.	Member
National Association of Summer Baseball Leagues	New York, N.Y.	Past President/Vice President
United States Baseball Federation	Greenville, Ill.	Delegate
Fairbanks Youth Sports Inc	Fairbanks, Ak.	Board of Directors
Little Dribblers Basketball	Fairbanks, Ak.	Board of Directors
American Legion Baseball	Fairbanks, Ak.	Advisor
North of the Range League	Fairbanks, Ak.	Chief Operating Officer
Stadium Expansion Committee	Pueblo, Colo.	Member
Runyon Field Committee	Pueblo, Colo.	Member
Colorado All-State Games	Denver, Colo.	Member

HONORS (Most Cherished Only)
Executive of the Year, National Baseball Congress, Wichita, Kan.
Sportsman of the Year, Fairbanks Quarterback Club, Fairbanks, Ak

Alaska State Legislature

Senate

Office of the Secretary

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

M E M O R A N D U M

TO: Senator Vic Fischer
Chairman
State Affairs Committee

FROM: Peggy Mulligan
Secretary of the Senate

DATE: January 20, 1981

The President has referred the following Governor's appointments to your committee for your recommendation in accordance with AS 39.05.080:

STATE BOARD OF REGISTRATION FOR
ARCHITECTS, ENGINEERS AND LAND SURVEYORS

Gerald Myers, Fairbanks, term expiring 7/1/86
Odin Strandberg, Anchorage, term expiring 7/1/81

ATHLETIC COMMISSION

Don Dennis, Fairbanks, term expiring 5/14/82
Reginald Joule, Kotzebue, term expiring 5/14/82

STATE COMMISSION FOR HUMAN RIGHTS

*James Chase, Anchorage, term expiring 1/31/86

PERSONNEL BOARD

*Morgan Reed, Skagway, term expiring 6/20/86

ALASKA PUBLIC UTILITIES COMMISSION

*Gordon Zerbetz, Anchorage, term expiring 10/31/86

*reappointments

RECEIVED
JUN 27 1980
GOVERNOR'S OFFICE

RESUME'

NAME:	Gerald D. Myers
Marital Status:	Married in 1955, No children
Occupation:	Practicing Architecture in Alaska 12 years.
Overview:	University of Idaho: Bachelor of Architecture Registered Architect in Alaska, No. 1848-A Registered Architect in California No. 5704 Registered Architect in Idaho, No. AR-505
Professional Affiliations:	Past Commissioner, Fairbanks Historical Preservation Commission Chairman Fairbanks Urban Beautification Commission Past Chairman, Fairbanks Overall Development Program Guest Lecturer, University of Alaska, School of Engineering Past Commissioner North Star Borough Library Commission Member American Institute of Architects A.I.A. Representative to Alaska Professional Design Council
Previous Firm Affiliation:	Partner in Fairbanks Architectural/Engineering firm of Gray, Rogers, Myers & Morgan; 1968 - 1973
Current Firm Affiliation:	Architects: GDM & Associates, Inc. formed in 1974 with offices in Fairbanks and Anchorage.

February 1, 1980

Name: James H. Chase

Address: 023 Madison Way
Anchorage, Alaska 99504

Education

1967 Master of Science, Industrial Management, University of North Dakota, Grand Forks, North Dakota.

1954 Bachelor of Science, Biology, Morgan State College, Baltimore, Maryland.

Present Position

1979/80 -Affirmative Action Officer for Archorage Community College and University of Alaska, Anchorage. Address: 3211 Providence Drive, Anchorage, Alaska 99504. Telephone: (907) 263-1434.

Duties: Responsible for implementation, coordinating and monitoring the University's Affirmative Action Program for Anchorage Community College and the University of Alaska, Anchorage in compliance with current federal and state legislation, Presidential Executive Orders and court decisions. Insures that all educational services are delivered without regard to race, color, religion, national origin, sex, age, physical disability or veteran status. Trains management, first-line supervisors and other employees with regard to their affirmative action duties and responsibilities. Prepares and submits reports as required.

Develop and carry out two-way communications with local minority and women's organizations and other community groups to inform them of the University's EEO/AA policies and plans. Develop an accurate data base in order to provide meaningful goals and timetables for the Affirmative Action Plan.

Represent the units served at Federal and State agency hearings, grievance procedures, and court proceedings. Advise student, employees, and applicants of their rights including mechanisms both internal and external which may help the individual obtain relief from a complaint.

Positions Held

8/1977 to 10/1978 -Senior Associate, Center for Equality of Opportunity in Schooling, Alaska Native Foundation, 411 West 4th Avenue, Anchorage, Alaska 99501 Telephone: (907) 274-2541.

Specialization: Title IX and Human Relations

Primary Duties: Organizes and conducts workshops related especially to sex desegregation; provides technical assistance on race/sex desegregation issues to urban and rural school districts in developing needs assessment statements, program plans, affirmative action plans, grievance procedures, and compliance record keeping procedures. Provides follow-up services via written evaluations and reports and furnishing of resource materials. Analyzes race/sex desegregation problems and aids in planning for remedies.

Ancillary Duties: Planning and co-facilitating workshops, seminars, and conferences on multi-cultural, multi-lingual, values clarification, effective communication, team building, assertiveness and other human relations subjects.

2/1977 to 6/1977 -Acting Director, Anchorage Equal Rights Commission, Municipality of Anchorage, Anchorage Alaska.

Duties: Directs the Commissions's program involving all administrative and fiscal responsibilities; trains and supervises all staff employees; recommends the establishment of ordinances dealing with equal opportunity; represents the Commission in a wide variety of contracts; makes public appearances as required before groups and the general public; holds workshops/seminars; counsels employers, investigates complaints and develops solutions; maintains direct liaison with news media; sits as principal administrative officer at Commission meetings; prepares annual and supplemental budget; prepares newsletters and brochures outlining purposes of the Commission.

2/1975 to 2/1977 -Director, Human Relations Commission, City of Anchorage, Alaska

Duties: Directs the Commission's program involving all administrative and fiscal responsibilities; trains and supervises all staff employees; recommends the establishment of ordinances dealing with equal opportunity; represents the Commission in a wide variety of contacts; makes public appearances as required before groups and the general public; hold workshops/seminars; counsels employers, investigates complaints and develops solutions; maintains direct liaison with news media; sits as principal administrative officer at Commission meetings; prepares annual and supplemental budget; prepares newsletters and brochures outlining purposes of the Commission.

7/1972 to 11/1974 -Chief, Social Actions Office, 21st Composite Wing, Elmendorf Air Force Base, Alaska

Duties: Developed and administered Drug and Alcohol Abuse Education and Rehabilitation, Race Relations Education, Dissident and Protest, Domestic Actions, Equal Opportunity and

Affirmative Action programs. Served a population of more than 11,000 persons. Maintained liaison with civilian counterpart agencies. Established Elmendorf Human Relations Council and Drug Abuse Control Committee. Author of the Elmendorf AFB Affirmative Action Plan.

3/1970 to 6/1972 -Chief, Management Engineering Division, Manpower and Organization, Alaskan Air Command, Elmendorf Air Force Base, Alaska.

Duties: Developed and administered the Alaskan Air Command Management Engineering Program. Provided technical guidance and insured coordination of manpower determinants with staff agencies. Continuously reviewed and analyzed the Commands' manpower resources to assure credible and defensible utilization of authorizations. Utilized techniques of systems analysis, statistical analysis, time and motion studies and layout process flow analysis. Quantified reduction of 124 manpower spaces equating to a savings of more than $2 million.

4/1969 to 3/1970 -Commander, Cape Newenham Air Force Station, Cape Newenham, Alaska.

Responsible for the remote arctic radar station to include the Air Defense mission and the supporting housekeeping functions on a 24-hour-a-day basis. Responsible for the health, welfare and morale of more than one hundred officers, enlisted persons and Department of the Air Force civilians on isolated duty in an arctic environment.

Current Community and Professional Activities

Member -Joint Committee for International Human Rights

Member -National Association of Human Rights Workers

Board Member -Alaska Black Caucus

Member -Anchorage, NAACP

Board Member -Chugach Council of Camp Fire

Member -Alaska Vocational Rehabilitation Advisory Board

Member -Anchorage Community Chorus

Member -Editorial Board - The Journal of Intergroup Relations

Past Community and Professional Activities

1978/79	Western Regional Vice-President National Association of Human Rights Workers
1975/79	Board Member National Association of Human Rights Workers
1976/78	President, Black Arts Association
1976/77	U.S. Commission on Civil Rights Conference Planning Committee
1975/77	International Association of Official Human Rights Agencies
1972/77	Anchorage Community Chorus Board Member
1973/77	Anchorage Mayors' Charity Rose Ball Committee
1975/77	Anchorage Intergroup Relations Association
1970/76	Alaska Industrial Management Society
1973/75	City of Anchorage Budget Advisory Committee
1972/75	Anchorage Equal Rights Association
1973/76	Anchorage Roundtable

Honors and Awards

1979	Volunteer of the Year, Chugach Council of Campfire, Inc.
1979	Outstanding Volunteer, Alaska Black Caucus
1978	Maharishi Award, Transcendental Meditation Society
1978	Farnsworth Award, Chugach Council of Campfire, Inc.
1976	Golden Spike Award, Alaska Railroad
1974	Meritorious Service Medal, United States Air Force
1973	Presidential Award, Anchorage NAACP
1973	Presidential Award, Black Arts Association
1971	Outstanding Member of the Year Award, Alaska Industrial Management Society
1970	Commendation Medal with Oak Leaf Cluster, U.S.A.F.
1969	Commendation Medal, U.S.A.F
1967	Combat Readiness Award, U.S.A.F.

RESUME

Phone: Home 442-3452
Work 442-3411

Reginald L. Joule

Box 673
Kotzebue, Alaska 99752

October 14, 1980

PERSONAL DATA

Date of Birth:	July 14, 1952, in Nome
Social Security Number:	574-24-6194
Registered Voter in:	Kotzebue
Married:	Linda Joule; one daughter

EDUCATION

Copper Valley High School	Graduated in 1970
University of Alaska Fairbanks, Alaska	1970-73: Classes in Political Science

EMPLOYMENT

1974 to Present	Wien Air Alaska Ground Service Member Relief Operations Agent
1973 to 1974	NANA Regional Corporation I worked as an Assistant Planner for the NANA Regional Corporation, under an Economic Development grant. The purpose of my job was to plan and promote economic development and growth for this region. A few of the main emphases was on tourism, fisheries and the reindeer industry. Many of the ideas and proposals we put together at that time are now to this day a reality in this region. I did alot of traveling to the villages in this region and know some of the villagers' needs, working with NANA helped my understanding in this area. I served on the State JOM board during that year.
January 1973 to May 1973	Wien Air Alaska Bethel
1970 to 1973	Alaska Airlines Tour Guide

PERSONAL INTERESTS AND MEMBERSHIPS

For the past eleven years, I have been involved with the World Eskimo-Indian Olympics as a competitor and most recently (presently) as Vice President of the Board of Directors. I have also been involved in the Arctic Winter Games and since 1972 have done the selecting of the competitors for the Native Sports. I have served as Coach for that particular group. The selection is state-wide and I also have served as competitor. I have also worked with the Anchorage Fur Rendevous Committee in setting up demonstrations in the Eskimo blanket toss and high kicking for the past four years.

I served one year on the Kotzebue City Council in an appointed position.

TO: State of Alaska
Office of the Governor
ATTENTION: Vicki A. Clayman

RESUME

Name: E. Odin Strandberg
Address: 6502 Lakeway Drive, Anchorage, Alaska 99502 243-1182
Birthplace: Flat, Alaska May 16, 1915

Fifth of six children of David and Jenny Strandberg, Pioneers of Klondike, Fairbanks and Iditarod.

Alaska Residency: 65+ years

Professional Education:

University of Washington - 3 years
University of Alaska - 2 years

Professional Degree:

Bachelor of Science in Mining Engineering
University of Alaska - 1959

Registration:

State of Alaska:

Mining Engineer - License No. EM0834
Land Surveyor - License No. LS3971

Career History:

Thirty-two years active experience in exploration, evaluation and operation of placer and lode mining properties in Alaska. (Twenty years as a consulting engineer) Specific areas - Iditarod, Innoko, McGrath, Koyukuk, Fairbanks, Talkeetna, Prince William Sound, Kenai Peninsula, Kachemak Bay.

Ten years experience in electrical power generation, including design, installation and operation.

Ten years Municipal Engineering work in Soldotna and Anchorage, including eight years as Anchorage Building Official.

Professional Organizations:

American Institute of Mining, Metallerical and Petroleum Engineers (AIME)
National Society of Professional Engineers
Alaska Miners Association

Other:

Current Private Pilots' License No. 1500819

Immediate Family:

Married - Marie O. Nordstrand, August 10, 1939
Four Sons:

E. Odin Strandberg, Jr., P.E., Sonoma, CA
Sigvald John Strandberg, Realtor, Anchorage, AK
James Stephen Strandberg, P.E., Fairbanks, AK
Boerent Rudolph Strandberg, student, University of Alaska

Avocations:

Inland Boating
Boat Building
Flying
Skiing

Alaska State Legislature

Senate

Office of the Secretary

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

M E M O R A N D U M

DATE: April 27, 1982

TO : Senator Fischer
Chairman
State Affairs Committee

FROM: Peggy Mulligan
Secretary of the Senate

RE : Governor's Appointments

The President has referred the following Governor's appointee's to your Committee for recommendation in accordance with AS 39.5.080:

STATE BOARD OF REGISTRATION FOR ARCHITECTS, ENGINEERS, AND LAND SURVEYORS

Gordon S. Best, Soldotna, term expiring 7/1/82

ALASKA PUBLIC OFFICES COMMISSION

Jean C. Rogers, Juneau, term expiring 2/1/87

Resumes enclosed

G. S. BEST
P.O. Box 476
Soldotna, Alaska 99669
(907)262-4360

Born:	March 15, 1932	Marital Status:	Married, six children (Youngest Senior - HS)
SSN:	522-34-7834		
Health:	Excellent		
Resident:	Since 1958		
Education:	B.S. Geology		

SUMMARY OF QUALIFICATIONS

* Administrative Officer
  Kenai Peninsula Borough

* Chief Cadastral Surveyor
  State of Alaska

* Director of Planning & Engineering
  Kenai Peninsula Borough

* Mayor (Chairman)
  Kodiak Island Borough

EMPLOYMENT HISTORY

Kenai Peninsula Borough
Administrative Officer

Responsible for the overall day to day operation of the borough including, assessing, planning, finance, legal, public works, engineering and 10 service areas ie; fire, medical services, hospital and roads. Administer $30 million dollar annual budget. Answer directly to the Borough Mayor Assembly and General Public.
2/81 - Present

State of Alaska, DNR
Chief Cadastral Surveyor

Responsible for the overall land survey program for the State of Alaska. Coordinate and direct the policies, programs and mandates of the Governor, legislature, and Commissioner of Natural Resources in the survey of

lands throughout the state. This process not only involved supervision of in-house survey and geological staff but the negotiation and supervision of estimated 150 annual professional contracts including geology, land planning, engineering, architecture and survey.

1/79 - 2/81

Geologist - Registered Land Surveyor
Self-Employed

Supervise 2 to 5 survey and geological crews. Provide consultant, supervision of development and technical/ professional services. Conducted general survey and soil investigation services specalizing in large subdivisions, tideland, municipal, state and borough surveys. Concurrent, temporary appointment as Special Projects Surveyor with Alaska Division of Lands, Cadastral Surveyor within the Cadastral Engineering Section working on special projects. Projects consisted of developing a preliminary draft for a Subdivisional Plan for the Division of Lands and miscellaneous projects consisting of a Preliminary Draft covering the entire road construction spectrum, reviewed and critiqued well over 50 Cadastral Surveys.

1/79 - 11/76

Kenai Peninsula Borough
Director of Planning & Engineering

Administer and enforce planning and zoning ordinances of borough. Provide administrative, investigative, research and other executive services to the planning commission and assembly concerning use of natural resources, economic develoment, land management and selection. Administer borough roads, school construction and solid waste.

3/69 - 11/76

Geologist - Registered Land Surveyor
Self-Employed

Supervise 2 to 5 survey and geological crews. Provide consultant, supervision of development and technical/professional services. General survey and

soil investigation services, specializing in large subdivisions, tideland, municipal, state and borough surveys.

8/65 - 3/69

Kodiak Island Borough
Borough Mayor (chairman)

Elected chief administrator of local govern unit with school, planning and zoning, assess t and collection of taxes, health, hospital, fire protection services and powers as provided in As 29.

9/67 - 3/69

Hewitt V. Lounsbury & Associates
RLS Associate

Principal/Associate in charge of general survey work, including electronic traverse and electronic computations.

7/64 - 8/65

State of Alaska - Dept. of Highways
Chief of Survey

General highway location and design. Responsible for the selection and preliminary design of routes and alignment. Supervision of field crews, photogrammetric section, office computers and draftsmen. Maintain survey training program for new hires.

7/61 - 7/64

AFFILIATIONS

American Congress on Surveying & Mapping (ACSM)
Past Vice President
Alaska Society of Professional Land Surveyors (ASPLS)
Past President
Elks
Mason
Rotary
Soldotna Chamber of Commerce

STATE OF ALASKA

OFFICE OF THE GOVERNOR
Pouch A
Juneau, Alaska 99811

BOARDS AND COMMISSIONS RESUMÉ

INSTRUCTIONS

A separate application is required for each position for which you apply. Complete and specific answers will aid in rapid and accurate processing of your resumé. The initial determination of whether you qualify for the position specified will be based on this application.

Please type or print legibly in ink. Forward to the above address. Be sure your answers are true. A willfully false answer may result in your disqualification or removal from office if you are appointed.

Position for which I am applying:
Member, APOC

Please list any other Board or Commission on which you serve:
Library advisory board for Borough of Juneau

Name	Previous Name applied under
Jean C. Rogers	
Mailing Address	**Residence Address**
1790 Evergreen ave.	same
City, State and Zip Code	
Juneau, Alaska 99801	
Home Telephone	**Business or Message Telephone**
907-586-1202	

REPORT ADDRESS AND TELEPHONE CHANGES PROMPTLY

AS 39.05.100 requires that a person appointed to a board or commission be a registered voter before the last general election.

Are you a registered voter? ☒ YES ☐ NO

Voter Registration Number (Optional)

Social Security Number (Optional)
518-20-7619

Have you ever been convicted of a misdemeanor within the past five years or a felony within the past ten years? ☐ YES ☒ NO

If "YES", explain the circumstances on a separate sheet of paper and attach it to this application. A conviction is not necessarily grounds for disqualification. The number of convictions, nature, recency and relationship to the board position applied for will be evaluated and a determination will be made after a review of all relevant facts.

A policy in the Governor's Office pertaining to boards and commissions is that a member attend at least 75% of the meetings. Are there any circumstances in either your professional or personal life which would prevent you from participating at the required authorized meetings? ☐ YES ☒ NO

If "YES", explain on a separate sheet of paper and attach to this application.

This position may require that the member travel to either urban or rural (or both) areas. Are there any circumstances which would prevent you from participating? None

CONFLICTS OF INTEREST: Certain Boards and Commissions require full disclosure of personal financial data under AS 39.50.010. If required for the Board or Commission for which you are applying, are you willing to do so? ☒ YES ☐ NO

Could you or any member of your family be affected financially by decisions to be made by the Board or Commission for which you have applied?
☐ YES ☒ NO If "YES", explain.

The Office of the Governor will not discriminate against an applicant for a Board or Commission based on Sex, Age, National Origin, Marital Status, Pregnancy, Handicap, Religion or Parenthood.

01-012(2/81)

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

MEMORANDUM

TO: Sen. Jalmar Kerttula
Senate President

FROM: Sen. Vic Fischer, Chair
Senate State Affairs Committee

DATE: May 5, 1982

RE: Confirmation of appointments

The following appointments were referred to the State Affairs Committee for recommendation in accordance with AS 39.05.080:

State Board of Registration for Architects, Engineers, and Land Surveyors: Gordon S. Best, Soldotna, term expiring 7/1/81

Alaska Public Offices Commission: Jean C. Rogers, Juneau, term expiring 2/1/87

State Affairs Committee members have no objections to these appointments at this time, however this does not constitute a commitment to approve them.

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

MEMORANDUM

TO: Senate State Affairs Committee Members

FROM: Sen. Vic Fischer

DATE: April 28, 1982

RE: Confirmation of Governor's appointments

Attached please find information on appointments made by the Governor to the State Board of Registration for Architects, Engineers, and Land Surveyors, and to the Alaska Public Offices Commission.

Please advise my office prior to Friday, April 30, if you would like either of these persons to appear before the committee, or if you have any questions about the appointments, so that we may arrange to make our recommendations prior to the session's end.

Thank you.

TO: SENATOR FISCHER
CHAIRMAN STATE AFFAIRS

FROM: SENATOR JALMAR KERTTULA
SENATE PRESIDENT

DATE: FEBRUARY 9, 1981

RE: CONFIRMATION OF DON DENNIS

Enclosed are copies of telegrams and letters that I have received concerning the confirmation of Don Dennis as Athletic Commissioner. I am forwarding them on to you for committee review.

Incidently, I have no prejudice on the matter.



Alaska Independent Baseball League, Inc.

FEB 6 1981

February 3, 1981

Honorable Jay Kerttula
State Senator
Pouch V
Juneau, AK.

Dear Jay:

In using criteria such as overall balance, receptiveness and an attitude of co-operation, I regret that I can not support the confirmation of Mr. Don Dennis of Fairbanks to the position of Athletic Commissioner for this State.

Sincerely,

Vince O'Reilly
Commissioner

VOR:jr

P.O. Box 3718 • Kenai, Alaska 99611 • 907-283-4946

SG 81-00001580 PRTY 1 01/21/81 12:43:18 ORIG: LW00 IN= 0006 OUT= 0024
ROM: MARTIE/ MAT SU TO: SEN KERTTULA, REP CARNEY
ARGET: LJH2 SUBJ: POM PAGE 0001

O: SEN KERTTULA AND REP CARNEY
ROM: RITA CAMPBELL, P.O.BOX 269, PALMER, AK 99645
E: DON DENNIS AS CHAIRMAN OF COMMISSION ON ATHLETICS JAN 21 1981
WOULD NOT LIKE TO SEE DON DENNIS AS CHAIRMAN OF THIS COMMISSION.
IS RECORD WITH THE ALASKA LEAGUE INDICATES SOMETHING LESS THAN
IS SEEKING THE BEST INTERESTS OF ALL INVOLVED. HE HAS BEEN INVOLVED
ITH TOO MANY OF THE OTHER CLUBS WHILE OSTENSIBLY ONLY MANAGING ONE
F THEM. HE SEEMS TO BE GIVEN TO MAKING PROMISES WITHOUT INTENDING
O FULFILL THEM, AND THEN IS RELUCTANT EVEN REFUSING TO RELEASE
NY RECORDS OR OTHER DOCUMENTATION OF ACTS AND CHARGES.

MSG 81-00001377 PRTY 1 01/20/81 13:01:27 ORIG: LW00 IN= 0003 OUT= 0029
FROM: MARTIE/MATSU TO: SEN. KERTTULA AND REP CARNEY
TARGET: LJH2 SUBJ: P.O.M. PAGE 0001

TO: SEN. KERTTULA
REP CARNEY
FROM CAROL WHITE, SRD BOX 9820, PALMER, 745-4516
RE: DON DENNIS AS CHAIRMAN OF ATHLETIC COMMISSION.
I DON'T FEEL DON DENNIS WOULD MAKE A VERY GOOD CHAIRMAN OF JAN 19 1981
SPORTS COMMISSION. HE'S NOT QUALIFIED!!!

TELEGRAM

02017 NL ANCHORAGE ALASKA 50 01-31 1710 AST

PMS SENATOR JALMAR KERTULLA

1581

JUNEAU AK

THE ALASKA INDEPENDENT BASEBALL LEAGUE GENERAL MANAGERS AND OFFICERS OPPOSE THE CONFIRMATION OF MR DON DENNIS AS STATE ATHLETIC COMMISSIONER. FOR REASONS ARE PAST PERFORMANCES. THEY BELIEVE DETRIMENTAL TO ALASKA BASEBALL.

VINCE OBILEY COMMISSIONER

JAN 19 1981

SG 81-0000[illegible]23 PRTY 1 01/20/8' 13:08:14 ORIG: LW00 IN= 0004 OUT= 0030
ROM: MARTIE/MATSU TO: P.O.M.
ARGET: L&H2 SUBJ: PAGE 0001

.O.M.
D: SEN KERTTULA
CM: KENNETH SOULE, BOX 36, PALMER, AK. 745 3723
ONFIRMING DON DENNIS AS CHAIRMAN OF THE COMMISSION ON
THLETICS.
R. DENNIS DOES NOT HAVE GOOD RAPPORT WITH MANY PEOPLE IN
UR AREA. IT WOULD NOT BE WISE TO HAVE HIM IN THIS POSITION.

TELEGRAM

FEB 3 1981

02018 r W. ANCHORAGE ALASKA 15 02-03 1124A AST

PMS SENATOR JALMAR KERTTULA

JUNEAU AK

I AM VEHEMENTLY AGAINST THE CONFIRMATION OF DON DENNIS

AS STATE ATHLETIC COMMISSIONER

JOE S ARMSTRONG 836 M ST ANCHORAGE 99501

MSG 81-[illegible]415 PRTY 1 02/04/81 12 03 58 ORIG: LW00 IN= 0007 OUT= 0008
FROM: MARTIE/ MAT SU TO: SEN KERTTULA
TARGET: L&H2 SUBJ: POM PAGE 0003

FEB 5 1981

TO: SEN-[illegible]OR KERTTULA
FROM: R. [illegible]ELL E. MCKECHNIE, P.O. BOX 21, PALMER, AK.
RE: DON DENNIS, COMMISSION ON ATHLETICS
SENATOR KERTTULA, PLEASE NOTE MY OPPOSITION TO THE CONFIRMATION OF DON DENNIS AS COMMISSIONER OF ATHLETICS. I OPPOSE HIM BECAUSE OF THE ARROGANCE AND DECEIT WITH WHICH HE TREATED THE BASEBALL SUPPORTERS IN THIS AREA.

FEB 5 1981

SEN JAL [illegible] KERTTULA
[illegible] JOHN [illegible], BOX 460, PALMER,
[illegible] DON DENNIS, COMMISSION ON ATHLETICS
[illegible] JAY, I WOULD LIKE TO PROTEST THE NOMINATION OF MR. DON DENNIS FOR [illegible] FOR THE STATE OF ALASKA, DUE TO HIS TRYING TO [illegible] UP THE BASEBALL LEAGUE IN ALASKA, JUST BECAUSE HE COULD NOT GET [illegible] HIS OWN WAY.
[illegible] VERY [illegible] AND NOT ALWAYS TRUTHFUL AND VERY HARD TO TALK TO UNLESS HE [illegible] EVERYTHING HE WANTS.
[illegible] REPRESENTING THE MAT SU MINERS.
[illegible],
[illegible] HARRIS

FEB 5 1981

[illegible] PRTY [illegible] 02/04/81 12:03:50 ORIG: LM00 IN= 0003 OUT= 0024
[illegible] TO: SEN KERTTULA
[illegible] PAGE 0005

TO: SEN. KERTTULA
FROM: [illegible], BOX [illegible], PALMER
RE: DON DENNIS, COMMISSION ON ATHLETICS
DEAR JAY,
I WOULD LIKE TO TAKE THIS OPPORTUNITY TO URGE YOU NOT TO CONFIRM THE NOMINATION OF DON DENNIS AS COMMISSIONER OF ATHLETICS. THE EXPERIENCE OF THE MAT SU MINERS WITH MR DENNIS OVER THE PAST TRYING YEARS HAS CONVINCED US HE WOULD BE TOTALLY UNACCEPTABLE FOR THE JOB. I FEEL THAT HIS UNCOOPERATIVENESS HAS BEEN RESPONSIBLE FOR THE DIVISION OF THE ALASKA LEAGUE. I ALSO FEEL THAT IF ANY [illegible] CHANNELED THROUGH HIS POSITION AS MANAGER IN FACT OR PRO TEM OF THREE TEAMS WOULD CONSTITUTE A HOPELESS CONFLICT OF INTEREST. THANK YOU FOR WHATEVER YOU CAN DO.

[illegible] 81-[illegible] PRTY [illegible] 02/04/81 12:03:58 ORIG: LM00 IN= 0003 OUT= 0024
[illegible] TO: SEN KERTTULA
[illegible] PAGE 0004

FEB 5 1981

[illegible] KERTTULA
FROM: [illegible] SOULS, BOX 36, PALMER
[illegible] COMMISSION ON ATHLETICS
[illegible] JAY, PLEASE VOTE AGAINST CONFIRMATION OF DON DENNIS AS COMMISSIONER [illegible] ATHLETICS. HIS RUDE AND DECEITFUL AND ARROGANT ATTITUDE HAS TURNED [illegible] OF MY SPORTS FRIENDS AND MYSELF AGAINST HIS APPOINTMENT.
[illegible] TRULY [illegible],
[illegible] SOULS

FEB 3 1981

[illegible]

[illegible]

[illegible]

FEB 6 19[illegible]

2-3-81

Dear Senator Kertulla:

I request that you vote Against confirmation of Don Dennis as commissioner of Athletics for the State of Alaska because of his very negative and destructive actions with the Valley entree in the Alaska Baseball League. He has been deceitful, and extremely rude in dealing with the Valley people. To a person, the 100 owners of the Mat-Su Miners are strongly opposed to his appointment. Certainly the State of Alaska can come up with more decent people than this for such a position.

John Hopkins
Box 467
Wasilla

TELEGRAM
[illegible]
ANCHORAGE
[illegible]

#

22062 POM ANCHORAGE ALASKA 15 02-04 1121A AST

PMS SENATOR JAY KERTTULA

JUNEAU AK

PLEASE DO NOT CONFIRM DON DENNIS AS STATE ATHLETIC COMMISSIONER.

JOHN YOUNGBLOOD, DISTRICT DIRECTOR OF LITTLE LEAGUE BASEBALL

7501 HENNINGS WAY ANCHORAGE AK 99504

FEB 9 1981

Senator Jay Kertulla
Senate President
Alaska State Senate
Juneau, Alaska

Feb 3, 1981

Dear Jay:

One is always more comfortable in requesting a yes vote for conformation than he is in requesting a NO vote. However, I feel it would be a grave injustice to the many people involved in Alaskan baseball to have the one individual who has almost single handedly destroyed the former Alaska League appointed as the commissioner of athletics for Alaska. It would be almost impossible to find one person in the sports arena in the Mat Su Borough who has a good word for Don Dennis. Comments from the League (Anchorage, Kenai and Mat-Su) personnel are also unanimous in their opposition to this appointment. When Dennis is discussed the words Dishonest, Arrogance, Deceit and dis-courtesy are prevalent.

I urge you to do all you can to stop this appointment.

Sincerely

Claude Smith

10

Alaska State Legislature

Senate

Office of the President

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 12, 1981

Burma Kernal
P.O. Box 4037
Kenai, AK 99611

Dear Mr. Kernal:

I received your message concerning Don Dennis. I have received many such messages and you can be assured I will strongly consider your request. I am forwarding your letter on to the appropriate committee for their consideration.

Sincerely,

Senator Jalmar Kerttula
Senate President

[illegible]
Chairman
State Affairs

February 4, 1981

FEB 11 1981

The Honorable Jay Kertulla
Senate President
Pouch V
Juneau, Alaska 99811

Dear Mr. Kertulla:

It is my understanding that Don Dennis of Fairbanks is being considered for the new position of State Athletic Commissioner. I would, as a person interested in sports on the Kenai Peninsula, like to express my opposition to such an appointment.

I know that Don Dennis is very much opposed to the Peninsula Oilers Baseball Club and suspect that he would act against most sporting needs on the Peninsula.

I would appreciate any help you may be able to give on this matter.

Yours truly,

Burma Kernal

Burma Kernal
P. O. Box 4037
Kenai, Alaska 99611

JANIS C. WILLIAMS

4034 Reka Drive #2
Anchora e, Alaska 99504
Phone 337-6073

Born: November 12, 1948
Marital Status: Single
Health: Excellent

Admitted to Alaska Bar: May 29, 1975

EDUCATION

Legal:

University of Denver College of Law, Denver, Colorado.
Juris Doctor Degree, December 1974.
Class Standing: Top 20%.
Honors and Activities: American Jurisprudence Award. for excellence in Estate Planning, Vice-chairman, Student Faculty Committee on Sub-Professional/ Paralegal Education.
Internships:
Trusts, United Bank of Denver, Denver, Colorado. In-depth orientation to all aspects of the trust department of a large commercial bank including the investment, tax, sales and account management areas of both personal and corporate trusts.
Legal Aid, Arapahoe County Legal Aid, Englewood, Colorado. Legal work in domestic relations and general civil practice including representation of clients in court.

Paralegal:

The Institute for Paralegal Training, Philadelphia, Pennsylvania. Certificate in Corporate and Securities Law, December 1970.

Undergraduate:

Mount Holyoke College, South Hadley, Massachusetts.
Bachelor of Arts Degree in Economics, June 1970.
Study Abroad: Junior year spent in Brussels, Belgium studying the European Economic Community.

Other:

Northwestern University, Chicago, Illinois. Accounting courses.

EMPLOYMENT

Assistant Attorney General, Department of Law, Juneau, Alaska.
Governmental Affairs Section, May 1978 to April 1979.
Duties: Legal advisor to various divisions of the Departments of Administration, Community and Regional Affairs, Military Affairs, Commerce and Economic Development and the Division of Elections. Also represented these departments in civil litigation.
Oil and Gas Special Projects Section, May 1979 to November 1980.
Duties: Legal advisor to various state agencies concerned with oil and gas matters, primarily the Departments of Natural Resources and Revenue. Handled a variety of oil and gas issues including sales of royalty oil and gas and oil and gas royalty and tax litigation.

City Attorney, City of Kenai, Alaska. June 1975 to February 1978.
Duties: Chief legal advisor to City Council and all City departments, prosecuting attorney for city, attorney for city in all civil litigation.

Special Assistant on Paralegal Affairs and Co-ordinator of Paralegal Program, University of Denver College of Law. January to December 1974.
Duties: Planning, administration and teaching of paralegal courses given by the Program of Advanced Professional Development of the law school and Continuing Legal Education in Colorado, Inc., attending meetings of interested organizations, speaking to school and community groups, and doing special projects on paralegals.

Paralegal in Corporate and Securities Area, Sidley & Austin, Chicago, Illinois. January 1971 to September 1972.
Duties: Drafting documents and agreements concerning incorporations, mergers, acquisitions and public stock and bond offerings of corporations represented by the firm, preparation of reports to state agencies and the Securities and Exchange Commission, and aiding in discovery in complex corporate litigation.

Alaska State Legislature

Senate

Office of the Secretary

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

M E M O R A N D U M

April 14, 1981

TO: Senator Fischer, Chairman
State Affairs Committee

FROM: Peggy Mulligan
Secretary of the Senate

The following Governor's appointees for legislative confirmation have been referred to your committee:

ATHLETIC COMMISSION

*Mr. Robert Vogt, Commissioner, Anchorage, term expiring 5/14/86
*Mr. Sam Taguchi, Juneau, term expiring 5/14/83
Mr. Mathew Wanamaker, Anchorage, term expiring 5/14/83

*Reappointed

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Senator Jalmar Kerttula
Senate President

FROM: Senate State Affairs Committee

DATE: April 21, 1981

RE: Governor's appointments to the Athletic Commission

The Senate State Affairs Committee has had under consideration the Governor's appointments to the Athletic Commission and reports back with the following recommendations:

*Mr. Robert Vogt, Commissioner, Anchorage, term expiring 5/14/86

*Mr. Sam Taguchi, Juneau, term expiring 5/14/83

Mr. Mathew Wanamaker, Anchorage, term expiring 5/14/83
*Reappointed

Member	Recommendation
Senator Fischer, Chair	V. Fischer Approve
Senator Colletta, Vice-Chair	Trina Colletta do pass
Senator Bradley	W. Brad Bradley
Senator Eliason	Do Pass
Senator Stimson	Jerry D. Stimson Do Pass

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Senator Jalmar Kerttula, President
Alaska State Senate

FROM: Senate State Affairs Committee

DATE: April 6, 1981

RE: Governor's appointment to the Alaska Public Offices Commission

---

Pursuant to your instructions the Senate State Affairs Committee has had under consideration the Governor's appointment to the Alaska Public Offices Commission and reports back with the following recommendation:

Mildred A. Opland, Anchorage, term expiring 2/1/86

Member	Recommendation
Senator Fischer, Chair	V. Fischer approved
Senator Colletta, Vice-Chair	Mike Colletta "
Senator Bradley	Brad Bradley approved
Senator Eliason	
Senator Stimson	approved

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Senator Jalmar Kerttula, President
Alaska State Senate

FROM: Senate State Affairs Committee

DATE: April 6, 1981

RE: Governor's appointments to the Board of Electrical Examiners

---

Pursuant to your instructions and in accordance with AS 39.05.080, the Senate State Affairs Committee has had under consideration the Governor's appointments to the Board of Electrical Examiners and reports back with the following recommendations:

George McCoy, Anchorage, term expiring 7/10/82
Terence Duszynski, Fairbanks, term expiring 7/10/83

Member	~~Recommendation~~
Senator Fischer, Chair	approved
Senator Colletta, Vice-Chair	"
Senator Bradley	approved
Senator Eliason	
Senator Stimson	approved

Alaska State Legislature

Senate Committee on State Affairs
Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

MEMORANDUM

TO: Senator Jalmar Kerttula, President
Alaska State Senate

FROM: Senate State Affairs Committee

DATE: April 6, 1981

RE: Governor's appointments to the State Board of Registration for Architects, Engineers and Land Surveyors

---

Pursuant to your instructions and in accordance with AS 39.05.080, the Senate State Affairs Committee has had under consideration the Governor's appointments to the State Board of Registration for Architects, Engineers and Land Surveyors and reports back with the following recommendations:

Gerald Myers, Fairbanks, term expiring 7/1/86
Odin Strandberg, Anchorage, term expiring 7/1/81

Member	Recommendation
Senator Fischer, Chair	approved
Senator Colletta, Vice-Chair	"
Senator Bradley	"
Senator Eliason	
Senator Stimson	approved

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Senator Jalmar Kerttula, President
Alaska State Senate

FROM: Senate State Affairs Committee

DATE: April 6, 1981

RE: Governor's appointment to the State Commission for Human Rights

---

Pursuant to your instructions and in accordance with AS 39.05.080, the Senate State Affairs Committee has had under consideration the Governor's appointment to the State Commission for Human Rights and reports back with the following recommendation:

James Chase, Anchorage, term expiring 1/31/86

Member	Recommendation
Senator Fischer, Chair	V. Fischer approved
Senator Colletta, Vice-Chair	Mike Colletta "
Senator Bradley	Brad Bradley approved
Senator Eliason	[signature] "
Senator Stimson	[signature] approved

Alaska State Legislature

Senate Committee on State Affairs
Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Senator Jalmar Kerttula, President
Alaska State Senate

FROM: Senate State Affairs Committee

DATE: April 6, 1981

RE: Governor's appointment to the Personnel Board

Pursuant to your instructions and in accordance with AS 39.05.080, the Senate State Affairs Committee has had under consideration the Governor's appointment to the Personnel Board and reports back with the following recommendation:

Morgan Reed, Skagway, term expiring 6/20/86

Member	Recommendation
Senator Fischer, Chair	V. Fischer approved
Senator Colletta, Vice-Chair	Mike Colletta "
Senator Bradley	Brad M Bradley approved "
Senator Eliason	
Senator Stimson	J Stimson approved

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 46[illegible]-4954

Official Business

M E M O R A N D U M

TO: Senator Jalmar Kerttula, President

FROM: Senate State Affairs Committee

DATE: April 6, 1981

RE: Governor's appointments to the Athletic Commission

Pursuant to your instructions and in accordance with AS 39.05.080, the Senate State Affairs Committee has had under consideration the Governor's appointments to the Athletic Commission and reports back with the following recommendations:

Don Dennis, Fairbanks, term expiring 5/14/82
Reginald Joule, Kotzebue, term expiring 5/14/82

Member	Recommendation
Senator Fischer, Chair	V. Fischer approved
Senator Colletta, Vice-Chair	Vicki Colletta "
Senator Bradley	Brad Bradley approved
Senator Eliason	[illegible] "
Senator Stimson	[illegible] approved

Alaska State Legislature

Senate Committee on State Affairs
Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Senator Jalmar Kerttula, President
Alaska State Senate

FROM: Senate State Affairs Committee

DATE: April 6, 1981

RE: Governor's appointments to the Alaska Pipeline Commission

---

Pursuant to your instructions and in accordance with AS 39.05.080, the Senate State Affairs Committee has had under consideration the Governor's appointments to the Alaska Pipeline Commission and reports back with the following recommendations:

Karen Cory, Anchorage, term expiring 4/4/86
Janis Williams, Juneau, term expiring 4/4/82

Member	Recommendation
Senator Fischer, Chair	approved
Senator Colletta, Vice-Chair	
Senator Bradley	approved
Senator Eliason	
Senator Stimson	approved

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Senator Jalmar Kerttula
Senate President

FROM: Senate State Affairs Committee

DATE: April 21, 1981

RE: Governor's appointments to the Athletic Commission

The Senate State Affairs Committee has had under consideration the Governor's appointments to the Athletic Commission and reports back with the following recommendations:

*Mr. Robert Vogt, Commissioner, Anchorage, term expiring 5/14/86

*Mr. Sam Taguchi, Juneau, term expiring 5/14/83

Mr. Mathew Wanamaker, Anchorage, term expiring 5/14/83
*Reappointed

Member	Recommendation
Senator Fischer, Chair	V. Fischer Approve
Senator Colletta, Vice-Chair	Trisha Colletta do pass
Senator Bradley	W. Brook Bradley
Senator Elkason	Do Pass
Senator Stimson	Jerry P. Stimson do pass

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Senate State Affairs Committee Members

FROM: Sen. Vic Fischer Vic

DATE: June 8, 1981

RE: Confirmation

Attached please find information on the Governor's appointee to the State Board of Registration for Architects, Engineers and Land Surveyors, referred to the State Affairs Committee for recommendation.

If no objection is expressed at the committee meeting tomorrow, June 9, I will notify the president that the committee has none.

Thank you for your attention to this.

VF/lf

enc.

Alaska State Legislature

Senate

Office of the Secretary

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

DATE: June 5, 1981

TO: Senator Fischer,
Chairman
State Affairs Committee

FROM: Peggy Mulligan
Secretary of the Senate

The President has referred the following Governor's appointee to your committee for recommendation in accordance with AS 39.05.080:

STATE BOARD OF REGISTRATION FOR
ARCHITECTS, ENGINEERS AND LAND
SURVEYORS

*Gordon Unwin, Anchorage, term expiring 7/1/86

A resume is enclosed.

USKH

GORDON D. UNWIN, P.E.

BORN
Anchorage, Alaska; October 22, 1943.

EDUCATION
Bachelor of Science in Civil Engineering, 1965, Lehigh University.
Graduate Studies at University of Alaska.

REGISTRATION
Professional Engineer, Alaska No. 1958-E; Washington No. 15955.
Registered Land Surveyor, Alaska No. 3192-S.

PROFESSIONAL AFFILIATIONS
National Society of Professional Engineers.
Alaska Society of Professional Engineers.
American Society of Civil Engineers.
Alaska Professional Design Council, Director.
Professional Engineers in Private Practice, Past State Chairman.
Alaska Society of Professional Land Surveyors.

EXPERIENCE
State of Alaska, Department of Highways, Construction Surveyor.

State of Alaska, Division of Aviation, Airport Engineer in charge of the design and construction of airport projects. Planning Engineer dealing with Airport Master Plans and economic feasibility studies.

Greater Anchorage Area Borough, Department of Public Works, Engineer in charge of the design and construction of sewer projects.

Dickinson-Oswald & Partners, Consulting Engineers, Design Engineer and Project Manager for the design and construction of subdivisions, utility systems, highways and airports.

UNWIN SCHEBEN KORYNTA HUETTL, Principal in charge of the design of public works and structural projects. Project Manager for Engineering studies and reports. Project Manager and Engineer on Airport Master Plans and facilities design.

ADDITIONAL FACTS
Member Task Group for the assessment of flood damages to Fairbanks.
Aviation Assistant to the Commissioner, Alaska Department of Public Works.
Member Citizens Advisory Board for the Greater Anchorage Area Borough Comprehensive Plan.
Secretary of the Alaska Board of Registration for Architects, Engineers & Land Surveyors.
Member American Arbitration Association.
Member Municipality of Anchorage Geotechnical Commission.
Member General Services Administration Public Advisory Board, Region 10.
Member Aircraft Owner's & Pilots Association.

PUBLICATIONS & SPEECHES
1968 Annual Alaska Division of Aviation Report to the Governor.
4th Annual Environmental Quality Seminar, Lecture "Country Lane Concept for Subdivision Streets" 1973.

ARCHITECTURE
ENGINEERING
LAND SURVEYING

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Senator Jalmar Kerttula
Senate President

FROM: Senate State Affairs Committee

DATE: April 21, 1981

RE: Governor's appointments to the Athletic Commission

The Senate State Affairs Committee has had under consideration the Governor's appointments to the Athletic Commission and reports back with the following recommendations:

*Mr. Robert Vogt, Commissioner, Anchorage, term expiring 5/14/86

*Mr. Sam Taguchi, Juneau, term expiring 5/14/83

Mr. Mathew Wanamaker, Anchorage, term expiring 5/14/83

*Reappointed

Member	Recommendation
Senator Fischer, Chair	_____
Senator Colletta, Vice-Chair	_____
Senator Bradley	_____
Senator Eliason	_____
Senator Stimson	_____

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

MEMORANDUM

TO: Senate State Affairs Committee Members

FROM: Sen. Vic Fischer

DATE: March 18, 1982

RE: Confirmation of appointments

The Senate President has referred the Governor's appointees to the State Board of Registration for Architects, Engineers and Land Surveyors and to the New Capital Site Planning Commission to the State Affairs Committee for recommendation in accordance with AS 39.05.080.

If you would like any of these persons to appear before the committee prior to our making a recommendation, or if you have any questions, please contact my office prior to March 24. Appropriate resumes have been attached.

Thank you for your consideration.

Let's submit memo to Sen. - no objections heard

M E M O R A N D U M

TO: Senator Jalmar Kerttula, President
Alaska State Senate

FROM: Senate State Affairs Committee

DATE: April 6, 1981

RE: Governor's appointments to the State Board of Registration for Architects, Engineers and Land Surveyors

---

Pursuant to your instructions and in accordance with AS 39.05.080, the Senate State Affairs Committee has had under consideration the Governor's appointments to the State Board of Registration for Architects, Engineers and Land Surveyors and reports back with the following recommendations:

Gerald Myers, Fairbanks, term expiring 7/1/86
Odin Strandberg, Anchorage, term expiring 7/1/81

Member	Recommendation
Senator Fisher, Chair	
Senator Colletta, Vice-Chair	
Senator Bradley	
Senator Eliason	
Senator Stimson	

M E M O R A N D U M

TO: Senator Jalmar Kerttula, President
Alaska State Senate

FROM: Senate State Affairs Committee

DATE: April 6, 1981

RE: Governor's appointment to the Alaska Public Offices Commission

---

Pursuant to your instructions the Senate State Affairs Committee has had under consideration the Governor's appointment to the Alaska Public Offices Commission and reports back with the following recommendation:

Mildred A. Opland, Anchorage, term expiring 2/1/86

Member	Recommendation
Senator Fischer, Chair	
Senator Colletta, Vice-Chair	
Senator Bradley+	
Senator Eliason	
Senator Stimson	

M E M O R A N D U M

TO: Senator Jalmar Kerttula, President
Alaska State Senate

FROM: Senate State Affairs Committee

DATE: April 6, 1981

RE: Governor's appointments to the Board of Electrical Examiners

---

Pursuant to your instructions and in accordance with AS 39.05.080, the Senate State Affairs Committee has had under consideration the Governor's appointments to the Board of El ctrical Examiners and reports back with the following ommendations:

Membe George McCoy, orage, term expiring 7/10/82
Terence Duszynski, Fairbanks, term expiring 7/10/83

Member	Recommendation
Senator Fischer, Chair	
Senator Colletta, Vice-Chair	
Senator Bradley	
Senator Eliason	
Senator Stimson	

M E M O R A N D U M

TO: Senator Jalmar Kerttula, President
Alaska State Senate

FROM: Senate State Affairs Committee

DATE: April 6, 1981

RE: Governor's appointments to the Alaska Pipeline Commission

---

Pursuant to your instructions and in accordance with AS 39.05.080, the Senate State Affairs Committee had had under consideration the Governor's appointments to the Alaska Pipeline Commission and reports back with the following recommendations:

Karen Cory, Anchorage, term expiring 4/4/86
Janis Williams, Juneau, term expiring 4/4/82

Member	Recommendation
Senator Fischer, Chair	
Senator Colletta, Vice-Chair	
Senator Bradley	
Senator Eliason	
Senator Stimson	

M E M O R A N D U M

TO: Senator Jalmar Kerttula, President

FROM: Senate State Affairs Committee

DATE: April 6, 1981

RE: Governor's appointments to the Athletic Commission

Pursuant to your instructions and in accordance with AS 39.05.080, the Senate State Affairs Committee had had under consideration the Governor's appointments to the Athletic Commission and reports back with the following recommendations:

Don Dennis, Fairbanks, term expiring 5/14/82
Reginald Joule, Kotzebue, term expiring 5/14/82

Member	Recommendation
Senator Fischer, Chair	
Senator Colletta, Vice-Chair	
Senator Bradley	
Senator Eliason	
Senator Stimson	

M E M O R A N D U M

TO: Senator Jalmar Kerttula, President
Alaska State Senate

FROM: Senate State Affairs Committee

DATE: April 6, 1981

RE: Governor's appointment to the Personnel Board

Pursuant to your instructions and in accordance with AS/39.05.080, the Senate State Affairs Committee has had under consideration the Governor's appointment to the Personnel Board and reports back with the following recommendation

Morgan Reed, Skagway, term expiring 6/20/86

Member	Recommendation
Senator Fischer, Chair	
Senator Colletta, Vice-Chair	
Senator Bradley	
Senator Eliason	
Senator Stimson	

M E M O R A N D U M

TO: Senator Jalmar Kerttula, President
Alaska State Senate

FROM: Senate State Affairs Committee

DATE: April 6, 1981

RE: Governor's appointment to the State Commission for Human Rights

---

Pursuant to your instructions and in accordance with AS 39.05.080, the Senate State Affairs Committee has had under consideration the Governor's appointment to the State Commission for Human Rights and reports back with the following recommendations;

James Chase, Anchorage, term expiring ./31/86

Member	Recommendation
Senator Fischer, Chair	
Senator Colletta, Vice-Chair	
Senator Bradley	
Senator Elinson	
Senator Stimson	

ETHICS

→ WF – LEG. REFORM

League of Women Voters of Alaska

May 4, 1981

On April 25, 1981, a workshop entitled, "Strengthening the Legislative Process was held in Juneau. The workshop was funded by the Legislative Council and conducted by the League of Women Voters of Alaska. Addressing the workshop participants were Jack Doyle, former executive director of the Legislative Affairs Agency in Alaska; Senator David Nething, North Dakota state legislature; Senator George Kinley, Iowa state legislature and chairman of the Legislative Management Committee of the National Conference of State Legislatures; Paul Mason, author of Mason's Manual of Legislative Procedure, and Senator Kay Poland, former member of the Alaska legislature. Participating in the workshop throughout the day were 25 Alaskan legislators, 14 legislative staff members, 3 lobbyists, 2 members of the Anchorage FREE committee, 1 member of Common Sense for Alaska, 4 members of the League of Women Voters of Juneau. In addition, there were 6 student assistants and 7 League of Women Voters of Alaska facilitators.

After using a process of group discussion and prioritizing, the following statements resulted. These are not to be confused with positions of the League of Women Voters of Alaska.

1. Combining the top recommendations for free conference committee changes, a new rule would include these items:
   * Conference committees must be appointed first. They may ask for specific powers from the presiding officer. If there is no agreement, then free conference powers could be granted to six new members.
   * 24 hours must elapse, with the new bill on members' desks accompanied by a summary of the changes, before a vote is taken.
   * Powers of free conference might be limited to certain stated subjects.

2. Many participants felt the existing rule allowing introduction of only committee bills after the 35th day of the second session is a satisfactory practice. Almost as many felt a majority vote of the committee should be required before a bill is introduced in its name.

3. Participants were nearly unanimous in agreeing that the "no recommendation" option should remain on committee report forms.

4. Participants felt comfortable with the existing system of allowing special committees to meet jointly.

5. An overwhelming majority believed adequate record-keeping requirements should exist.

6. Participants agreed unanimously that committee procedures should include the following:

* Uniform logging and recording of arrival and departure of committee members.
* Roll call of all motions.
* All amendments recorded in the minutes.
* Testimony summarized in the minutes, in addition to a taped record.
* 5-day notice in advance of meetings. (This provision could be waived only by a majority vote of the committee.)

7. Pertaining to a committee's acting on all bills referred to it, a majority of participants felt there should be specific time restraints on the entire process of referring, acting and reporting on bills. A majority also thought that a committee's composition should reflect the majority/minority proportion in the respective houses. A significant number, however, felt that the situation which currently exists is not a problem.

8. A majority of participants thought the present rule requiring a committee to act and report on all bills referred to it "as soon as practicable" should be re-written to reflect the current or preferred practice.

9. An overwhelming majority agreed a salary scale is needed for staff based on qualifications, experience and job description.

10. There was a strong consensus for giving each legislator a staff and an expense budget. In this staffing method, the legislator would make all decisions pertaining to staff, similar to the practice in the United States Congress.

11. Recommendations on interim committees included the following:

* A close relationship between standing committees and interim committees. At least a majority of the interim committee should be from the appropriate standing committee.
* Clear interim committee goals (planning, general education of members on the subject, drafting and introducing legislation).
* Utilization of standing committee staff on the related interim committee.
* Establishment of interim committees by concurrent resolution.

Sharon Richards
Project Coordinator
2306 Douglas Drive
Anchorage, Alaska 99503

NOTE REGARDING THE FOLLOWING FRAME ON MICROFILM:

COMPLETE DOCUMENT IS AVAILABLE IN ORIGINAL FILES IN ALASKA STATE ARCHIVES. TITLE PAGE ONLY HAS BEEN FILMED.

Model State Campaign Finance Law

National Municipal League
47 East 68th Street
New York, New York 10021

STATE OF ALASKA

ALASKA PUBLIC OFFICES COMMISSION

JAY S. HAMMOND, GOVERNOR

REPLY TO:

☑ 610 C STREET, SUITE 211
ANCHORAGE, ALASKA 99501-3598
(907) 276-4176

☐ JUNEAU BRANCH OFFICE
POUCH CO
JUNEAU, ALASKA 99811-0222
(907) 465-4864

October 27, 1981

The Honorable Vic Fischer
511 West 4th Avenue, Suite 5
Anchorage, Alaska 99501

Dear Senator Fischer:

Thank you for the interest you expressed in the annual meeting of the Council on Governmental Ethics Laws to be held December 7 - 9, 1981, in Charleston, South Carolina. I was unable to send you any of the enclosed information sooner because we received it ourselves only last week.

In light of your interest in ethics legislation, I also have enclosed a letter from the South Carolina State Ethics Commission which offers a comparative analysis of ethics laws. I ordered a copy for the APOC sometime ago, but since it has not arrived, I can't say whether it lives up to its promise as a reference document or not. As you know, at one time SB 175 attempted to incorporate portions of the Ethics Model from the National Municipal League, although my understanding is that some of the individuals who worked on the draft of 175 had questions about the League's model for which they didn't find satisfactory answers.

The fact that South Carolina has not ratified the ERA was discussed at last year's annual meeting when it came time to make a final site selection. Some members of the Council voiced the concern that you expressed but the majority felt that the ERA status of a site should not be given consideration in the decision of an organization whose members must be a-political in their day-to-day functioning.

After the first of the year, I will let you know about any reference materials which become available as a result of the Charleston meeting.

Sincerely,

ALASKA PUBLIC OFFICES COMMISSION

Thieda S. Pittman

THEDA S. PITTMAN
Executive Director

TSP/mab

enclosures

CONFERENCE REGISTRATION FORM

THE PUBLIC OFFICIAL AND THE PUBLIC TRUST

December 7th thru 9th
Charleston, SC

NAME & TITLE: _____

_____

_____

ORGANIZATION: _____

ADDRESS: _____

_____

_____

* * * * * * * *

REGISTRATION FEE: (check one)

☐ Council Member: $30.00 per individual registrant

☐ Non-Member: $60.00 per individual registrant

- -

Complete the above portion and mail it together with your payment by November 30th to:

Dannie Trautwein, Treasurer
Council on Governmental Ethics Laws
P. O. Box 95086
Lincoln, NE 68509

If payment cannot be made by November 30th or if your agency has special billing procedures, please contact Dannie Trautwein, either at the above mailing address or by calling area code (402) 471-2524.

*Make checks payable to "Council on Governmental Ethics Laws." Receipts will be sent upon payment.

COUNCIL ON GOVERNMENTAL ETHICS LAWS

Steering Committee:

Melvin G. Cooper
Alabama Ethics Commission

Jean-Marc Hamel
Chief Electoral Officer of Canada

Shari Holmes
Alaska Public Offices Commission

Betty J. Reynolds
Oregon Government Ethics Commission

Robert W. Shellenberg
Florida Commission on Ethics

Robert Stern (Chairperson)
California Fair Political Practices Commission

Dannie Trautwein
Nebraska Accountability and Disclosure Commission

J. Jackson Walter
U.S. Office of Government Ethics

Please reply to:

OCT 20 1981 RECEIVED

OCT 26 1981

APOC-ANCH
PM HC

Dear Council Member:

Mel Cooper from Alabama and Bob Schellenberg from Florida, who have arranged the program for the Charleston Conference of the Council on Governmental Ethics Laws, asked me to assist them in securing better attendance at our Conference. We have a program that should be of particular interest to members of your Commission and want to ask you to extend a special invitation to each of them to participate. In addition to that, you might want to give each of them a copy of the Conference information that you received from Bob Stern and to emphasize that other Commission members will be there and that there will be ample opportunity for discussing mutual problems and concerns.

I have enclosed a revised version of the Conference schedule; the one that Bob Stern sent you didn't do complete justice to the outstanding job done by Mel and Bob in arranging our Conference. Please note the additions to the list of speakers: Governor Richard Riley of South Carolina, Major Joseph Riley of Charleston, former Ambassador and Governor Reubin Askew of Florida, Commissioner Frank Reiche of the Federal Election Commission, and David Cohen, former President of Common Cause. This truly is an "all-star" line-up.

From here on, it is up to you. Mel and Bob have arranged a superb program but its real success will be only as good as the "selling job" you do to your Commission members. I personally believe it is important to the Council that this year's Conference be a great success, that our program will be first-rate, and that you and the members of your Commission will find your participation to be most worthwhile.

Sincerely,

Jack Walter

J. Jackson Walter
Director
Office of Government Ethics

Enclosure

Council on Governmental Ethics Laws
Preliminary Conference Program (10/20/81)

December 6-9, 1981
Mills House Hotel
Charleston, South Carolina

"IS POLITICAL REFORM DEAD?"

Sunday, December 6, 1981

6:00 - 7:00 p.m. **Reception**

Monday, December 7, 1981

9:00 - 9:30 a.m. **Opening Remarks and Greetings**
Governor Richard W. Riley, South Carolina
Mayor Joseph Riley, Charleston
Robert Stern, Chairperson, Council on Governmental Ethics Laws

9:30 a.m. - 12 noon "Political Reform Laws: Milestones or Millstones? A Debate"
David Cohen, former President, Common Cause
Frank Reiche, Member, Federal Election Commission
- - - -
- - - -

12:15 - 1:45 p.m. **Luncheon**
Honorable Howell Heflin, Vice Chairman, Select Committee on Ethics, U.S. Senate

2:00 - 3:00 p.m. **Seminar Discussions**
(discussion leaders to include Melvin G. Cooper, Alabama Ethics Commission; Robert W. Schellenberg, Florida Commission on Ethics; J. Jackson Walter, United States Office of Government Ethics)

3:15 - 4:15 p.m. **Seminar Reports and General Discussion**

Tuesday, December 8, 1981

	Ethics, Conflict of Interests	Campaign Finance
9:00 - 10:15 a.m.	"CASE STUDIES IN ETHICS" Dr. John Dempsey College of Charleston	"UPDATE ON LITIGATION AND LEGISLATION" Tom Houston Jim Davis California FPPC
10:30 - 11:45 a.m.	"UPDATE ON LITIGATION AND LEGISLATION" Rosa Hamlett Assistant Attorney General Alabama	"CAMPAIGN FINANCE IN SELECTED COUNTRIES" Dr. K. Z. Palteil Carleton University, Ottawa

12:00 Noon - 1:30 p.m. **Luncheon**

Honorable Reubin O'D. Askew
Former United States Trade Representative
and Governor of Florida

1:45 - 2:45 p.m.

"CODES OF ETHICS IN STATE GOVERNMENT"
Dr. Stephen Hays
University of South Carolina

"PUBLIC FINANCING IN SELECTED STATES"
Ed Farrell, Counsel
New Jersey Election Law Enforcement Commission

3:00 - 3:30 p.m. **Question and Answer Session**

3:30 - 4:30 p.m. **Council Business Session**

Wednesday, December 9, 1981

9:00 - 11:00 a.m. "THE IMPACT OF POLITICAL ACTION COMMITTEES ON THE GOVERNMENTAL PROCESS"

Howard Vaughn
Vice President, Liberty National Life Insurance Company
and PAC Secretary
Edward Roeder
Washington, journalist and author of PACS AMERICANA
(S.C. Legislator)

11:00 - 12:00 Noon **Question and Answer Session**

COMMISSIONERS
W. JACK GREER, 4TH DISTRICT
Chairman
JOHN M. TRASK, JR., 1ST DISTRICT
DR. LE COMAMS, 2ND DISTRICT
JACK GI

COMMISSIONERS
DR. D.H. DANIEL, 3RD DISTRICT
FRANCES M. DANIEL, 5TH DISTRICT
ALLEN RAY, 6TH DISTRICT

State of South Carolina
State Ethics Commission

GARY R. BAKER
EXECUTIVE DIRECTOR

(803) 758-7408
Rembert Dennis Bldg., Ste. 545
1000 Assembly Street
Columbia, S.C. 29201

September 1, 1981

SEP 3 1981

Ms. Shari Holmes
Alaska Public Offices Commission
610 C Street, Ste. 211
Anchorage, AK 99501

Dear Shari:

I have just received your latest newsletter. I was hoping to include another item in it but you were faster at publishing that I was in contacting you.

We have recently completed publications of State of South Carolina State Ethics Act: A Comparative Analysis. The publication was put together by the staff of the South Carolina Ethics Commission as a research aid for the staff and commission. This publication compares other states' statutes with each section of the South Carolina Ethics Act. Each code section of the South Carolina Act is listed separately, followed by similar or same code sections from other states. In addition, the Model State Statutes of the National Municipal League are also included. Copies can be made available to other agencies at cost, plus postage, approximately $10.00.

Sincerely,

Gary

Gary R. Baker
Executive Director

GRB:lhl

26 October 1981

TO: SENATOR FISCHER
FROM: GINGER BAIM
RE: SOME CONSIDERATIONS FOR ETHICS TELECONFERENCE

ETHIC - 1. the discipline dealing with what is good and bad and with moral duty and obligation 2. a set of moral principles or values, a theory or system of moral values, the principles of conduct governing an individual or group.

ETHICAL - 1. of or relating to ethics 2. conforming to accepted professional standards of conduct

ETHICS - (Roget's Thesaurus) The Science of Morals

MORAL - 1. (a) of or relating to principles of right and wrong in behavior: ETHICAL (judgement) (b) expressing or teaching a conception of right behavior (c) conforming to a standard of right behavior (d) sactioned by or operative on one's conscience or ethical judgment (e) capable of right and wrong action 2. probable though not proved 3. of, relating to or acting on the mind, character, or will.
SYN - MORAL, ETHICAL VIRTUOUS, RIGHTEOUS, NOBLE shared meaning element: conforming to a standard of what is right and good

MORAL PHILOSOPHY n: ETHICS; also: the study of human conduct and values.

****

1) What is the dividing line between "ethical" considerations and personal moral values?

2) What public employees, departments and agencies fall under Ethics Legislation? Which ones don't and why?

3) Can we set ethical standards (read moral values) from a secular base?

4) What are the penalties for ethical violations and why can't they be administered through the law in the manner that criminal violations having ethical overtones are currently channeled? (I.E. illegal kickbacks and/or campaign contributions, bribes, and contracting violations that result in actual embezzlement)

5) What is the publics perception of ethics and ethical behavior?

6) What is "right" behavior, who determines it and who enforces it?

7) Can there be one set of ethics or moral values for an individual and another set for groups? (If not why is it "ethical" for society to kill as in administering the death sentance and not "ethical" for and individual to kill)?

8) With ethics and ethical considerations be extended to persons in the scientific and medical professions and what protection can the state offer to individual and groups expressing their ethical beliefs? (over)

CONFLICT OF INTEREST

DISCLOSURE

FINANCIAL

A MODEL STATE LAW

KF
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National Municipal League

CONTENTS

Foreword		v
Introduction		ix
Section 1.	Short Title	1
Section 2.	Legislative Findings and Statement of Policy	1
Section 3.	Definitions. As Used in the Act	2
Section 4.	State Ethics Commission; Establishment; Membership, Executive Director; Offices	5
Section 5.	State Ethics Commission; Powers and Duties	9
Section 6.	State Ethics Commission; Complaints; Hearings; Dispositions; Judicial Review	10
Section 7.	State Ethics Commission; Advisory Opinions	13
Section 8.	State Ethics Commission; Modification of Reporting Requirements	14
Section 9.	Financial Disclosure; Filing Requirements	15
Section 10.	Financial Disclosure Statements; Contents	17
Section 11.	Conflicts of Interest; Prohibitions	24
Section 12.	Conflicts of Interest; Legislature	26
Section 13.	Government Contracts; Prohibitions	27
Section 14.	Conflicts of Interest; Employment	29
Section 15.	Conflicts of Interest; Avoidance	29
Section 16.	Conflicts of Interest; Reporting	30
Section 17.	Conflicts of Interest; Member of State Legislature; Reporting	31
Section 18.	State Officials or Employees; Making and Acceptance of Gifts	32
Section 19.	State Officials or Employees; Disclosure of Information	32
Section 20.	State Officials or Employees; Limitation on Representation	33
Section 21.	Criminal Prosecution; Penalties	34
Section 22.	Civil Action; Injunctive Relief; Civil Penalties	36
Section 23.	Citizen Action	38
Section 24.	Civil Action; Generally	39
Section 25.	Violations; Employment Discipline	41
Section 26.	Severability	42
Section 27.	Effective Date	42
National Municipal League Ethics Project Committee		42
Advisory Committee 1975-1978		44

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FOREWORD

That "public office is a public trust" has always been a basic principle underlying the National Municipal League's programs to make state and local government more responsive and responsible, efficient and effective. Its special interest in ethics was initiated by William W. Scranton in 1970 while he was League president. In its preliminary stages ethics was considered as an adjunct to the Election Systems Project (1971-1973) because financial disclosure requirements for candidates and regulations governing campaign finance are integral parts of comprehensive election legislation.

The public disillusionment with government generally caused by a number of scandals involving officials at all levels of government prompted the enactment in the early 1970s of an unprecedented number of new statutes, broadly described as ethics legislation. The administration of these statutes was uncharted territory to a substantial extent. Since 1976, the League has been able through its Ethics Project not only to assist in an exchange of information among those with official responsibilities in this field but also to serve as a forum for the evaluation of existing statutes, the case law developed as the statutes have been adjudicated, and proposals for further legislation. In a very real sense the League has been the instrumentality for "reforming reform," and thus guiding an effort to make refinements to assure that today's reform will not be tomorrow's problem, as is sometimes the case when measures are not reappraised after they are in operation. The *Model State Conflict of Interest and Financial Disclosure Law* is presented to provide such guidance.

The League is indebted to The George Gund Foundation of Cleveland for

a series of grants which provided the basic financial support for the project, which included preparation of this model statute.

The League is also indebted to Mark S. Matthews of Greenwich, Connecticut, a former member of the Council, for financing the preliminary stages of the project which led to the publication of the *Preliminary Bibliography on Conflict of Interest and Personal Ethics in Government* and *Ethics in Government: Selected Statutes and Reports*.

Barbara Rawson, who chaired the League's Ethics Project Committee, provided constant assistance to the project staff. She brought to the undertaking not only a longtime concern that state and local government be worthy of citizen trust because of its competence and integrity, but also the special experience gained as an early chairman of the Ohio Ethics Commission as that body launched a statewide program to administer newly enacted legislation.

The members of the League committee made invaluable contributions to the development of the model. The committee deliberations held in connection with the annual National Conference on Government, as well as comments received from members, shaped the basic policy thrust of the *Model*. Although some members expressed reservations with regard to detail, the committee as a whole gave approval.

Members of the special Advisory Committee composed of persons with official responsibilities for the administration of conflict of interest, financial disclosure and campaign finance laws gave the model the benefit of their experience in dealing with the delicate issues involved in enforcing rules and regulations designed to maintain high ethical standards. (The rosters of the committees appear at the end of this volume.)

Frank P. Grad, professor of law and director of the Legislative Drafting Research Fund, Columbia University, not only prepared the draft of the *Model* but also was of enormous assistance in the deliberations of the League committee and in the preparation of the commentary which accompanies the legal text.

In addition to her participation as a member of the Advisory Committee, Barbara Snethen, former executive director of the Iowa Campaign Finance Disclosure Commission, provided special assistance in analyzing financial disclosure requirements.

Page Elizabeth Bigelow, League staff associate, directed the research effort for the project, prepared the detailed specifications for the Model for review by the committee, and revised them for the guidance of the draftsman. She also prepared the analytical commentary.

Acknowledgement is also made of the assistance provided by League staff members: William J. D. Boyd, former assistant director, Debra J. Collins,

c financial support for the project,
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financing the preliminary stages of
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e guidance of the draftsman. She

ssistance provided by League staff
ssistant director, Debra J. Collins,

research librarian, and Thomas J. Drury and Shelley M. Greenwald, legal research assistants.

As the *Model* was in preparation, many inquiries were received from citizens and officials concerned with conflict of interest issues. Their questions were important to the model-building process and helped to focus staff research. It is hoped that those using the *Model* will address inquiries to the League and thus help enhance its capability for making further refinements in the law governing ethical standards in government.

WILLIAM N. CASSELLA, JR.
Executive Director

INTRODUCTION

In December 1974, the executive directors of several newly established ethics and campaign finance commissions formed an ad hoc group which sponsored a conference in Washington, D.C., primarily for representatives of commissions and agencies involved in the administration of state legislation on conflicts of interest, financial disclosure, campaign finance, elections and lobbying. A major purpose of the meeting was to facilitate the exchange of information among governmental bodies charged with responsibility in these evolving areas. A number of participants urged the National Municipal League to expand its limited program in this field into a national center with a clearinghouse capability to serve public officials and citizens.

In October 1975, The George Gund Foundation of Cleveland, which had provided financial support for the 1974 conference, made a grant to the National Municipal League for the operation of a service center to assist states and major local governments as they administer and refine newly established programs for enforcing ethical practices in government. The service center project has operated an information clearinghouse, sponsored annual conferences on "The Public Official and The Public Trust," published periodic newsletters, indexes and directories, and prepared the *Model State Conflict of Interest and Financial Disclosure Law* and the *Model State Campaign Finance Law*.

An Advisory Committee of executive directors and commissioners from various states has assisted the League in planning program objectives and the annual conferences. This committee also was extremely helpful in commenting on technical aspects of the model laws, particularly those with administrative implications. The participation of the committee was advisory only, and does not imply endorsement of the contents by the committee members or their respective commissions.

The League's Ethics Project Committee was responsible for basic policy decisions with respect to the model laws which were subsequently approved by the League's Executive Committee.

Early in the process of designing the *Model State Conflict of Interest and Financial Disclosure Law* it was decided to incorporate the strictest provisions that the League committee found acceptable which would also be constitutionally permissible in most states. Recognizing that the strictest provisions would not be necessary everywhere, and that their use might be counterproductive where they were stronger than needed, it was decided that the commentary would provide guidance for varying them in such a way as to maintain basic effectiveness. Most of these variations are in the financial disclosure provisions (Section 9) and the definition of "State Official" (Section 3(g)).

The committee began its work with one basic premise, which was that the only conflicts of interest which could be regulated under this law were those which concerned finances. Having a conflict of interest is not, in and of itself, evil, wrong or even unusual. Conflicts may be ethnic, cultural, emotional, nostalgic, regional, financial or philosophical. Conflict of interest laws are concerned with financial conflicts which set apart an individual officeholder from most of the general public. For example, being a taxpayer and a legislator voting on new taxes is not a conflict one worries about; while being a contractor/legislator voting on a bill specifying one's own company as the contractor is a matter of concern.

Conflict of interest provisions are designed to prevent public officials and employees from gaining financial profit from their official actions (other than government salaries), or from helping family or friends to profit unfairly because of inside information or preferential treatment. At the same time, the provisions can take some outside pressure off by making certain practices illegal instead of merely unethical. This is particularly true when the provisions are combined with those for financial disclosure and when the existence of conflicts or potential conflicts becomes a matter of public record.

Financial disclosure provisions are an essential part of the enforcement capability of the conflict of interest provisions. There would be no point to financial disclosure laws if there were no conflict of interest provisions. The purpose of financial disclosure laws is to make available sufficient relevant information to allow citizens to judge whether officials are acting in the public interest or tending too much to favor personal interests. Another role of financial disclosure statements is to remind public officials to examine their actions in light of their holdings and to be aware of possible conflicts of interests or the appearance of conflicts of interests. It is not the purpose of financial disclosure laws to give the public a chance to pry into every private detail of an official's life, right down to valuations on jewelry, silver, antiques and art.

Local officials are not included in this law. There are statutes which include

odel *State Conflict of Interest and*
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ı needed, it was decided that the
varying them in such a way as to
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a chance to pry into every private
luations on jewelry, silver, antiques

w. There are statutes which include

local officials in the conflict of interest and financial disclosure provisions; some have operated fairly smoothly while others have encountered resistance. There is no reason why any local government could not adapt this model for its needs. The needs of local government may be very different depending on the population and budget, whether or not any of its officials are paid, and if so, how much. There is a big difference between what may be needed in Loving County, Texas (population 164), and what is appropriate for Cook County, Illinois (population 5,492,369). It appears wiser to adapt the model provisions for local use than to try to make provisions appropriate for such disparate situations.

The *Model State Conflict of Interest and Financial Disclosure Law* is designed to allow sufficient flexibility for adaptation to particular conditions and political traditions. The commentaries on the sections dealing with commission structure and financial disclosure explain what kind of variations could be made and still fulfill the stated purposes of the law. There should be no mistake, however, about the standards of conduct expected from public officials; there is virtually no provision in the commentary for changes in the conflict of interest and penalty provisions. The use of public position for private financial benefit or gain is clearly and unequivocally unacceptable, and no variations in the structure of the enforcemnt body or the financial disclosure requirements change that standard.

PAGE ELIZABETH BIGELOW
Research Director
National Municipal League Ethics Project

Model Conflict of Interest and Financial Disclosure Law

An Act to prohibit conflicts of interest among State officials and employees, creating a State Ethics Commission and prescribing its powers and duties, establishing a state code of ethics and procedures for its enforcement, and penalties for its breach.

Section 1. Short Title.

This Act shall be known and may be cited as Conflict of Interest and Financial Disclosure Act.

Section 2. Legislative Findings and Statement of Policy.

The legislature finds that public confidence in the impartiality and independence of state officials and employees is essential for the sound functioning of a democratic government. To maintain such confidence, the business and offices of the state must be conducted in a manner free from improper influence, and particularly from influences arising, or which may arise, from opportunities for personal gain or from divided loyalties resulting from involvement in business ventures that may benefit from particular government decisions or courses of action.

The purpose of the Conflict of Interest and Financial Disclosure Act, therefore, is to establish ethical standards for state officials and employees for the avoidance of such conflicts of interest as the use of offices or employment for private gain, the granting and exchange of favored treatment to persons, businesses or organizations, and the conduct of activities by such officials and employees that may engender opportunities for personal gain or advantage to influence government decisions. It is the purpose of the code of ethics to delineate clearly the ethical standards for state officials and employees in order to aid them in avoiding situations or conduct that may give rise to the appearance of impropriety even when no actual impropriety has occurred. It is the intention of the legislature that the Act be liberally construed so as to accomplish its purposes of protecting the public against government decisions that result or are affected by undue influences or conflicts of interest.

Commentary

Section 2. The *Model State Conflict of Interest and Financial Disclosure Law* emphasizes the avoidance of conflicts between the private financial interests of public officials and employees and their responsibilities to the public and to the government that employs them. The Act is intended to curb such conflicts, and to protect the public's right to honest government and to government decisions unaffected by competing private interests of officials. When the private interest of officials and employees conflicts with the interests and rights of the public, such private interests must yield.

Implicit in this statement is the intent to use such constitutionally permissible and effective methods for the enforcement of the conflict of interest provisions as have been provided for. For this reason, the financial disclosure provisions as set forth in Sections 9 and 10 are essential for the enforcement of the law.

Section 3. Definitions. As used in the Act.

(a) "Business" means any entity operated for economic gain, whether professional, industrial or commercial, and whether established to produce or deal with a product or a service, including but not limited to, entities operated in the form of sole proprietorship, as self-employed person, partnership, corporation, joint stock company, joint venture, receivership or trust, and entities which for purposes of taxation are treated as nonprofit organizations.

Commentary

Section 3(a). The definition of *business* is intentionally broad in order to include as many forms of economic activity as possible. Many economic involvements which may appear to be slight or of little consequence may nevertheless have sufficient economic importance to affect an official's or employee's judgment in situations that may give rise to conflicts with official obligations.

(b) "Business with which a person is associated" means any business in which the person is a director, officer, owner, member, partner, employee, or is a holder of securities which have a fair market value of $5,000 or more or whose market value is one-fifth of his net worth, regardless of its value. It does not include any insurance companies which have issued the person a policy of insurance if that is his sole association with such companies.

Commentary

Section 3(b). The definition of *business with which a person is associated* is intended to delineate business relationships that involve some measurable element of close and continuing association and economic interest which might lead to a conflict of interest. The definition seeks to exclude relationships of a mere formal nature as

between insurance companies and their insureds, and relationships where the interest is of such a minor nature that it is unlikely to have any impact on the decisions of the business or on the decisions of government that may affect such business, as in the case of a government official who owns a few shares of the stock of a large, publicly held corporation.

(c) "Commission" means the State Ethics Commission.

(d) "Interest in Real Property" includes any leasehold, beneficial interest, ownership interest or an option to acquire any such interest in real property.

Commentary

Section 3(d). *Real property* is defined in a broad manner to include a broad spectrum of property interests not limited to ownership of legal title. The definition recognizes that other interests may lead to conflicts of interest to the same degree as outright ownership. For further discussion of conflicts of interest involving real property, see commentary on Section 10 (d), which requires that such interests in real property be listed in financial disclosure statements.

(e) "Member of Household" means

(i) a person who is another person's spouse, child, ward, parent or other relative, or the child, ward, parent or other relative of such person's spouse, and who shares such other person's legal residence; or

(ii) a person who is another person's spouse, child, ward, parent or other relative of such person's spouse, and over whose financial affairs and holdings such other person has legal or actual control, whether or not they share a legal residence.

Commentary

Section 3 (e) *Member of Household* is defined to include those family members or wards sharing the same legal residence with another person and those family members or wards over whose financial affairs such person has legal or actual control. The defined term is used in provisions relating to public officials' financial disclosure statements and potential conflicts of interest. Members of household, as defined, are individuals whose financial affairs are likely to be best known to the official and who, because of ties of blood or affection the official is most likely to want to benefit financially. In some cases, there may be a more direct self interest, i.e., where the public official is a possible beneficiary of the estate of a member of the household. The inclusion of members of household in financial disclosure requirements will allow not only the public but also the public official to become aware of potential conflicts, apparent or real, before they occur so that such conflict of interest may be avoided.

It should be noted that in cases where such financial disclosure involving members of household would prove difficult or cause serious family problems, the Commission

is empowered to modify or waive the financial disclosure requirement to the extent necessary to relieve such hardship. Such waiver authorization does not extend to references to member of household in conflict of interest provisions relating to such matters as government contracts, as for instance in Section 13, which are designed to prevent the abuse of official position.

(f) "State Employee" means a person who obtains or is entitled to compensation for any services to any department or agency of state government other than a state official. The term includes full-time and part-time service and service on a long-term or short-term basis, whether or not included in civil service or a merit system, whether undertaken pursuant to a written agreement or otherwise, and whether the relationship is considered an employment relationship or an independent contractor relationship for any purposes other than this Act, unless the Commission exempts such independent contractor relationship by regulation.

Commentary

Section 3 (f). State employee is defined to include all persons who, by reason of their work for the government, gain contacts and inside knowledge which, because of their position, may be abused or used in a manner to benefit themselves or others. The definition includes not only persons who stand in a formal employment relationship, but also persons who may be regarded as independent contractors. For instance, a lawyer, accountant or consultant should not be able to do work for the state, whether as an employee or an independent contractor, and then represent or assist private clients against the state in the same, or in a related matter. In instances where there is no risk of an abuse of the independent contractor relationship, as in independent contractual relationships with plumbers, electricians, and other such service- and repair-related matters, the Commission may by regulation exempt such contractors, unless there is good reason that they continue to be covered by this definition.

(g) "State Official" means an elected office holder in the legislative and executive branches of state government, or a member of any state board, commission, agency, bureau, department or any other part of state government who is appointed by any elected state official or by the legislature, except a member of the judiciary. The term includes a member of a commission, except that a member of any commission which is solely advisory in nature and which has no authority to make binding decisions, to enter into contracts or to make expenditures other than expenditures necessarily incurred for research in connection with its advisory functions shall not be required to meet the requirements of financial disclosure of Sections 9 and 10.

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Commentary

Section 3(g). The definition of State Official includes all elective office holders in the legislative and executive branches and all appointed office holders who owe their appointment to an elected official. Thus, it includes all officials who are charged with authority to make choices and decisions, and whose conflicts of interest and official corruption are likely to be most injurious to public confidence in government. The betrayal of the public trust by such an official, whether appointed or elected, who is expected to serve the public interest and who, generally, has taken an oath pledging to do so, undermines the public confidence in the official's agency and in the government as a whole, unless it is dealt with promptly and effectively. The definition thus covers officials whose fidelity is essential to well-ordered government.

There are some states which include the judiciary in conflict of interest and financial disclosure provisions. In many others this would pose substantial constitutional problems. It is for this reason that judicial offices are not included in this Model. The Model thus recognizes that the laws relating to ethical standards for judicial offices may need to be varied by each state. To include the judiciary within this law one need merely delete "except a member of the judiciary" from the first sentence of the definition.

Members of commissions which are purely advisory in nature and have no authority to make binding decisions, to enter into contracts or to make expenditures other than those necessarily incurred for research in connection with its advisory function are covered by the conflict of interest provisions of the law, but they are exempted from financial disclosure requirements. Members of such commissions are usually not compensated and frequently are very difficult to recruit. Their exemption from the financial disclosure requirements is intended to avoid further discouragement from such service. Moreover, because of the limitations regarding spending and decision-making authority, the opportunities to use these positions for personal financial gain or benefit are greatly diminished.

Section 4. State Ethics Commission; Establishment, Membership, Executive Director; Offices.

(a) There is hereby established the State Ethics Commission to administer and implement this Act. The Commission shall consist of seven members appointed by the governor with the concurrence of the Senate. Not more than four members shall be identified with the same political party. No member shall hold any elected or appointed office under the government of the United States, the state or any of its political subdivisions or be a candidate for any such office. A member may contribute to a political campaign, but no member shall hold any political party office, or participate in any political campaign or in a campaign relating to a referendum or other ballot issue, and no member shall be a lobbyist or an employee of the state or any of its political subdivisions. Members of the Commission may be removed by the

governor, with the concurrence of the Senate, for substantial neglect of duty, gross misconduct in office or violation of this law, after written notice and opportunity for reply.

Commentary

Section 4 (a). The provision establishing the Ethics Commission requires appointment by the Governor with concurrence by the Senate, which parallels the federal constitutional requirement as laid down in *Buckley* v. *Valeo*, 424 U.S. 1, 46 L.Ed. 2d 659, 96 S. Ct. 612 (1976) which sets the *federal* separation of powers standard for commission appointments where the commission has regulatory and enforcement powers. The federal requirement is that all such appointments be made by the chief executive rather than by other executive or legislative officers. In most states, by express constitutional requirement or by judicial interpretation under the doctrine of separation of powers, the result reached in *Buckley* v. *Valeo* would be followed. In some states it is permissible, however, to have various executive and legislative officers appoint members of regulatory commissions. If this is done, it is advisable not to authorize the attorney general to appoint members as he may do in some states, because there might be a conflict in his official obligations due to his role in Commission litigation.

The Commission is designed to be bipartisan. Because of its sensitive position, its members must avoid even the appearance of a conflict of interest, and they are barred from participation in political campaigns, running for or holding any federal, state or local office or employment, or engaging in lobbying. They may, however, contribute to a political campaign.

While many states do not have any provisions for the removal of members of ethics commissions, it is advisable to allow removal for cause. The Model follows this course, but requires the concurrence of the Senate in order to prevent abuse of this power by the Governor. The Model thus seeks to balance Commission independence against prevention of abuse. This Commission ought to be as independent as possible so long as its members perform their duties faithfully and in compliance with the law.

It has been suggested that there ought to be two separate state ethics commissions—one for the executive branch and one for the legislature—administering the same law. Several states, among them Nevada, Ohio and South Carolina, have this arrangement because of constitutional separation of power provisions which do not allow legislators to be overseen or regulated by a gubernatorially appointed body; they can only be governed by their own members. States that encounter this problem may have to adapt the Model to meet their special constitutional requirements. For other states a single commission is considered preferable.

(b) A member of the Commission shall be appointed for a term of office of seven years and until his successor has been appointed and has qualified, except that the members first appointed shall be appointed for terms of office of one, two, three, four, five, six and seven years, respectively, and until their successors have been appointed and have qualified. No member shall serve for more than one full seven-year term. When a vacancy occurs in the

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membership of the Commission, it shall be filled by appointment for the unexpired portion of the term in the same manner as original appointments.

Commentary

Section 4 (b). The provision for limited and rotating terms is intended to achieve continuity on the Commission while avoiding long-term domination of the Commission and its decisions by any single member.

(c) The Commission shall elect a chairman from among its membership. Four members of the Commission shall constitute a quorum and, if a quorum is present, a vacancy on the Commission shall not impair the right of the remaining members to exercise all the powers of the Commission. A majority of the total membership shall be necessary to act at all times.

Commentary

Section 4 (c). A majority of the total membership of the Commission is necessary for Commission action. This discourages the practice of leaving one or more vacancies in order to gain more favorable decisions from a "rump" commission. The requirement for an absolute majority for binding action—rather than merely a majority of a quorum—is not unusual. An absolute majority is necessary for many government actions including, in most states, those of state legislatures.

(d) Each member of the Commission shall be compensated at the rate of $_____ for each day devoted to the performance of his official duties. Each member of the Commission shall be reimbursed for reasonable and necessary expenses incurred in the performance of official duties.

Commentary

Section 4 (d). The level of per diem compensation ought to be high enough so as not to discourage professionals and others of high standing in the community from service, where such service would otherwise constitute an undue economic sacrifice. On the other hand, the rate of compensation should not be so high as to make service on the commission a plum to be sought for its economic benefits.

(e) The Commission shall appoint and set the compensation of an executive director to assist the Commission in carrying out its functions, in accordance with Commission policies and regulations and with applicable law. The executive director shall appoint and discharge counsel and employees, consistent with applicable civil service laws, and shall fix the compensa-

tion of employees and prescribe their duties. The counsel to the Commission shall advise the Commission on all legal matters and on the instructions of the Commission may commence civil or criminal actions as may be appropriate.

Commentary

Section 4 (e). The executive director is directly responsible to the Commission which does the hiring and sets the salary. In turn, counsel and employees are responsible to the executive director, who is responsible to the Commission for their work. However, the counsel is directly responsible to the Commission in the sense that he or she may commence legal proceedings only on its instruction. In all other matters counsel is responsible to the executive director, thus avoiding the problem of competition for staff leadership position and power.

(f) The Commission may delegate authority to the chairman or executive director to act in the name of the Commission between meetings of the Commission, except that the Commission shall not delegate the power to hold hearings and determine violations.

Commentary

Section 4 (f). It is a common pattern that Commission staff may be delegated to act for the Commission on routine matters between commission meetings. Some states also allow commission staff or others to act as hearing officers and present their findings to the Commission for its decision. Such a delegation may be necessary when the Commission would otherwise be overburdened by the size of its docket. States wishing to adopt such a system should change the section to read:

> "(f) The Commission may delegate authority to the chairman or executive director to act in the name of the Commission between meetings of the Commission. The Commission may delegate the power to hold hearings but not to determine violations."

The delegation of the power to hold hearings to hearing officers generally meets the requirements of due process if the Commission itself makes the appropriate determination or decision on the basis of a fully adequate record so that it may review the hearing officers' recommendations.

(g) The principal office of the Commission shall be in _____ but it may establish offices, meet, and exercise its power at any other place in the state. Meetings of the Commission other than hearings shall be public or private as provided for in Section 6(b), except that the Commission may exclude the public from attendance at discussions of Commission personnel, planned or ongoing litigation and planned or ongoing investigations.

Commentary

Section 4 (g). The subsection provides for accessible commission offices and for open meetings, making exception in certain limited situations. As provided for in Section 6 (b), hearings may be open or private, depending on the wishes of the person charged (see commentary, subsection 6(b)). Meetings may also be closed when the Commission discusses its own personnel, and certain litigation and investigations. The provision is intended to balance the need for the protection of confidential discussions to enable the Commission to perform its functions effectively against the public's right to open movement.

Section 5. State Ethics Commission; Powers and Duties.

(a) The Commission may adopt, amend and rescind rules and regulations to carry out the provisions of this Act, and to govern the procedures of the Commission, in accordance with the administrative procedure act of the state. Such rules and regulations shall be consistent with this law and other applicable law.

(b) The Commission may subpoena witnesses, compel their attendance and testimony, administer oaths and affirmations, take evidence and require by subpoena the production of books, papers, records or other evidence needed for the performance of the Commission's duties or exercise of its powers, including its duties and powers of investigation.

(c) The Commission shall, in addition to its other duties:

(i) Prescribe forms for reports, statements, notices, and other documents required by law;

(ii) Prepare and publish manuals and guides explaining the duties of individuals covered by this law; and giving instructions and public information materials to facilitate compliance with, and enforcement of, this law; and

(iii) Provide assistance to agencies, officials and employees in administering the provisions of this law.

(d) The Commission may:

(i) Prepare reports and studies to advance the purposes of the law;

(ii) Contract for any services which cannot satisfactorily be performed by its employees;

(iii) Request the Attorney General to provide legal advice and representation without charge to the Commission, and the Attorney General shall comply with the request. The Commission may also employ additional legal counsel; and

(iv) Request appropriate agencies of state government to provide such professional assistance as it may require in the discharge of its duties.

Commentary

Section 5. This section authorizes the Commission to carry out its routine housekeeping functions. It also grants the Commission full authority to make rules consistent with the law, and it provides the Commission with the necessary powers to carry on investigations and to hold hearings and determine cases. The intent is to give the commission sufficient authority to run effective, efficient and timely investigations with the full cooperation of other state agencies, and to carry out its other enforcement responsibilities. It may use its powers of subpoena both for investigational purposes and in mind of the production of evidence at hearings. It may undertake studies and enter into contracts. In addition, the Commission also has the duty to provide assistance and information to persons and agencies covered by the law, and it may also prepare instructional and other public information materials it may deem advisable to advance compliance with the law.

Section 6. State Ethics Commission; Complaints; Hearings; Dispositions; Judicial Review.

(a) Upon the sworn complaint of any person or on its own initiative, the Commission shall investigate alleged violations of this law.

Not later than fifteen days after the Commission receives a sworn complaint, or after it decides to investigate on its own initiative, it shall acknowledge the receipt of the complaint to the complainant, where appropriate, and it shall give notice of the investigation to the person complained against. Not later than thirty days after receipt of a complaint under this section, or after the Commission decides to act on its own initiative, the Commission shall notify in writing the person who made the complaint and the person complained against of what action, if any, the Commission has taken or plans to take on the complaint, together with the reasons for such action or non-action. If the Commission does not decide within thirty days of receipt of the complaint what action to take, it shall notify the person who made the complaint of the reasons for the delay and shall subsequently give him the appropriate notification.

Commentary

Section 6 (a). Section 6 requires the Commission to investigate on the *sworn* complaint of any individual and sets up procedures under which the Commission is required to keep the complainant and the person complained against apprised of Commission actions and decisions with regard to the complaint until such time as final decisions are made. This provision is designed not only to ensure prompt action by the

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Commission, but also to make sure that the cases will not be buried or delayed for political reasons, or in order to avoid hard political choices. The time limits and procedures are particularly important in light of the three-year statute of limitations on criminal prosecutions (Section 21c)) and civil actions (Section 24 (b)), and in light of provisions which allow for citizen action to sue for relief should the Commission fail to take action. The section also allows the Commission to initiate complaints on its own.

(b) When the Commission concludes that there is probable cause for believing that the law has been violated, it may hold a hearing to determine if such violation has occurred. The person complained against may choose whether the hearing shall be open or closed. At the hearing, the person complained against shall have all of the protections of due process consistent with the state administrative procedure act, including but not limited to the right to be represented by counsel, the right to call and examine witnesses, the right to the production of evidence by subpoena, the right to introduce exhibits and the right to cross-examine opposing witnesses. When the Commission determines that the preponderance of the evidence shows a violation has occurred, it shall issue an order to the violator to comply with any one or more of the following requirements:

(i) To cease and desist violation of this law;
(ii) To file any reports or other documents or information required by this law; or
(iii) To pay a penalty not to exceed $100 a day until the proper financial disclosure statements are filed.

Commentary

Section 6 (b). The Commission may not proceed to the hearing stage unless it concludes that there is "probable cause for believing that the law has been violated." Thus, it may not proceed on mere suspicion. Once it has found such probable cause it may hold a hearing to determine whether such a violation has indeed occurred.

The provisions for hearings allow the person complained against to choose whether the hearing shall be open to the public or not. Many states require that such hearings be open while others require that they be closed. The decision to allow a choice reflects a desire to keep a balance between the rights of persons who are drawn into situations without wrongdoing—such as individuals who may not be directly involved in the situation in question—and the rights of the public. Since the final determination made by the Commission will be a matter of public record, the public's right to know will ultimately be served in every case.

There are good and valid reasons why a person might choose to have a hearing closed to the public. There are cases in which the inquiry might involve delicate or confidential information about government plans, where disclosure might be detrimental to the best interests of the government. Other such cases might involve

disclosure of the assets of a minor or disclosure of a serious mental or physical illness of someone other than the involved official and which might interfere with that person's right to lead as normal a life as possible. If a determination is made to go to court, such information would become public, but in many situations cases will not progress that far and could be handled without damage to privacy or the public right to know by allowing the option of closed hearings.

For others, an open hearing may offer prompt public vindication and may be the more desirable alternative. While in some situations the protection of privacy is a desirable goal, it seems equally important to guarantee the personal right of an individual to a public hearing, particularly in situations in which a great deal of public speculation and innuendo already exists, when only full and prompt disclosure of facts may lead to public vindication.

This section also provides for the usual guarantees of due process at hearings, including the right to counsel, to call and examine witnesses, to subpoena evidence, and the right of cross-examination.

The Commission has the authority to impose a number of sanctions and restrictions administratively, without going to court, if it finds by a preponderance of the evidence that violation has occurred. It may issue cease and desist orders against a further violation of law, and it may order the violator to file reports or other documents as required by law. It may also order the violator to pay a penalty of not more than $100 a day until proper financial disclosure statements are filed. The issuance of any administrative order does not, however, preclude the Commission from referring a case to the Attorney General for criminal prosecution (cf. Section 6(c)), or from suing for injunctive relief or for civil penalties (cf. Section 22 (a)).

(c) The Commission shall refer to the Attorney General violations of the law which in its opinion, merit prosecution. The Attorney General shall have responsibility for all prosecutions under the law and may request from the Commission all evidence collected in its investigation.

Commentary

Section 6 (c). Where the Commission finds by a preponderance of the evidence that a violation has occurred which, in its opinion, merits prosecution, the Commission may refer the case to the Attorney General for criminal prosecution. Under section 21 it must be shown for conviction that the violation was knowing or willful. Thus, the Commission is likely to find that a case merits prosecution when there is evidence of knowing or willful violation. Referal for prosecution does not preclude the Commission from issuing the order authorized in Section 6 (b) or from filing a civil suit pursuant to Section 22 (a).

In states where the Attorney General is not the chief prosecutor for the state, this provision should be adapted to mandate referral to the appropriate prosecutorial authority.

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(d) Any person directly involved or affected by a final action of the Commission within the meaning of the state administrative procedure act may seek judicial review of the action of the Commission other than of a determination to refer a violation to the Attorney General for prosecution.

Commentary

Section 6 (d). Subsection (d) gives any person "directly involved or affected by a final action of the Commission" the right to seek judicial relief of a final action of the Commission other than the determination to refer a violation to the Attorney General.

Thus, a right to seek judicial review is available only to final actions of the Commission, carrying out the usual requirement of administrative law that there must be an exhaustion of administrative remedies before a judicial review may be had.

It should be noted, too, that not only the person charged with a violation may seek judicial review, but other persons involved or affected by such final action may ask for review, too. For instance, if a person is ordered to file certain information and the filing of such information would have adverse consequences to a third person, such person adversely affected would also have a right to judicial review. This may become a matter of some significance in light of the broad financial disclosures required under the law.

(e) If judicial review is sought of any action of the Commission relating to a pending election, the matter shall be advanced on the docket of the court. The court may take any steps authorized by law to accelerate its procedures so as to permit a timely decision.

Commentary

Section 6 (e) Subsection (e) provides for docket preferences, and allows the court to speed the resolution of matters relating to a pending election. A prompt resolution of such matters is desirable so that the matter will not unfairly become an election issue or otherwise taint the election.

Section 7. State Ethics Commission; Advisory Opinions.

The Commission may on its own motion issue opinions and interpretations of the law. Any person may request the Commission to issue an opinion with respect to his duties under this law in a given factual situation. The Commission shall, within thirty days, either issue the opinion or advise the person who made the request whether an opinion will be issued. No person who acts in good faith relying on an opinion issued to him by the Commission shall be subject to criminal or civil penalties for so acting, if the statement of facts and other data submitted as part of his request for an opinion and on

which the opinion is based are complete and true. The Commission's opinions with such limited modifications as may be necessary to protect the privacy of individuals, other than public officials or candidates for public office, shall be public records and shall from time to time be published.

Commentary

Section 7. The power of the Commission to issue advisory opinions is intended to provide protection to persons who seek advance determination as to whether particular activities will violate the law. If such a person submits a true and complete statement of facts to the Commission, and if the person follows the Commission's opinion in good faith, then such a person will be protected against civil and criminal penalties which would arise from a different resolution of the issues.

By giving opinions on certain issues prospectively, the Commission may also ease its caseload and the number of cases which must go through time-consuming hearings. With this power the Commission can, with authority, clarify the application of the law in a variety of circumstances. The certainty of the application of the law is also sought to be advanced by the requirement that advisory opinions be published from time to time. When made public or published, names of individuals other than public officials and candidates for public office may be deleted or withheld to protect the privacy of persons who are not involved as officials or candidates.

In *Stein* v. *Howlett*, 52 Ill. 2d 570, 289 N.E. 2d 409, *app. dismissed* 412 U.S. 925, 93 S. Ct. 2750, 37 L.Ed 2d 152 (1973), a provision of the Illinois Ethics Act was held unconstitutional because it authorized the Secretary of State to hire legal counsel and to render advisory legal opinions interpreting a legislative enactment, because that function properly belonged to the attorney general, the chief law officer of the state. Thus, states which follow the Illinois approach should delegate the advisory opinion function under this section to the attorney general. In *Dunphy* v. *Sheehan*, 549 P.2d 332 (Nev. 1976) the invalidation of the financial disclosure provision of the Nevada Ethics in Government Law was based in part on the ground that advisory opinions from the State Ethics Commission provided no insulation from criminal prosecution.

Section 8. State Ethics Commission; Modification of Reporting Requirements.

Upon application made in the form prescribed by the Commission, it may suspend or modify any of the requirements of Sections 9 and 10 of this law in a particular case, if it finds (a) that strict application of this Act works a manifestly unreasonable hardship, and (b) that such suspension or modification will not frustrate the purposes of the law. Any such suspension or modification shall limit the application of a requirement only to the extent necessary to relieve the hardship.

Commentary

Section 8. This provision gives the Commission flexible powers to suspend or modify financial disclosure requirements where warranted. This may obviate the

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criticism that financial disclosure requirements will discourage substantial and dedicated people from seeking public office or employment when required disclosures produce manifest hardship. Under the provision, it would be possible for the Commission to tailor difficult financial disclosure provisions to the particular requirements of the position held or sought, while providing sufficient information so as not to frustrate the purposes of the law relating to public disclosure.

Section 9. Financial Disclosure; Filing Requirements.

(a) On or before January 31 of each calendar year, each state official shall file with the Commission a financial disclosure statement. The statement shall cover the previous calendar year. The state official shall file the statement at the office of the Commission, or shall mail it by certified mail to the Commission prior to the time specified.

Commentary

Section 9 (a). Section 9 requires that all "state officials" as defined in Section 3 (g) file by January 31 of each year a financial disclosure statement covering the previous calendar year. It is the responsibility of each official to make sure that the Commission has received the statement by January 31 or that it has been mailed by certified mail by January 31. Certified mail is required to ensure timely mailing and to prevent violation of the time limit by using a back-dated postal meter. It is necessary that all state officials file financial disclosure forms because only in this manner can the legislative purposes of the law be carried out (see Section 2).

While the financial disclosure provisions as stated are limited to "state officials" and do not include "state employees," this does not indicate any disapproval of such inclusion. Financial disclosure provisions might well include employees in policy-making positions, particularly those who can authorize and make expenditures. Differences between states' employment provisions make it inadvisable to write state employees into a model provision. States are urged to consider including some state employees in disclosure requirements. It is advisable, however, to limit inclusion to employees who are actually in a position to benefit their own interests. Over-inclusiveness may become burdensome to the Commission in that the mass of filing may obscure violations rather than reveal them.

(b) A person who becomes a state official less than ten days before the filing date or who becomes a state official after the filing date shall file a financial disclosure statement for the previous twelve months no later than ten days after the date on which he assumes the duties of his office unless he has filed a financial disclosure statement with the Commission during the preceding twelve months.

Commentary

Section 9 (b). Since many appointments do not take effect until after the appointing authority takes office, or until another official's term of office is completed in mid-year, this section provides for a filing procedure for them. It also provides that officials who have filed during the previous 12 months need not file again, so as to avoid the burden of over-repetitive filings. It should be noted that this provides for filing the financial disclosure statement after taking office. This would not, however, prevent a confirming authority (usually the Senate) from requiring earlier filing as part of the confirmation proceedings and perhaps even as a pre-condition for confirmation consideration. The fact that many state-appointed offices may not require confirmation militates against the practicality of a general requirement of pre-appointment filing.

(c) A candidate for state office shall file a financial disclosure statement with the Commission for the previous twelve months no later than ten days after he becomes a candidate, unless he has filed a financial disclosure statement with the Commission during the previous twelve months. A candidate shall continue to file annual financial disclosure statements with the Commission until he ceases to be a candidate by reason of election, withdrawal or defeat. As used in this section, a candidate is a person who officially files as a candidate for office, or who publicly announces that he is running for office, or who authorizes the collection or disbursement of money for the promotion of his candidacy or election. The State Election Commission [or Secretary of State] shall promptly inform the State Ethics Commission when a person files as a candidate for office.

Commentary

Section 9 (c). This section requires candidates to file if they have not already done so in a given year and to continue filing so long as they are candidates. This section is intended to address the problem of public knowledge of the reportable finances and actual and potential conflicts of interest of the incumbent state official, and the lack of comparable knowledge of the reportable finances and potential conflicts of other candidates. The public has a right to know as much about the candidates as it knows about incumbents in order to make an informed choice.

The definition of *candidate* in this section is designed to correlate this section with Section 3 (c) of the *Model State Campaign Finance Law* (National Municipal League, 1979). The definition of the term "candidate" in both laws is similar but not identical. A person must have taken some positive action to become a candidate in order to be required to file financial disclosure statements. For purposes of the Campaign Finance Law, the fact that money is being collected with or without his permission or authorization for the promotion of his nomination or candidacy suffices to make him a candidate, though the positive assertion of his candidacy will also reach that result.

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(d) The Commission shall retain financial disclosure statements in its files for not less than ten years from the date of filing.

Commentary

Section 9 (d). This subsection puts a limit on the required retention of records, while providing that they be kept for ten years—long enough to facilitate efficient investigation should that be necessary.

Section 10. Financial Disclosure Statement; Contents.

The financial disclosure statement shall disclose the economic interest of the state official or candidate, and of all members of his household. The value of interests shall be indicated by category only. The categories are Category I, less than $5,000; Category II, $5,000-$24,999; Category III, $25,000-$99,999; and Category IV, $100,000 or more.

Commentary

Section 10. A key provision of the law is the requirement that public officials and candidates regularly disclose their holdings and earnings. The Model provides for disclosure by officials or candidates by categories rather than by actual specific amounts. Disclosure by categories represents an acceptable compromise between specific disclosure by amount and disclosure by source or type of property only. Disclosure by categories as in the Model produces significantly more information by which the public may judge the behavior of its public officials, as well as information for the Commission should investigation be called for. Among other things, it reflects any significant augmentation of reportable holdings and income. The lesser alternative is to list by sources and nature of holdings. This model would work without categorization by amount, but not as effectively.

However, if reporting by source is relied on, once a source reaches a reportable level, the income can become much greater or the value of a holding can be augmented substantially without triggering public or Commission awareness, except in the case of the acquisition of a controlling interest in a business, in which case its real estate holdings would have to be disclosed under Section 10 (d). Disclosure by categories, as in the Model, will facilitate the use of the information to call attention to major or potential conflicts of interest, or to indicate possible use of confidential information or use of public position for private financial gain, thus aiding the preventive purpose of the Act.

States which do not seek financial disclosure by category may use the Model without such categories by eliminating all references to them in Section 10, Section 10 (d), Section 10 (e), Section 10 (f), Section 10 (g) and Section 10 (h).

In addition, broader or narrower ranges may be used. The Model may be adapted to such changes so long as the threshold amounts referred to in the body of the law are keyed to the arrangement of the categories. The amounts shown in the Model were designed to be far enough apart to prevent accurate pinpointing of net worth of

officials and candidates, but to provide an opportunity for the observation of substantial changes in holdings which may give rise to inquiry.

The statement shall include:

(a) The name, address, and public position held or sought by the state official or candidate, the names of all members of his household, and all names under which any of them do business.

Commentary

Section 10 (a). There is a substantial issue as to whether financial disclosure requirements should be limited to public officials, or whether members of the official's household should also be included. The Model solves this issue in favor of the broader disclosure requirement, in view of the ease of concealment of questionable income or holdings by such methods as giving it or having it paid to the spouse, particularly in community property states, putting it in a revocable trust, or using some other device through which actual control is retained.

This provision covers only persons included in the definition of "member of household" (Section 3(e)). Thus, persons who share the official's legal residence, or relatives over whose financial affairs the public official has legal or actual control whether or not they share the same legal residence are included. In most cases, adult children or wards will probably not fall within the requirement. In cases where such disclosure would cause unusual problems, the Commission can make necessary modifications in the disclosure requirements under Section 8 without allowing circumvention of the disclosure law. For example, in a situation in which a member of the official's household is one of several beneficiaries of a trust where the official has neither control nor even knowledge of its holdings, and in which disclosure would necessarily make known the holdings of persons not covered by the act, the Commission could waive disclosure.

For discussion of the implications of the "member of household" definition, see Commentary on Section 3 (e).

Financial disclosure provisions have been upheld against a variety of constitutional challenges, including the alleged invalid delegation of legislative power; vagueness and overbreadth, thus violative of due process; denial of the equal protection of the law; unconstitutional conditions on right to public employment; invasion of privacy; invasion of employees' right to freedom of association and other first amendment rights; infringement of employees' rights to petition government for redress of grievances; e.g., *Alabama State Employees' Assoc. v. Dr. Wright, et. al.*, Circuit Court of Montgomery Co. (Ala.), Civil Action No. 39026, 1974; *County of Nevada v. MacMillen*, 11 Cal. 3d 662, 114 Cal. Rptr. 345, 522 P.2d 1345 (1974); *Baty v. Bales*, Marin County Superior Court, No. 83978 (July 15, 1977); *Metropolitan Water District of Southern California v. FPPC*, 73 Cal. App. 3d 650 (1977); *Goldtrap v. Askew*, 334 So.2 20 (Fla. 1976); *Plante v. Gonzalez, Thomas v. Gonzalez*, 575 Fed. 2d 1119 (5th Cir. 1978), *cert. den.* — U.S. — 1979; *Stein v. Howlett*, 52 Ill. 2d 570, 289 N.E.2d 409, *app. dismissed*, 412 U.S. 925, 93 S. Ct. 2750, 37 L.Ed 2d 152 (1973); *Illinois State Employees' Association (I.S.E.A.) v. Walker*, 57 Ill. 2d 512, 315 N.W. 2d 9, *cert. denied* (with memorandum, Douglas, J.) sub. nom. *Troopers Lodge No. 41 v. Walker*,

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419 U.S. 1058, 95 S. Ct. 642, 42 L.Ed. 2d 656 (1974); *Klaus* v. *Minnesota State Ethics Commission*, 309 Minn. 430, 244 N.W.2d 672 (1976); *Kenny* v. *Byrne*, 144 N.J. Super. 243, 365 A.2d 211 (App. Div. 1976); *Evans* v. *Carey*, 53 A.D. 2d 109, 385 N.Y.S.2d 965 (1976), *aff'd*, 40 N.Y.2d 393, 359 N.E. 2d 983 (1976); *Fritz* v. *Gorton*, 83 Wash. 2d 275, 517 P.2d 911 (1974), *app. dismissed* 417 U.S. 902, 94 S. Ct. 2596, 41 L.Ed. 2d 208 (1974); *In Re Kading*, Wis. 2d 508, 235 N.W. 2d 409 (1975) (disclosure requirements under Judicial Code of Ethics). Decisions apparently to the contrary involved special and non-recurring situations, e.g., *Comer* v. *City of Mobile*, 337 So. 2d 742 (Ala. 1976) (law amending earlier state ethics legislation invalidated in part on such grounds as violation of prohibition of a special legislation in its effect on certain local governments; major provisions on disclosure upheld); *Alabama League of Municipalities* v. *Dr. Wright* (unconstitutional delegation of legislation in that state ethics commission was granted overly broad, and not legislatively defined, role asking power on ethical conduct and financial disclosure; also, violation of subject/title rule); *Dunphy* v. *Sheehan*, 549 P.2d 332 (Nev. 1976) (required disclosures limited to economic interests that would "materially affect" the official in the performance of his duties; held unconstitutionally vague, in that they failed to inform officials as to what conduct was proscribed); *Rapp* v. *Carey*, 44 N.Y. 2d 157 (1978) (Governor's executive order for financial disclosure inconsistent with earlier state law).

The inclusion of the economic interest of the spouse, children or other dependents was challenged and upheld in a number of cases, e.g., *County of Nevada* v. *MacMillen*, *supra*; *Baty* v. *Bales*, *supra*; *Illinois State Employees' Association* (I.S.E.A.) v. *Walker*, *supra*, *Havrilsky* v. *Byrne*, N.J. (1978); *In Re Kading*, *supra*;

(b) The occupations and principal places of business of the state official or candidate, and of all members of his household, indicating in each instance which person is associated with any particular business.

(c) The name of each business with which the state official or candidate or any member of his household was associated at any time during the filing year, indicating to which person it applies, and a brief description of the business or activity of each business entity, and the nature of the association of the state official or candidate or member of his household with each such business.

Commentary

Section 10 (b) and (c). These requirements primarily serve the purpose of identification, helping to connect individuals covered by the financial statement and their business interests.

(d) A listing of all interests of the state official or candidate and of all members of his household, in real property, excluding his principal

residence, held by him at any time during the previous year and which had a fair market value exceeding $5,000. If he acquired or divested any such interest during the year, he shall disclose the transaction and the date it occurred. This listing shall include the street address or legal description of the property, and its value by category. An interest in real property for purposes of this section shall include property owned by any business in which the official or any member of his household owns a controlling interest.

Commentary

Section 10 (d). Inclusion in financial disclosure statement of direct and indirect interests in real property is particularly important because such interests provide many opportunities for conflict of interest violations. For instance, an official can use confidential information to buy real estate while the price is low, expecting its value to rise sharply when public announcement of state building plans is made. This has given rise to problems in areas surrounding highway development, specifically in the acquisition of land at premium prices for planned entrance and exit ramps. Another example involves the participation in decisions on the location of government buildings or other projects on or adjacent to land owned by the decision maker. A further example is the corrupt development of design specifications for a project to fit *only* the real estate the official owns, such as in the development of water resources and other similar uses for undeveloped land.

(e) A listing of all securities the state official or candidate or members of his household held at any time during the previous year and which at any time during the year had a fair market value of $5,000 or more, and their value by category for each such security. If he or any member of his household acquired or divested any such securities during such year, the transaction and date shall be shown.

Commentary

Section 10 (e). Persons required to file financial disclosure statements must list all securities having a fair market value of $5,000 or more which they or members of their household held at any time during the previous calendar year. In addition, acquisitions and divestments of such securities must also be shown, together with an indication of when they were acquired or disposed of. The $5,000 value of securities was chosen as a threshold because it would be considered by most a fairly substantial holding and because, particularly in closely held corporations, a person holding a $5,000 security interest may well be in the position to affect company decisions. Holdings of a lesser value than $5,000 are not considered to give their owner an interest which is likely to affect the business decisions. It is difficult to determine a value which is likely to give the owner of shares a sufficient interest to affect business decisions in all situations. Clearly, in a major, publicly held company a $5,000 share interest is not likely to be of

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The requirement that dates of acquisition and dates of divestiture be indicated serves the additional purpose of flagging what may be significant transactions having conflict of interest implications. The acquisition of shares in a company at a time when the official has regulatory responsibilities relating to the field of operations of the particular business would of course be a matter which would give rise to inquiry. An additional purpose of the requirements of detail in furnishing information relating to security holdings is a preventive one, in that a public official who knows that his acquisition and divestiture of securities is subject to scrutiny is less likely to acquire shares and other securities in companies and at times when these may point to conflict of interest situations.

(f) A listing of all bonds issued by the state or by any municipality, county or other political subdivision of the state regardless of value, held by the state official or candidate, or any member of his household at any time during the filing year, and their value by category. If he or any member of his household acquired or divested any such securities during such year, the transaction and date shall be shown.

Commentary

Section 10 (f) The section requires that all persons who must file financial disclosure statements must list holdings of all bonds issued by any state or local government regardless of value. As in the case of other securities, their value, time of acquisition and time of divestiture must also be shown. The requirement that state and municipal bonds be listed regardless of the value of the holding indicates the importance of the concern for potential conflicts of interest which officials may encounter who have an interest in state and municipal bonds. The value of state and municipal bonds is peculiarly affected by decisions made on the state level. This is the case especially in the instance of revenue bonds issued to support particular capital projects of the state or municipality.

(g) The name and address of each creditor to whom the state official or candidate or a member of his household owed a debt in excess of $1,000 at any time during the filing year, other than for a credit card or retail installment contract, and the rate of interest, listing each obligation to each creditor and the amount of each debt by category. If he or any member of his household incurred or discharged any such debt during such year, the transaction and date shall be shown.

Commentary

Section 10 (g). Persons required to file financial disclosure statements must list any debt in excess of $1,000 owed at any time during the filing year. This does not include

credit card or retail installments which may be regarded as fairly routine. Other debts, rate of interest and listing of each obligation to individual creditors and the amount of the debt must be listed, and the incurring or discharge of the debt during the year and the date of such transaction must also be shown. Note that all personal debts of the person who files, and of his household, must be included if they exceed the $1,000 threshold. The purpose of the provision is to forestall or at the very least to raise questions regarding debts which have been granted on a preferential basis, or where the interest rate shows that the borrower has been given an unusual preference or advantage, or that he has been given unusually favorable terms in situations which may well raise questions of conflicts of interest. The nature of the obligation may also provide useful information. In political life it is not at all unusual to make gifts by way of extending credit in instances where there is no intention that the loan be repaid, even though it will ostensibly have all of the characteristics and all of the formalities and legal instruments that normally show that a loan rather than gift was intended.

The $1,000 threshold is intended to cover loans of some significance. The figure may need adjustment from time to time to insure that the requirement includes only significant obligations.

(h) The name and address of any person or business that made payments or provided gross income exceeding $1,000, other than income received from securities reported in subsection 10(e), including the amount by category, to the state official or candidate or any member of his household, indicating the nature of the business or services for which such payment or income was received. A report shall be made under this subsection when the payment is to a business which pays, or which is under an obligation to pay, a prorated share to the state official or candidate exceeding $1,000. If such payments or income are for the rendition of medical or mental health services, the income shall be listed but the identity of individual patients need not be disclosed.

Commentary

Section 10 (h). The provision requires persons who file financial disclosure statements to include information on all payments made exceeding $1,000 during the reporting year to the person filing or to any member of his household, indicating the nature of the business or services for which the payment was made. The section expressly excludes payments of dividends earned on securities which are already covered in another provision. The disclosure requirement is of all payments regardless of whether these payments were made by an individual or by a business or corporate entity. The source of the payment must be disclosed unless such payment is for medical or mental health services. Included in the report are to be payments to a business which in turn is under an obligation to pay the state official a prorated share exceeding $1,000. The purpose of the provision is the disclosure of sources of income to the state official or candidate other than the public sources which pay his compensation as a state official. The requirement that the nature of the business or

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services for which payment was made must be disclosed is intended to prevent the gratuitous and potentially corrupt payment of moneys under the guise of payment for goods or services rendered. Under the provisions government officials who are involved in law practice for instance would have to indicate payments received from particular clients, but they would not have to disclose the exact nature of services rendered. It has been held that it is not a violation of the code of professional ethics to reveal the name of clients so long as the exact nature of the professional services is not disclosed. Legal requirements of a similar nature in other laws have not had any untoward effects on the practice of the professions and have not caused lawyers with outside interests to leave public employment.

A requirement that attorneys disclose the names of clients who paid a fee of $1,000 or more in the report year was upheld in *Hays v. Woo l*, 79 Cal. App. 3d 354, modified 79 Cal. App. 3d 447, with the court indicating that the requirement of disclosing the client's name did not invade any recognized rights of privacy or legally recognized privilege. The California Political Reform Act of 1974 required attorneys and others, such as brokers, to disclose the names of clients who had paid $1,000 or more during the year. This the court found discriminatory, and held that lawyers and brokers would be bound only by the $10,000 disclosure rule applicable to other professionals under the law.

(i) The name and address of business or governmental clients or customers of any business in which the state official or candidate or a member of his household is an officer, director or partner or has an ownership interest of more than _____ percent, if the client or customer has paid an aggregate of $25,000 or more to the business during the filing year, but the full amounts of such fees need not be disclosed.

Commentary

Section 10 (i). The section covers the rather unusual situation of a state official, candidate or member of his household who is an officer or has a major ownership interest in a business to which a customer or client has paid an aggregate of $25,000 or more during the filing year. The disclosure required by this section affects only state officials with major business interests in situations where a major client or customer may affect the overall financial condition of the firm. The underlying assumption is that where a government official also has a major interest in a business he is likely to value important customers and clients, and that this may in turn influence his judgment in carrying out his official duties. There is a particular risk of this in instances where a number of important clients or customers may have similar interests in certain government decisions. So, for instance, a law firm which represents a number of banks or insurance companies or which represents a number of mining operations may well have a particular point of view with respect to the law which applies to these regulated interests. The disclosure of the relationship of the public official to certain regulated industries puts the matter on the public record and may thus be useful in preventing undue influence.

An effort has been made to make this provision no more burdensome than

necessary. The only disclosure that is required is the name of the client or customer who has paid an aggregate of $25,000 or more during the filing year. The exact amount paid need not be disclosed, and there is no requirement that the amount paid be disclosed by category. It should be noted that professional or trade directories frequently list the important clients of law firms or the most important trade connections of the firm. Except in the case of very large firms or businesses, it is unlikely that an officer, director, partner, or part owner will be unaware of the existence of such important clients or customers. It may well be that the $25,000 threshold is too low to be of significance in the case of large companies. In that event, this may be an appropriate situation for a petition to the Commission for a modification of the requirement under Section 8 of the law.

(i) A list of all gifts received which exceed _____ dollars in value from persons other than relatives or a person to whom the state official or candidate is engaged or intends to marry. As used in this section, the term "gifts" does not include campaign contributions, but shall have the same meaning as in Section 18.

Commentary

Section 10 (i). The section requires financial disclosure of valuable gifts, exempting only defined categories of gifts among family members or among persons who expect to marry. The section makes the assumption that large gifts received by a public official or candidate from persons other than family members may at least be subject to some explanation. The section expressly exempts campaign contributions which have been properly defined in Section 3(e) of the *Model Campaign Finance Law*. The matter of the acceptance of gifts by state officials and employees is dealt with in considerable detail in Section 18 of this law. Thus, the present section may be viewed as a regulatory mechanism to see that Section 18 is properly complied with.

Section 11. Conflicts of Interest; Prohibitions.

(a) No state official or state employee shall use his public office for private advancement or gain.

Commentary

Section 11 (a). Section 11 contains a number of specific prohibitions that deal with recurring problems involving conflicts of interest. Section 11 (a) is a general prohibition on the use of public office for private advancement or gain. The subsection is intentionally broad because it is intended to cover the variety of situations which may not be expressly covered by more specific prohibitions. One such example of the use of public office for private gain is the situation of a state official who uses his official position to place state funds in a bank in order to obtain favorable action from the bank on a personal loan application.

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(b) A state official or state employee shall not represent or otherwise assist any person or business before any state agency or before any agency of any political subdivision of the state for contingent compensation in any transaction involving the state or any political subdivision.

Commentary

Section 11 (b). The section prohibits state officials or employees from representing or assisting any person or business before any agency of the state or any of its political subdivisions for a contingent compensation. The agreement to pay compensation contingent on the success of the assistance of representation adds a special inducement to the use of undue influence to get a desired result. Note that this section does not address the question of state officials or employees who represent others before agencies for compensation other than contingent compensation, such as on a regular fee basis. Such representation is permitted except as restricted by other provisions of this Act, and especially subsections (c), (d) and (e) of this section.

(c) A state official or state employee shall not represent or otherwise assist any person or business for a fee or other compensation to secure passage of a bill or to obtain a contract, or payment of a claim, or in any other transaction or proposal if he has participated, will participate, or is likely to participate as an official or employee in the disposition of the matter.

(d) A state official or state employee shall not represent or otherwise assist any person or business before a state agency on any bill, contract, claim or other transaction or proposal involving official action by the agency if he has official authority over that state agency or is an official or employee of that agency.

(e) This section shall not apply to elected members of the state legislature who shall be governed by Section 12 of this Act.

Commentary

Section 11 (c) and (d). These subsections prohibit state officials or employees from representing others for a fee or other consideration in matters in which they have been involved in their work for the state. Subsection (c) deals with the situation of a state official or state employee who represents another in a situation where such official or state employee participates in or is likely to participate in the disposition of the matter. Such matters as passage of a bill, obtaining a contract, or the payment of a claim are covered transactions. Subsection (d) deals more generally with a state official or state employee who represents or assists another before a state agency on any bill, contract, claim or other transaction if such state official or employee has official authority over that state agency or is an official or employee of that agency. The situations covered involve some classic and recurring conflict of interest problems, and

are parallel in some respects to the prohibitions of conflicts of interest contained in the American Bar Association Code of Professional Responsibility. They also parallel the restrictions which business corporations put on the actions of their officers and employees.

Section 12. Conflicts of Interest; Legislature.

(a) A member of the state legislature and a person appointed by the legislature or by any legislator shall not represent or assist any person or business before any state agency or before any agency of any political subdivision of the state for compensation or other benefit or promise thereof.

Commentary

Section 12 (a). This section deals with a variety of conflict of interest situations which may involve legislators or legislative staff. Subsection (a) bars state legislators and persons appointed by them from representing others before any agency of the state or its subdivisions, for compensation or other benefit or promise of benefit. It should be noted that the section prohibits representation "for compensation." It does not, however, interfere with a legislator's responsibility to represent his constituent's interests before a state agency. It should also be noted that the section is not intended to apply to representation of clients by state legislators or legislative employees before the courts of the state. The state courts are not generally considered to be agencies of the state, and, consequently, this section does not bar such representation. In the states which do not follow the usual rule and do consider courts state agencies, an express exception for courts should be added.

(b) A member of the state legislature shall comply with the Code of Legislative Ethics adopted by the legislature, and shall comply with the reporting requirements of Section 17 of this Act.

Commentary

Section 12 (b). This subsection reflects the universal constitutional provision that the legislature is the only body which may regulate a member's behavior on the floor, and the questions of his seating and seniority. Thus the section refers the legislators to their legislature's own code of legislative ethics in lieu of compliance with the requirements of this Act. Note, however, that legislators are not exempt from the reporting requirements of Section 17 of this Act. The section exhorts the houses of the legislature to set rules of conduct for their members and to enforce them. The provisions of this law clearly cannot reach instances of actions on the part of legislators in the legislative chambers that reflect conflicts of interest or that reflect commitment to special interests.

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(c) Any violation of this Act by a member of the state legislature shall be subject to the sanctions of this Act to the fullest extent ssible under the provisions of the state constitution. Any violation not to the sanctions of this Act by reason of the state constitution shall be su t to such sanctions as the legislature itself may impose under its Code of Legislative Ethics.

Commentary

Section 12 (c). This section states the general principle that violations of the Act by members of the state legislature are to be subject to the sanctions of the Act insofar as such sanctions may be applied consistent with the provisions of the state constitution. In a number of states the constitutional protection granted legislators for actions on the floor of the respective houses of the legislature extends beyond matters of voting and free speech and may be inconsistent with the enforcement of certain conflict of interest provisions under this law. To the extent that some of the conflict of interest provisions under this law may not be applicable to state legislators under the constitution, the Act relegates those violations to sanctions imposed by the legislature itself. Thus, for example, if the Commission may not penalize a legislator for failing to disclose a conflict of interest prior to voting as required by Section 17, the legislature is obligated to proceed against its members when the commission cannot by reason of constitutional limitations.

Section 13. Government Contracts; Prohibitions.

(a) A state official or state employee or a member of his household shall not be a party to or have an interest in the profits or benefits of a state contract or the investment of state funds unless the contract or the investment meets the following exceptions:

(i) The contract is let by competitive bidding or involves not more than $150 (One Hundred and Fifty Dollars);

(ii) The contract is for necessary supplies or services for the governmental agency involved, which are unobtainable elsewhere for the same or lower cost, or which are furnished to the government agency as part of a continuing course of dealing, established before the state official or state employee became associated with the governmental agency, and the entire transaction is conducted at arm's length, with the agency's full knowledge of the interest of the state official or state employee or a member of his household, and the state official or state employee takes no part in the determinations of specifications, deliberations or decision of the governmental agency with respect to the public contract.

(b) In the absence of bribery or a purpose to defraud, a state official or

state employee, or a member of his household, shall not be considered as having an interest in a public contract or the investment of public funds when such a person has a limited interest as a shareholder or creditor of the business which is the contractor on the public contract involved or which is the issuer of the security in which public funds are invested. A limited interest for purposes of this section is an interest not exceeding 5 percent of the outstanding shares of a corporation or an interest as a creditor not exceeding 5 percent of the total indebtedness of a corporation or other organization, unless it is a corporation whose shares are traded on a public exchange, in which case the Commission may set lower limits. A person claiming such a limited interest shall file with the State Ethics Commission and the governmental agency an affidavit describing his status in and connection with the corporation or other business, before such public contract is entered into.

Commentary

Section 13. Section 13 places management restrictions on business dealings between state officials or employees and the state. It prohibits outright self-dealing but it relieves the state of the burden of limiting its business transactions to companies in which no state official or employee has even a minute or indirect interest. In instances where a state official or employee has such a minor interest in a business that deals with the state the section provides that the state official or employee may take no part in the deliberations and decisions relating to such dealings, and that the persons and businesses involved in such situations be aware of the relationship and take appropriate steps to disclose the same to the commission. The purpose of the section is not only to prohibit outright self-dealing but also to prevent even the appearance of conflict to the fullest extent possible.

The purpose of preventing self-dealing might best be served by an outright and complete ban, but such a ban is not likely to serve the public interest because it is unfeasible and unmanageable.

The prohibition against self-dealing allows for certain exceptions. The exception in subsection (a) is for contracts let by competitive bidding, or where the amount involved is $150 or less where the contract is let for necessary materials at the best available price, as part of a continuing course of dealing established prior to the time the state official or employee became associated with a governmental agency. Further conditions require the arrangement to be at arm's length and that the state official or employee disclose his interest to the agency. Both the small amount involved and the conditions imposed assure that no significant instances of self-dealing will be permitted under this subsection.

Subsection (b) allows public contract or the investment of public funds with businesses in which a state official or state employee has a demonstrably limited interest. Such a limited interest may be a shareholder's interest or a creditor's interest where the shareholder's interest does not exceed 5 percent of the outstanding shares of the business and where the interest of the creditor does not exceed 5 percent of the total indebtedness of the business. In the instance of publicly held companies whose shares are traded on a public exchange, a 5 percent share interest or a 5 percent

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Section 14. Conflicts of Interest; Employment.

(a) No state official and no state employee shall seek employment with, or allow himself to be employed by, any business which is or may be regulated by a department or agency which he serves. The term employment within the meaning of this section includes professional services and other services rendered by the state official or state employee whether rendered as an employee or as an independent contractor.

(b) No business shall employ a state official or state employee if the employment violates subsection (a) of this section.

Commentary

Section 14. This section prohibits a state official or employee from seeking or accepting employment from a business regulated by his agency. For purposes of this prohibition the term employment is broadly defined to include professional services and other services that may be rendered either as an employee or as an independent contractor. Subsection (b) poses a correlative prohibition on businesses. They are prohibited from employing state officials or state employees if such state officials or employees are prohibited from accepting such employment under this section, thus the business and the employee would become equally guilty of violating the law.

Section 15. Conflicts of Interest; Avoidance.

No state official or state employee shall acquire any financial interest, including, but not limited to, interest in a business, real property, or in a contractual relationship, when he believes or has reason to believe that it will be directly and immediately affected by his official action or the action of the government department or agency which he serves.

Commentary

Section 15. The section prohibits the acquisition by any state official or employee of any financial interest which he believes or has reason to believe will put him in a conflict of interest situation. It is clearly contemplated by the section that any employee who finds that he has acquired such a financial interest divest himself of the same as promptly as possible.

Section 16. Conflicts of Interest; Reporting.

(a) A state official or state employee, other than a legislator, who is required to take any action or make any decision in the discharge of his official duties that may cause financial benefit or detriment to him, to a member of his household or a business with which he is associated, which is distinguishable from the effects of such action on the public generally or a broad segment of the public, shall:

(i) Prepare a written statement describing the matter requiring action or decision and the nature of the potential conflict; and

(ii) Deliver a copy of the statement to the Commission and to his immediate superior, if any, who shall assign the matter to another, or, if he has no immediate superior, he shall take such steps as the Commission shall prescribe or advise to remove himself from influence over actions and decisions on the matter. This restriction shall not prevent such person from making or participating in the making of a governmental decision to the extent that the individual's participation is legally required for the action or decision to be made, but in such event the person shall report the occurrence to the Commission.

(b) The obligation to report a potential conflict of interest under this section arises as soon as the state official or state employee is aware of such conflict or as soon as he should reasonably be aware of such conflict, whichever is sooner.

Commentary

Section 16. When a state official or employee finds himself faced by a conflict of interest as defined in the section he must prepare a written statement describing the situation and he must deliver a copy of the statement to the State Ethics Commission and to his immediate superior in the agency. The state official or employee must then also disengage himself from participation in the matter so far as legally permissible. His superior is under an obligation to assign the matter to another person for determination or decision, and if the official or employee has no direct superior, he must follow the advice of the Ethics Commission in removing himself from a decision-making role. In some instances the law may require that certain decisions be made by designated officials. In such an event, where the determination cannot be delegated to another, the needs of government shall be met in that the particular official or employee shall make the legally required decision, but he must report the matter to the ethics commission. The section provides that a state official or employee cannot close his eyes to the existence of a conflict of interest situation. The obligation to report and to disqualify himself arises as soon as he is aware of the conflict, or as soon as he should reasonably be aware of such conflict.

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reports the matter to the State Ethics Commission as required by law and who thereafter follows the direction of the Commission would be protected from any subsequently asserted liability.

Section 17. Conflicts of Interest; Member of State Legislature; Reporting.

(a) A member of the Legislature who is required to take an action in the discharge of his official duties that may cause financial benefit or detriment to him, a member of his household or a business with which he is associated, which is distinguishable from the effects of such action on the public generally or a broad segment of the public shall:

(i) Prepare a written statement describing the matter requiring action and the nature of the potential conflict; and

(ii) Deliver a copy of the statement to the clerk of the house of the legislature for inclusion in the official legislative record and to the Speaker of the House or [Assembly] or the President Pro Tempore of the Senate as appropriate [and to the Commission.]. He may request permission to abstain from voting on the issue and such legislative officers may grant the request. Nothing in this section shall be construed to prohibit any legislator from voting on any matter that comes before his house of the legislature.

(b) The obligation to report a potential conflict of interest under this section arises as soon as the member of the legislature is aware of such conflict or as soon as he should reasonably be aware of such conflict, whichever is sooner.

Commentary

Section 17. Section 17 imposes disclosure requirements on legislators who find themselves in a situation of conflict of interest. Section 16, which deals with conflicts of interest of state officials and state employees other than legislators, requires them to disqualify themselves from official action in conflict situations, except insofar as they may be required to act by reason of the legal responsibilities of their position. Unlike other state officials, legislators are not required to disqualify themselves, but they are required under section 17 to disclose their conflict and to put it on the legislative record. Disqualification of state legislators is not required because to require them to disqualify themselves would deprive their constituents of representation. To require legislator to disqualify himself, and in effect to prohibit him from voting when he find himself in a conflict of interest, or to penalize him for voting in such a situation, would probably be an unconstitutional interference with the legislative process. The right of the legislature to be the sole judge of the conduct of its members on the floor is virtually absolute. However, a legislator who finds himself in a conflict of interest is encouraged to request permission to abstain from voting on the particular issue and

the presiding officer of the particular house may grant the request. It is clear that the effectiveness of Section 17 in dealing with legislative conflicts of interest will depend largely on the seriousness of the legislature in its enforcement. In this area it is likely that efforts by the State Ethics Commission to seek enforcement of the law will meet with constitutional objections based on the principle of the separation of powers.

Section 18. State Officials or Employees; Making and Acceptance of Gifts.

(a) No state official or state employee shall solicit, accept or agree to accept any gift, including economic opportunity, loan (other than from a regular lending institution on terms generally available for such loans), gratuity, special discount, favor, hospitality or service having an aggregate value of one hundred dollars ($100) or more in any calendar year from any person, except from members of his family or from a person whom he plans to marry. This section shall not, however, operate to prevent the acceptance by a state official or state employee of reimbursement for expenses which are expressly provided for or permitted by law.

(b) No person or business shall offer or make any gift which a state official or employee is prohibited from accepting pursuant to subsection (a) of this section.

Commentary

Section 18. Section 18 prohibits any state official or employee from accepting any gift in excess of $100 from persons other than his family or a person whom such official or employee plans to marry. Earlier formulation of state ethics laws prohibited officials from accepting gifts from persons one might "reasonably" expect to have an interest in some matter over which such official's agency had authority. In this earlier formulation there was the recurring risk that the law would be declared unconstitutional, as void for vagueness. The firm dollar limit eliminates the problem of what is a reasonable gift, and it also eliminates the problem of determining when a gift is made because it is reasonably expected to have some impact on the official's actions. The section assumes that gifts other than from relatives or future spouses in excess of the limit are questionable in purpose and resolves the issue by prohibiting such gifts altogether. The dollar limit on gift giving may have to be adjusted from time to time to reflect inflationary changes. Subsection (b) of Section 18 makes the giver or offerer of an illegal gift equally liable with the official who accepts it.

Section 19. State Officials or Employees; Disclosure of Information.

No state official or state employee shall disclose or use confidential information or information not available to members of the general public for

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his personal gain or benefit or for the personal gain or benefit of any other person or business if he has obtained such information through his official position. The restriction on the use of information shall continue for two years after he ends his term of office or leaves government service or employment, and shall supersede any other less restrictive requirements of confidentiality that may be applicable.

Commentary

Section 19. Section 19 prohibits the use of confidential information for financial gain. The use of confidential information has long been a common and serious abuse of public trust and one which, because of its nature, was particularly difficult to prove. Financial disclosure requirements make certain gross abuses easier to trace. However, when confidential information is not used by the official himself but is given to friends or business associates, tracing it may still be difficult. The abuse of confidential information gained through official position both during and after public service has been the frequent subject of public investigations, particularly as "government in the sunshine" laws diminish the amount of truly confidential information and makes it easier to trace its leakage. Note that Section 19 restricts the use of information gained in consequence of official position for two years after the term of office is concluded or government service or employment is ended. This two-year limitation supersedes other less restrictive requirements which are commonly scattered throughout the law with a variety of requirements applicable to different agencies.

Section 20. State Officials or Employees: Limitation on Representation.

(a) No former state official or former state employee shall for a period of two years following the end of his term of office or the termination of his state service or employment assist another person or business whether or not for compensation, in any transaction, or in any appearance in connection with any transaction involving the state or any of its agencies or subdivisions in which such former state official or former state employee participated during his term of office or employment.

(b) No business in which a former state official or former state employee is a partner or member, or, in the case of a professional corporation, a shareholder, and no employee of such business, shall, for a period of two years following the termination of his term of office or employment, assist another person in any appearance or transaction involving the state or any of its agencies or subdivisions in which the former state official or former state employee participated during his term of office or state employment. For purposes of this section, the termination of employment of the former state official or former state employee with the agency which he served when he so

participated shall be deemed to be the termination of his state employment.

(c) Nothing contained in this Act shall prohibit a former state official or former state employee from being retained or employed by the department or state public agency which he served.

Commentary

Section 20. Section 20 deals with the recurring problem of state officials and employees who leave public employment to work in the private sector, who are then able to use confidential information and the previous close contacts gained in public employment for the advantage of their private employer's customers or clients. The problem of the "revolving door" in public service is a recurring and serious one. While abuses in the use of special contacts and special information gained during public employment must be curbed, it is constitutionally unacceptable to place undue job restrictions on public officials and public employees after they leave public service. Moreover, it would be a disservice to the public interest to limit employment opportunities of former government officials and employees unduly because it would discourage highly qualified and expert persons from entering government service for fear of unduly limiting their future employment opportunities.

Section 20 seeks to resolve these competing considerations by drawing a balance which results in reasonable limits. Under subsection (a) a former state official or employee is barred for a period of two years following the end of his official service from assisting or appearing on behalf of any other person or business in connection with any transaction in which such official participated during his term of office or employment. Subsection (b) applies a similar limitation to any business or person associated with such business in which such a former state official or state employee is a partner or member, or in a professional corporation, a shareholder. It should be noted that only those matters with which the former state official or employee had any direct connection are out of bounds. It may be of particular significance to law firms and similar professional undertakings that all appearances, including those before the agency of the former official or employee, on matters that were not his responsibility are permitted. The narrow range of prohibitions is intended to limit the adverse impact which such limitations would have on highly qualified professionals who might otherwise avoid entering government service. At the same time the section also protects businesses from a form of undue pressure or blackmail by state officials or employees who may condition favorable government action on advantageous private job offers.

Section 21. Criminal Prosecution; Penalties.

(a) A person who knowingly or willfully violates any provision of this Act other than a requirement of financial disclosure pursuant to Sections 9 and 10 of this Act is guilty of a misdemeanor, punishable for each such violation by imprisonment of not more than one year and by a fine not to exceed $10,000.

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Commentary

Section 21(a). Section 21 separately provides for convictions which involve violation of the conflict of interest provision of the law and violation of the financial disclosure requirements. Knowing and willful violation of the conflict of interest provisions is a misdemeanor and the penalty is a fine of not more than $10,000, imprisonment for not more than one year, or both. Many jurisdictions treat the violation of conflict of interest provisions as a felony. However, it has been a common experience that white collar crimes, which generally do not involve any violence or threat of violence, are treated lightly by juries and that juries are less likely to convict when the violation is treated as felony subject to many years of imprisonment. Thus, designating knowing and willful violation as misdemeanors is more likely to result in convictions. It should be noted, moreover, that in many instances it is likely that more than one offense of conflict of interest will be charged. Thus, in egregious cases, consecutive one-year terms for different counts or violations are not unlikely.

(b) A person who knowingly or willfully violates any financial disclosure requirements of Section 9 or 10 of this Act is guilty of a misdemeanor, punishable by a fine of not more than $10,000 or three times the amount or value of the interest or interests the person failed to report, whichever is greater.

Commentary

Section 21(b). The violation of financial disclosure requirements under the law is treated as a misdemeanor. Unlike violations of conflict of interest provisions this misdemeanor is not punishable by a jail term but only by a fine. In effect, the violation of a financial disclosure requirement is regarded as a primarily economic offense; consequently, the penalty provided is primarily economic in nature. For the conviction of failure to make required financial disclosures the penalty is three times the amount or value of items not reported. Thus, when there has been a gross failure to meet financial disclosure requirements, penalties may be greatly in excess of $10,000.

(c) The Attorney General shall commence prosecution for violation of this Act no later than three years after the date of violation.

Commentary

Section 21(c). A three-year statute of limitations for violations of the *Model State Conflict of Interest and Financial Disclosure Law* is intended to provide sufficient time for the discovery and careful investigation and case preparation of violations which in many instances may involve complex financial dealings. While some states allow for longer statutes of limitations in laws of this nature, the three-year statute of limitations is intended to require diligent prosecution efforts when violations have been discovered. A three-year statute of limitations is also subject to less abuse for political purposes and for purposes of influencing the outcome of elections.

(d) A person convicted of a misdemeanor under this Act shall not be a candidate for any elective office or be eligible for any appointive office or act as a paid lobbyist for a period of four years following the date of the conviction, unless the court at the time of sentencing reduces the period or determines that this provision shall not be applicable. A plea of *nolo contendere* shall be deemed a conviction for purposes of this Act.

Commentary

Section 21 (d). As an additional sanction, Subsection (d) provides that a convicted official or employee may not become a candidate for public office, or become eligible for appointive office, or be a paid lobbyist for four years unless the court relieves him from the effects of this provision at the time of sentencing. Removal from office as a sanction for conviction of violation of law is a justifiable penalty, and it is recommended that Section 21 (d) also provide for removal from office in states where such a provision is constitutionally permissible. It is not constitutionally permissible in all states for all public officials, because the constitution may limit removal from office to certain offenses or may require certain constitutionally prescribed procedures.

Section 22. Civil Action; Injunctive Relief; Civil Penalties.

(a) The Commission may sue in the _____ Court for injunctive relief to enjoin a violation or to compel compliance with the provisions of the Act, and for the collection of civil penalties.

Commentary

Section 22. Section 22 authorizes the Commission to bring civil actions for two purposes. First, to secure injunctions against violation of the Act, or to compel compliance with its provisions and, second, to sue for the collection of civil penalties under the Act.

The injunctive process is a useful and necessary procedure to deal with situations that involve conflicts of interest before they have done irreversible damage. Such damage may involve not only public confidence in government but also the expenditure of substantial public funds in reliance on administrative decisions or other government action based on a process that was tainted by the private interest of the decision maker. The injunctive process has the advantage of a prospective, preventive procedure that can deal with imminent risks in a timely fashion, unlike criminal prosecution for violation of the Act which generally deals with violation after the harm is done, and which takes a lengthy course of preparation, and evidence to convict beyond a reasonable doubt. The effectiveness of the injunctive procedure is enhanced by the availability of the power of the court to hold the violator in contempt if he fails to obey the court's injunctive order. Such contempt powers are exercised by the court subject to the applicable provisions of state law.

It is likely that the power to enjoin violations of the law will usually be exercised after

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the violator has failed to obey the State Ethics Commission's own administrative order to cease his violation.

The Commission's right to sue for civil penalties is discussed in connection with Subsection 22 (d).

(b) Upon a preliminary showing in an action brought by the Commission that a violation of the law has occurred that involves a conflict of interest or a disqualification for official action, the court may restrain the execution of any official action in relation to which such violation occurred, pending final adjudication. If it is ultimately determined that a violation has occurred and that in the absence of such conflict of interest the official action might not have been taken or approved, the court may set the official action aside as void. The term official action as used in this subsection includes, but is not limited to, executive and administrative action, such as orders, permits, resolutions and contracts, but does not include the enactment of state legislation. In considering the granting of preliminary or permanent relief under this subsection, the court shall accord due weight to any injury to members of the public who rely on the official action in good faith.

Commentary

Section 22 (b). In addition to the power of the State Ethics Commission to seek an injunction against a violation of the ethics law under Subsection 22(a), this subsection allows the court, in an injunctive proceeding brought by the Commission, to restrain the official action alleged to be tainted. The Commission may obtain a temporary restraining order against such government action after a preliminary showing that a violation of the law has occurred. Such a preliminary restraining order will hold all further government action in relation to which the violation has occurred until the issue of the existence of the alleged violation has been determined. When it is determined that there has been a violation, the court may void the tainted government decision or action. The court, however, is not required to grant such temporary or permanent relief, but must give due weight to the detrimental effect such an order may have on members of the public who rely on the official action, in good faith. A number of instances of such good faith reliance may be suggested—such as employees whose jobs may be lost when their company's contract is voided, or the residents of a particular area who may lose the benefit of some public works project, be it a housing project, a public transportation project, or a flood control project, as a result of the voidance of the particular government action.

(c) Any person who violates any of the reporting requirements of this Act is liable to the state for a civil penalty in an amount not exceeding the value of the interest not properly reported.

Commentary

Section 22(c). This subsection allows a civil action for the collection of a civil penalty for the violation of the reporting requirements of the Act, in an amount not exceeding the value of the interest not properly reported in the financial disclosure statement. Note that this civil penalty is limited to violations of reporting requirements, and that, unlike the criminal fine for the same violation, the penalty may be collected regardless of whether the violation was knowing and willful. The civil penalty, as in other civil suits, may be imposed on the basis of the fair preponderance of the evidence of violation. For additional discussion of the imposition of civil penalties see Commentary in Section 24.

(d) Any state official or state employee who realizes an economic benefit as a result of violation of the conflict of interest provisions of Sections 11 to 20, is liable to the state for a civil penalty in an amount not exceeding three times the amount or value of the benefit.

Commentary

Section 22 (d). This subsection allows a civil action for the collection of a penalty for the violation of the conflict of interest provisions of Sections 11 to 20 in an amount not exceeding three times the amount of the benefit derived from the violation (such as the use of official information for private benefit, or the benefit from government contracts improperly obtained). The provision does not require proof beyond a reasonable doubt or proof of knowing and willful violation. The section treats the violation as a civil, economic or administrative offense, for which an economic penalty is imposed that stands in direct relationship to the economic benefit gained from the violation.

(e) If two or more persons are responsible for any violation, each of them is liable to the state for the full amount of the civil penalty, and a separate civil penalty for the full amount may be imposed on, and collected from, each of them individually.

Commentary

Section 22 (e). This subsection provides for separate civil causes of action against each person civilly liable under the provision of the Act. Civil penalties, therefore, are not to be divided among the persons responsible in cases where more than one person bears responsibility, but each person is liable independently for the full amount of the penalty.

Section 23. Citizen Action.

Any resident of the state may file a written request with the Commission

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that the Commission commence action for injunctive relief to enjoin a violation or to compel compliance with the provisions of the Act, or for the collection of civil penalties. The request shall state the grounds for belief that a cause of action exists. The Commission shall respond no later than forty days after the receipt of the request, indicating whether it intends to file a civil action. If the response is affirmative, and suit is commenced within fifty days thereafter, no other action may be brought unless the action brought by the Commission is dismissed without prejudice as provided for in subsection 24 (c). If the Commission fails to reply or to take any action, the resident may proceed with the action in the same manner and to the same extent as is provided for civil actions by the Commission pursuant to Section 22 of this Act.

Commentary

Section 23. This section follows the trend, which began in the sixties, to give standing to private citizens to engage in litigation to vindicate the public interest. In areas of the law where there is a great concern that powerful groups within and outside the government may prevent others from carrying out the law to the fullest, private citizens may bring lawsuits not to protect narrow personal interests but rather broad public ones. Citizens acting in this manner have sometimes been referred to as "private attorneys general," and the public interest litigation they have engaged in in such areas as civil rights, consumer protection, environmental protection, has added greatly to compliance with the law.

As in other areas of citizen action, the purpose is not to oust the government from jurisdiction, but rather to encourage government assumption of its duties. Moreover, it should be noted that citizen action is limited to civil action and plays no direct part in criminal prosecution. Great care is taken in Section 23 to assume that citizen action will not interfere with, but will rather enhance public enforcement activities. Thus, citizen action can only be brought if the Ethics Commission has failed to respond to a request to take action, or having responded to the request, has failed to proceed promptly. Once the Commission has begun its own civil suit, no citizen action may be brought, unless the Commission's action is dismissed without prejudice. The kind of action the citizen may bring is like the Commission's authorized actions—either for injunctive or for civil penalties. The purpose of the section is to give private citizens the opportunity of closely reviewing government action or inaction, without objectionable interference in the government's primary sphere. In the case of this model state ethics law, it is expected that in most instances the law would work to stimulate the Commission to take enforcement steps on its own.

Section 24. Civil Action; Generally.

(a) In any civil action brought under Section 22 or 23 of this Act:

(i) The court may award court costs and reasonable attorney's fees to the prevailing party;

(ii) The court in determining the amount of civil liability under subsections (c) and (d) of Section 22 may take into account the seriousness of the violation and the degree of culpability of the defendant;

(iii) The court, on motion of any party, may require the defendant or a private plaintiff at any stage of the proceedings to post a bond in a reasonable amount sufficient to assure payment of costs and attorney's fees.

(b) No action shall be filed under Sections 22 and 23 more than three years after the occurrence of the violation complained of.

Commentary

Section 24(a) and (b). The provisions of this section are applicable to all civil actions brought under this law, whether by the Commission under Section 22, or as a citizen action under Section 23. In all such civil actions, the court may award court costs and attorneys fees to the winning party, and it may also require the posting of bond by defendants and by citizen plaintiff, to secure the payment of costs and attorneys fees. This is a device to discourage frivolous lawsuits. In addition, the section sets forth the considerations the court may take into account in setting the amount of the civil penalty.

A three-year statute of limitations on civil actions, which parallels the statute for criminal prosecution is Section 21(c), is provided for.

(c) The court may dismiss an action under Section 22 or 23 without prejudice to any other action for failure of the plaintiff to proceed diligently and in good faith. The action may be so dismissed on motion of the Commission or any other plaintiff who intends to bring an action based on the same violation.

Commentary

Section 24(c). The subsection authorizes the court to dismiss a civil action, whether brought by the Commission or by a private citizen, for failure to proceed diligently and in good faith. The subsection meets several needs. It prevents an action from being dragged out unnecessarily. Such protracted delay, which reflects a failure to pursue the matter diligently, gives evidence of lack of good faith. Delays in litigation have the result of damaging the defendant's reputation, and, where a particular business contract or activity has been suspended, it may damage other, tangible, interests as well. Delay intended to defeat the full pursuit of the matter may be dealt with by dismissing the action "without prejudice," which has the result of allowing some other party—most probably a private citizen plaintiff—to start a new lawsuit and carry the matter to a completion, so long as the three-year statute of limitations has not run out at the time the new action is commenced.

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(d) Any civil penalties imposed under Section 22 or 23 shall be paid into the general fund of the state.

Commentary

Section 24 (d). Civil penalties, whether collected in a civil action brought by the Commission or by a private citizen, must be paid into the general fund of the state. This also demonstrates the public interest nature of citizen actions, because the plaintiff does not derive any personal benefit from the successful outcome of the suit.

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(e) The commencement or conclusion of a criminal prosecution for violations shall not bar a civil action under Section 22 or 23, nor shall a civil action be a bar to criminal prosecution for violation of this Act.

Commentary

Section 24 (e). The subsection expressly provides that civil and criminal proceedings and sanctions are not mutually exclusive. The purpose of a criminal prosecution is to prove a criminal violation beyond a reasonable doubt, and to impose a criminal penalty that will, because of its punitive nature, exert a deterrent effect. The civil sanction is based on a civil proceeding that does not impose the stigma of criminality on the violator. A civil violation may, therefore, be proved by a fair preponderance of the evidence. While the civil sanction may be economically onerous, it is nonetheless not intended to be punitive, but rather compensatory and restitutional in scope, in that it is designed to have the violator pay back to the public the economic cost of his violation. In view of the different modes of proof, the different procedural requirements and the different measures for, and purposes of, the sanctions imposed, the two procedures may stand separately, and no question of double jeopardy arises. The existence of two possible procedures to deal with violation allows the Commission a wide range of choices of civil and criminal sanctions, depending on the nature of the violation and the nature of the available evidence. The constitutionality of civil and criminal sanctions for violation growing out of the same set of circumstances has been upheld by the U.S. Supreme Court.

The distinction between criminal prosecution and civil penalty action was drawn authoritatively in *Kennedy v. Mendoza-Martinez*, 372 U.S. 144, 83 S.Ct. 554, 9 L.Ed. 2d 644 (1963). The distinction has been applied in numerous cases where both criminal and civil sanctions were available, e.g., *United States v. Ashland Oil & Transp. Co.*, 364 F.Supp. 349 (W.D. Ky. 1973); *United States v. General Motors Corp.*, 403 F.Supp. 1151 (D.Conn. 1975).

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Section 25. Violations; Employment Discipline.

Any state employee who violates a provision of the law is subject to discipline, including dismissal, by his agency, consistent with any applicable civil service or other personnel laws, regulations and procedures.

Commentary

Section 25. This section adds another sanction to the array that may be imposed for violation of the law. A violation of this Act is clearly a breach of employment discipline in the case of state employees and may be treated accordingly.

Section 26. Severability.

If a part of this Act is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of this Act is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

Section 27. Effective Date.

This law shall become effective on _____.

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*Resigned on leaving the commission

Alaska State Legislature

Senate

JUNEAU, ALASKA

M E M O R A N D U M

Date: 1/24/81

To: Senate President Jalmar Kerttula

From: Senator Vic Fischer

Re: Ethics, etc. legislation

I am currently having a bill drafted on ethics, conflict of interest, financial disclosure, etc., applicable to state officials and employees. I'm also interested in issues of campaign financing.

I will greatly appreciate your referring bills dealing with these topics to the State Affairs Committee.

Thanks.

Vic

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National Conference on Government

86th Annual Conference—Houston—November 15-18, 1980

December 8, 1980

Mr. Vic Fischer
211 East Seventh Avenue No. 204
Anchorage, Alaska 99501

Dear Vic:

I was particularly disappointed that you couldn't get to New York, but distressed about your accident. John Bebout filled me in. Campaigning is dangerous business.

We are quite pleased with our two "ethics" models. Both are enclosed. If you have any questions on either "conflict of interests" or "campaign finance" contact Page Bigelow of our staff.

Legislating "clean" elections is something else. We wouldn't attempt a model because we aren't sure that anything can be done about this that will pass muster constitutionally. The clipping from the NY TIMES and attached materials tell the story.

We enjoyed having Guy Van Doren with us here in NYC and also at the Conference. We want to be helpful in every possible way. Incidentally, please send me a copy of your report on the Hawaii Convention. It sounds like it should be pubslihed is NCR. We will keep in touch.

AND NOW. CONGRATULATIONS TO YOU AND YOUR DISTRICT!! Best wishes!!

Sincerely yours,

William N. Cassella, Jr.
Executive Director

WNC/gm
Enclosures

Carl H. Pforzheimer Building, 47 East 68th Street, New York, N. Y. 10021
Telephone: (212) 535-5700

Vic Fischer
State Senate

221 East Seventh Avenue No. 204/Anchorage, Alaska 99501/(907) 276-0621

November 16, 1980 CASSELLA

Dear Bill ---

I trust this finds you semi-recuperated after your convention. I'll be interested how conference responded to goals and programs...

And that I hope to find out soon. I will be in New York late Tuesday, Nov. 25. Probably in the city on Wed, 25th. Back to New York early Wed. Dec 3. Leaving for Anchorage afternoon of Mon, 8th; a couple of days in Boston during this Dec. 3-8 period.

? May I stay in NML hostelry Dec 3 to 8 ? No need to write, I'-ll call you on 26th.

Aside from everything else, I do want to spend a bit of time with you and others on "business" matters. I have won election to state senate, and now that the albatross is around my neck, I'm going to make the beast fly somewhere...

(interruption --- dinner with John Bebout and Vic Jones; last night spent with John and Tom Stewart!!!!)

Anyway --- had a real tough campaign, a lot of malicious, gutter tactics used against me. Want to introduce some good and responsible legislation for clean election ~~campaigns~~ campaigns, as well as ethical conduct and conflict-of-interest laws. Obviously, NML. Plus lots of other topics.

I will call you once in New York to see what would be convenient for you.

Til then, very best

Paid for by Vic Fischer for Senate, 221 E 7th, Anchorage, John Johnson, Treasurer

November 29, 1980 BILL CASSELLA

Dear Bill ---

This is a sad letter -- for I've had to cancel my trip east for medical reasons. Had injured my leg five weeks ago, and doctor said it's not healing well enough for me to expose it to a busy travel schedule.

Lots of regrets, including opportunity to spend some time with you and others at NML. But I still need your help.

Even though it's early, we've already organized the state senate for the next sessions. One of my assigbments is chairman of state affairs committee. Among many other functions, that covers responsibility for elections and the like, including state personnel, overall state government, etc, etc.

I am, as I mentioned in my previous note, very interested in enacting some good legislation on ethical conduct and conflict of interest covering legislative and other state employees, as well as possibly applying same rules to local governments and school districts. In addition, would like to see some machinery established to promote more ethical or "clean" elections, especially after being exposed to the most viciously lying campaign ever seen in Alaska -- without any recourse to any machinery that could adjudge veracity of charges being indiscriminately thrown around. (I've decided that this course would be more constructive than pursuing a tough libel case.)

Anyway -- I'd appreciate anything you could send me on these topics, especially model legislation and information on what other states have done.

If you have anything recent and useful on legislative reform, apportionment, or anything else I should know as an active legislator -- do let me know please.

Thanks for any help you can give me. I do regret that I have to send you this written request, rather than delivering it in person...

I do hope you were able to get Atwood back on an active track. If enthused, he can do much good.

Since I don't expect any trips east til next fall, it will be a while before I do get to see. But til then, all my very best regards,

Vic

LEGISLATIVE STUDY COMMITTEE REPORT

PART 1

SPONSORED BY GFWC ANCHORAGE WOMAN'S CLUB FREE COMMITTEE

INTRODUCTION

While monitoring the activities of the Alaska State Legislature, it became apparent to the members of the Anchorage FREE Committee that legislative rules (or lack of) and procedures could be used to circumvent tne wishes of the majority.

In an effort to educate ourselves as well as the citizens of Alaska, FREE formed a Legislative Study Committee in September of 1980. The purpose of the committee was to try to discover how policies and procedures of our state legislature might be modified or changed in order to make the legislative process run smoother, allow for additional public input, and make it less vulnerable to abuse.

We have interviewed or received written comments and suggestions from 24 legislators involving 100 hours of discussion. We have talked to former legislators and many other knowledgeable people. We have also studied and analyzed the rules of other states. We have come up with the following recommendations: If you concur with our findings please send a hand written note to your legislators at Pouch V, Juneau, Alaska 99811. This is the only way that we will get these rules implemented.

SUMMARY OF RECOMMENDATIONS

1. Two consecutive conference committees should be appointed, deliberate in good faith, and be unable to reach a compromise before granting powers of free conference to a third committee.

2. A simple "bill content" rule is needed to define "germane" and prevent bill "piggybacking" from occuring. The rule should read: "No bill shall be passed by either house containing more than one subject, which should be clearly expressed in the title."

3. The public should be informed of the standing committee meetings and their agendas at least five days prior to the meeting.

4. The House and Senate Finance Committees should meet jointly for the purpose of holding public hearings or considering any proposed or pending legislation.

5. Precise procedures for standing committees are vital. Fiscal impact statements and legislative intent should be included with all bills. The committee report should include one of three recommendations from each member. - "Do pass", "do pass as amended", or "do not pass".

6. No interim committees should be provided except those authorized by the state constitution, or either or both houses jointly may by resolution or statute, provide for the appointment of interim committees.

7. The legislative session should be limited to 120 days. Any extension beyond that time should require a 2/3 vote of both houses and include a "limited call" provision. The extension should be for a specific number of days.

8. There should be a limitation on the number of consecutive terms for legislators. Our recommenation: Two 4-year terms for Senators, and four 2-year terms for representatives. Possible to alternate houses every 8 yrs.

9. A Code of Ethics should be added to the Uniform Rules. A disciplinary mechanism should be established to deal with alleged violations.

10. A simple precise procedure is needed in awarding legislative professional service contracts.

If you have any questions concerning these recommendations, or if you wish to know the names of your legislators, please call Jan Bomhoff, 243-1099, or Jan Faiks, 344-0454.

Please help us. Your opinion really does count. - Thank you.

97 [illegible]
Financial disclosure

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Anchorage, Alaska 99503

(907) 276-6901

March 16, 1981

Vic Fisher
Pouch V
State Capitol
Juneau, AK 99811

Dear Vic:

There were two very impressive ladies who presented the enclosed material to our Rotary club. They seem to have a handle on the ways to reform legislative procedures.

I would consider it a sign of good faith toward Alaska's progress if you could seriously consider giving them your wholehearted support to pass the more critical changes they endorse.

Sincerely,

Dick

Richard Decker, PhD
Management

RD:ta
Encl: legislative report

Broadcast commission will debate future of director

By PETE SPIVEY
Daily News reporter

Two members of the Alaska Public Broadcasting Commission want the 9-person board to meet in secret session next week for a frank discussion of the commission's future and possibly that of its executive director, Michael Porcaro.

Commissioner Elaine Mitchell of Juneau has asked for the closed talks — a legal "executive session" under state law — to be placed on the agenda of the board's regular public meeting Friday. Mitchell's request is supported by a second member of the commission, Cathy Ulmer.

In the secret session, Mitchell plans to criticize Porcaro for the commission's deficiencies in budgeting and planning, and for moonlighting on his $58,656-a-year public job by making radio and television advertisements for private businesses and politicians, sources told The Daily News Friday.

Mitchell, who refused to discuss her plans with a reporter, also may offer a resolution that would demand Porcaro's resignation, if approved by the board, the sources said.

"I have requested an executive session. That's all I can tell you," Mitchell said.

Porcaro was the subject of a controversy of sorts last month when the Alaska Public Radio Network — a charge of the broadcasting commission — reported his proposal to use a state satellite hookup for a commercial broadcast of the Sugar Ray Leonard-Roberto Duran championship boxing match.

Although the fight eventually was beamed over a commercial transponder, the network did a second news report — disputed by Porcaro and commission chairman Stowell Johnstone — in which it claimed Porcaro was ordered to explain to the commission his role in the effort to secure the public satellite for a private cable television company.

The satellite incident is expected to be a minor part of the complaints about Porcaro.

But there apparently will be much more talk about his commercial moonlighting and discussion of what several persons in the broadcasting system say is a consistent failure by Porcaro to do any planning or to fight for funding critical to the operation of public broadcasting.

Porcaro, who's held the director's job since June 1976, says the criticism is groundless. He said he's done much more than his job requires and says he would be surprised if any commission member makes an effort to fire him.

"I've done one hell of a good job. As far as I'm concerned, the people have gotten their money's worth out of public broadcasting since I got here," Porcaro said.

Porcaro said he believes he's drawn the ire of some commission members and some managers of public radio and television stations because he's convenient to blame, as executive director. He also says most of that criticism may really be aimed at his personality, which he likens to that of baseball's superhustler, Pete Rose.

"Anytime you're in a position that's visible like this one and you're the kind of person I am — a doer; someone who doesn't let the grass grow under his feet — you're bound to be criticized by others," Porcaro said.

Others in the system don't write off the criticism so quickly, however.

Elmo Sackett, general manager of KAKM Channel 7 public television, said his station lost a $280,000 budget request to Gov. Jay Hammond's veto last year because neither Porcaro nor anyone else on the commission relayed the importance of the request to Hammond.

"We needed that money for equipment that would enable us to do live-remote broadcasts, but Michael just sent the request to Juneau and no one did any follow-up on it, which you have to do in the budget process," Sackett said. "We have the request in again this year and if nobody's going to push it, we'll track the thing ourselves."

Porcaro, however, says that cut and others the system suffered were expected from the start. And he says while no public broadcasting facility gets all the funding its managers want, he follows their budget requests for the commission as best he can.

"I keep up with it by phone and by correspondence and when I'm called to Juneau for a hearing, I go," he said. "Unlike some people, I don't believe you have to be prowling the halls of the capitol all the time during the legislative session."

Others in the system are concerned that his commercial work on the side could present the appearance of a conflict of interest.

Porcaro does commercials for a variety of businesses, has done political advertising and he is paid by The Daily News for a weekly column on the origin of popular products and their brand names.

Bill Brooks, manager of public radio station KSKA, says he is one who told Porcaro it wasn't a good idea to do political advertisements for defeated state Sen. Bill Sumner, R-Anchorage.

"I told him I wasn't sure he was serving the public by doing those ads, because what if Vic Fischer (who defeated Sumner) wanted to hold a grudge when our budget came up later? I'm not saying Fischer would, but some politicians might," Brooks said. "It's not something I'd fire the guy for, but I sure would ask him to think about it first."

Porcaro says he has thought about it.

"If I thought I shouldn't be doing it, I wouldn't be doing it," he said. "There was nothing wrong with it, because I was just hired for a job. I would have done the same for Fischer if he wanted to pay the price."

Porcaro says criticism of his other commercial work is "ludicrous" and "crazy." He does commercials "for pocket money," he says, and does it only as a voice or a face — never as the director of the state's public broadcasting system.

"As raw talent, I am no more involved with the creation of ads than is an artist's pencil — I'm a pencil; a paintbrush. The producer just uses me to create something," he said. "Because it's my voice doing it, that doesn't mean it's me doing it."

Porcaro ordered to explain fight promotions

Finalized 12-5-80

Associated Press

The executive director of the Alaska Public Broadcasting Commission has been ordered to explain his involvement in a paid promotional campaign for Visions Ltd. the same week he recommended the cable company be allowed to use the state satellite to air a championship boxing match.

Stowell Johnstone, chairman of the commission, said Thursday he has instructed Michael Porcaro to make a full report Dec. 19 on his role in the promoting and televising of the Sugar Ray Leonard-Roberto Duran title fight last month.

A story on Porcaro's activites was carried on Thursday's news report by the Alaska Public Radio Network, one of the broadcast outlets funded by the commission.

The commission operates the state satellite project and funds 13 public radio stations and three television stations with an annual budget of $4 million in state money.

Porcaro, under contract to an Anchorage advertising firm, put together a series of radio spots promoting the bout. The ads included interviews with fight promoter Don King, heavyweight boxing champion Larry Holmes and Visions president Bob Uchitel.

According to Jack Lloyd of the advertising firm of Murray, Bradley & Rockey, the spots were produced as part of "an ongoing relationship" between his firm and Alaska Broadcast Services, a company in which Porcaro is a partner.

Lloyd said Porcaro's company will be paid between $150 and $200 for the series of ads which were distributed to radio stations in Anchorage, Bethel and Southeast Alaska.

Citing the small amount of money involved, Porcaro, Lloyd and Uchitel denied that Porcaro's work for the advertising firm constituted a conflict of interest.

"What was my gain?" Porcaro asked when questioned about the advertising venture. "For there to be a conflict of interest there has to be some big gain."

Johnstone said he did not know about the radio spots when he approved Visions' use of the state satellite system to telecast the fight.

"I was told this was a clean operation," Johnstone said. "I was assured that no one would object to it."

Plans to use the state satellite to funnel the Leonard-Duran fight to pay-TV customers were scrapped the day of the bout, following questions from several state officials and at least one legislator about the propriety of the idea.

Lt. Gov. Terry Miller said the proposal "obviously raised some pretty serious policy issues."

Porcaro and Uchitel denied the complaints played any part in their decision to switch the event to a commercially leased transponder. Porcaro insists the change was made because an Alascom transponder — previously booked — became available at the last minute.

"It's nobody's business what I do in my private affairs," Porcaro said, adding that what he does after 4:30 p.m. each day is a private matter.

"The state doesn't own me," he said.

Lloyd said Porcaro's company provides a radio actuality service for Murray, Bradley & Rockey. He said Alaska Broadcast Services was not hired because of Porcaro's position with public broadcasting.

Lloyd also said Porcaro does not exercise any executive judgment on the accounts he handles. In producing the fight promotion, Porcaro was "simply doing a mechanical job,"

As he has in the past, Uchitel criticized media coverage of the controversy. He said it is an example of the media creating the news instead of reporting it. He said Porcaro should be complimented for pulling off a "mechanical miracle."

This is not the first time that Porcaro's private business activities have been questioned. His work on political ads for Democratic U.S. Sen. Mike Gravel, state Sen. Bill Sumner, R-Anchorage, and commercials for the Alaska Bank of the North also have been criticized.

Those ads were done by Audio Enterprises, another firm of which he is part-owner. Porcaro refused to discuss the company.

Porcaro acknowledged that North Slope Borough officials had raised conflict-of-interest questions last month in connection with a controversy over the airing of a documentary on the dangers of Arctic oil exploration.

Public television station KAKM in Anchorage pulled the documentary the day before it was to run, claiming it was unbalanced. One of Porcaro's partners in Alaska Broadcast Services is Pete Carran, a reporter-producer for KAKM. Through Alaska Broadcast Services, Carran has done promotional work for Atlantic Richfield Co., one of the major oil producers on Alaska's North Slope.

Carran dismissed the objections and said he played no part in the station's decision to pull the film, which eventually ran followed a night later with a film approved by the oil industry.

Bill Dubay of the borough's Anchorage office called the activities of Carran and Alaska Broadcast Services a "questionable mixture of public and private interest."

Bob Clark, director of communications for Gov. Jay Hammond, said he was unaware of the outside business interests of Carran and Porcaro and declined to comment on the matter.

According to Clark, there is no legal definition in Alaska law of conflict of interest. "It comes down to one individual's interpretation of what his moral limits are," he said.

Porcaro downplays fight flap

by Steve Hansen 12-7-80
Times Writer

Alaska Public Broadcasting Commission director Mike Porcaro says the report he will give the commission's directors on his involvement in plans to use the state satellite to broadcast a boxing match is "a matter of routine."

It was reported Friday that he was ordered to give a special report on the incident after conflict of interest allegations surfaced.

Porcaro said his position as executive director warrants regular reports to the nine-person board to keep it informed of the agency's actions.

Reports from Juneau said Porcaro, a one-fourth owner of an Anchorage advertising firm, had been involved in producing radio spots promoting the Roberto Duran-Sugar Ray Leonard fight at the same time the commission was making decisions to allow Visions Ltd. to use the state satellite to broadcast the fight statewide.

Porcaro said allegations that this was a conflict of interest were "nonsense."

He said his agency — Alaska Broadcast Services — had a contract with the advertising firm Murray Bradley and Rockey to produce radio spots whenever its services are requested. Porcaro said Visions had a contract with Murray Bradley and Rockey to promote the fight telecast. He added that Murray Bradley and Rockey — not Visions — had called Alaska Broadcast Services to produce the radio spots.

"We are a client of Murray Bradley and Rockey. Visions retained (the services) of Murray Bradley and Rockey, not me. They (the advertising agency) tell us exactly what to do and we do it. We get paid by them."

"If I were to say to Visions, 'we'll give you the satellite but I want you to give my company a lot of money,' that's a conflict of interest," he said.

Porcaro said Murray Bradley and Rockey had not yet been billed for the Visions radio spots. But he estimated the bill would probably be from $150 to $200. The fee is then to be divided among the company's four owners.

Porcaro has been the executive director of the commission since June 1976.

"The idea that there's any monetary gain is ridiculous," he said. "Basically what I'm saying is 'where is the conflict of interest? What advantage am I getting?' "

Porcaro repeated that he did not make the decision for Visions to use the state satellite. Board chairman Stowell Johnstone made the decision. And when a private transponder became available, Porcaro added, it was he who made the decision for Visions to use the private transponder instead of the state satellite.

"Stowell and I have talked about this and he's treating the matter quite routinely," Porcaro said. "He says he doesn't see any conflict of interest."

Johnstone is in Portland, Ore., and was unavailable for comment.

"It's being absolutely overblown," Porcaro said of news reports. "I think empty barrels make a lot of noise. Does it merit all of this attention ... do people really care?"

Visions officials Bob Uchitel and Bob Gould agreed with Porcaro.

"In my opinion this whole brouhaha ... is kind of unfortunate," said Gould, a co-owner of Visions. "It's kind of surprising to me that it's considered newsworthy."

Uchitel, also a co-owner of the cable television firm, said he had wanted to broadcast the fight to the entire state for free. But because of a lack of equipment, some Bush areas were excluded from seeing the fight.

Uchitel said persons who accused Porcaro of unethical conduct were "creating a controversy out of a positive achievement."

"It just makes me mad to realize people who try to do things for people" end up getting criticized, Uchitel said. "The citizens haven't gotten mad. There hasn't been a complaint from anybody except a few . . . that call themselves leaders."

Uchitel said he wondered why no one complained of the first Duran-Leonard fight in June, which was telecast from the state satellite in the same fashion the recent fight was originally proposed to be telecast.

"If they stop Porcaro and people like him, I'll tell you who'll get hurt — it'll be the taxpayers," Uchitel said. "We did something in Alaska that no other state had. It's so dumb. We need more tryers and less critics."

But Gene Deck of the Robert Wold Co., a communications firm, said George Shaginaw, the director of marketing and planning for Alascom, told Porcaro and officials from Visions that a private transponder was available five days before the fight Nov. 25.

"The decision could have been made the night of the 20th if they wanted to," Deck said.

Robert Wold Co. was contracted by Vision to provide engineering service for the fight.

Porcaro, Uchitel and Gould said Deck was mistaken.

"Deck is telling you something that isn't true," Uchitel said. "Deck in my opinion should keep his mouth shut because he didn't do very good work. We basically didn't use them but we still had to pay them."

In a letter to a state communications official, Shaginaw said everyone attending the meeting where broadcast details were arranged "agreed that the only way we could be sure Alaska fight coverage would be provided was by using the state" satellite.



MIKE PORCARO
Where's the conflict?

Porcaro fends off criticism of boxing match broadcast

by Steve Hansen 11-27-80
Times Writer

An angry Mike Porcaro Wednesday defended the Alaska Public Broadcasting Commission's effort to aid the broadcast of Tuesday's championship fight between Roberto Dura[illegible]ugar Ray Leonard.

Po[illegible] executive director of the commission, then turned the tables and leveled a barrage of criticism at a state communications official who publicly criticized the commission's efforts. Porcaro said the official didn't know what he was talking about.

"What we did in my opinion was right and proper and I'd do it again," Porcaro said. "I take offense to the posture of the governor's office and the manner that they took it."

Porcaro was responding to statements by Larry Chaplin, a communications aide for Gov. Jay Hammond, and a handful of other public officials who criticized the commission for tentatively allowing Visions Ltd. the use of the state-leased satellite to broadcast the fight. They questioned the propriety of allowing the satellite to be used for commercial purposes.

But the state satellite was not used. A transponder normally used by NBC-TV was substituted at the last minute to broadcast the fight live from New Orleans. Porcaro said the decision to change was made after he was informed that another one was available.

Chaplin, however, said other transponders were available to Visions prior to the change Tuesday. Porcaro said Chaplin is wrong.

"I'm outraged at those statements," Porcaro fumed. "They're totally uncalled for. The situation changed every day because we had a whole different set of circumstances each day. And he's (Chaplin) sitting there in Juneau making statements about something he knows nothing about and things he shouldn't be commenting about anyway.

"Up until Tuesday morning there was no other way to bring the fight up. What he's says simply is not true."

Porcaro said he had no qualms about being criticized by state officials. But he wants to hear the criticism personally rather than first read it in the newspapers.

Porcaro said he originally was told by Alascom officials Tom Jensen and Georg[illegible] Shaginaw that the only way Visions could telecast the fight in Alaska was by using the state satellite.

"The credibility they have on this is a lot more than that guy in Juneau has," Porcaro said.

Visions co-owner Bob Uchitel said his firm would have reimbursed the state by purchasing an equal amount of satellite time later. Anchorage Visions subscribers watched the fight for free, as did residents in Kotzebue, Kodiak and a few other rural villages. Persons in Juneau and Fairbanks, however, were charged admission fees up to $50.

"I was told the only way to get the fight to the state was on the state transponder," Porcaro said. "I said 'fine, let's do it.' "

"Can you imagine this fight being seen in Argentina, Japan . . . and not being seen in Alaska," he later added. "I'm confident we did the right thing. Our only sin is that we're trying to serve. I'd rather serve and be critized than sit back and take the safe, bureaucratic (way out)."

Porcaro said using the state satellite would have cost the state about $3,000.

"What's curious to me is how on the one hand we can be criticized for being unethical . . . and they're sending a state official to New Zealand to study farms," he said.

Porcaro was referring to W.I. "Bob" Palmer's 3½ week state-paid trip to Australia and New Zealand to study agriculatural projects. Palmer is the Special Project Coordinator for Hammond. State officials say they don't know the details of Palmer's trip. The trip is costing the state $2,412 for airfare and an undetermined amount of expense money and per diem pay.

"It just shows you he who lives in glass houses shouldn't throw rocks," Porcaro said.

He added later that his comments were directed at the governor's office, not at Palmer "in any way, shape or form."

Liquor license law questioned

by Al Campbell
for The Times

12-8-80

Palmer — The Palmer City Council will reconsider Tuesday a controversial liquor license application by a corporation whose officers include state Sen. Jalmar Kerttula.

Meanwhile, an organization representing 350 existing license holders is asking the Alcoholic Beverage Control Board to clarify new legislation under which so-called "public convenience" licenses may be granted even though a community may have more liquor outlets than the law allows, based on population.

Jim Thibodeau, executive director of Char, the Cabaret, Hotel and Restaurant Association, says the new status for license applicants "slipped through" the Legislature this year through the efforts of Republican Sen. Mike Coletta of Anchorage and Sen. Bill Ray, D-Juneau.

Generally, existing state liquor statutes allow the board to issue one license for every 1,500 people in the applicant's community. The city of Palmer, with about 2,200 people, is then entitled to two licenses. A third could only be issued after population here exceeds 3,000 people.

However, under grandfather rights, license holders who were in business before the population restrictions became law are allowed to keep, transfer or sell their licenses. Under grandfather provisions, there are already three liquor stores in Palmer.

The 1980 statutory amendment provides for new licenses to be issued in certain circumstances even though population limits have been passed if the applicant can demonstrate a public demand and "convenience" in the community.

Char's Thibodeau says Kerttula was not a sponsor of the amendment, although he was probably aware of it. Kerttula, his wife, Joyce, retailer Eldon Sandvik and realtor Harold Newcomb are officers of a corporation operating the Valley Fair Mall, where Mrs. Kerttula has applied for a liquor store license.

Kerttula, a veteran legislator, will be president of the Senate under an organization worked out last month.

The ABC board routinely notified the Palmer City Council of the application and the controversy erupted here. Existing licensees, clergymen and people against drinking in general found themselves strange bedfellows in opposing the Valley Fair Mall license.

Churchmen such as the Rev. Glen Little of the First Baptist Church of Palmer flatly opposed any new licenses on the grounds that more liquor outlets were not in the public interest. Little stressed he was speaking for himself, not his congregation, although he said many of them probably felt the same way.

City Council members told The Anchorage Times they had been contacted by other church leaders who oppose the new license but did not wish to identify their congregations with any official protest.

For liquor dealers, the question is not temperance but economics. A new license can be issued for a $1,000 fee to the state, but because of their limited number, those sold under grandfather rights are valued at up to $90,000 in Palmer on the free market.

Says Herb Boyle of the Glass Bar and Liquor Store: "These licenses are an asset, bought and paid for. If they (the ABC board) start giving them away, they will become worthless.

While the board has the final decision on granting of licenses, board members have traditionally given considerable weight to the wishes of local governments in the involved communities.

The new law in fact stipulates that the board must deny the license if it is protested and the applicant cannot show that the local government acted in an "arbitrary, capricious or unreasonable manner" in protesting.

The board will consider the application in January, after receiving an indication of the city of Palmer position.

One public convenience license was granted this year to a Girdwood store, after the Anchorage Municipal Assembly did not protest its is-

(See LIQUOR, page B-2)

...the state ...open to lawsuits from applicants who are rejected while others are given ...

HAZARDOUS MATERIALS AND WASTE MANAGEMENT COMMITTEE

The Council of State Governments

July 8, 1981

TO: CSG Suggested State Legislation Committee, Panel I

FROM: Dick Howard

Attached are sections of laws from several states addressing the questions of hazardous waste siting and authority. I have been asked by Woody Kozloff, who chairs the special subcommittee that was created at the last meeting of the SSL Scope and Agenda meeting, to send it to you. As Mr. Kozloff will explain to you at the meeting of your panel, the subcommittee will recommend inclusion of these provisions as suggested approaches to dealing with this significant problem.

Enc.

cc: Senator Thomas A. Casey, SSL Committee Chairman, La.
Louis B. Kozloff, Chairman, Special Subcommittee on Hazardous Waste, Pa.
Represenative Fred Brown, Alaska, Committee Member
Representative Manuel Fernandez, Louisiana, Committee Member
Steven B. Frakt, Senior Research Associate, N.J., Committee Member

P. O. BOX 11910, IRON WORKS PIKE, LEXINGTON, KENTUCKY 40578 TELEPHONE (606) 252-2291

1981 SUGGESTED STATE LEGISLATION

Hazardous Waste Site Approval

1. Siting Board
   a. Michigan Harardous Waste Management ct, 1979
      Section 299.517

2. State Agency
   a. Oregon Hazardous Waste Management Rules
      Section 340-62-035

* 3. Local Option
   a. Illinois
      Senate Bill 172, Amendment to Law and Environmental
      Protection Act

Hazardous Waste Site Selection

1. State Initiative
   a. Arizona Hazardous Waste Disposal Law,
      Chap. 119, 1980
      Senate Bill 1033

* 2. Special Board
   a. New YorkIndustrial [illegible]rdous Waste Management Act, Title 11
      New York Public Auth[illegible] Law, Title 12

3. Developer Approach
   a. House Bill 1481, Maryland

*Not enclosed. Will be available at Niagara Falls meeting.

1981 SUGGESTED STATE LEGISLATION

Hazardous Waste Site Approval

1. Siting Board
   a. Michigan Hazardous Waste Management Act, 1979
      Site Approval Board

299.517 Site approval board; establishment; purpose; appointment, qualifications, and terms of members; duties of chairperson; quorum; legal action; meetings; staff. [M.S.A. 13.30(17)]

Sec. 17. (1) The site approval board shall be established to review and grant or deny final approval for each site construction permit application recommended for approval by the department. A separate board shall be established in each municipality in which a disposal facility is proposed to be located which is the subject of a construction permit application. The members of the board who serve in the permanent positions shall serve on each board created. The members of the board who serve in temporary positions shall be appointed as provided in subsection (2). The members in temporary positions shall serve until the construction permit application subject to their review is approved, or until the construction permit application is rejected and is no longer subject to their review.

(2) The site approval board shall consist of 5 permanent positions and 4 temporary positions as follows:

(a) Three permanent positions shall be held by representatives of this state, 1 each from the department of public health, the department of state police, and the department of natural resources. A representative of this state shall be appointed by each of the directors of the respective departments and a vacancy shall be filled as necessary by the appropriate director. A representative of the state shall not serve for more than 2 years.

(b) Two members shall be public members appointed by the governor, with the advice and consent of the senate, to fill permanent positions on the board. One public member shall be a geologist and 1 a chemical engineer. Each shall be on the faculty of a state institution of higher education. To assist the governor in the selection of the public members, the respective professional organizations and township or municipal associations may submit a list of candidates to the governor for his or her information. A vacancy shall be filled for the unexpired term in the same manner as the original appointments. The term of the public members shall be 3 years.

(c) Two temporary positions shall be filled by residents of the municipality in which the disposal facility is primarily proposed to be located. The 2 temporary position members shall be appointed by the governing body of the municipality in which the disposal facility is primarily proposed to be located.

(d) Two of the temporary positions shall be filled by residents of the county where the disposal facility is proposed to be located, 1 of whom shall be a resident of the municipality where the disposal facility is proposed to be located, and shall be appointed by the county board of commissioners.

(3) The member of the board from the department shall be chairperson of the board and shall notify the local governing body of the municipality and county government of a construction permit application filed with the department, and shall instruct the municipality or county to appoint the necessary representatives to the board.

(4) Five of the 9 members of the board shall constitute a quorum for the transaction of business of the board and the concurrence of 5 members of the board shall constitute a legal action of the board. All meetings of the board shall be conducted pursuant to Act No. 267 of the Public Acts of 1976, as amended, being sections 15.261 to 15.275 of the Michigan Compiled Laws.

(5) The director shall make staff available to assist the board in carrying out its responsibilities.

299.520 Notice; selection of temporary members; creation of site approval board; timetable; duties of board; comment and input; impact; final determination; considerations; concerns and objections; integration of local ordinances, permits, or requirements; seeking advice. [M.S.A. 13.30(20)]

Sec. 20. (1) If, within 75 days after receipt of a construction permit application, the director has not rejected the application, the director shall notify the chairperson of the board, who immediately shall notify the representatives of the state and the public members on the board. The chairperson also shall notify the county and the municipality in which the proposed disposal facility is to be located for their appointment of the temporary positions to the board. Within 45 days after the notification, the county and the municipality shall select the temporary members. The board shall be created at that time and notification of the creation of the board shall be made to the chairperson.

(2) If the director recommends approval of a construction permit application within 75 days after its receipt, the director, at the time of approval, shall notify the chairperson of the board who shall immediately notify the representatives of the state to the board and the public members. The chairperson also shall notify the county and the municipality in which the proposed disposal facility is to be located for their appointment of the temporary members of the board. Within 45 days after the notification, the county and the municipality shall select the temporary members. The board shall be created at that time and notification shall be made to the chairperson.

(3) Within 10 days after creation of the board, the board shall meet to review and establish a timetable for the consideration of a proposed disposal facility. The timetable for a final action of the board shall not exceed 120 days after the date the board convenes.

(4) The board shall:

(a) Set a date and arrange for publication of notice of a public hearing in a newspaper having major circulation in the vicinity of the proposed site, at its first meeting. The public notice shall:

(*i*) Contain a map indicating the location of the proposed disposal facility, a description of the proposed action, and the location where the application for a construction permit may be reviewed and where copies may be obtained.

(*ii*) Identify the time, place, and location for the public hearing held to receive public comment and input on the application for a construction permit.

(b) Publish the notice not less than 30 days before the date of the public hearing.

(5) Comment and input on the proposed disposal facility may be presented orally or in writing at the public hearing, and shall continue to be accepted in writing by the board for 15 days after the public hearing date.

(6) The board shall deliberate the impact of the proposed disposal facility on the municipality in which it is to be located and make a final determination on the construction permit application.

(7) The board shall consider, at a minimum:

(a) The risk and impact of accident during the transportation of hazardous waste.

(b) The risk and impact of contamination of ground and surface water by leaching and runoff from the proposed disposal facility.

(c) The risk of fires or explosions from improper storage and disposal methods.

(d) The impact on the municipality where the proposed disposal facility is to be located in terms of the health, safety, cost, and consistency with local planning and existing development. The board also shall consider local ordinances, permits, or other requirements and their potential relationship to the proposed disposal facility.

(e) The nature of the probable environmental impact, including the specification of the predictable adverse effects on the following:

(*i*) The natural environment and ecology.

(*ii*) Public health and safety.

(*iii*) Scenic, historic, cultural, and recreational value.

(*iv*) Water and air quality, and wildlife.

(f) An evaluation of measures to mitigate adverse effects.

(8) The board also shall consider the concerns and objections submitted by the public. The board shall facilitate efforts to provide that the concerns and objections are mitigated by establishing additional stipulations specifically applicable to the disposal facility and operation at that site. The board also shall to the fullest extent practicable integrate by stipulation the provisions of the local ordinances, permits, or requirements.

(9) The board may seek the advice of any person in order to render a decision to approve or deny the construction permit application.

299.521 Approval or rejection of construction permit application; issuance or denial of construction permit; effect of local ordinance, permit requirement, or other requirement; reason for rejection; indicating changes. [M.S.A. 13.30(21)]

Sec. 21. (1) The board either shall approve or reject the construction permit application, and the director shall issue or deny the construction permit accordingly. The director also shall issue the permits described in the notice of intent under section 19(2). A local ordinance, permit requirement, or other requirement shall not prohibit the construction of a disposal facility.

(2) If the board rejects a construction permit application, the board shall state its reason in writing and indicate the necessary changes to make the application acceptable, if a new application is made.

State: Michigan

Effective Date: 01/01/80

Bill #'s or Chapter: HB 4380

Sponsors: Rep. Tombaulian

Title: Hazardous Waste Management Act

Scope of Law

I. Approach:

- Nine member Site Approval Board to act on each site construction permit application recommended for approval by Department of Natural Resources. Board composed of 5 permanent members, including 3 state government representatives appointed by department directors and 2 State University faculty scientists appointed by Governor, and 4 temporary members, including 2 representatives of host county and 2 represenatives of host municipality, appointed by their respective local governments.

- Fourteen member Hazardous Waste Management Planning Committee, appointed by Governor and representing diverse geographical areas of state, to prepare in 2 years a state hazardous waste management plan. Plan to: provide geographic distribution of facilities, inventory general locations for future facilities, and explore state ownership of facilities. Department to adopt plan with advice of Commission of Natural Resources and the health Department Committee to review plan every 5 years.

- Deparment to encourage local health deparments to engage in administration of portions of waste program.

II. Override:

- Site Approval Board shall review and grant final approval for each site construction permit application recommended by Department. The Board shall to the fullest extent practicable integrate by stipulation the provisions of local ordinances, permits, or requirements.

- Department shall make final decision on operating license application. Local ordinances, permits, or other requirements shall not prohibit the operation of a licensed disposal facility.

III. Public Participation:

- Each Site Approval Board contains representatives of host community.

- Board to hold public hearing, following notice in newspaper, in host community.

- HWM Planning Committee to hold three public hearings across state prior to submission of plan to Department.

- Department to notify local governments in host community of permit applications as well as the Soil Erosion Agency, regional planning agency, and local newspapers.

- o Department to hold three public hearings across state prior to proposing formal rules or siting process and criteria to Legislature.

k. Financial Assurances:

- o Developer to provide bond or other surety to cover closure costs and 15 years of post-closure monitoring and maintenance costs.
- o Disposal Facility Trust Fund, containing $20 - $30,000,000, funded by surcharges on facilities, to cover state costs in long term care after assumption of site responsibilities.
- o Hazardous Waste Service Fund, containing $1,000,000 in legislative appropriations, created to finance emergency actions taken by state.

l. Non-Financial Assurances:

- o Developer to include emergency contingency plans in application.
- o Developer to execute covenant restricting futures use of site without approval of Department.
- o Health Department may declare state of imminent and substantail hazard to health if suspects dangers in any facility operation. Empowers Department to undertake precautionary measures, including facility close-down, waste removal, environmental clean-up.
- o Developer to provide right of search and siezure without warrant, by officials of Department.
- o Department to issue operation permit after construction and prior to commencement of facility operations. Permit issued only after certification that construction met specifications approved in construction permit issued by Bard, and after formal inspection of facility by Department.

m. Incentives and Compensation:

- o Not specified in Act.

1981 SUGGESTED STATE LEGISLATION

Hazardous Waste Site Selection

1. State Agency Approval
   a. Arizona Hazardous Waste Disposal Law, 1980, Chap 119

36-2801. Definitions

In this chapter, unless the context otherwise requires:

1. "Department" means the department of health services.

2. "Director" means the director of the department of health services.

3. "State hazardous waste disposal facility" means a hazardous waste disposal facility owned or operated by this state.

36-2802. Selection of site; public hearing

A. The director shall select a site for a state hazardous waste disposal facility for the disposal, storage, recovery and treatment of hazardous wastes.

B. A hazardous waste site selected by the director shall not be located within:

1. A one hundred year floodplain, as defined in §45-2341.

2. An area so close to public roads, residences, public and private water wells and water supplies as to constitute a threat to human health or the environment.

3. An area where up to one mile from the perimeter of the site the depth to groundwater level is less than one hundred fifty feet.

4. An area where the surrounding land use for one square mile may impede the proper long-term maintenance of such site.

5. An area where the hydrology and geology is incompatible with such use.

6. An area where subsidence has occurred or is likely to occur.

C. Transportation distances and routings from areas within the state that are major sources of hazardous waste shall be a factor in determing site location.

D. The director shall hold public hearings prior to selecting a hazardous waste site.

36-2803. Recommendation of director; legislative approval

A. The director shall present to the legislature his recommendation for a state hazardous waste disposal facility site. Such recommendation shall include an explanation of the basis on which the recommendation is made and written documentation supporting the appropriateness of the selected site, including comparison with other potential hazardous waste disposal facility sites.

B. Upon receipt of the recommendation of the director, the legislature may by concurrent resolution approve or disapprove the site selected by the director or may request that the director provide additional site recommendations.

and Senate Bill 1033

State of Arizona
Senate
Thirty-fifth Legislature
First Regular Session
1981

S.B.

SENATE BILL 1033

AN ACT

RELATING TO PUBLIC HEALTH AND SAFETY; PRESCRIBING CERTAIN DEFINITIONS; PROVIDING FOR THE ACQUISITION OF A HAZARDOUS WASTE DISPOSAL SITE BY DIRECTOR; PROVIDING FOR A BUFFER ZONE AND EASEMENT FOR ACCESS; PRESCRIBING DUTIES OF DIRECTOR AND DEPARTMENT; PRESCRIBING CERTAIN CONFORMING CHANGES; PRESCRIBING CRITERIA TO BE CONSIDERED FOR FUTURE SITES; PRESCRIBING USES OF HAZARDOUS WASTE TRUST FUND; PROVIDING FOR RULES AND REGULATIONS; AMENDING SECTIONS 36-2801, 36-2802, 36-2804 AND 36-2805, ARIZONA REVISED STATUTES; REPEALING SECTION 36-2803, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 28, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2806, AND MAKING APPROPRIATIONS.

Be it enacted by the Legislature of the State of Arizona:

Section 1. Legislative intent

Any purchase or other acquisition of lands currently retained by the federal government authorized by the state of Arizona to accomplish the purposes of this act shall not be construed as an abrogation or diminution of any legal claims the state of Arizona has made upon such federal lands pursuant to Laws 1980, chapter 38.

Sec. 2. Section 36-2801, Arizona Revised Statutes, is amended to read:

36-2801. Definitions

In this chapter, unless the context otherwise requires:

1. "Department" means the department of health services.

2. "Director" means the director of the department of health services.

3. "~~State~~ Hazardous waste disposal facility" means a hazardous waste disposal facility ~~owned or operated~~ CONTRACTED FOR by this state.

4. "SITE" MEANS THAT PORTION OF REAL PROPERTY DESIGNATED IN SECTION 36-2802 OWNED BY THIS STATE WHEREON A HAZARDOUS WASTE DISPOSAL FACILITY IS CONSTRUCTED.

Sec. 3. Section 36-2802, Arizona Revised Statutes, is amended to read:

36-2802. Acquisition of site; powers and duties of director; criteria applicable to future sites

A. The director shall ~~select~~ ACQUIRE CLEAR TITLE IN THE NAME OF THIS STATE TO a site for a ~~state~~ hazardous waste disposal facility for the disposal, storage, recovery and treatment of hazardous wastes CONSISTING OF ONE SQUARE MILE LOCATED IN MARICOPA COUNTY WHICH LEGAL DESCRIPTION IS SECTION 32, TOWNSHIP 4 SOUTH, RANGE 1 WEST, GILA AND SALT RIVER BASE AND MERIDIAN.

B. THE DIRECTOR SHALL LEASE IN THE NAME OF THIS STATE A BUFFER ZONE CONSISTING OF AT LEAST ONE-HALF MILE SURROUNDING THE SITE ACQUIRED PURSUANT TO SUBSECTION A OF THIS SECTION.

C. THE DIRECTOR SHALL OBTAIN SUCH PUBLIC EASEMENTS AS ARE NECESSARY FOR INGRESS OR EGRESS TO THE SITE ACQUIRED PURSUANT TO SUBSECTION A OF THIS SECTION.

D. TO CARRY OUT THE PROVISIONS OF SUBSECTION A OF THIS SECTION, THE DIRECTOR MAY OBTAIN LANDS BY PURCHASE, LEASE, LEASE-PURCHASE, GRANT, CONDEMNATION OR OTHER LAWFUL MEANS.

~~B.~~ E. WHEN A HAZARDOUS WASTE DISPOSAL FACILITY BECOMES OPERATIONAL, ~~a~~ NO NEW FACILITY FOR THE PERMANENT DISPOSAL OF hazardous waste ~~site selected by the director shall not~~ OPERATING AWAY FROM THE SOURCE OF GENERATION OF THE WASTE MAY be located within:

1. A one hundred year floodplain, as defined in section 45-2341.

2. An area so close to public roads, residences, public and private water wells and water supplies as to constitute a threat to human health or the environment.

3. An area where up to one mile from the perimeter of the site the depth to groundwater level is less than one hundred fifty feet.

4. An area where the surrounding land use for one square mile may impede ~~the~~ proper long-term SITE maintenance. ~~of such site.~~

5. An area where the hydrology and geology ~~is~~ ARE incompatible with such use.

6. An area where subsidence has occurred or is likely to occur.

~~C. Transportation distances and routings from areas within the state that are major sources of hazardous waste shall be a factor in determining site location.~~

~~D. The director shall hold public hearings prior to selecting a hazardous waste site.~~

Sec. 4. Repeal

Section 36-2803, Arizona Revised Statutes, is repealed.

Sec. 5. Section 36-2804, Arizona Revised Statutes, is amended to read:

36-2804. Construction and operation of a site; definition

A. ~~Upon selection of a hazardous waste site pursuant to section 36-2803, subsection B, the director may:~~

~~1. Acquire, construct or operate a hazardous waste disposal site or hazardous waste disposal facility.~~

~~2.~~ THE DIRECTOR SHALL contract for the ~~acquisition,~~ construction ~~or~~ AND operation of a hazardous waste disposal ~~site or hazardous waste disposal~~ facility.

~~B. To carry out the provisions of subsection A, a director may obtain lands and facilities by purchase, lease, lease-purchase, grant, condemnation or other lawful means.~~

~~C.~~ B. For the purpose of identifying wastes to be disposed of at the hazardous waste facility established pursuant to this article, "hazardous waste" means a waste or combination of wastes which because of

Sec. 8. Appropriations; purposes; lapsing

A. The sum of one hundred sixty-seven thousand one hundred dollars is appropriated from the state general fund to the department of health services for additional studies, sampling, analysis and monitoring of the hazardous waste disposal site.

B. The sum of two hundred fifty thousand dollars is appropriated from the state general fund to the department of health services for the acquisition of land for a hazardous waste disposal site pursuant to section 3 of this act.

C. The sum of two hundred thirteen thousand dollars is appropriated from the state general fund to the department of health services for the administrative expenses incurred by the department relating to the hazardous waste disposal site acquired pursuant to section 3 of this act for the thirty-six month period July 1, 1981 through June 30, 1984.

D. The appropriations made by this section are exempt from the provisions of section 35-190, relating to lapsing of appropriations, except that any amounts remaining unencumbered or unexpended on June 30, 1984, shall revert to the state general fund.

HOUSE ENGROSSED

public health; hazardous waste disposal
FISCAL NOTE INDICATED

COVER SHEET

S. B. 1033
(Reference to House engrossed Senate bill)

Page 1

Line 15, after the first quote struck "State"
Line 16, after "facility" struck "owned"; after "~~operated~~" inserted "CONTRACTED FOR"
After line 16, inserted paragraph 4
Line 25, after "for a" struck "state"
Line 27, after "LOCATED" struck "AT THE RAINBOW VALLEY SITE"

Page 2

Line 10, after "A" struck "STATE"

Page 4

At beginning of line 5, struck "Rainbow Valley"
At beginning of line 9, struck "2" and inserted "3"
Line 13, after "section" struck "2" and inserted "3"

Amended title to conform

State: Arizona

Effective Date: 04/22/80

Bill #'s or Chapter: Ch. 119, 1980
SB 1283

Sponsors: Rep. Diane McCarthy

Title: Hazardous Waste Disposal Act

Scope of Law

I. Approach:

- Department of Health Services to select, and recommend to Legislature, site for State Hazardous Waste Disposal Facility. Legislature to act on Department's recommendation through concurrent resolution
- Department authorized to acquire, construct of operate disposal facilities, to contract for such operation, and to obtain lands by purchase, lease, lease-purchase, grant or condemnation.
- Department prohibited from selecting sites located within specified environmental/ ological area.

II. Override:

- Vote of Legislature preempts provisions of local law.

III. Public Participation:

- Department to hold public hearings prior to selecting site.

IV. Financial Assurances:

- Assurances not required of State facilities.
- Department to establish Hazardous Waste Disposal Trust Fund, financed through fees levied upon users of State facilities. Fund to be utilized for facility operation, maintenance and perpetual care, to cover costs incurred in monitoring operation and environmental impacts of facilities, and to abate imminent and substantial threats to health and environment arising ou of facility operation.

V. Non-Financial Assurances:

- Not specified in Act.

VI. Incentives and Compensation:

- Not specified in Act.

2. State Agency

a. Oregon Hazardous Waste Management Rules Section 340-62-035

Hearings and Issuance or Denial of a Hazardous Waste Disposal Site License

340-62-035 (1) Upon receipt of an application, the Department shall cause copies of the application to be sent to affected state agencies, including the State Health Division, the Public Utility Commissioner, the State Fish and Wildlife Commission, and the Water Resources Director. ORS 459.570 provides that each agency shall respond by making a recommendation as to whether the license application should be granted. If the State Health Division recommends against granting the license, the Commission must deny the license.

(2) After determination that an application for a license is complete, the Department will notify the applicant of its intent to schedule a hearing or hearings and the timetable and procedures to be followed. The Commission shall conduct hearings at such other places as the Department considers suitable. At the hearing the applicant may present his application and the public may appear to be represented in support of or in opposition of the application.

(3) Prior to holding hearings on the license application, the Commission shall cause notice to be given in the county or counties where the proposed disposal site is located, in a manner reasonably calculated to notify interested and affected persons of the license application.

(4) The Department shall make such investigation as it considers necessary and following public hearings make a recommendation to the Commission as to whether or not a license should be issued. The recommendations of the Department, including proposed license provisions and conditions if the Department recommends issuance of a license, shall be forwarded to the applicant, to members of the Commission and, at the discretion of the Department, to other interested persons for comment. All comments must be submitted in writing within fourteen (14) days after mailing of the Department's recommendations if such comments are to receive consideration prior to final action on the application.

(5) After fourteen (14) days have elapsed since the date of mailing of the Department's recommendations and after reviewing the Department's recommendations, the Commission shall decide whether to issue the license or not. It shall cause notice of its decision to be given to the applicant by certified mail at the address designated by him in his application.

(6) If the Commission refuses to issue a license, it shall afford the license applicant an opportunity for hearing after reasonable notice, served personally or by registered or certified mail. The notice shall contain:

(a) A statement of the party's right to a hearing or a statement of the time and place of the hearing.

(b) A statement of the authority and jurisdiction under which the hearing is to be held.

(c) A reference to the particular sections of the statutes and rules involved.

(d) A short and plain statement of the matters asserted or charged.

State: Oregon

Effective Date: 10/3/79

Bill #'s or Chapter: SB 76, amending Oregon Statutes to include provisions for hazardous waste management

Sponsors: Department of Environmental Quali

Scope of Law

I. Approach:

- Act distinguishes waste disposal facilities from collection or treatment facilities to provide for more extensive review and regulation of disposal sites.
- Department of Environmental Quality to administer waste program, recommend license approval to Environmental Quality Commission, and regulate the designation of sites in consultation with county planning commissions.
- Department authorized to declassify wastes rendered non-hazardous upon recommendation of commission, assume ownership of land where wastes disposed in or upon, and can authorize emergency short-term storage anywhere in state.

II. Override:

- Environmental Quality Commission must reject applications for disposal facility licences to which the State Health Division objects.

III. Public Participation:

- Commission to hold public hearing in host county, with prior notice in local newspapers, before action on disposal facility applications. Commission to invite and encourage all interested parties to attend and participate.
- Department to hold public hearing prior to acting on commission's recommendation to declassify wastes rendered non-hazardous.
- Department to send copies of disposal facility applications to state health, safety, utility and resources commissioners.

IV. Financial Assurances:

- Developer to post cash bond to ensure compliance with environmental requirements and to cover closure and post-closure monitoring and security costs.
- Developer to maintain sufficient liability insurance to assure financial responsibility for environmental and human health and safety impacts during operation.
- Annual license fees to be collected from developer to cover post-closure costs. When sum equals cash bond, bond may be returned.

lity

V. Non-Financial Assurances:

- o License application to contain: personnel qualifications, including training and experience; description of emergency procedures, safety and security precautions.
- o Developer to restore site to original condition upon termination of operations.
- o Developer to provide access to Department monitoring and inspection personnel, to facilities, wastes and records.
- o Developers to deed to state all that portion of the disposal site in or upon which wastes are disposed.

VI. Incentives and Compensation:

- o Not specified in Act.

3. Local Option
   a. Illinois Senate Bill 172, 1981

2. Special Board

a. New York Industrial Hazardous Waste Management Act, Title 11
New York Public Authority Act, Title 12

TITLE 11—INDUSTRIAL SITING HAZARDOUS WASTE FACILITIES

Sec.

27-1101. Definitions.
27-1103. Criteria for siting industrial hazardous waste treatment, storage and disposal facilities.
27-1105. Siting industrial hazardous waste facilities.
27-1107. Powers of municipalities.

§ 27-1101. Definitions

As used in this title, unless the context otherwise requires:

1. "Person" means any individual, public or private corporation, political subdivision, government agency, industry, partnership, association, firm, trust, estate or any other legal entity whatsoever.

2. "Corporation" means the New York state environmental facilities corporation.

3. "Board" means a facility siting board constituted pursuant to the provisions of section 27-1105 of this title.

4. "Industrial hazardous waste" shall mean an industrial waste or combination of wastes, which because of its quantity, concentration, or physical, chemical or infectious characteristics may:

a. Cause, or significantly contribute to an increase in serious irreversible, or incapacitating reversible illness; and/or

b. Pose a substantial present or potential hazard to human health or the environment and, therefore, must be segregated and excluded from the general municipal waste system and sewage collection and treatment process.

5. "Industrial hazardous waste treatment, storage and disposal facility" shall mean a specialized facility or site other than a sewage treatment for the purpose of treating, storing, compacting, recycling, exchanging, or disposing of industrial hazardous waste materials, including treatment, compacting, resource recovery or disposal plants, equipment and furnishings thereof used for the storage, treatment, compacting, composting, shredding, converting, utilization, processing, or final disposal of hazardous waste, including but not limited to mechanical, chemical or thermal processing systems, incinerators, sanitary landfills, other facilities for the storage, reduction or conversion of hazardous waste, including but not limited to transfer stations, baling facilities, railroad and maritime facilities, motor trucks or vehicles and appurtenances, furnishings, equipment and machinery deemed necessary thereto.

§ 27-1103. Criteria for siting industrial hazardous waste treatment, storage and disposal facilities

1. The commissioner shall, after investigation and opportunity for public comment, within one year from the effective date of this section, publish criteria for siting industrial hazardous waste treatment, storage and disposal facilities. Such siting criteria shall be designed to insure the maximum safety of the public from hazards associated with treatment, storage, and disposal of hazardous wastes. The commissioner shall also within one year from such effective date adopt criteria prescribing the form and content of applications for a certificate of environmental safety and public necessity to construct an industrial hazardous waste treatment, storage and disposal facility.

2. The criteria issued pursuant to subdivision one of this section for the siting of industrial hazardous waste treatment, storage and disposal facilities shall take into account, among other factors:

a. The density of population in areas neighboring such facility,

b. The density of population in areas adjacent to delivery routes to such facility,

c. The risk of accident during the transportation of hazardous wastes,

d. The risk of contamination of ground and surface waters by leaching and runoff from such facility,

e. The risk of fires or explosions from improper storage and disposal methods,

f. The impact on the municipality where the facility is to be sited in terms of health, safety, cost and consistency with local planning, and

g. The nature of the probable environmental impact, including specification of the predictable adverse effects on the natural environment and ecology, public health and safety, scenic, historic, cultural and recreational value, water and air quality, wildlife and an evaluation measures to mitigate adverse effects.

3. The criteria issued by the commissioner pursuant to subdivision one of this section prescribing the form of an application for a certificate of environmental safety and public necessity to construct an industrial hazardous waste treatment, storage and disposal facility shall require the applicant to supply detailed information regarding:

The location of the proposed facility,

b. A description of the design and capacity of the facility,

c. The expected sources of hazardous wastes for the facility, the proposed methods of transporting such wastes to and from the facility, and the routes which deliveries will traverse,

d. The need for the facility,

e. The environmental impacts of the proposed facility,

f. A description of reasonable alternative locations for the proposed facility, and

g. Such other information as the commissioner shall prescribe as to whether the proposed facility is necessary and compatible with the surrounding environment and with the health, safety and welfare of neighboring populations.

§ 27-1105. Siting industrial hazardous waste facilities

1. After the publication of siting criteria pursuant to subdivision one of section 27-1103 of this title but not later than one year from the effective date of this section, no person may commence construction or operation of a new industrial hazardous waste facility, hereinafter referred to as "facility", without having received a certificate of environmental safety and public necessity from the facility siting board as hereinafter provided. Applications for industrial hazardous waste facilities submitted to the department, and not denied, prior to the effective date of this act shall be exempt from the provisions of this section.

2. To obtain the certificate of environmental safety and public necessity required pursuant to subdivision one of this section, the following procedures shall be followed:

(a) An application must be submitted to the department in the form required pursuant to subdivisions one and three of section 27-1103 of this title.

(b) On or before fifteen calendar days after the receipt of such application, the department shall mail written notice to the applicant whether or not the application is complete. If the application is not complete, the provisions of paragraphs (c) and (d) of subdivision one of section 70-0109 of this chapter shall be applicable. If, or when, the application is complete, the department shall, concurrent with notification to the applicant, send the application and written notice to the office of the governor requesting that a facility siting board be constituted consistent with this subdivision.

(c) Immediately upon determining that an application is complete, the department shall cause a notice of application to be published in the next available environmental notice bulletin which shall be not later than ten calendar days after the date of such notice and shall provide notice to the chief executive officer of each municipality in which the pro-

posed project is located, and may direct the applicant to provide such reasonable notice and opportunity for comment to the public as the department deems appropriate. Such notice shall also be given to all property owners of record within three hundred feet of the subject facility. In addition, notice shall be published in at least two newspapers having a general circulation in the area in which the proposed activity is located, and in contiguous areas potentially affected by the proposed action.

(d) On or before fifteen calendar days after the receipt of such notification the governor shall constitute a facility siting board to be composed of the commissioners of transportation, environmental conservation, health and commerce, the secretary of state and three ad hoc members appointed by the governor, two of whom must be residents of the judicial district in which the facility is primarily proposed to be located. The term of the ad hoc members shall continue until a final determination has been made in the particular proceeding for which they were appointed. Five of the eight persons on the board shall constitute a quorum for the transaction of any business of the board, and the decision of five members of the board shall constitute action of the board. In addition to the requirements of the public officers law, no person shall be eligible to be an appointee of the governor to the board who holds another state or local office. The governor shall appoint the chairman of the board and the commissioner of environmental conservation shall make staff available to support the board in carrying out its responsibilities.

(e) On or before sixty calendar days after the facility siting board is constituted, the chairman of the board shall commence the conduct of an adjudicatory public hearing upon the application. Such hearing shall be preceded by public notice, in the same form and manner as provided in paragraph (c) of this subdivision, given not less than thirty days prior to such hearing.

(f) The board shall render a decision based upon the record either granting the application, denying it, or granting it upon such terms, conditions, limitations, or modifications thereof as the board may deem appropriate. The board shall deny an application to construct or operate a facility if residential areas and contiguous populations will be endangered, if construction or operation of such facility would be contrary to local zoning or land use regulations in force on the date of the application, or if it otherwise does not conform to the siting criteria established for such facility pursuant to section 27-1103 of this title or the board finds that the facility is not necessary, or is otherwise not in the public interest to be approved.

(g) The chairman of the facility siting board shall mail its decision to the applicant, to the department, and to all parties to the hearing on or before sixty calendar days after receipt by the board of a complete record, as that term is defined in paragraphs (a) through (e) of subdivision one of section 302 of the state administrative procedure act.

(h) The provisions of article 70 of this chapter shall apply to applications pursuant to this title, to the extent such provisions are not inconsistent herewith.

§ 27-1107. Powers of municipalities

Notwithstanding any other provision of law, no municipality may, except as expressly authorized by this article or the board, require any approval, consent, permit, certificate or other condition regarding the operation of a facility with respect to which a certificate hereunder has been granted; provided, however, that such municipality has received notice of the filing of the application therefor.

State: New York Effective Date: 09/01/78

Bill #'s or Chapter: S-9557, A-12770, Ch. 639, 1978; "Industrial Hazardous Waste Management Act" Sponsors: Sen. B.C. Smith, Speaker S. Steingut

Title: Title 11 - Industrial Siting Hazardous Waste Facilities

Scope of Law

I. Approach:

- o Certificates of environmental safety and public necessity required for operation of faiclities issued by 8 member temporary siting board. Board composed of Secretary of State, 4 state commissionsers, and 3 ad hoc, non-office holding members appointed by Governor, 2 of whom must reside in host judicial district. Applications submitted to Department of Environmental Conservation for analysis and technical review.

- o Department to promulgate siting criterial and application requirements, including mandate to include analysis of alternative sites.

II. Override:

- o Siting board must deny license if facility is contrary to local zoning or land use ordinances in effect on date of application.

III. Public Participation:

- o Local representatives sit on siting board.

- o Department to publish notice of application in environmental bulletin, 2 newspapers serving host community and contiguous areas, and notify chief executive officers of host communities, as well as property owners within 300 feet of proposed site. Department may require developer to publish similar notices and accept public comment.

- o Board to hold public hearing, following notice, prior to determination on issuance of certificate.

- o Board to notify all parties of hearing of decision on certificate.

IV. Financial Assurances:

- o Not specified in Act. Department to include in regulations.

V. Non-Financial Assurances:

- o Not specified in Act. Department to include in regulations.

VI. Incentives and Compensation:

- o Not specified in Act.

NOTE: The developer is not the only person who can acquire sites in New York State. The E.F.C. can also select sites.

"The EFC of New York is empowered to acquire interests in real property for the purpose of constituting and operating industrial hazardous waste treatment, storage and disposal facilities."

*New York Pub. Auth. Law, Title 12, New York State Environmental Facilities Corp, sec. 1285(c).

3. Developer Approach
a. Maryland, House Bill 1481

HOUSE BILL No. 1481
(01r3529)

Introduced by The Speaker and Environmental Matters Committee (Administration)

Read and Examined by Proofreader

_____
Proofreader.

_____
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this_____ day of_____ at_____o'clock,_____M.

APPROVED
BY THE GOVERNOR

_____
Speaker.

CHAPTER 528

MAY 20 '80

AN ACT concerning

Hazardous Waste Facility Siting Program

FOR the purpose of creating a Hazardous Waste Facility Siting Board; providing for the membership, compensation, tenure, and voting requirements of the Board; defining certain terms; providing legislative purpose; providing certain powers, duties, and responsibilities of the Board; requiring certain reports prior to issuance of a certificate of public necessity of the siting of hazardous waste facilities by the Board; providing the procedures for application and effect and purpose of the certificate issued by the Board; providing that certain changes may not be made in a certified site or facility without Board approval; providing staff and funding for the Board; requiring that prior to a certain date and annually thereafter the Maryland Environmental Service must prepare an inventory of potential hazardous waste facility sites, in consultation with certain agencies and governing bodies; requiring certain governing bodies to prepare a certain list; providing that the Service may select certain sites if a condition is not met; requiring the

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.
Underlining indicates amendments to bill.
~~Strike-out~~ indicates matter stricken by amendment.

Board Membership

(B) (1) THE BOARD CONSISTS OF SEVEN MEMBERS APPOINTED BY THE GOVERNOR, WHO SHALL REPRESENT THE VARIOUS GEOGRAPHICAL AREAS OF THE STATE. NO MORE THAN ONE MEMBER OF THE BOARD SHALL BE A RESIDENT OF THE SAME COUNTY OR OF BALTIMORE CITY.

(2) OF THE SEVEN MEMBERS:

(I) TWO SHALL BE MEMBERS OF THE SCIENTIFIC COMMUNITY IN THE STATE, ONE OF WHOM SHALL BE A GEOLOGIST;

(II) TWO SHALL BE MEMBERS OF THE GENERAL PUBLIC WHO HAVE NO FINANCIAL INTEREST IN THE WASTE DISPOSAL INDUSTRY, AT LEAST ONE OF WHOM HAS HAD A DEMONSTRATED INVOLVEMENT IN ENVIRONMENTAL MATTERS;

(III) ONE SHALL BE APPOINTED FROM A LIST OF THREE OR MORE PERSONS NOMINATED BY THE MARYLAND ASSOCIATION OF COUNTIES;

(IV) ONE SHALL BE APPOINTED FROM A LIST OF THREE OR MORE PERSONS NOMINATED BY THE MARYLAND CHAMBER OF COMMERCE; AND

(V) ONE SHALL BE APPOINTED FROM A LIST OF THREE OR MORE PERSONS NOMINATED BY THE MARYLAND MUNICIPAL LEAGUE.

(C) BEFORE TAKING OFFICE, EACH APPOINTEE TO THE BOARD SHALL TAKE THE OATH REQUIRED BY ARTICLE I, § 9 OF THE STATE CONSTITUTION.

(D) (1) THE TERM OF A MEMBER IS 4 YEARS.

(2) THE TERMS OF THE INITIAL APPOINTEES EXPIRE AS FOLLOWS: ~~THE MEMBERS ONE MEMBER REPRESENTING THE GENERAL PUBLIC AND ONE MEMBER REPRESENTING THE SCIENTIFIC COMMUNITY ON JANUARY 1, 1982, THE MEMBERS REPRESENTING COUNTIES AND MUNICIPALITIES ON JANUARY 1, 1983~~ 1984, ONE MEMBER REPRESENTING THE GENERAL PUBLIC AND ONE MEMBER REPRESENTING THE SCIENTIFIC COMMUNITY ON JANUARY 1, 1985 AND THE REMAINING MEMBERS ON JANUARY 1, ~~1984~~ 1983.

(E) THE GOVERNOR SHALL APPOINT A CHAIRMAN FROM AMONG THE SEVEN MEMBERS.

(F) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(G) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES ONLY THE REMAINDER OF THAT TERM AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(H) A MEMBER MAY BE REMOVED BY THE APPOINTING AUTHORITY FOR INCOMPETENCY OR MISCONDUCT.

(I) EACH MEMBER OF THE BOARD IS ENTITLED TO:

(1) COMPENSATION IN ACCORDANCE WITH THE STATE BUDGET; AND

(2) REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

(J) THE AFFIRMATIVE VOTE OF A MAJORITY OF THE MEMBERS OF THE BOARD THEN SERVING IS NECESSARY FOR ANY DECISION OF THE BOARD.

3-704.

IN ADDITION TO THE POWERS SET FORTH ELSEWHERE IN THIS SUBTITLE, THE BOARD MAY ADOPT RULES AND REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SUBTITLE.

3-705.

(A) (1) THE BOARD SHALL ISSUE CERTIFICATES OF PUBLIC NECESSITY FOR THE SITING OF HAZARDOUS WASTE FACILITIES PURSUANT TO THE PROVISIONS OF THIS SUBTITLE.

(2) A CERTIFICATE UNDER THIS SUBTITLE IS NOT REQUIRED IF A SITE AND FACILITY ARE OTHERWISE AUTHORIZED BY LAW.

(3) A CERTIFICATE IS NOT REQUIRED FOR A FACILITY USED FOR RECEIPT, TRANSFER, RECOVERY, OR DISPOSAL OF NONHAZARDOUS RESIDENTIAL, COMMERCIAL, OR INDUSTRIAL WASTE.

Certificate of Public Necessity

(B) IN DECIDING WHETHER TO ISSUE A CERTIFICATE, THE BOARD SHALL CONSIDER BUT NOT BE LIMITED TO THE FOLLOWING:

(1) ENVIRONMENTAL, SOCIAL, TECHNICAL, AND ECONOMIC FACTORS AS THEY APPLY TO A PARTICULAR PROPOSED SITE; AND

(2) THE NEED FOR AND PROBLEMS ASSOCIATED WITH THE COMPREHENSIVE STATEWIDE DISPOSAL OF HAZARDOUS WASTE.

(C) THE DESIGN, CONSTRUCTION, AND OPERATION OF A FACILITY ON A SITE FOR WHICH A CERTIFICATE HAS BEEN ISSUED AND THE ASSOCIATED TRANSPORTATION OF HAZARDOUS WASTE TO AND FROM THE FACILITY, SHALL BE SUBJECT TO ALL ENVIRONMENTAL, HEALTH, AND SAFETY RESTRICTIONS THAT MAY BE IMPOSED BY STATE REGULATORY AGENCIES UNDER APPLICABLE LAW AND REGULATION.

(D) THE ISSUANCE OF A CERTIFICATE OF PUBLIC NECESSITY FOR A SITE EXEMPTS THE SITE, THE DESIGN, CONSTRUCTION, AND OPERATION OF THE FACILITIES ON THE SITE, AND THE TRANSPORTATION OF HAZARDOUS WASTE TO AND FROM THE FACILITIES ON THE SITE FROM ANY REGULATION, POLICY, LAW, OR ORDINANCE,

INCLUDING ZONING, OF ANY POLITICAL SUBDIVISION OF THIS STATE, AND FROM ANY STATE LAW OR REGULATION THAT REQUIRES APPROVAL OF ANY POLITICAL SUBDIVISION OF THIS STATE.

(E) THE ISSUANCE OF A CERTIFICATE DOES NOT REQUIRE THE APPROVAL OF ANY COUNTY OR MUNICIPAL COUNCIL, BOARD, AUTHORITY, OR UNIT. ANY PLAN FOR MANAGEMENT OF LIQUID, SOLID, OR HAZARDOUS WASTE ADOPTED BY ANY SUBDIVISION OF THE STATE SHALL BE CONSISTENT WITH THE TERMS OF THE CERTIFICATE.

(F) THE CERTIFICATE SHALL CONTAIN A STATEMENT OF THE PURPOSE FOR WHICH IT IS ISSUED AND A DESCRIPTION OF THE SITE AND PROPOSED FACILITY, AND SHALL INDICATE THE LOCATIONS ON THE SITE OF ALL FACILITIES, ALL BUFFER AND SECURITY AREAS, AND ALL AREAS TO BE USED FOR APPURTENANT FUNCTIONS.

(G) A CERTIFICATE IS VALID ONLY FOR THE SITE AND FACILITY FOR WHICH IT IS ISSUED.

(H) A PERSON MAY NOT MAKE ANY MATERIAL CHANGE THAT, AS TO A FACILITY OR THE USE OF A SITE, IS CONTRARY TO THE PURPOSE OR CONDITIONS FOR WHICH A CERTIFICATE WAS ISSUED, UNLESS:

(1) THE PERSON FIRST SUBMITS THE PROPOSED CHANGE TO THE BOARD FOR RECONSIDERATION OF THE CERTIFICATE; AND

(2) THE BOARD APPROVES THE CHANGE~~.~~; AND

(3) AN APPLICATION FOR RECONSIDERATION SHALL BE MADE BY AN APPLICANT AND PROCESSED BY THE BOARD IN ACCORDANCE WITH THE SAME REQUIREMENTS, PROCEDURES, AND RESTRICTIONS THAT ARE APPLICABLE TO AN INITIAL APPLICATION FOR A CERTIFICATE UNDER THIS SUBTITLE.

3-706.

(A) ~~EACH~~ APPLICATION FOR A CERTIFICATE SUBMITTED TO THE BOARD SHALL CONTAIN A REPORT WITH INFORMATION OF THE TYPE, QUALITY, AND DETAIL THAT WILL PERMIT ADEQUATE CONSIDERATION OF THE ENVIRONMENTAL, SOCIAL, TECHNICAL, AND ECONOMIC FACTORS INVOLVED IN THE ESTABLISHMENT AND OPERATION OF THE PROPOSED FACILITIES. THE APPLICANT SHALL MAKE THE REPORT AVAILABLE TO AFFECTED SUBDIVISIONS AND TO THE PUBLIC.

(B) (1) ON RECEIPT OF THE APPLICATION FOR A CERTIFICATE THE BOARD SHALL FORWARD A COPY OF THAT APPLICATION TO THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE. THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE SHALL CONSIDER THE APPLICATION FOR A CERTIFICATE AS AN APPLICATION FOR THE FACILITY PERMIT THAT IS REQUIRED UNDER ARTICLE 43 OF THE ANNOTATED CODE.

(2) ON RECEIPT OF ANY APPLICATION FOR A FACILITY PERMIT THAT IS REQUIRED UNDER ARTICLE 43 OF THE ANNOTATED CODE, THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE SHALL

Application Procedure

FORWARD A COPY OF THE FACILITY PERMIT APPLICATION TO THE BOARD.

(C) (1) THE PORTION OF THE APPLICANT S REPORT DEALING WITH ENVIRONMENTAL AND SOCIAL ASSESSMENTS SHALL CONTAIN, BUT NOT BE LIMITED TO:

(I) THE POTENTIAL IMPACT OF THE METHOD AND ROUTE OF TRANSPORTATION OF HAZARDOUS WASTE TO THE SITE AND THE POTENTIAL IMPACT OF THE ESTABLISHMENT AND OPERATION OF THE PROPOSED FACILITY ON AIR AND WATER QUALITY, EXISTING LAND USE, TRANSPORTATION, AND NATURAL RESOURCES IN THE AREA AFFECTED BY PROPOSED FACILITIES;

(II) A DESCRIPTION OF THE EXPECTED EFFECT OF THE FACILITY; AND

(III) RECOMMENDATIONS FOR MINIMIZING ANY ADVERSE IMPACT.

(2) THE PORTION OF THE APPLICANT'S REPORT DEALING WITH TECHNICAL AND ECONOMIC ASSESSMENTS SHALL CONTAIN, BUT NOT BE LIMITED TO:

(I) DETAILED DESCRIPTIONS OF THE PROPOSED SITE AND FACILITY, INCLUDING SITE LOCATION AND BOUNDARIES AND FACILITY PURPOSE, TYPE, SIZE, CAPACITY, AND LOCATION ON THE SITE AND ESTIMATES OF THE COST AND CHARGES TO BE MADE FOR MATERIAL ACCEPTED; AND

(II) PROVISIONS FOR MANAGING THE SITE FOLLOWING CESSATION OF OPERATION OF THE FACILITY.

(D) ACCEPTANCE BY THE BOARD OF ANY APPLICATION FOR PROCESSING DOES NOT PRECLUDE THE BOARD FROM REQUIRING FURTHER INFORMATION FROM THE APPLICANT IF THE BOARD CONSIDERS THE ADDITIONAL INFORMATION NECESSARY FOR ADEQUATE CONSIDERATION OF THE APPLICATION.

(E) PRIOR TO MARCH 1, 1981, THE BOARD SHALL PRESENT AT PUBLIC HEARING, ADOPT, AND PUBLISH RULES DESCRIBING AND GOVERNING THE PROCEDURE FOR OBTAINING A CERTIFICATE. THE PROVISIONS OF THIS SECTION DO NOT EXEMPT THE BOARD FROM THE REQUIREMENTS OF ARTICLE 41, § 244 ET SEQ. OF THE CODE.

(F) (1) AT LEAST 90 DAYS PRIOR TO ISSUANCE OF A CERTIFICATE, THE BOARD SHALL SEEK THE ADVICE AND COMMENT OF THE FOLLOWING:

(I) THE SECRETARIES OF NATURAL RESOURCES, HEALTH AND MENTAL HYGIENE, ECONOMIC AND COMMUNITY DEVELOPMENT, STATE PLANNING, AND AGRICULTURE;

(II) THE COUNCIL ON TOXIC SUBSTANCES AND THE HAZARDOUS SUBSTANCES ADVISORY COUNCIL; AND

State: Maryland

Effective Date: 07/01/80

Bill #'s or Chapter: HB 1481, expanding Natural Resources Article to include new Subtitle 7

Sponsors: Speaker, Environmental Matters Committee

Title: Hazardous Waste Facilites Siting Program

Scope of Law

I. Approach:

- o 7 member permanent siting board to issue certificates of public necessity required for facility permits. Board composed of 2 scientists, 2 members of the public with no financial interest in waste industries, and nominees of the Association of Counties, Chamber of Commerce, and Municipal League, appoi d by Governor. Board to consider locating facilities near generation points, to avoid disproportionate siting in one area, and to ensure due consideration of alternatives to land disposal.

- o Maryland Environmental Service (MES) to develop waste management plan, including siting criteria and inventory of potential sites.

- o MES authorized to apply for certificates of public necessity, acquire designated sites, and utilize or operate facilities, subject to same procedures and regulations required of private developers.

II. Override:

- o Certificate of public necessity exempts facility from regulation by political subdivisions. Approval of fecilites or sites by local governments not required.

III. Public Participation:

- o 2 members of public sit on siting board.

- o Developer to make permit applications available to public and host community officials.

- o Board to seek comment, prior to acting on applications, from state secretaries, councils on toxic and hazardous substances, host community government, governments of adjoining communities, and property owners within 1000 feet of proposed site.

- o Board to hold public hearing in host community.

- o Service to seek suggestions on potential sites from political subdivisions, and to seek their comments on proposed waste plan.

- o Records of facility inspections to be open to public.

VI. Financial Assurances:

- o Developer to provide bond or other sureties to cover costs of monitoring maintaining, and closing facility, and post-closure security, and to ensure compliance with permit requirements.

V. Non-Financial Assurances:

- o Emergency contingency plans to be included in regulations.
- o Developer to restore site to original condition, to extent practicable.
- o Developer to provide access to site by Department and local health agency officials or representative of mayor.
- o Facilities to be inspected monthly. Landfill facilities to be inspected weekly.

VI. Incentives and Compensation:

- o Not specified in Act.

Medicaid, Reagan and the States: An Urgent Issue Heats Up

Cable Television: Should States Regulate It or Not?

State Legislatures

June 1981
National Conference
of State Legislatures

Negotiable Junk

The Politics of Low-Level Radioactive Waste



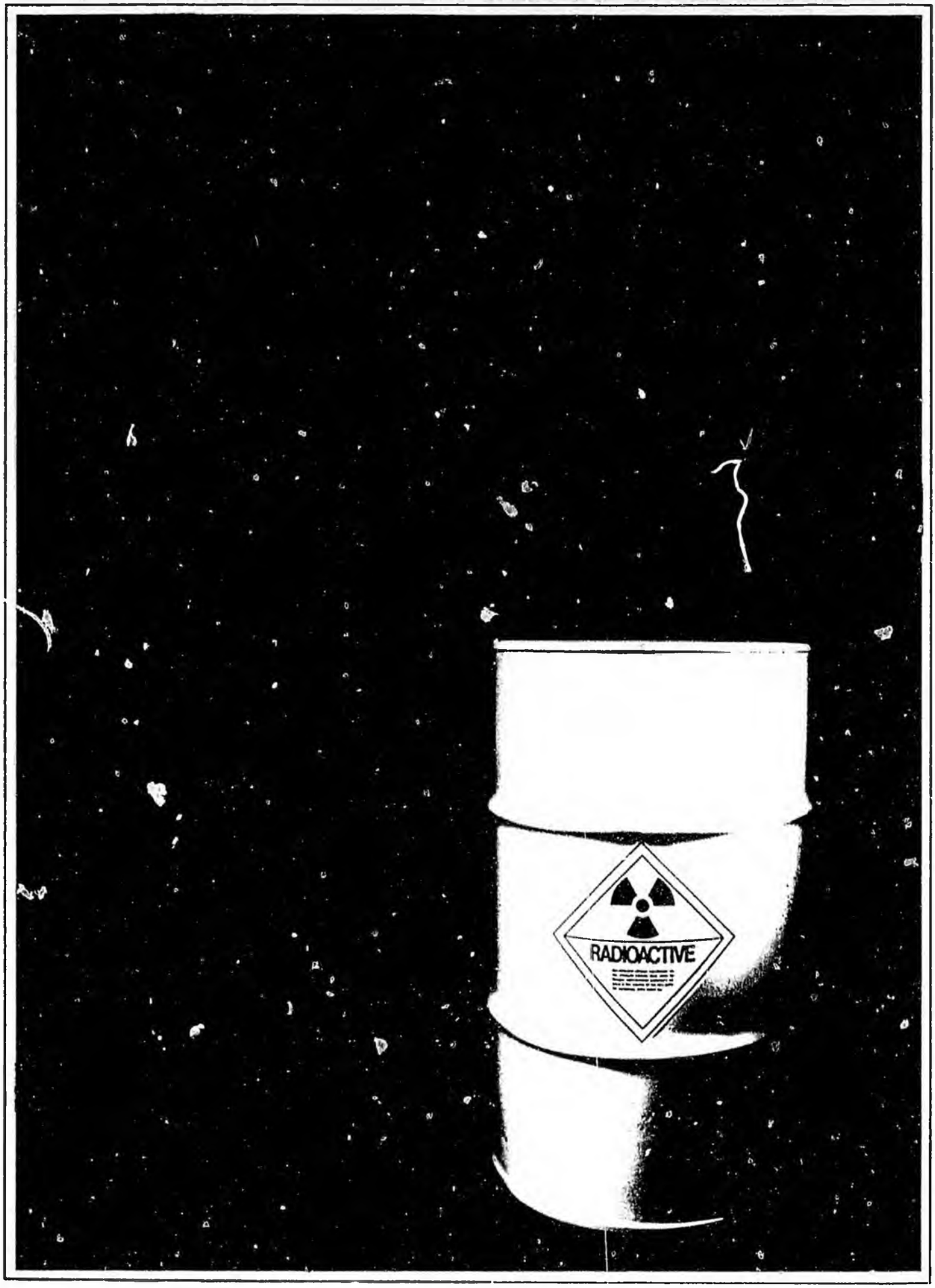

Photo Ror Wilcox

Federal law and an emerging state consensus point toward regional cooperation as the key to managing low-level waste. The states are beginning to meet the challenge, but they find a host of obstacles in their path—and they have no time to lose.

Time to Take Control: The States and Low-Level Radioactive Waste

Unlike most politically sensitive issues, the management of low-level radioactive waste is a problem that can be solved. Whether and how it will actually be solved depend, for now, on the states.

Under a federal law enacted last year, and under policies developed by national organizations of state legislators and governors, the states are taking steps toward regional cooperation in the siting of waste disposal facilities. If they succeed, they will address two problems at once: the immediate need for new disposal sites, and a long-term need for additional sites to handle steadily increasing amounts of low-level waste.

Success, however, will require that everyone involved "take ownership of the problem," in the words of Minnesota Representative Ken Nelson. The first step, he says, is to recognize openly the benefits we all derive from activities that produce

Gail Melson

Low-Level Radioactive Waste

low-level radioactive wastes. The second is to accept responsibility for developing solutions that protect both public health and the environment.

The states have begun to "take ownership" during the last two years. Before 1979, low-level radioactive waste was generally handled by exporting it to a faraway state for disposal—the "out of state, out of mind" approach. Late in that year, however, two of the nation's three disposal sites were temporarily closed; that fact, combined with the increasing volume of low-level waste from commercial reactors, hospitals, universities, clinics and industries, nearly resulted in the cessation of important university, medical and industrial operations. Something had to be done.

In response, the states began to accept responsibility for managing low-level wastes generated within their borders, either by starting to develop their own sites or, more often, by opening discussions on interstate compacts. These were the approaches advocated by the National Conference of State Legislatures, the National Governors' Association, and the federal State Planning Council on Radioactive Waste Management. The three groups placed particular emphasis on regional efforts to handle low-level waste.

Their recommendations were given statutory force by the Low-Level Radioactive Waste Policy Act, which was passed in the final days of the 96th Congress. This law encourages the formation of interstate compacts for dealing with low-level radioactive waste. By 1986, in fact, a disposal site can refuse to accept wastes from a state that is not part of an interstate compact. Every state therefore confronts three choices: developing its own site; joining an interstate compact with other states in the region; or stopping the production of low-level radioactive waste.

The third option is the least desirable one, and in some cases is out of the question. Regardless of one's position on commercial nuclear power, significant quantities of low-level waste are generated by hospitals and clinics in therapeutic and diagnostic techniques, universities in research and teaching, and various kinds of industries. For a state to stop producing these wastes, it would have to forego the benefits arising from medical, research, and industrial uses. For many states, especially the 24 with operating commercial reactors, this option is unrealistic.

The remaining options are for a state to build its own disposal site or to join with other states to develop a regional site. These options need not be mutually exclusive; a state could decide to develop a site as well as join with other states at a later time. Either approach, however, will force states to come to terms with the sensitive political issues of siting and maintaining a disposal facility.

State legislators will be especially involved with these decisions. If a state develops its own site, then the legislature will have to enact enabling legislation for the regulatory authorities to site, regulate, and close the facility. It will need to adopt financial provisions that will ensure long-term monitoring and, when necessary, remedial actions. If a state chooses to join a regional group, and if the mechanism for creating that group is an interstate compact, then the legislature must enact the compact. Such legislation will contain the same provisions that would be necessary to establish a single state site—but will also include sections creating an interstate commission and describing the rights and obligations of the member states.

The category of radioactive waste includes spent fuel from commercial reactors, defense wastes, uranium mine and mill tailings, and low-level wastes. Low-level waste is the catch-all category that includes anything from contaminated paper towels and protective clothing to machinery parts and sludges. Because the levels of radioactivity are low and the hazards considerably less than for other types of radioactive wastes, low-level waste can be safely disposed of by shallow land burial. Great care must be taken, however, to ensure that a site is hydrologically and geologically sound and that packaging and disposal practices conform to strict regulations. Federal and state regulations on packaging, transportation and disposal should ensure that these wastes are safely managed and disposed of.

Every state has three choices: It can develop its own site, join an interstate compact, or stop producing low-level radioactive waste.

The federal government was assigned the lead role in regulating radioactive materials. The U.S. Nuclear Regulatory Commission (NRC) issues regulations and licenses for people and institutions that possess and use radioactive materials.

In 1959, an amendment was added to the Atomic Energy Act that allowed the transfer of some regulatory authority to the states under the Agreement States Program. The choice was left to the states: If a state agreed to enforce regulations as stringent as the federal government's, then it received authority to regulate small quantities of certain radioactive materials. To date, 26 states have become agreement states. These states would be responsible for regulating a low-level disposal site within their boundaries. The three operating sites are located within agreement states and are directly regulated by the host states.

In the early 1970s, six commercial disposal sites were operating in the United States. These sites were privately operated, located on state or federal land, and regulated by the federal and state governments. The six sites were Maxey Flats, Kentucky; West Valley, New York; Sheffield, Illinois; Beatty, Nevada; Hanford, Washington; and Barnwell, South Carolina. By early 1979, three of these sites had closed. Maxey Flats and West Valley were closed after migration of radioactive elements away from the burial trenches was detected; although there was no immediate threat to public health and safety, public reaction ensured that the sites would not reopen. The licensed disposal trenches at Sheffield were filled in 1978, and the filled site was closed after an application to expand it met with stiff opposition.

The crunch of 1979 was felt for many reasons, both political and technical. With the volume of low-level waste increasing annually and with only three sites open in 1979, the three remaining host states (Nevada, South Carolina and Washington) were beginning to feel uncomfortable in their role as national disposal sites. Many other factors were at work on the national political scene: the post-Three Mile Island debate over nuclear power; the debate over hazardous chemical wastes, as exemplified by Love Canal; and the continuing problem of what to do with spent fuel from commercial reactors. All of these issues combined to produce intense public scrutiny of the low-level waste problem.

This scrutiny has led to a recognition that states should share the responsibility because all states, in varying degrees, benefit from the use of radioactive materials. The lessons have been hard to learn—and have largely been forced by restrictions that the three host states have placed on the disposal sites. All three sites have imposed stricter regulations on packages accepted at the site. In addition, Governor Richard Riley of South Carolina announced in 1979 that the Barnwell site would reduce by 50 percent the amount of low-level waste that it would accept annually. Since Barnwell at one time accepted 85 percent of the nation's low-level waste, this restriction required immediate action by low-level waste generators.

Last year, voters in Washington State approved an initiative stating that by July 1, 1981, non-medical radioactive waste would not be accepted from states that had not entered into an interstate compact with Washington. This action is now being challenged in federal court on several grounds, including restriction of interstate commerce. This initiative led to passage of the first state statutes creating an interstate compact for low-level radioactive waste management. The current member states are Idaho and Washington; Oregon is considering legislation that would bring it into the compact.

The July 1, 1986, deadline set by Congress, and the clear nature of the problem, are forcing action in other states across the country.

The practical problems they confront—especially the issue of siting—have been faced many times before in controversies over sanitary landfills. The controversy is heightened in this case because of the nature of the waste material. "Just the word 'nuclear' makes low-level waste a difficult issue," notes Representative Mary Lou Munts of Wisconsin.

State legislators will play a central role on this issue. . . . If a state chooses to join an interstate compact, the legislature must enact it.

Education programs that begin early in the process can help to allay some of these fears. Nevertheless, siting means choosing a piece of land, which means that some members of the nearby community will be directly affected, and very much concerned. Other issues that must be considered include regulation, financing, liability, public involvement, and perpetual care.

One of the first decisions for a state is whether to develop its own site or join a regional group. Economic considerations support regional solutions for most states. In 1979, the top 10 producing states accounted for more than 70 percent of all low-level waste volume. Most of the remaining states are fairly small generators. If these states developed their own sites, they would have to charge exorbitant rates to recover the large initial capital investments. Ultimately, the costs would be passed along to the consumer in the form of higher electrical and medical bills. States producing small volumes would probably not want to choose this approach.

Some states, however, do produce enough low-level waste to consider developing their own sites. Despite the likelihood of local opposition, this option is being considered by a few states.

One advantage of the approach is its flexibility, especially if a state retains the option of joining a regional group at a later time. A second is that a state with its own site would be assured of having a place to dispose of low-level waste and would be less vulnerable to the temporary closing of sites in other states. A third is that the state would have greater regulatory control of the site and greater ability to insure the continual availability of disposal capacity. And, of course, the state would no longer have to face the legal and institutional uncertainties of negotiating and enacting interstate agreements.

Some states do produce enough low-level waste to consider developing their own sites.

It may be, however, that the best reason for a state to have its own site is that it will be in a better bargaining position if it enters regional negotiations. For example, a state with a low-level disposal site could bargain with other states to accept its chemical waste. Revenues would also accrue to the host state and local government.

Of course, a state that decides to develop its own site will also confront problems. Some are long-term issues, such as how to monitor the site throughout its life and how to address problems that arise after the operator's lease has expired; others are of more immediate concern to state legislators. Local participation in siting is one of these. Another is whether or not the state will have ultimate veto authority over a local government, and, if so, what provisions for judicial review exist. There is no real precedent for these questions, because past siting decisions were not scrutinized as today's are. The sites in South Carolina, Nevada, and Washington are located in areas that have lived with the nuclear industry for years, and are near government facilities that have been involved with nuclear-power development since World War II. Resistance to such facilities was therefore low initially and remains low today.

North Carolina is one state that is considering legislation to establish its own site as well as to take part in discussions on an interstate compact.

"Since North Carolina is the fourth largest generator of low-level waste, we decided we had to treat and dispose of our own," according to State Representative Charles Holt. He was referring to recommendations by a state task force, in which he and Senator Russell Walker participated, which studied the problems of hazardous and low-level radioactive waste in North Carolina. As a result, he and Senator Walker have introduced legislation creating a Governor's Waste Management Board to implement the task force recommendations. The most controversial issues in these bills are provisions for state pre-emption of local zoning decisions and condemnation proceedings for land.

Texas has already enacted a bill (SB 480) that will strengthen the state's authority to regulate a low-level waste disposal site, establish a process for citizen participation, and exclude wastes generated in other states unless those states are members of an interstate compact or reciprocal agreement with Texas. A second bill (HB 1533), just passed in the final days of the legislative session, creates the Texas Low-Level Radioactive Waste Disposal Authority to establish and operate a disposal site for wastes generated within the state.



Among the difficult issues surrounding these bills is whether a state *can* exclude out-of-state waste. The courts have generally found such exclusion to be an unconstitutional restriction on interstate commerce. That interpretation may change, however, now that the Low-Level Waste Policy Act allows states that participate in an interstate compact to exclude non-compact states from their facility. The case before the federal court in Washington State should shed some light on this issue in the next month.

An interstate compact—the approach now favored by more states than any other—has several obvious advantages: It leads to fewer sites, safer operation, and lower cost for disposal and transportation. Still, there is no denying the problems inherent in an approach that requires several states to coordinate their efforts and obtain agreement on so complex an issue. It is difficult enough for one state to reach agreement; the problem may be expected to multiply exponentially as more states participate.

Once a state has decided to seek regional cooperation on this issue, however, an interstate compact is the obvious mechanism. The reason is simply that it provides needed stability. Other tools for interstate agreement and cooperation, such as parallel statutes and executive orders, would probably not sustain an agreement that demands so much long-term regulation. A compact can do so.

An interstate compact is a legal instrument that combines the attributes of a contract and a state statute. Each participating state would enact a compact much as it enacts any other piece of legislation. A compact can make substantive or procedural law, confer rights and obligations on private persons and public agencies, establish an administrative agency and define its authority, and provide for the operation of public works. They are formal, binding agreements that represent a special commitment of the member states to a permanent or relatively long-range interstate undertaking. Compacts take precedence over ordinary state statutes and thus represent powerful constitutional tools for intergovernmental action. Once a commitment has been made, it is difficult for a specific state to unilaterally withdraw its participation. Compacts already in force deal with issues such as mass transit, pollution control, law enforcement, and energy conservation.

The U.S. Congress must give its consent to an interstate compact. It does so by passing an act or joint resolution that embodies the text of the compact. The Low-Level Radioactive Waste Policy Act states that a compact enacted by the states shall not be effective without congressional consent and that Congress can reconsider its consent at five-year intervals.

A major problem with interstate compacts is the length of time required to negotiate and enact them. Low-level waste disposal is the most sensitive issue yet considered as the subject of a compact. States entering a compact would have to agree on such politically sensitive issues as siting, authority of the member states and the host states, and establishing a commission with certain powers that would supersede authorities in the member states.

Also, the executive and legislative branches will have to work together closely on some very unpopular issues. In some states, especially those where party control is split, this may worsen their problems and prevent them from adopting the strongest possible stance in compact negotiations. Practically speaking, the ability of a state to resolve potential differences and present a unified front at interstate negotiations will depend on the relationship between legislative leadership and the governor's staff.

There are other complications. The mere fact that legislative sessions vary from state to state could delay the enactment of a compact for two years or more. The ability of a state to authorize and appropriate funds may also be linked to the legislative session. A state's decision to enter a compact rather than to proceed with its own site depends in a practical sense on timing—that is, on the extent to which other states in the region have seriously committed themselves to the possibility of becoming a regional site.

(continued on page 29)

Low-Level Waste

(continued from page 11)

Despite all these potential difficulties, some states are moving ahead with compact negotiations. Not surprisingly, the regions that already have disposal sites have led the way. The first region to begin talking seriously about compacts was the Northwest—spurred not so much by the relatively modest amount of low-level waste generated in the region, but by the voter initiative passed in Washington last November.

Legislators became involved at an early stage. Several legislators from the Northwest, including Speaker Ralph Olmstead of Idaho and Senator Sue Gould of Washington, attended NCSL's national meeting on low-level waste in Albuquerque, N.M., last summer. In Idaho, an informal working group was established, comprised of five legislators, the governor and his staff. It was agreed that the executive branch was responsible for negotiating interstate agreements, but legislators were involved in discussions throughout the drafting of the compact.

Pat Costello, assistant to Idaho Governor John Evans, was responsible for representing the governor and the legislature in discussions with other states. In Costello's view, "legislators have to be consulted; otherwise you may be in the position of agreeing to something in other states that won't pass in your own state." Idaho was the first state to pass the Northwestern interstate compact.

Identical legislation was introduced in Washington at Governor John Spellman's request. Although there were disagreements over details, the overriding need for a compact was generally conceded, according to Senator Gould, who sponsored the bill. The only other state in this region that will be able to enact a law this session is Oregon, where the bill has been introduced.

These states were fortunate: Their state officials were concerned about the issue—and they already had a site. With the major controversial issues already decided at least until the site is exhausted, they were able to enact a "bare-bones" compact. The harder issues that will emerge when a new site is needed will be worked out at a later time.

The South is also in good shape because of the site at Barnwell, South Carolina. Several meetings have already been held under the auspices of the Southern States Energy Board (SSEB), and have involved primarily representatives of governors' offices and executive agencies. Three southern groups have been meeting. The group that has probably made most progress is made up of Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia. This group has been discussing a preliminary working draft of a compact written by the SSEB. They have been able to reach some agreement on the legally binding rights and obligations of member states (for example, the obligation of each state to provide a site), and the regulatory power of a regional commission. The major issue left for discussion is the development and operation of a disposal site.

A second group of Southern and border states includes Kansas, Louisiana, Missouri, Oklahoma and Texas. Representative Bob Miller of Kansas has been instrumental in his state's discussions. He had also attended NCSL's Albuquerque meeting last summer, and was convinced that something had to be done. Immediately after his return to Kansas, he met with Governor John Carlin, who has since taken a leading role in contacting other governors in the region. Kansas established a more formal committee—the Kansas Policy and Technical Committee—than Idaho had. The governor chaired the committee; members included legislators from both houses, legislative staff, and executive agency representatives. The decisions made by the committee, where all members have an equal vote, have helped give Kansas a strong position in meetings with other states.

The other active area of the country is the Northeast. While the states that will be included in this region are not yet final, the most active states so far have been Maine, Connecticut, New Hampshire, Vermont, Massachussets, and Rhode Island. Other states likely to be included in this region are New York, New Jersey, and Pennsylvania.

Representative Arnie Wight of New Hampshire has been especially active in getting the New England meetings under way. He considers it "absolutely essential" that legislators and the governor of each state work together on this issue at very early stages, so states can negotiate effectively and compacts can be enacted more quickly.

The upper Midwest states, despite an early start, have probably been the slowest to move so far. In early 1980, representatives from the governors' offices in Indiana, Illinois, Michigan, Ohio, Minnesota, and Wisconsin met to discuss an interstate compact. Since last summer, however, no action has been taken and no state has stepped forward to take the lead in calling meetings to again take up the issue of forming an interstate compact.

In Wisconsin, Representative Mary Lou Munts and Senator Joseph Strohl have been actively encouraging cooperation between the Democratic legislature and the Republican governor. Initially, the legislature was concerned about the state becoming a repository for spent fuel from commercial reactors. When the low-level issue arose several months later, therefore, a core group of legislators was already immersed in the technical and institutional issues of radioactive waste. The governor and concerned legislators have been working together, although a regional grouping of Midwestern states has not been decided.

Many states are actually "taking ownership" of low-level waste management problems. Two trends are apparent: enacting legislation to establish a state site, and joining discussions about interstate compacts with other states. Early legislative involvement, at least by a few key legislators, is vital for those states interested in a regional solution. The model has been for governors and legislators to work together to establish unified policies for the state that allow the state to speak with one voice at interstate meetings.

States that have not yet faced the issues may, by 1986, find themselves with no way to dispose of low-level wastes safely. The consequences are serious. Given the complexities of the issue, states not already involved will need much lead time to work out the sensitive political issues.

Legislators can take a strong role in solving this problem—and will have to do so before 1986. The decisions made on this issue could become models for interstate agreements on a wide variey of topics and given the current trend toward giving more power back to the states, experience with low-level waste management could prove invaluable.

***Gail Melson** is research associate with NCSL's Low-Level Radioactive Waste Management Project. For further information on the project, see page 27.*

Dateline Washington

NATIONAL CONFERENCE OF STATE LEGISLATURES MAY 18, 1981, VOL. VI NO. 7

In the News

Block grant proposals are wending their way through Congress and NCSL will serve as a clearinghouse to keep state legislators up-to-date on the status of the alternative consolidation plans.

(pages 4, 5)

A 9% federal Medicaid cap—rather than the Administration's 5%—has been approved by Senate Finance, but the panel also wants to reduce the minimum federal match from 50 to 40%.

(page 2)

State administration of small cities CDBG, proposed by the White House, has been rejected in House subcommittee.

(page 5)

Legislators' Tax Home

State legislators' tax home legislation is still pending in the House Ways and Means Committee and no hearings have been scheduled. Chairman Dan Rostenkowski's (D-IL) staff has said that a tax matter would not be considered as an amendment to the general tax bill scheduled to be reported later this month unless it has had a public hearing. Legislators are urged to contact their House delegations to request that Ways and Means hold hearings on HR 2605 as soon as possible. NCSL contact: Bill Hagan, 202/624-5414.

House Substitute Cuts $6.5 Billion From Administration's FY82 Spending Proposal

The Reagan Administration won a significant victory with the May 7 passage of the Gramm-Latta budget substitute for the House first budget resolution. Sixty-three Democrats joined all of the Republicans to adopt the proposal by a 253-176 vote. Senate budget adoption was expected at press time. Even with quick conference action, there was little expectation that the first concurrent resolution could be passed by May 15.

The resolution originally reported by the House Budget Committee (see *Dateline*, 4/27/81, p. 1) totaled $2 billion over the Administration's plan, but reduced the deficit by $20 billion by allowing for a smaller tax cut. With defense spending reduced by $5 billion, the committee spread the added $7 billion over a variety of domestic programs.

During House floor debate, however, members adopted a substitute floor amendment offered by Reps. Phil Gramm (D-Tx.) and Delbert Latta (R-Oh.). The so-called "Reagan Bipartisan Substitute" cut spending $6.5 billion below the President's budget by eliminating funds for the Strategic Petroleum reserve ($3 billion); saving on interest because of a smaller deficit ($750 million); eliminating a contingency reserve designed to meet unforeseen circumstances ($1.1 billion); saving more on Medicaid ($400 million); cutting mass transit operating subsidies ($130 million); saving administrative costs in education, training, employment and social services ($130 million); and counting on settlement of oil pricing violations ($1.5 billion).

Assuming higher GNP growth in 1981 for an added $7.5 billion in 1982 revenues, the House substitute plan winds up with a $15 billion lower deficit than the original Reagan budget after increasing spending for veterans' benefits ($400 million), vocational education ($15 million) and the Economic Development Administration ($12 million).

The Senate measure would cut $4 billion in domestic spending from the Reagan budget, but totals $4 billion more than the White House proposal due to a higher assumption for interest rates (12% vs. 8.9%). Other Senate changes include a reduction in indexing of Social Security, SSI, disability, civil service and veterans' pensions ($2.5 billion); shifting the annual cost-of-living increase in these programs from July 1 to October 1 ($4.5 billion); and more funds for elementary and secondary education, direct student loans, CETA youth and rehabilitation programs ($1.5 billion).

Strategic Petroleum Reserve funding was also dropped by the Senate. Congress will thus have to come up with a program to ensure private financing—possibly by issuing "oil bonds" or allowing borrowing from the government's synthetic fuels account. The House has already rejected combined public-private financing.

Conference action will be needed to resolve program differences and interest rate assumptions, thereby setting targets for reconciliation instructions totaling $37 billion to authorizing and appropriating committees. These panels will have one month to report legislation with sufficient savings. If the

(continued on page 2)

Greater State Role Likely in Hazardous Materials Transport



Rep. Arnie Wight

Panels in both the House and Senate are considering legislation that would give states responsibility for enforcing federal hazardous materials transportation regulations, but would not provide additional funds for the task. The House version does, however, include some "seed" money for the establishment of regional training centers, strongly supported by NCSL.

The House Energy and Commerce Subcommittee on Transportation has agreed to an amendment offered by Rep. Norman Lent (R-N.Y.), on behalf of NCSL, authorizing the Department of Transportation (DOT) to provide 40 percent of first-year start-up costs and 25 percent of operating costs for the next two years. The regional centers, run either by the state or by private entities, would train state and local personnel in inspection, enforcement and emergency response techniques.

S 960, reported by the Senate Commerce Committee, calls for a DOT feasibility study of a national pre-notification system. In April 28 testimony before the panel, New Hampshire State Rep. Arnie Wight told members that states should be able to require pre-notification of hazardous materials shipments.

The Senate measure also asks DOT to encourage an expanded state role in enforcement of hazardous materials regulations and to study whether or not to extend federal regulations on the routing of radioactive wastes to all hazardous materials. Under the Hazardous Materials Transportation Act, which expired last year, federal regulations were promulgated only in regard to high-level materials. Sen. Jack Danforth (R-Mo.) plans to offer a floor amendment to preempt state regulations on the routing of all hazardous materials.

Wight, reiterating earlier NCSL testimony (see *Dateline*, 3/23/81, p. 4), advised the Commerce panel that NCSL is prepared to encourage states to adopt regulations consistent with federal standards if there is "an adequate commitment of manpower and resources by the federal government." Otherwise, the legislator said, NCSL would have to oppose preemption of state laws and regulations.

NCSL contacts: Donna Wise, 202/624-5431; Fran Valluzzo, 202/624-5419.

Senate Finance Increases Medicaid Cap, But Decreases Minimum Federal Match

A spending reduction package adopted May 5 by the Senate Finance Committee includes nearly $1 billion more than the Administration request and increases the proposed Medicaid cap from 5 to 9 percent.

The $10.4 billion plan, Finance Chairman Robert Dole's (R-Ks.) alternative to the White House proposal, would also reduce the minimum federal match for Medicaid from 50 to 40 percent, a move that would particularly hurt California, Connecticut, Illinois, Michigan, New Jersey and the District of Columbia. The committee defeated 13-2 an amendment by Sen. Bill Bradley (D-N.J.) that would have lessened the effect of changing the match. Other states adversely affected by the change include Alaska, Delaware, Hawaii, Maryland, Nevada, Washington and Wyoming.

Although details of other provisions are not firm, the Dole package assumes that states would be given flexibility to more efficiently manage their Medicaid programs. Changes under consideration include: elimination of the freedom of choice provision and the requirement on reimbursement methods for hospitals and physicians; competitive bidding; and waiver authority on the 50/50 limitation on Medicare-Medicaid enrollees in HMOs. NCSL has strongly advocated the removal of federal requirements inhibiting cost-effective state management of Medicaid programs.

The Administration bill, expected later this month, may propose repeal of specific statutory requirements—as sought by NCSL—as well as giving the Secretary increased waiver authority. On two key issues—freedom of choice and reasonable cost requirements—the White House was leaning toward statutory repeal.

NCSL contacts: David Riemer, 202/624-5413; Kathy Brennan Wiggins, 202/624-5441.

Budget Assumptions Seen As Optimistic

(continued from page 1)

committees do not then hold to the budget ceilings, their bills will be held at the desk. This is a much stronger procedure than used in the past.

Except for the Senate's interest rate level, both chambers accepted the economic assumptions set by the President which many believe to be too optimistic. If Congressional Budget Office forecasts prove accurate, the Administration's deficit could be nearly $10 billion higher than projected.

NCSL contacts: Tim Masanz, 202/624-5408; Gary Falle, 202/624-5416.



Kansas State Rep. J. Sanford Duncan testified April 23 as an expert witness on his state's use of the legislative veto.

Legislation Should Limit State Liability Without Infringing On Individual Rights

NCSL has called on the Congress to limit the scope of Sections 1983 and 1988 of the Civil Rights Act so that states and their political subdivisions are not so broadly exposed to civil liability.

Testifying May 7 before the Senate Subcommittee on the Constitution, Maryland State Sen. J. Joseph Curran Jr. said that legislation should be designed to limit the civil liability of states and localities without lessening the ability of individuals to use the law for civil rights enforcement.

Curran's statement was prompted largely by the Supreme Court's *Maine v. Thiboutot* decision (see *Dateline*, 8/4/80, p. 8) holding state and local governments liable for violation of *any* federal law, whether or not an individual is deprived of constitutional, civil or equal protection rights. The decision also allowed recovery of attorney's fees.



Sen. J. Joseph Curran, Jr.

Noting that the decision "has been viewed with alarm by elected officials," Curran suggested that Section 1983 be amended to apply only to constitutional rights, that a "good faith" defense be available in the case of suits for money damages, and that limits be considered on the award of attorney's fees.

NCSL contact: Karen Morgan, 202/624-7860.

State-Federal Hotline

NCSL's State-Federal Hotline will continue on a trial basis through the end of May, providing state legislators with a weekly update on federal issues likely to be of particular interest to NCSL members.

The number to call in Washington is 202/624-7861.

Industrial Development Bonds, June 4

"Rethinking Industrial Development Bonds: Alternatives for State Action"—June 4, Hall of the States, Washington, D.C. The program will review the current use of IDBs as a development tool, assess market impacts and forces, and look at other state options.

For further information, please contact Susanne Hiegel, 202/624-5418.

NCSL Annual Meeting, July 27-31

The opening plenary session of NCSL's Seventh Annual Meeting, to be held in Atlanta, Georgia, July 27-31, will focus on "The Future of Communications Technology," featuring a demonstration of video-teleconferencing from the Alaska Legislature. The keynote presentation will include discussion of the public policy implications of new communications techniques.

More than 40 concurrent meetings held on Wednesday and Thursday, July 29-30, will deal with a variety of topics ranging from reapportionment to controlling Medicaid costs.

For further information and reservation forms, which must be returned by July 6, please contact Bonnie Kulaas, 1125 Seventeenth St., Suite 1500, Denver, Colorado, 303/623-6600.

Calendar

JUNE 1-3—CETA/Education Consortium Assembly, Hospitality House, Williamsburg, Virginia (Mary Lessler**)

JUNE 4—Rethinking Industrial Development Bonds: Alternatives for State Action, Hall of the States, Washington, D.C. (Susanne Hiegel**)

JUNE 18-19—Severance Taxation Seminar, Plaza Cosmopolitan, Denver, Colorado (Carl Tubbesing*)

JUNE 29-JULY 1—"Prisons Overcrowding: The Legislative Response," The Antlers, Colorado Springs, Colorado (Cathie Sample*)

JULY 27—Legislative Program Evaluation Workshop, Atlanta Hilton, Atlanta, Georgia (Vincent Brown*)

JULY 27-31—NCSL Annual Meeting, Atlanta Hilton, Atlanta, Georgia (Bonnie Kulaas*)

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Senate Ag Committee Rejects State Food Stamps "Workfare"

The Senate Agriculture Committee, led by Sen. Robert Dole (R-Ks.), has defeated a number of food stamp provisions supported both by the Administration and by committee Chairman Jesse Helms (R-N.C.), including a proposal to mandate state establishment of "workfare" programs. The food stamp spending cap remains unresolved.

The most significant defeat for the Administration came on a 14-3 vote against reducing household benefits by the value of school lunches for those eligible under the School Lunch program. Also rejected was the Helm's plan to reinstitute the purchase requirement.

While ignoring school lunches, the panel did decide to count money received for energy assistance as income in determining benefits. This is seen as a disincentive for states to provide added energy aid, since food stamp benefits would be reduced $3 for every $10 of state or local assistance. The gross income level was set at 130 percent of poverty.

States are given the option of setting up workfare programs. They also can choose whether or not to use retrospective accounting and periodic reporting in FY82; after that, such procedures would be mandatory.

Mark-up in the House Agriculture Committee is expected to result in a bill that will win full NCSL approval. At press time, the panel had exempted federal, state and local energy assistance for use in determining benefit levels, decided to permit (not mandate) state workfare programs, and voted to allow state use of retrospective accounting and periodic reporting in FY82, with mandatory use in FY83. The committee would also mandate a Department of Agriculture study of such procedures as they relate to the Food Stamp program.

Although a House Agriculture subcommittee had already rejected the Administration's school lunch offset proposal and a funding cap, amendments on both issues were expected before mark-up was completed.

Floor action is not yet scheduled but state legislators are urged to contact their delegations to oppose likely floor amendments on: (1) the school lunch offset, (2) reinstitution of the purchase requirement and (3) counting state and local energy assistance payments in determining benefit levels.

NCSL contact: Joy Johnson Wilson, 202/624-5410.

House Spurns Administration Measure to Consolidate Older Americans Programs

The Administration's proposed three-year reauthorization of the Older Americans Act (S 1121) would consolidate social services, nutrition assistance and senior centers into a block to states, but the House Education and Labor Committee has already completed action to extend existing legislation until FY83.

Under the Administration plan, mandates requiring that half of state funding be spent on provision of access, legal and in-home services would be eliminated, as would the requirement that each state spend at least $20,000 for a long-term care ombudsman program. The installation of security devices in the homes of elderly persons is also added as an eligible activity under the Act.

A similar measure (S 1086) introduced by Sen. Jeremiah Denton (R-Al.), chairman of the Senate Subcommittee on Aging, Family and Human Services, provides for a three-year extension of the Title V Community Services Employment program, rather than the one-year extension sought by the Administration. *NCSL favors Denton's three-year proposal.*

In approving extension of the existing legislation, the House Committee added amendments to:

- permit a 20 percent shift in funds between programs, rather than consolidating them;
- elevate the Commissioner on Aging to Assistant Secretary; and
- increase Community Services Employment authorizations from $277 million to $350 million.

Mark-up of the Senate legislation was expected at press time.

NCSL contact: Joy Johnson Wilson, 202/624-5410.

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WESTERN CONFERENCE
THE COUNCIL OF STATE GOVERNMENTS

165 POST STREET, 5th FLOOR SAN FRANCISCO, CALIFORNIA 94108 (415) 986-3760

Date: September 21, 1981

To: Hazardous Materials Committee Members

From: Leah Brumer, Committee Staff *Leah*

Subject: Committee Minutes from August 24-26, 1981 Meeting

Enclosed are the minutes from the Committee's Reno meeting. I have also attached copies of relevant resolutions passed by the full Conference.

The next Committee meeting will be held December 8 and 9, 1981, in Santa Fe, New Mexico. Please reserve these dates. An agenda and additional information will follow.

I look forward to seeing you in Santa Fe.

Hazardous Materials Committee Meeting Minutes

Western Conference Annual Meeting
Reno, Nevada

August 24, 1981
1:30 p.m. - 4:30 p.m.

The meeting was opened by Senator Lawrence E. Jacobsen (Nevada), Chair. He advised the committee that at the conclusion of the meetings, the pending resolution from last year's meeting would be acted on, and a Vice-Chair for the committee selected. The committee was to hear from a penel whose topic of discussion would be "Who Does What" in regulating hazardous materials. Some concerns to be addressed would be public awareness, economics, public land issues, care and maintenance (legislative role) and interstate cooperation and agreements (executive).

Panel

Robert Nelson, Director, Waste Management Project Office, Nevada Operations Office, U.S. Department of Energy (Las Vegas, Nevada) explained the Department's responsibilities (non-regulatory) and the commercial activities: low level hazardous waste disposal, research and development, sites-repository, test facilities, National Waste Terminal Storage Program (overseeing role of DOE) and state grants program.

Bruce W. Church, Director, Health Physics Division, Nevada Operations Office, U.S. Department of Energy (Las Vegas, Nevada), gave a briefing on the DOE's policy and criteria for shipping/packaging of low level radioactive material, and the emergency response procedures.

Dean Kunihiro, Regional State Liasion Officer, Nuclear Regulatory Commission, Region V (Walnut Creek, CA), gave a briefing and video presentation on the NRC's authority for hazardous materials.

Lawrence A. Wapensky, Chief, Hazardous Waste Facilities Section, U.S. Environmental Protection Agency, Region VIII, gave a presentation on the EPA's regulatory authority, which was established in the Resources Conservation Recovery Act.

There was a discussion period and the committee recessed.

After the recess, the committee was shown film from the Department of Transportation concerning the shipment of hazardous materials.

There was further discussion and Senator Jacobsen highlighted the following points for the members' consideration:

1. Communications - Who, What, When, Where.
2. State's Rights vs. Federal law-policy.
3. Responsibility.
4. Federal Grants (DOE) - Superfund (EPA).
5. Time Frames - NRC, DOE, EPA.
6. Chemical Hazardous Wastes - Review State Responsibility.
7. Definition of Hazardous and Radioactive Material.
8. Cooperative State efforts in Routes.
9. State/Local expertixe in Hazardous and Radioactive Materials Management - Block Grants?
10. Statement of intent for direction of Hazardous Materials Committee.

Senator Jacobsen announced that he wished to select the Vice-Chair, as he would need to work closely with that individual. Motion was made to that effect and unanimously approved.

The meeting was adjourned.

Hazardous Materials Committee Meeting Minutes

Western Conference Annual Meeting
Reno, Nevada

August 25, 1981
9:00 a.m. - 12:00 noon

Senator Jacobsen, Chair, opened the meeting. He advised the members that the committee would consider two resolutions (Preemption and Training) at the end of the meeting. The committee was to hear from a panel whose topic of discussion would be the federal role in hazardous material incidents.

Panel

Jake Mackenzie, Director, Surveillance and Analysis Division, Region IX, U.S. Environmental Protection Agency, gave a presentation on the EPA's Superfund, which is for clean up of chemical waste and abandoned hazardous waste, and response in emergency situations.

Gerald R. Schimke, Project Specialist, Toxic and Hazardous Materials Project, California Office of Emergency Services, gave a presenation of effective state emergency response plans.

Richard L. Hanneman, Director, Government and Public Affairs, National Solid Wastes Management Association, gave a presentation on responding to environmental emergencies.

J. Vance Hughes, Chief, Policy and Legislation Section, Land and Natural Resources Division, U.S. Department of Justice, gave a presentation on the federal approach to liability and enforcements on hazardous materials clean-ups.

Committee Action

Senator Jacobsen moved that last year's Resolution No. [illegible] (Supplementary Agreement(s) for Regional Solutions to Problems of Low-[illegible]el hazardous waste) be sunsetted. There was an objection and a motion to revise the resolution to be ongoing. There being no objection, the committee recommendation was modification of the resolution.

Resolution No. 1 (Training) was before the committee. Motion was made to amend the resolution to give reference to the Department of Transportation and have it go to the Secretary of Transportation. There being no objection, the resolution was adopted with the amendment.

Resolution No. 2 (Pre-emption) was before the committee. The resolution was unanimously adopted.

Senator Jacobsen instructed the staff to draft a letter of policy/intent for direction of the committee through the coming year containing the points of interest from the previous meeting.

The Chair advised that he had chosen Representative Randy Phillips of Alaska to be Vice-Chair of the Hazardous Materials Committee. There was a nominating motion and Representative Phillips was unanimously voted Vice-Chair.

Senator Jacobsen announced that the next meeting of the committee would be in New Mexico with the Executive Committee.

There being no further business, the meeting was adjourned.

WESTERN CONFERENCE
THE COUNCIL OF STATE GOVERNMENTS

165 POST STREET, 5th FLOOR SAN FRANCISCO, CALIFORNIA 94108 (415) 986-3750

RESOLUTION NO. 81-19:

FEDERAL PRE-EMPTION OF STATE LAWS AND REGULATIONS

WHEREAS, serious issues of federalism are raised by federal pre-emption of state prerogatives in issues of transportation, resource utilization, and regulation thereof; and

WHEREAS, state government finds itself burdened with administering federal programs in times of declining resources;

NOW, THEREFORE, BE IT RESOLVED by the Western Conference of the Council of State Governments that the United States Congress and particularly the Senate Committee on Intergovernmental Relations hold hearings on the issue of pre-emption of state responsibility by the federal government.

WESTERN CONFERENCE
THE COUNCIL OF STATE GOVERNMENTS

165 POST STREET, 5th FLOOR SAN FRANCISCO, CALIFORNIA 94108 (415) 986-3760

RESOLUTION NO. 81-20 :

TRAINING FOR HAZARDOUS AND RADIOACTIVE MATERIAL EMERGENCY RESPONSE

WHEREAS, the generation, transportation and disposal of hazardous materials poses grave threats to life, property and the environment; and

WHEREAS, lack of training for carriers, regulators, and emergency response persons has been determined to be the single greatest and most correctable problem in protecting the public from hazardous materials incidents;

NOW, THEREFORE, BE IT RESOLVED by the Western Conference of the Council of State Governments that the President of the United States and Congress be urged to require the United States Department of Transportation to establish two hazardous materials training centers, one in Federal Region IX and one in Federal Region X.

WESTERN CONFERENCE
THE COUNCIL OF STATE GOVERNMENTS

165 POST STREET, 5th FLOOR SAN FRANCISCO, CALIFORNIA 94108 (415) 986-3760

RESOLUTION NO. 81-21:

SUPERFUND MONIES FOR LOCAL TRAINING

WHEREAS, the generation, transportation and disposal of hazardous materials poses grave threats to life, property and the environment; and

WHEREAS, lack of training for carriers, regulators, and emergency response persons has been determined to be the single greatest and most correctable problem in protecting the public from hazardous materials incidents;

NOW, THEREFORE, BE IT RESOLVED by the Western Conference of the Council of State Governments that the President of the United States and Congress be urged to allow superfund monies to be expended by state governments to provide local training for emergency response.

WESTERN CONFERENCE
THE COUNCIL OF STATE GOVERNMENTS

165 POST STREET, 5th FLOOR SAN FRANCISCO, CALIFORNIA 94108 (415) 986-3760

RESOLUTION NO. 81-22

SUPPLEMENTARY AGREEMENT(S) FOR
REGIONAL SOLUTIONS TO PROBLEMS OF HAZARDOUS,
CHEMICAL, TOXIC, AND RADIOACTIVE MATERIALS

WHEREAS, such activities as medical care, research, industrial processes, nuclear power production, and military work results in the production of hazardous, chemical, toxic and radioactive materials; and

WHEREAS, the need for safe hazardous, chemical, toxic and radioactive materials disposal will remain, and indeed is expected to grow in the years ahead; and

WHEREAS, the Western states realize that many of the activities within their borders which result in the production of hazardous, chemical, toxic and radioactive materialsbenefit their citizens; and

WHEREAS, the Western states wish to continue such benefits while realizing the responsibility each state has in seeing to the safe production, packaging, transportation and disposal of these materials; and

WHEREAS, the Western Conference of the Council of State Governments recognizes its responsibility to help prepare, maintain, and implement regional plans for carrying out the duties, powers or functions and to undertake responsibilities imposed or necessarily involved with regional participation pursuant to such cooperative programs of the federal government as are useful to the member states; and

WHEREAS, it is vitally important that the states, on a regional basis, take the initiative in exploring workable solutions to the disposal question; and

WHEREAS, it is imperative that states devise regional working relationships they deem appropriate without federal mandating or coercion;

NOW, THEREFORE, BE IT RESOLVED that the Western Conference of the Concil of State Governments recommends establishment, by executive agreement, of a supplementary agreement(s) to develop regional solutions to problems of hazardous, chemical, toxic and radioactive materials including the development and proposal of such interstate agreement or compact language as may be deemed appropriate, in consultation with the legislatures which must ultimately approve such an agreeement or compact; and

BE IT FURTHER RESOLVED that the supplementary agreement be developed in full coordination with related dangerous material activities that may be carried on by the Western Conference of the Council of State Governments and other appropriate organizations.

WESTERN CONFERENCE
THE COUNCIL OF STATE GOVERNMENTS

165 POST STREET, 5th FLOOR SAN FRANCISCO, CALIFORNIA 94108 (415) 986-3760

RESOLUTION NO. 81-23

EXECUTIVE/LEGISLATIVE COOPERATION ON DEVELOPING AND APPROVING REGIONAL COMPACTS FOR HAZARDOUS WASTE DISPOSAL

WHEREAS, such activities as medical care, research, industrial processes, nuclear power production, and military work results in the production of hazardous wastes in each state; and

WHEREAS, the need for safe hazardous waste disposal will remain, and indeed is expected to grow in the years ahead; and

WHEREAS, the Western States wish to improve their capabilities with respect to the safe packaging, transportation and disposal of low-level hazardous waste; and

WHEREAS, hazardous wastes are generally defined as low level radioactive wastes and chemical wastes;

NOW, THEREFORE, BE IT RESOLVED that the Western Conference of the Council of State Governments strongly endorses state executive/legislative cooperation in developing and approving regional compacts for hazardous waste disposal.

WESTERN CONFERENCE
THE COUNCIL OF STATE GOVERNMENTS

165 POST STREET, 5th FLOOR SAN FRANCISCO, CALIFORNIA 94108 (415) 986-3760

RESOLUTION NO. 81-24

INVENTORIES AND STANDARDS FOR DISPOSAL

WHEREAS, The federal mandate requires state participation in regional compacts for disposal of low-level radioactive wastes; and

WHEREAS, Participation by individual states in compacts must be approved by Congress; and

WHEREAS, No present state-by-state inventory of generators is available even though purchase of radioactive materials is a matter of record; and

WHEREAS, No criteria for construction of low-level radioactive disposal facilities have been developed at the federal level;

NOW, THEREFORE, BE IT RESOLVED by the Western Conference of the Council of State Governments that the Nuclear Regulatory Commission and the U.S. Department of Energy develop inventories indigenous to each state and develop and make standards and criteria for construction of disposal facilities available to the states prior to congressional action on any proposed regional compact.

WESTERN CONFERENCE
THE COUNCIL OF STATE GOVERNMENTS

165 POST STREET, 5th FLOOR SAN FRANCISCO, CALIFORNIA 94108 [415] 986-3760

RESOLUTION NO. 81-25

BLOCK GRANTS

WHEREAS, states feel inferior in their relat[illegible]nships with the Federal Government in the field of haza[illegible]s waste management, the result being conflict and not coo[illegible]ation; and

WHEREAS, given adequate technical expertise and equipment and improved training of personnel, the states can manage hazardous waste regulation in an effective manner; and

WHEREAS, the best regulation of hazardous waste will result from cooperation between the states and the Federal Government acting as equals;

NOW, THEREFORE, BE IT RESOLVED, by the Western Conference of the Council of State Governments that the Federal Government provide block grants to the states to improve management of hazardous waste programs, to acquire technical expertise and equipment and to train personnel so that a competent and technicaly sophisticated hazardous waste program can be developed by the states.

WESTERN CONFERENCE
THE COUNCIL OF STATE GOVERNMENTS

165 POST STREET, 5th FLOOR SAN FRANCISCO, CALIFORNIA 94108 (415) 986-3760

October 14, 1981

To: Members, Hazardous Materials and Transportation Committees

From: Leah Brumer and Claudia Marseille, Committee Staff

Subject: Hazardous Materials Transportation Act, S. 960 and H.R. 3403

In late September or early October, the Senate will consider S. 960, the Hazardous Materials Transportation Act, sponsored by Senator Howard Cannon (D-Nev.), which would assist states and localities in preventing and responding to accidents involving the transportation of hazardous materials. (Transportation of radioactive waste is not covered in the bill). As now drafted, S. 960 does not preempt state and local laws regarding transportation of hazardous materials. Section 116 of the bill (see copy enclosed), however, would authorize the Secretary of Transportation to determine within 18 months whether it is necessary to issue regulations regarding the routing and transportation of hazardous waste materials.* The National Governors' Association, the National Conference of State Legislatures, and numerous other state and local associations that oppose preemptive federal standards for hazardous materials believe that Section 116 is intended to signal DOT that Congress would not object if the Secretary issued preemptive regulations for hazardous wastes.

Further, Senator John Danforth (R-Mo.) may propose an amendment to S. 960 that would specifically preempt state and local requirements for the transportation of hazardous materials (see draft enclosed), even if these requirements were more stringent than the federal law. Senator Danforth is the Chairman of the Surface Transportation Subcommittee that held hearings on S. 960, during which the trucking industry advocated federal preemption of state and local hazardous materials regulations. The rail and chemical industries also support preemption. Under the proposed Danforth Amendment, if DOT determined that the state requirement were consistent with the federal regulations, DOT could exempt that state from preemptive federal standards.

If you wish to comment on S. 960 or the proposed Danforth Amendment, please send your remarks to your own delegation; to Senator Cannon, 259 Russell Building, Washington, D.C. 20510; and to Senator Danforth, 460 Russell Building, Washington, D.C. 20510.

*As you know, DOT issued regulations on January 19 (see Federal Register p. 5298 to p. 5318), which preempted state and local radioactive waste regulations.

In a related development, Senator William Proxmire (D-Wis.) has drafted two amendments to S. 960 involving transportation of radioactive waste. One amendment (see Proxmire Amendment 1 attached) would overturn the DOT radioactive waste regulations issued in January 1981 by allowing states to require shippers to provide information about transports passing through their jurisdictions and by permitting states and localities to impose certain restrictions on the transportation of radioactive waste. The other amendment (See Proxmire Amendment 2 attached) would authorize the Secretary of Transportation to establish a panel to study and to make recommendations within two years on the appropriate local, state, and federal roles in hazardous materials routing, pre-notification, and emergency and enforcement activities. The 1981 regulations would be precluded from going into effect until that study is completed. If you wish to comment on these proposals, please send your remarks to your own delegation and to Senator Proxmire, 5241 Dirksen Building, Washington, D.C. 20510, with a copy to us as well.

In the House, on May 4, the House Commerce and House Public Works Committees approved H.R. 3403, the Hazardous Materials Transportation Act, which is similar to S. 960. Its sponsor is Representative James Floria (D-N.J.). As now drafted, the bill does not have a section comparable to Section 116 of the Senate version but a preemption amendment may be offered.

~~REQUEST FOR PROPOSALS~~

Battelle

I General Information for the Contractor

I-1 PURPOSE. This request for proposals (RFP) provides interested contractors with sufficient information to to prepare and submit proposals on the State of Alaska's need for a review of regulatory practices relating to storage of toxic and hazardous materials.

I-2 ISSUING OFFICE. This RFP is issued for the State by the Department of Environmental Conservation. The Division of Environmental Quality Management, in Juneau, is the Issuing Office (Pouch O, Juneau, AK, 99811, 465-2636). The Issuing Office is the sole point of contact in the State for this RFP.

I-3 PROBLEM STATEMENT. A variety of studies related to petrochemical development in Alaska have been carried out over the past year. The public has expressed concern over the environmental problems associated with the use and production of hazardous materials. These concerns were raised at a series of public meetings on petrochemical issues which were held by the State during this past year.

There are many Federal statutes which regulate hazardous wastes and substances. These include the Resource Conservation and Recovery Act (RCRA), Toxic Substances Control Act, Department of Transportation regulations and the Clean Water Act. These and other laws seek to protect the public and the natural environment from dangerous materials which may be used or produced in industrial and commercial activities. In addition, the Department of Environmental Conservation was given the authority during the last session of the Legislature to develop a program to regulate the generation, transport and disposal of hazardous wastes in Alaska. This Department is preparing implementing programs and regulations under this authority.

However, these regulations are each designed to cover specific circumstances. While not all circumstances may need to be regulated, there may be areas where additional regulations would be prudent. For instance, some hazardous or toxic materials may be regulated only when they become wastes, but not while they are stored or transported for other industrial or commercial purposes. Also, not all hazardous or potentially hazardous materials may be subject to regulation during production or use.

The purpose of this project is to provide the State with a written evaluation of existing and proposed Federal and State regulations on the storage, transportation and handling of hazardous materials not classified as wastes.

Particular attention should be paid to on-site storage of materials used or generated during the manufacturing processes. This Department's concerns relate to protecting the public and the natural environment from dangerous materials. This does not categorically exclude direct manufacturing employee exposure problems, however that is not the emphasis of this project. The materials should be restricted to those associated with petrochemical development or other oil and gas related developments.

The objectives of this project are to:

- evaluate existing and proposed Federal and State laws and regulations,
- identify gaps in the regulatory structure,
- identify approachs used in other parts of the United States,
- identify the need for further actions or regulations within Alaska; and,
- if necessary, identify regulatory options for consideration by the State.

The results of this project will be used by the agency in their ongoing evaluation of Alaska's toxic and hazardous materials program. The contract will not exceed $12,000 and it is proposed to last no longer than six months.

I-4. TYPE OF CONTRACT. It is proposed that, if a contract is entered into as a result of this RFP, it will be an environmental studies type 10 contract. Negotiations may be undertaken with those contractors whose proposals show them to be qualified, responsible and capable of performing the work. The contract that may be entered into will be that most advantageous to the State, price and other factors considered. The State reserves the right to consider proposals or modifications thereof received at any time before award is made, if such action be in the interest of the State.

I-5. REJECTION OF PROPOSALS. The State reserves the right to reject any and all proposals received as a result of this RFP, or to negotiate separately with any source whatsoever in any manner necessary to serve the best interests of the State. This RFP is made for information or planning purposes only. The State does not pay for the information solicited or obtained through this RFP.

Task 1 Evaluate current laws and regulations:

Identify laws and regulations to be evaluated; these are subject to Department of Environmental Conservation approval.

Restrict evaluation to those laws regarding manufacture, use, storage and transportation of hazardous materials. Hazardous wastes management should not be included in the evaluation.

EPA listings of hazardous and toxic materials should be used as guidelines; or, with Department approval, other listings that the contractor feels are appropriate. This listing is subject to Department approval. Pesticides and radioactive materials should not be included in the list.

A complete index and bibliography should be provided as part of the documentation.

Task 2 Identify regulatory gaps in the storage, handling and transportation of hazardous materials:

Document the gaps and the nature of the problem which could be expected to exist in Alaska regulatory structure.

Restrict evaluations to current developments, likely proposed developments and materials targeted in Task 1.

Task 3 Identify and evaluate approachs used in other states:

Identify states chosen for comparison. Justify their choice. This will be subject to Department approval.

Evaluate applicability of their approachs to Alaskan needs. Document all findings.

Task 4 Identify regulatory options should a need for other regulations be determined:

Document and justify need for all proposed actions, particularly as they relate to Alaskan needs.

Recommend a preferred approach and provide justification for that recommendation. Provide alternative approaches.

III-4 REPORTING REQUIREMENTS. The Contractor shall submit for review by the Project Officer the following required reports/materials in the quantities and the times listed:

- Monthly progress reports, with the monthly billings, detailing status of project to date by task and any problems. Progress reports should include a list of contacts made on each task. Five (5) copies of the monthly reports and two (2) of the monthly billings should be submitted each month.

- Draft final report within 4 months of contract effective date. Five copies are required.

- Final report within 6 months of contract effective date. Fifty copies of the final report are required.

III-5 STAFFING PLAN. For each of the tasks, the respondent should provide detailed information on the level of effort required and identification of staff working on the various tasks. The proposed staff should demonstrate experience in evaluating legal issues, familiarity with environmental regulations, familiarity with Alaskan issues, familiarity with the petrochemical analyses which have been underway, and their capability to review other state's regulatory structures. Resumes should be provided. Current commitments of proposed key personnel should be identified to assure availability. Past relevant experience on similar issues should be demonstrated for both the staff and the organization.

Project summaries of relevant experience should be brief and emphasize their relevance to the proposed project.

A contact person should be identified, giving name, phone number and address.

III-6 MANAGEMENT PLAN. A description of the management and conduct of this contract is required. It should contain general information on the organization and management processes of the firm and specific information on how this particular contract will be managed. Overall responsibility, daily contact person, allocation of staff time and fiscal responsibilities should be identified. Also, allocation of management, research and support services time should be identified.

III-7 COST PROPOSAL. A separately bound cost proposal should be provided. It should include: an official offer to undertake the proposed project at the quoted price, general financial and business information about the respondents, and a detailed explanation of the quoted price. The official offer should include a commitment to perform all financial

responsibiltites relative to the performance of the proposed contract including submitting all vouchers, accounting for all funds, making all disbursements. The offer should be valid for at least 60 days.

The cost proposal should provide a breakdown of expenses by line item budget and task.

III-8 Contract manager and RFP contact is Deborah Kirk, Petrochemical Coordinator, State of Alaska Department of Environmental Conservation, Pouch O, Juneau, Alaska, 99811.

DRAFT

ALASKA

HAZARDOUS WASTE PROGRAM

INTRODUCTION

In a report to Congress in 1973, the U. S. Environmental Protection Agency recommended passage of a federal law to regulate hazardous waste. Existing legislation was adequate to protect the air, surface waters, and oceans from improper disposal of hazardous waste, but there were no controls over its disposal on land. Moreover, the air and water pollution laws requiring industry to adopt acceptable treatment and disposal practices increased the amount of hazardous waste being disposed on the land.

Congress responded by including hazardous waste provisions in the Resource Conservation and Recovery Act (RCRA). The Alaska Department of Environmental Conservation is writing hazardous waste regulations incorporating many of these provisions, as well as addressing the specific needs and problems in Alaska.

What Is A Hazardous Waste?

The 1981 Alaska Statutes define hazardous waste as follows:

> "Hazardous waste" means a waste or combination of wastes which, because of their quantity, concentration, or physical, chemical, or infectious characteristics, may:
>
> > a) cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible or incapacitating illness; or
> >
> > b) pose a substantial present or potential hazard to human health or the environment when improperly managed, treated, stored, transported, or disposed.

Some common hazardous wastes are acids, bases, heavy metals, industrial solvents, paint thinners, pesticides, and asbestos. Alaska also includes the management of PCBs in its hazardous waste program although they are not listed as hazardous wastes under RCRA.

A special category of hazardous waste is "acute" hazardous waste. These substances can be extremely dangerous even in very small quantities and require specific management considerations. Some common acute hazardous wastes are cyanides, strychnines, pesticides, and some rat poisons.

DRAFT
3/31/82

Who Generates Hazardous Waste?

Virtually every manufacturing operation may generate some potentially hazardous byproduct. Small businesses such as metal plating and electroplating, battery reclamation, dry cleaners, and welders, all produce hazardous waste. Some reuse these wastes, precluding the need for disposal. Petroleum development and processing, and military activities are major generators of hazardous waste in Alaska. Agricultural, medical, and research activities generate hazardous waste, such as pesticides, pathological and radioactive wastes.

A recent Department report indicates that approximately 8,000 tons of hazardous waste are produced annually in the state. About 500 tons per year are generated by the Alaska public and small commercial businesses. The industrial sector generates an estimated 3,900 tons per year, and the military produces nearly 4,000 tons per year.

Most of the hazardous waste generated, approximately 70%, comes from central Alaska, particularly Anchorage and Kenai, while 28% comes from the northern region, primarily Prudhoe Bay.
As population and economic diversification increase in Alaska, the amount of hazardous waste generated is expected to increase.

How is Hazardous Waste Disposed of?

Hazardous waste must be disposed of in specially designed facilities, called secure landfills, which are staffed, and equipped to prevent adverse effects on the environment and health. There are no approved facilities for hazardous waste disposal in Alaska. Generators of hazardous waste must take wastes out of the state for disposal. This is costly and the farther they must be transported the more opportunities there are for accidents.

To date two to four tons of Alaska's hazardous waste have reportedly been shipped to a special waste disposal facility in Oregon. This means that almost all of Alaska's hazardous waste remains in the state. Although some of it is being stored, reused or recycled, at least a portion of it may be disposed of improperly.

How Can Hazardous Waste Cause Problems?

Improper handling of hazardous waste can contaminate ground water and surface waters, pollute the air, burn or explode, cause poisoning through the food chain, or cause poisoning or injury through direct contact. Negligence in storage, transport, or disposal can result in damage to natural resources, loss of property, personal injury or illness, even death. Environmental damage and health problems caused by hazardous waste may not be evident for months, or in many cases, years after the initial incident. Thus proper handling must be ensured, through strict regulations and enforcement.

WHAT IS THE PROPOSED STATE OF ALASKA PROGRAM FOR HAZARDOUS WASTE MANAGEMENT?

The Department is responsible for the regulation, administration and enforcement of the hazardous waste program in Alaska. Its program activities will be closely coordinated with other agencies, particularly: 1) the U. S. Department of Transportation to regulate the transport of hazardous materials, 2) the State Troopers, to assist in cleanup and enforcement activities; and 3) local fire departments to assist in cleanup activities.

The goal of the hazardous waste program is the preservation of public health, environmental quality, and the conservation of resources through proper management of hazardous waste.

The objectives of the Department to accomplish that goal are to:

1. Provide information and assistance to minimize the amount of hazardous waste generated in Alaska.

2. Create a public information program to increase public awareness concerning hazardous waste.

3. Strengthen communication with industry and implement a technical assistance program by September 1982.

4. Monitor and track regulated hazardous waste activities by December 1982.

5. Establish an effective emergency response system for the prompt cleanup of discharges involving hazardous waste by December 1982.

6. Conduct a comprehensive inventory to locate regulated hazardous waste generators in the state and review the volume and characteristics of waste produced by January 1983.

7. Determine the need for a hazardous waste disposal facility in Alaska by September 1983, and, if needed, establish an effective disposal system by December 1986.

8. Train and certify transporters of hazardous waste in the State by December 1983.

9. Develop a system by which hazardous waste can be exchanged, recycled or reused in the state by December 1984.

10. Bring regulated generation, transportation, storage, treatment, and disposal activities into compliance under state regulations and standards by January 1986.

11. Locate and clean up all known abandoned hazardous waste disposal sites by December 1987.

12. Increase enforcement efforts on improper management of hazardous wastes which threaten the people and environment.

Who Would Be Regulated by the State's Hazardous Waste Program?

A. Generators of 1,000 kilograms per month or more of hazardous waste and one kilogram or more of acute hazardous waste must meet federal requirements. However, in Alaska there are a number of small businesses which also generate hazardous waste. Although they each produce waste in small quantities, improper disposal of these wastes could be dangerous. For this reason the Department proposes that small generators keep records of the type and amount of hazardous waste disposed of and the location of the disposal site. It is also proposed that all state regulated hazardous waste be deposited in a permitted solid waste landfill. Small generators would be defined as: 1) those which produce 100-999 kilogram per month or 1,000 kilograms or more per year of any combination of hazardous wastes, and 2) those which produce 100 grams per month or 1,000 grams or more per year of acute hazardous waste. Activities generating less than these amounts would still be required to meet general state requirements for the preservation of health and environmental quality.

B. Transporters of 100 kilograms of hazardous waste, or 100 grams of acute hazardous waste in a single load.

C. All Treatment Facilities.

D. Storage Facilities storing 1,000 kilograms or more for over 90 days.

E. All Disposal Facilities accepting wastes from generators described in "A" above.

Technical Assistance

The Department will assist industry, the military, and small businesses to minimize the amount of waste generated. They will also assist in the design, construction, and operation of facilities to prevent accidental discharges. The Department is also proposing to establish a waste exchange newsletter to promote recycling of potential hazardous waste.

The Department's philosophy on this and other programs is to emphasize information and technical assistance to enable compliance with state standards. Enforcement actions will be taken when these initial efforts to prevent or remedy a problem have failed.

Permitting, Certification, Identification Numbers.
All regulated hazardous waste activities (generation, transport, disposal, treatment, storage) must have a federal identification (ID) number. Small generators regulated only by the Department would be required to have a state ID number. The ID number would be assigned primarily to identify and record specific information about hazardous waste activities in the state.

Truck drivers transporting hazardous waste would be required to attend Department approved safety training course and receive certification. The course would then enable transporters to be more knowledgeable about the dangers and precautions associated with the wastes they are carrying and procedures to follow in the event of an accidental discharge.

Operators who store, treat, transport or dispose of regulated amounts of hazardous waste, in any amount, would be required to obtain a state permit. Generators would not be required to obtain a permit unless they also store, treat, transport, or dispose of hazardous waste.

Hazardous Waste Tracking and Reporting System
The federal government has developed a manifest system to identify and track waste from "cradle to grave". This system is designed to prevent improper management of wastes and identify problem areas. The manifest system is being adopted by the State of Alaska. Generators, transporters, storage, treatment, and disposal facilities will participate in the manifest program. This system will require the person who generates a regulated quantity of hazardous waste to complete the manifest form. This form will accompany the waste to final disposal. The final treatment or disposal facility operator will return copies of the manifest to the generator, to establish that the waste reached its proper destination, precluding improper disposal or storage.

A transporter, storage facility, treatment facility, or even a disposal facility can break the chain of improper hazardous waste management by refusing any waste not properly containerized or labeled or which is not accompanied by a properly completed manifest. Incidents should be immediately reported to the Department.

Generators will also be required to report to the Department the nonarrival of any waste sent to a designated disposal facility. The Department proposes that it be notified within 45 days for unreceived shipments to in-state facilities, and within 90 days for shipments made to out-of-state facilities.

Generators, transporters, and operators of storage, treatment, and disposal facilities will be required to keep accurate records of their activities and make these records available for inspection by the Department at all times. It is proposed that a yearly report would be required of generators producing over 100 kilograms per month of hazardous waste or 100 grams per month of acute hazardous waste. Transporters and operators of treatment, storage, or

disposal facilities would also be required to file this report. The report would consist primarily of a tabulation of information from the manifests used throughout the year. A quarterly report would be required for any hazardous waste disposal facility constructed and operated in Alaska. Report information would be used to analyze volumes and types of waste generated, identify problems, and ascertain future needs.

Emergency Response

When a spill of hazardous material occurs, it will be the responsibility of the persons or company handling it to assure that it is effectively cleaned up. The Department should be contacted immediately after an incident, and it is proposed that a written report be filed with the Department within seven days of the incident.

The Department is establishing an emergency response team composed of several regional office staff personnel and representatives in other concerned agencies, such as the Department of Transportation and the Environmental Protection Agency, who will be trained to quickly and effectively respond to all types of discharges of hazardous substances.

A toll-free number, Zenith 9300, the same used to report oil spills, is available in the event of an accidental discharge. Transporters, police, and fire departments will be trained to take immediate action to prevent further or more serious damage from a discharge until the response team can contain the incident and contact the appropriate cleanup company or responsible party.

PUBLIC INVOLVEMENT

The Alaska hazardous waste regulations are being written and the public will be actively involved in their review prior to adoption. Public hearings will be held and public documents, news articles, and newsletters will be written to explain the hazardous waste program, or to address specific issues of public concern. The Department will also coordinate its activities with other state, local, and federal agencies and environmental groups to make use of their expertise and to keep them informed of program plans.

A 10-15 person work group is proposed to assist in planning and decision-making, especially with regard to disposal facility siting and regulation development. The Department will ask industry, government agencies, environmental groups, and other interested organizations to select representatives to participate in this work group.

For further information about hazardous waste management or the state's hazardous waste management program, contact:

Hazardous Waste Management
Department of Environmental Conservation
Pouch O
Juneau, Alaska 99811
(907) 465-2666

To report emergencies, problems or incidents call:

TOLL FREE NUMBER: Zenith 9300

Regional offices:

Southcentral Regional Office
437 E Street
Anchorage, Alaska 99501
(907) 274-2533

Northern Regional Office
P. O. Box 1601
Fairbanks, Alaska 99707
(907) 452-1714

Southeast Regional Office
P. O. Box 2420
Juneau, Alaska 99803
(907) 789-3151

LOW LEVEL RADIATION

Compact Groupings & States as of March 30, 1982

EXHIBIT NO. 1

Midwest	Northwest	Central States	Rocky Mountain	Southeast	Mid-Atlantic	Northeast	Unaffiliated States
Illinois	Alaska	Arkansas	Arizona	Alabama-i	Delaware	Connecticut	California
Indiana	Hawaii-i	Iowa*-i	Colorado-i	Florida-p	Kentucky*	Maine	Texas
Iowa*	Idaho-e	Kansas*-p	Nevada	Georgia-p	Maryland	Massachusetts	
Kansas*	Montana	Louisiana	New Mexico-i	Mississippi-i	North Carolina	New Hampshire	
Kentucky*	Oregon-e	Minnesota*	Wyoming*	North Carolina	Puerto Rico	New Jersey	
Michigan	Utah-e	Missouri*-i		South Carolina-i	Virgin Islands	New York	
Minnesota*	Washington-e	Nebraska*		Tennessee-i	Virginia*-p	Pennsylvania	
Missouri*	Wyoming*	North Dakota*		Virginia*-p	Washington, D.C.	Rhode Island	
Nebraska*		Oklahoma			West Virginia	Vermont	
North Dakota*							
Ohio							
South Dakota							
Virginia*							
Wisconsin							

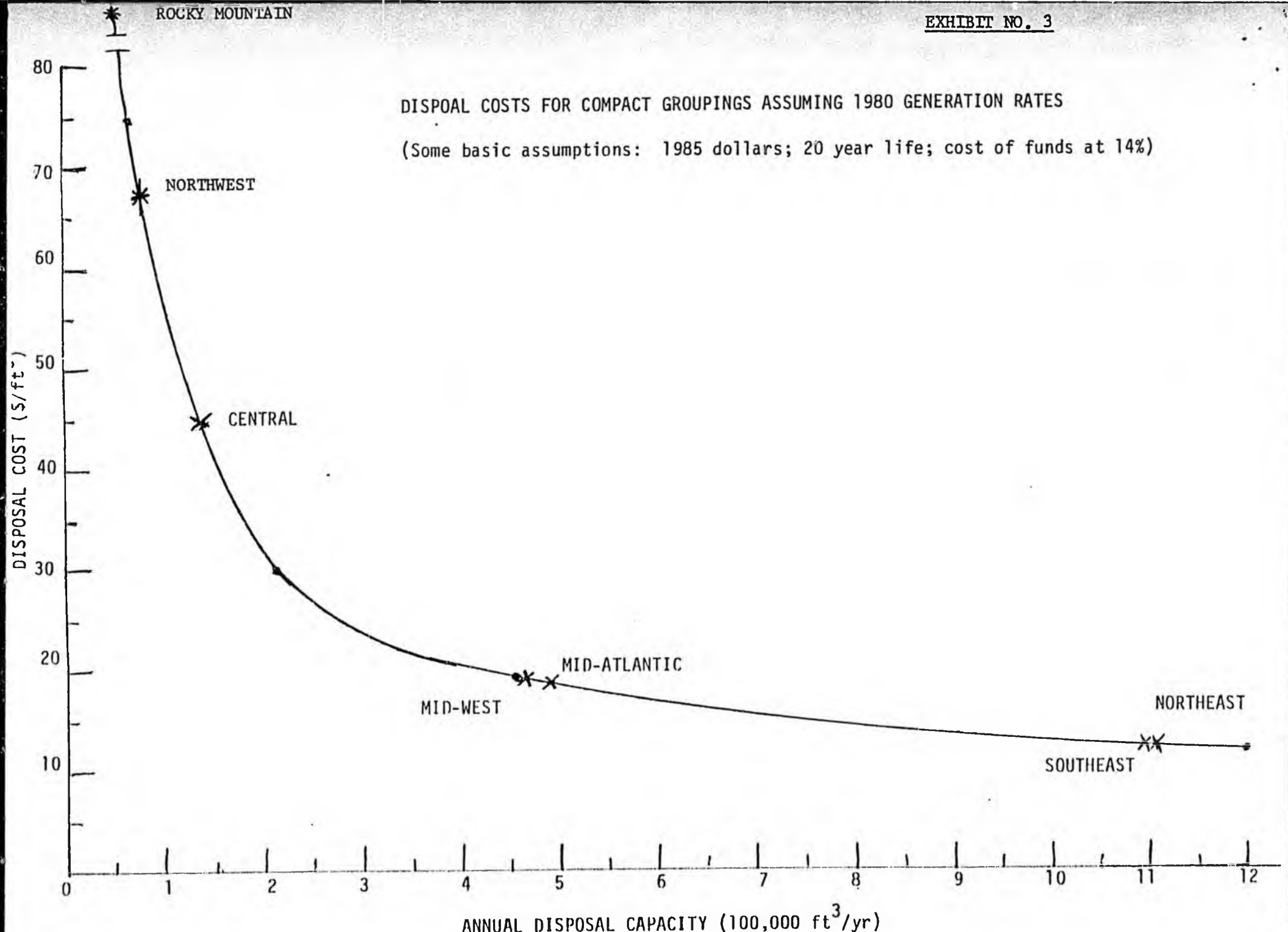
KEY:

*States eligible for more than one region
p-Passed both houses
e-Enacted
i-Introduced

EXHIBIT NO. 2

COMPACT	STATES	GENERATION RATE (1,000 ft^3)					
		1979	1980	1985	1990	1995	2000
Rocky Mountain	AZ,CO,NV,NM	13	12	71	102	104	108
Northwest	AK,HI,ID,MT,OR,UT,WA,WY	78	78	146	269	276	300
Central	AR,IA,KS,LA,MN,MO,NB,ND,OK	137	143				
Mid-West	IL,IN,MI,OH,WI	367	464				
Mid-Atlantic	DE,DC,KY,MD,NC,VA,WV,PR,VI	387	499				
Southeast	AL,FL,GA,MS,SC,TN	593	1,097				
Northeast	CT,ME,MA,NH,RI,VT/NJ,NY,PA	1,043	1,110				
California	CA	153	61	173	187	200	216
Texas	TX	19	75				

EXHIBIT NO. 3


ROCKY MOUNTAIN
DISPOAL COSTS FOR COMPACT GROUPINGS ASSUMING 1980 GENERATION RATES
(Some basic assumptions: 1985 dollars; 20 year life; cost of funds at 14%)
NORTHWEST
CENTRAL
MID-ATLANTIC
MID-WEST
NORTHEAST
SOUTHEAST
DISPOSAL COST ($/ft³)
80
70
60
50
40
30
20
10
0
1
2
3
4
5
6
7
8
9
10
11
12
ANNUAL DISPOSAL CAPACITY (100,000 ft³/yr)

Fred Miller
Potomac Alliance
1743 Q Street, N.W.
Washington, D.C. 20009
(202) 232-3149

Calendar No. 123

97TH CONGRESS
1ST SESSION

S. 960

[Report No. 97-99]

To amend the Hazardous Materials Transportation Act to encourage a greater effort in the prevention and response to transportation incidents involving hazardous materials, to provide assistance to State and local governments in preventing and responding to such incidents, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 9 (legislative day, FEBRUARY 16), 1981

Mr. CANNON introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

MAY 15, 1981

Reported, under authority of the order of the Senate of May 13 (legislative day, April 27), 1981, by Mr. PACKWOOD, with an amendment and an amendment to the title

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To amend the Hazardous Materials Transportation Act to encourage a greater effort in the prevention and response to transportation incidents involving hazardous materials, to provide assistance to State and local governments in preventing and responding to such incidents, and for other purposes.

~~REPORTING SYSTEM AND DATA CENTER~~

~~SEC. 5. Section 109(d) of the Hazardous Materials Transportation Act (49 U.S.C. 1808(d)) is amended—~~

~~(1) by inserting "(1)" immediately before "The Secretary";~~

~~(2) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively; and~~

~~(3) by adding at the end thereof the following new paragraph:~~

~~"(2) Nothing in this subsection shall be construed to limit the authority of the Secretary to enter into a contract with a private entity for use of a supplemental reporting system and data center operated and maintained by such entity.".~~

~~CONFORMING AMENDMENTS~~

~~SEC. 6. Sections 110, 111, and 115 of the Hazardous Materials Transportation Act (49 U.S.C. 1809, 1810, and 1812) are amended by striking "title" wherever it appears and inserting in lieu thereof "subtitle" in each such place.~~

That this Act may be cited as the "Hazardous Materials Transportation Act Amendments of 1981".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) the transportation of hazardous materials can create severe hazards to the public safety;

(2) such transportation is nonetheless essential to commerce;

(3) in the interest of uniformity, the Hazardous Materials Transportation Act provides for the preemption of State and local governmental regulation of hazardous materials transportation to the extent it is not consistent with Federal requirements and regulations;

(4) despite this preemption, when serious hazardous materials incidents occur, it is the State and local governments which necessarily have the primary responsibility for emergency response; and

(5) increased coordination and greater consistency between the Federal Government and State and local governments would assist in the prevention of hazardous materials transportation incidents and in the overall ability of State and local governments to respond to such incidents.

(b) It is the purpose of this Act to—

(1) promote the public safety by providing for increased coordination among the various levels of government;

(2) encourage and assist State and local governments to play a major role in the prevention of hazardous materials transportation incidents; and

(3) provide for greater assistance to State and local governments in responding to such incidents through coordinated and well-planned advice, training and technical assistance programs, and planning to encourage the adoption of coordinated incident response programs.

TECHNICAL ASSISTANCE FOR STATE AND LOCAL GOVERNMENTS

SEC. 3. Section 109(d) of the Hazardous Materials Transportation Act (49 U.S.C. 1808(d)) is amended—

(1) by inserting "(1)" immediately before "The Secretary";

(2) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(3) by striking "; and" in subparagraph (B), as so redesignated by this Act, and substituting ";";

(4) by striking the period at the end of subparagraph (C), as so redesignated by this Act, and substituting ";";

(5) by inserting after subparagraph (C), as so redesignated by this Act,. the following new subparagraphs:

"(D) maintain within the Department an information dissemination service, which shall provide instructional materials in the training, skills, and knowl-

edge necessary to assist Federal, State, and local agencies, and private organizations in training personnel in safe and proper methods for the transportation of hazardous materials and for the response to hazardous materials incidents;

"(E) take all necessary measures to improve the coordination and effectiveness of all Federal, State, local, and private training programs, including, to the extent practicable, the establishment or the encouragement of the establishment of regional training centers;

"(F) promote the development of and planning for, coordinated and effective emergency response programs at State, local and regional levels for incidents involving the transportation of hazardous materials; and

"(G) encourage and assist States and political subdivisions thereof in developing and implementing programs for the enforcement of Federal rules, regulations, standards, and orders issued pursuant to this title and of consistent State or local rules, regulations, standards, and orders relating to the transportation of hazardous materials."; and

(6) by adding at the end of the subsection the following new paragraph:

"(2) Nothing in this subsection shall be construed to limit the authority of the Secretary to enter into a contract with a private entity for use of a supplemental reporting system and data center operated and maintained by such entity.".

ROUTING AND PRENOTIFICATION

SEC. 4. The Hazardous Materials Transportation Act is amended by adding at the end thereof the following new section:

"ROUTING AND PRENOTIFICATION

"SEC. 116. (a) Within 18 months after the date of enactment of this section, the Secretary shall, in consultation with State, local, and regional governments; appropriate Federal agencies; and other interested persons, determine whether it is necessary and proper to issue regulations in accordance with the provisions of this section and pursuant to section 105 of this title with respect to the routing of hazardous materials being transported in commerce. As part of such study, the Secretary shall further determine a means of assuring adequate participation by State, local, and regional governments in selecting preferred routes for transportation of hazardous materials within their respective jurisdictions.

"(b)(1) Within 12 months after the date of enactment of this section, the Secretary shall submit a report to the Congress with respect to the feasibility, cost, desirability of estab-

lishing, and the problems and potential burdens on commerce of implementing a prenotification system or systems which would inform State or local governments in advance of the timing, nature, and routing of hazardous materials shipments through their jurisdictions.

"(2) In preparing such report, the Secretary shall consult with State, local, and regional governments and with appropriate Federal agencies, and shall seek the advice of various groups interested in the safety of the transportation of hazardous materials, including shippers, carriers, and users of hazardous materials and bulk package or container manufacturers; organizations which represent employees engaged in the transportation of hazardous materials; citizens' and environmental groups; and private organizations concerned with transportation safety or the provision of emergency services in response to a major accident involving the transportation of hazardous materials.

"(c) In order to acquire information in accordance with this section, the Secretary may establish one or more demonstration projects.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 5. Section 115 of the Hazardous Materials Transportation Act (49 U.S.C. 1812) is amended by adding the following new sentence at the end thereof: "There are authorized to be appropriated to carry out the provisions of this title

not to exceed $8,332,000 for the fiscal year ending September 30, 1982 (including not less than $1,000,000 for the purposes of carrying out the provisions of subparagraphs (F) and (G) of section 109(d)(1) of this title), and not to exceed $8,332,000 for the fiscal year ending September 30, 1983 (including not less than $1,250,000 for the purp[illegible]of carrying out the provisions of subparagraphs (F) and (G) of section 109(d)(1) of this title).".

Amend the title so as to read: "A bill to amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal years 1982 and 1983, to encourage a greater effort in the prevention and response to transportation incidents involving hazardous materials; to provide assistance to State, local, and regional governments in preventing and responding to such incidents; and for other purposes.".

AMENDMENT NO. ---------- Ex. ---------- Calendar No. ----------

Purpose: ----------

IN THE SENATE OF THE UNITED STATES— 97th Cong., 1st Sess.

S. 960

H.R. ---------- (or Treaty ----------)
SHORT TITLE

(title) To amend the Hazardous Materials Transportation Act to encourage a greater effort in the prevention and response to transportation incidents involving hazardous materials, to provide assistance to State and local governments in preventing and responding to such incidents and for other purpsoses.

( ) Referred to the Committee on ----------
and ordered to be printed

( ) Ordered to lie on the table and to be printed

INTENDED to be proposed by PENDING APPROVAL BY RANKOSKY

Viz: At the end of the bill, add the following new sections:

NATIONAL UNIFORM STANDARDS

Sec. 6. Section 101 of the Hazardous Materials Transportation Act (49 U.S.C. 1801) is amended by inserting the following immediately before the period at the end thereof; "and to assure that laws, rules, regulations, orders and standards relating to hazardous materials transportation shall be nationally uniform to the extent practicable".

GUIDANCE TO STATE AND LOCAL GOVERNMENTS
IN FEDERAL REGULATIONS

Sec. 7. Section 105 of the Hazardous Material Transportation Act (49 U.S.C. 1804) is amended by adding at the end thereof the following new subsection:

"(d) CONSISTENCY. -- In issuing regulations pursuant to subsection (a) of this section, the Secretary ~~shall~~ may provide guidance as to whether any existing or potential requirements of a State or political subdivision thereof would be inconsistent with ~~nationally uniform requirements or~~ such regulations under section 112 of this Act.".

REVIEW OF STATE AND LOCAL REQUIREMENTS

Sec. 8. Section 112 of the Hazardous Materials Transportation Act (49 U.S.C. 1811) is amended by striking subsections (a) and (b), redesignating subsection (c) as subsection (e), and inserting the following new subsections:

"(a) GENERAL. -- Any requirement of a State or political subdivision thereof is preempted if it is determined under subsection (b) of this section to be inconsistent with any requirement set forth in this title or in a regulation issued under this title and not waived under subsection (c) of this section.

"(b) CONSISTENCY REVIEW. -- Any person affected by a requirement of a State or political subdivision thereof dealing with the transportation of hazardous materials may petition the Secretary, in accordance with procedures to be prescribed by regulation, for a review of that requirement. Upon receiving a petition, and after affording interested parties notice and opportunity to comment, the Secretary shall determine whether the requirement of such State or political sub-

division thereof is inconsistent with any requirement set forth in this title, or in a regulation issued under this title. In making such determination, the Secretary shall consider:

"(1) whether compliance with both the requirement under review and the requirements of this title or the regulations issued thereunder is possible;

"(2) whether the requirement under review conflicts with the need for nationally uniform requirements, including, but not limited to, whether the same subject matter is already covered by Federal regulation;

"(3) whether the requirement under review creates an undue burden on interstate commerce; and

"(4) the extent to which the requirement under review is otherwise an obstacle to the accomplishment and execution of this title or the regulations issued thereunder.

"(c) WAIVER. -- In accordance with procedures to be prescribed by regulation, the Secretary may, upon petition of the State or political subdivision affected, waive preemption of a requirement determined to be inconsistent under subsection (b) of this section if he determines, after affording interested parties notice and opportunity to comment, that the requirement addresses a unique and compelling local concern of such magnitude as to outweigh the considerations upon which the determination of inconsistency was based. The waiver shall remain in effect until such time as the Secretary determines that the basis for the waiver no longer exists.

"(d) STAY -- Upon the filing under subsection (b) of this section of a petition for consistency review of a requirement of a State or political subdivision, a stay of such requirement may be obtained by any person who has petitioned for such review upon the filing by such person of a petition for stay with the United States District Court of the District of Columbia or for the District wherein petitioner is domiciled or has its principal place of business. Such a petition for stay must be filed within ~~four~~ five days of the filing of the petition for consistency review and shall be granted upon a showing that such petition for consistency review has been filed in accordance with subsection (b) of this section and regulations issued thereunder, and upon petitioner's demonstration of a prima facie showing of inconsistency between the requirement of the State or political subdivision and the Federal requirement. Such stay shall remain in effect until the requirement of the State or political subdivision is determined to be consistent with the Federal requirement or until the Secretary issues a waiver under subsection (c) of this section.".

RECONSIDERATION AND JUDICIAL REVIEW

Sec. 9. The Hazardous Materials Transportation Act is amended by adding at the end thereof the following new section:

"RECONSIDERATION AND JUDICIAL REVIEW

"Sec. 117. (a) PETITIONS FOR RECONSIDERATION--Any person who is or will be adversely affected or aggrieved by any determination made under section 112 (b) or (c) of this Act may petition the Secretary for reconsideration of that determination pursuant to procedures

to be established by the Secretary. Unless the Secretary takes final action which is dispositive of the petition for reconsideration within 90 days of the date it is filed, such petition may be deemed to have been denied for purposes of judicial review.

"(b) JUDICIAL REVIEW-- (1) No person may seek judicial review of any determination made under section 112 of this Act unless such person shall have submitted a petition for reconsideration to the Secretary. Judicial review may be obtained by filing a petition for review with the United States Court of Appeals for the District of Columbia Circuit or for the Circuit wherein the petitioner is domiciled or has its principal place of business within 60 days after the date of final disposition by the Secretary on the petition for reconsideration, or the date on which it is deemed denied. A copy of the petition for review shall be transmitted promptly by the clerk of the court to the Secretary or other officer designated by him for that purpose.

"(2) Upon the filing of a petition under subsection (a), the court shall have jurisdiction to review the determination in accordance with chapter 7 of title 5 of the United States Code and to grant appropriate relief as provided therein.

"(3) The judgment of the court affirming or setting aside, in whole or in part, any determination of the

Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28 of the United States Code.

"(4) Any action instituted under this section shall survive, notwithstanding any change in the person occupying the office of Secretary or any vacancy in such office.".

PROXMIRE AMENDMENT 1

(d) Upon enactment of this section, all parts of HM-164, except for Part 172, Part 173, and Part 177.825(c), (d) and (e), is suspended until it can be amended to:

(1) Allow states to require of shippers information on Type B or LQ (large quantity) radioactive shipments passing through their borders, before or after the shipments are made, in addition to whatever information may be required of shippers by the Department of Transportation, in order to ensure the safety of the radioactive shipments. The types of information can include but not be limited to information on the frequency of shipments, the number of shipments, the kinds and kilogram- and curie-quantity of each shipment, the routes of shipments, the packaging of shipments and the timing of shipments. The states are expected to share this information with interested local jurisdictions to facilitate emergency response preparation.

(2) Explicitly recognize the right of any state, local or regional government, or bridge, tunnel or turnpike authority, in instances where they determine in consultation with other affected jurisdictions that a federal routing decision endangers local health and welfare, to impose transportation restrictions and controls on Type B or LQ radioactive shipments more stringent than those imposed by HM-164, as long as such restrictions and controls conform with 49 U.S.C. 1811(a) and (b).

Such restrictions and controls shall include but not be limited to:

a. Time-of-day restrictions.

b. Designation of route and mode of shipment.

c. Permit fees on shippers for the purpose of funding the enforcement of radioactive materials transportation regulations and emergency response capabilities.

(3) Provide that no federal, state or regional designation of preferred routes for Type B or LQ radioactive shipments take effect until a duly-authorized State or Regional Advisory Group, composed of representatives of the city, county, regional and state governments, has certified that:

a. Adequate emergency response plans and capabilities are in existence.

PROXMIRE AMENDMENT 2

Section 116. (a) The Secretary shall establish a panel to conduct a study and make recommendations within 24 months on the appropriate local, state and federal roles in hazardous materials routing, prenotification, and emergency response and enforcement activities. The study should also assess and make recommendations concerning: (1) safety problems; (2) the adequacy of available technical and financial assistance to state and local governments to perform enforcement, emergency response, and route selection responsibilities; (3) the adequacy of existing prenotification systems, emergency response plans and capabilities, enforcement capabilities, and the desirability of improvements in these areas; (4) the social, environmental and financial impact on state and local governments due to the transporting of hazardous materials; (5) the responsibility of state and local governments to exercise their traditional police powers in imposing restrictions and controls over the transporting of hazardous materials.

(b) The panel shall consist of 15 members with knowledge or experience in the transportation of hazardous materials and shall include representatives of shippers and carriers of hazardous materials by various modes, organizations which represent employees involved in the transportation of hazardous materials, the Department of Transportation, state, regional and local governments, emergency response agencies, and citizens' and environmental groups. The Secretary shall select the members of the panel from lists of qualified candidates supplied by organizations representing the parties to be included in the panel.

(c) In preparing such report, the panel shall consult with State, local, and regional governments and with appropriate Federal agencies, and shall seek the advice of various groups interested in the safety of the transportation of hazardous materials, including shippers, carriers, and users of hazardous materials and bulk package or container manufacturers; organizations which represent employees engaged in the transportation of hazardous materials; citizens' and environmental groups; and private organizations concerned with transportation safety or the provision of emergency services in response to a major accident involving the transportation of hazardous materials.

(d) The Secretary shall provide such staff and other support as may be necessary for the panel to perform its duties from funds within the Department of Transportation budget.

(e) In order to acquire information for the study, the panel shall evaluate the ongoing research and demonstration projects of the Department of Transportation.

(f) The panel will prepare a report and recommendations from its study that will be submitted to the Secretary and Congress for appropriate action.

(g) Upon enactment of this section, the final rule relating to highway routing of radioactive materials (HM-164), which was issued by the Secretary of Transportation on January 19, 1981 and which is scheduled to go into effect on February 1, 1982, is suspended with the exception of Parts 172, 173, 177.825(c), (d), and (e). Before lifting the suspension of HM-164, the Secretary shall review the final report and recommendations of the panel, and shall incorporate the recommendations of the panel in amending HM-164.

CONFERENCE OF WESTERN ATTORNEYS GENERAL

WESTERN (LEGISLATIVE) CONFERENCE

WESTERN GOVERNORS' CONFERENCE



WESTERN OFFICE

The Council of State Governments

WESTERN OFFICE OF THE COUNCIL OF STATE GOVERNMENTS

The Western Office of the Council of State Governments is supported and directed by elected state officials in the fourteen western states of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, Utah, Washington, Wyoming, and three Pacific Island Territories of American Samoa, Guam and the Northern Mariana Islands.

The Western Office serves as the principal staff to three regional leadership conferences:

- The Western Governors' Conference
- The Western (Legislative) Conference
- The Conference of Western Attorneys General

These conferences are organized to discuss, study and take action on significant regional situations and problems. Each year, the conferences select priority western state issues such as energy development, environmental regulation, hazardous materials disposal, land management, transportation financing, and water policy as the focus of their work. Interim study committees are appointed to analyze the policy areas identified by the conferences. The Western Office, working closely with western states' staff and other regional organizations, provides policy analysis, survey research, and program planning services to the three conferences.

The central goals of the Western Office and the Western Conferences are:

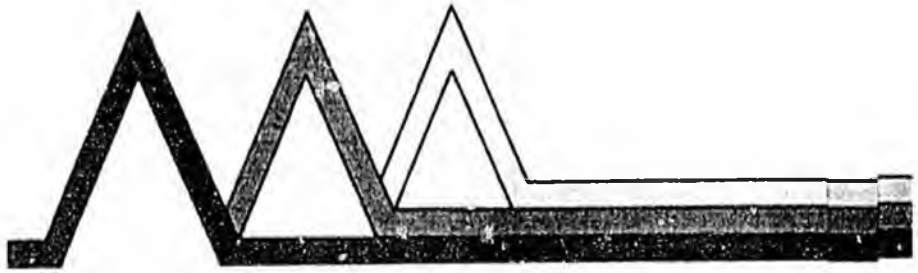
- to provide an informed medium for state leaders to exchange views on significant western and national issues,
- to foster effective interstate cooperation and input on national policy formulation, and
- to promote improved joint problem-solving among the participating western states.

The Western Office, in addition to its conference responsibilities, publishes a quarterly newsletter, prepares position papers, and writes journal articles on public policies in the western states. The Western Office also collaborates on national studies and research projects of interest to state government with the Lexington, New York, Atlanta, Chicago and Washington, D.C. offices of the Council of State Governments.

CONFERENCE OF WESTERN ATTORNEYS GENERAL

WESTERN (LEGISLATIVE) CONFERENCE

WESTERN GOVERNORS' CONFERENCE



THE WESTERN GOVERNORS' CONFERENCE

The Western Governors' Conference provides an effective forum for the member governors to exchange information, sponsor policy analysis, and take joint action on important Western State issues. Some topics of concern include energy development, environmental protection, hazardous waste disposal, international trade promotion, land use management, water allocation, correctional policies, and fiscal policies.

The following principles underlie the Conference's work:

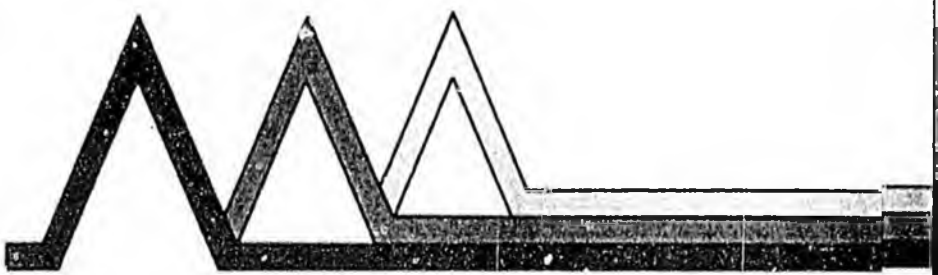
- The Western States, because of their rapidly expanding populations, accelerating economies, and vast open spaces, share similar problems and opportunities;
- The nation's needs for the energy resources of the Western States require an integrated regional voice and perspective; and
- The competing demands on the limited resources of the West (such as the demands on water for energy development, agricultural production, and urban/industrial growth) necessitate a constructive and responsive relationship among the States. Such a relationship is indispensable in formulating and implementing effective regional and national policies.

The governors elect a chair and vice chair each year to oversee the activities of the Conference. A Staff Advisory Committee (SAC), comprised of the senior aides to the governors, participates in the policy studies of the Conference and advises the officers on the annual meeting program.

The Western Office is staff to the Western Governors' Conference and the Staff Advisory Committee.

CONFERENCE OF WESTERN ATTORNEYS GENERAL

WESTERN (LEGISLATIVE) CONFERENCE



THE WESTERN (LEGISLATIVE) CONFERENCE

The Western Conference is comprised of elected and appointed officials of the States of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming, and the Pacific Territories of American Samoa, Guam, and the Northern Mariana Islands.

The purpose and objectives of the Western Conference are to foster and encourage interstate cooperation on and participation in the consideration of common problems in the west. The Conference provides a medium for state legislators to exchange ideas, knowledge and experience toward the development of action research and policy positions on major western issues.

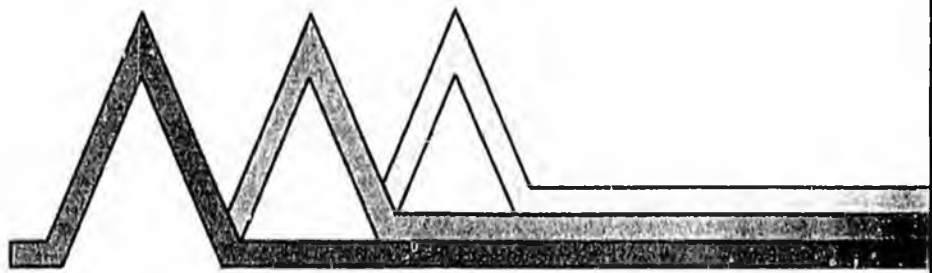
The Western Conference is governed by an Executive Committee composed of the Conference's elected officers, appointed state delegates, and chairs of the conference study committees. The Executive Committee sets interim conference policy and recommends bylaws to implement conference rules.

Conference members meet in committee sessions several times a year, and the entire membership meets annually for three days. During the committee meetings and the annual conference, held throughout the western region, legislators and appointed officials address a variety of issues of concern to the region. Each year, the Conference's leadership determines the priority issues within the region, and establishes policy committees to examine these issues.

For 1980-82, legislative committees include:

- corrections
- energy and minerals development
- energy conservation and renewable resources
- hazardous materials and waste management
- international trade
- public lands
- transportation
- water policy

The committees meet to examine policy approaches to these issues in member states. For example, the transportation committee would consider alternative methods of highway funding, and the corrections committee would review sentencing structures across the states. Committees also review federal legislation and develop regional policy positions on national statutory and administrative policies. Committee membership includes legislators appointed from both houses of each state, legislative staff and executive agency representatives.



THE CONFERENCE OF WESTERN ATTORNEYS GENERAL

The Conference of Western Attorneys General is comprised of the state attorneys general of the following fourteen western states and two Pacific territories: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, Utah, Washington, Wyoming, American Samoa and Guam.

While the Conference is a part of and staffed by the Western Office of the Council of State Governments (CSG) in San Francisco, the Conference is closely associated and coordinates its work with the National Association of Attorneys General (NAAG), with offices in Washington, D.C.

Because of recent history and developments in the West, much of the interest and many of the activities of the Conference are directed toward natural resources and energy issues. Yet, the Conference seeks to be responsive to other issues such as the unfortunate prison tragedies that befell the States of New Mexico and Idaho and the hazards of radioactive waste disposal and transportation.

The Attorneys General who are members of the Conference meet at least four times a year. The Conference holds an annual three-day meeting in one of the western states -usually in July. Members of the Conference also caucus at three major NAAG meetings throughout the United States.

Much of the ongoing work of the Conference is conducted through committees which usually have as members the deputy attorney general or solicitor from each of the offices. The Litigation Action Committee attempts to facilitate the exchange of information and expertise on civil and criminal litigation having broad interest. The Subcommittee on Public Lands has undertaken a systematic study of the many legal issues presented by the federal ownership and management of lands in the western states and continues to provide a forum for the sharing of litigation information. Recent *ad hoc* committees have addressed correctional and prison law problems and the underpayment of oil and gas royalties to the western states by federal lessees.

OFFICERS OF THE CONFERENCE OF WESTERN ATTORNEYS GENERAL



David Leroy

CHAIR, 1981-82	David Leroy Attorney General, Idaho
VICE CHAIR, 1981-82 CHAIR ELECT, 1982-83	Robert K. Corbin Attorney General, Arizona

MEMBERS OF THE CONFERENCE

Wilson Condon, Alaska
Aviata Fa'Alevao, American Samoa
Robert Corbin, Arizona
George Deukmejian, California
John MacFarlane, Colorado
Jack Avery, Guam
Tany Hong, Hawaii
David Leroy, Idaho
Michael Greely, Montana
Richard Bryan, Nevada
Jeff Bingaman, New Mexico
Robert Wefald, North Dakota
Dave Frohnmayer, Oregon
David Wilkinson, Utah
Kenneth Eikenberry, Washington
Steven Freudenthal, Wyoming

COMMITTEES OF THE CONFERENCE OF WESTERN ATTORNEYS GENERAL

- LITIGATION ACTION COMMITTEE
- SUBCOMMITTEE ON PUBLIC LANDS

AD HOC Subcommittee on Oil and Gas Royalties

AD HOC Subcommittee on Correctional Law and Policy

OFFICERS OF THE WESTERN (LEGISLATIVE) CONFERENCE



Senator Cary Peterson

CHAIR, 1981-82	Senator Cary Peterson Utah
CHAIR ELECT, 1982-83	Representative Russ Donley Wyoming
VICE CHAIR	Senator Sam Guess Washington
PAST CHAIR	Senator Keith Ashworth Nevada

WESTERN CONFERENCE EXECUTIVE COMMITTEE

The Executive Committee is composed of legislative leadership from each state and serves as the interim governing body between annual meetings. It is the primary organizational policy-setting and operational oversight body for the Conference.

1980-1982 CONFERENCE WORKPLAN

WESTERN CONFERENCE COMMITTEES

Committees are composed of appointed members from each house of member state legislators to each committee. The committees constitute the policy research, analysis and action committees of the Conference. The 1980-82 committees and their purposes are:

Corrections Committee – to improve western states' corrections policies and institutional practices by clarifying the corrections problems in each western state and by developing alternative policy responses to these problems, including possible regional approaches in selected areas.

Energy and Mineral Development Committee – to review the nature and consequences of the trade-offs between environmental quality, rapid population growth, resource development and demands for water; and to develop an informed western states' position on how to reconcile the inherent conflicts through amended statutory, regulatory and administrative policies.

Energy Conservation and Renewable Resources Committee – to encourage the increase in supply of existing energy resources through conservation and expanded renewable resource programs by evaluating and disseminating information on the most promising governmental and private sector programs.

Hazardous Materials and Waste Management Committee – to develop an interstate nuclear compact for identifying and implementing a regional low-level radioactive waste siting and management system for the western states, and to encourage individual state legislation to lessen the danger from toxic and chemical wastes.

International Trade Committee – to increase legislator knowledge of exporting problems and, working in conjunction with western states' International Trade Directors, to develop legislation designed to expand exporting opportunities for small and medium-sized business in the western states.

Public Lands Committee – to document particular public lands ownership and management problems and to develop alternative proposals — state and federal — for dealing with them.

Transportation Committee – to develop alternative ways to increase western state highway funding in light of lower gas revenues, to expand the number of states participating in the Multi-State Highway Transportation Agreement; and to propose improved handling, manifesting and transportation of hazardous material.

Water Policy Committee – to establish an effective western legislative voice in water resource policy so as to protect states' water rights.

OFFICERS OF THE WESTERN GOVERNORS' CONFERENCE



Governor Ed Herschler

CHAIR, 1981-82	Governor Ed Herschler Wyoming
VICE CHAIR AND CHAIR ELECT, 1982-83	Governor Victor Atiyeh Oregon
PAST CHAIR, 1980-81	Governor Robert List Nevada

MEMBERS OF THE CONFERENCE

Governor Jay S. Hammond, Alaska
Governor Peter Coleman, American Samoa
Governor Bruce Babbitt, Arizona
Governor Edmund Brown, Jr., California
Governor Richard D. Lamm, Colorado
Governor Paul Calvo, Guam
Governor George Ariyoshi, Hawaii
Governor John V. Evans, Idaho
Governor Ted Schwinden, Montana
Governor Robert List, Nevada
Governor Bruce King, New Mexico
Governor Allen I. Olson, North Dakota
Governor Pedro P. Tenorio, Northern Marianas
Governor Victor Atiyeh, Oregon
Governor Scott M. Matheson, Utah
Governor John Spellman, Washington
Governor Ed Herschler, Wyoming

WESTERN GOVERNORS' CONFERENCE
PAST CHAIRS

1980-1981	Governor Robert List Nevada
1979-1980	Governor Peter Coleman American Samoa
1978-1979	Governor John Evans Idaho
1977-1978	Governor George Airyoshi Hawaii
1976-1977	Governor Jay Hammond Alaska
1975-1976	Governor Mike O'Callaghan Nevada
1974-1975	Governor Mike O'Callaghan Nevada
1973-1974	Governor Bruce King New Mexico
1972-1973	Governor Tom McCall Oregon
1971-1972	Governor Forrest Anderson Montana
1970-1971	Governor Stanley Hathway Wyoming
1969-1970	Governor Calvin Rampton Utah
1968-1969	Governor Daniel Evans Washington
1967-1968	Governor John Burns Hawaii
1966-1967	Governor Tim Babcock Montana
1965-1966	Governor Grant Sawyer Nevada
1964-1965	Governor Mark Hatfield Oregon
1963-1964	Governor Edmund G. Brown California
1962-1963	Governor William Egan Alaska

STAFF
OF THE
WESTERN OFFICE

Dan Sprague
Director

Staff Director for Western Governors and Legislative Conferences
Administration and Management of Western Office Program,
Personnel and Publications

John Thorson
Associate Director
Staff Attorney

Staff Director for Attorneys General
Energy and Minerals Development Committee
Public Lands Committee
Clean Air Project

Leah Brumer
Associate Director

Energy Conservation and Renewable Resources Committee
Corrections Committee
Hazardous Materials Committee

Claudia Marsolle
Associate Director

Water Policy Committee
Transportation Committee

Jan Leno
Research Associate

Barbara Perdue
Executive Assistant
Coordinator, Annual Meetings

Cheryl Schweitzer
Gwen Zwahlen

Conference, Newsletter and
Office Management Staff

REGIONAL RESPONSIVENESS IN THE '80's

WESTERN OFFICE
165 Post Street
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(415) 986-3760

WESTERN CONFERENCE
THE COUNCIL OF STATE GOVERNMENTS

165 POST STREET, 5th FLOOR SAN FRANCISCO, CALIFORNIA 94108 (415) 986-3760

WESTERN CONFERENCE COMMITTEE MEETING SCHEDULE

SHERATON-PALACE HOTEL
SAN FRANCISCO, CALIFORNIA
APRIL 2-5, 1982

REGISTRATION - Outside French Parlor Room, 2nd Floor

Times:	Friday:	8:00 a.m. - 1:00 p.m. 5:00 p.m. - 6:00 p.m.
	Saturday:	8:00 a.m. - 9:30 a.m.
	Monday:	7:30 a.m. - 9:00 a.m.

FRIDAY, APRIL 2

Energy & Mineral Development	Parlor D	8:45 a.m. - 11:45 a.m.
Public Lands	Bonanza Room	9:00 a.m. - 5:00 p.m.
FREE FOR LUNCHEON		
Energy & Mineral Development	Tour of Chevron Refinery	12:00 Noon - 4:30 p.m.
Corrections	Tour of San Quentin	1:00 p.m. - 5:00 p.m.
Transportation	Tour of BART & MUNI	1:00 p.m. - 5:00 p.m.
Resolutions/Rules Subcommittee	Bonanza Room	5:15 p.m. - 6:15 p.m.
HOSTED RECEPTION	French Parlor	6:00 p.m. - 7:30 p.m.

SATURDAY, APRIL 3

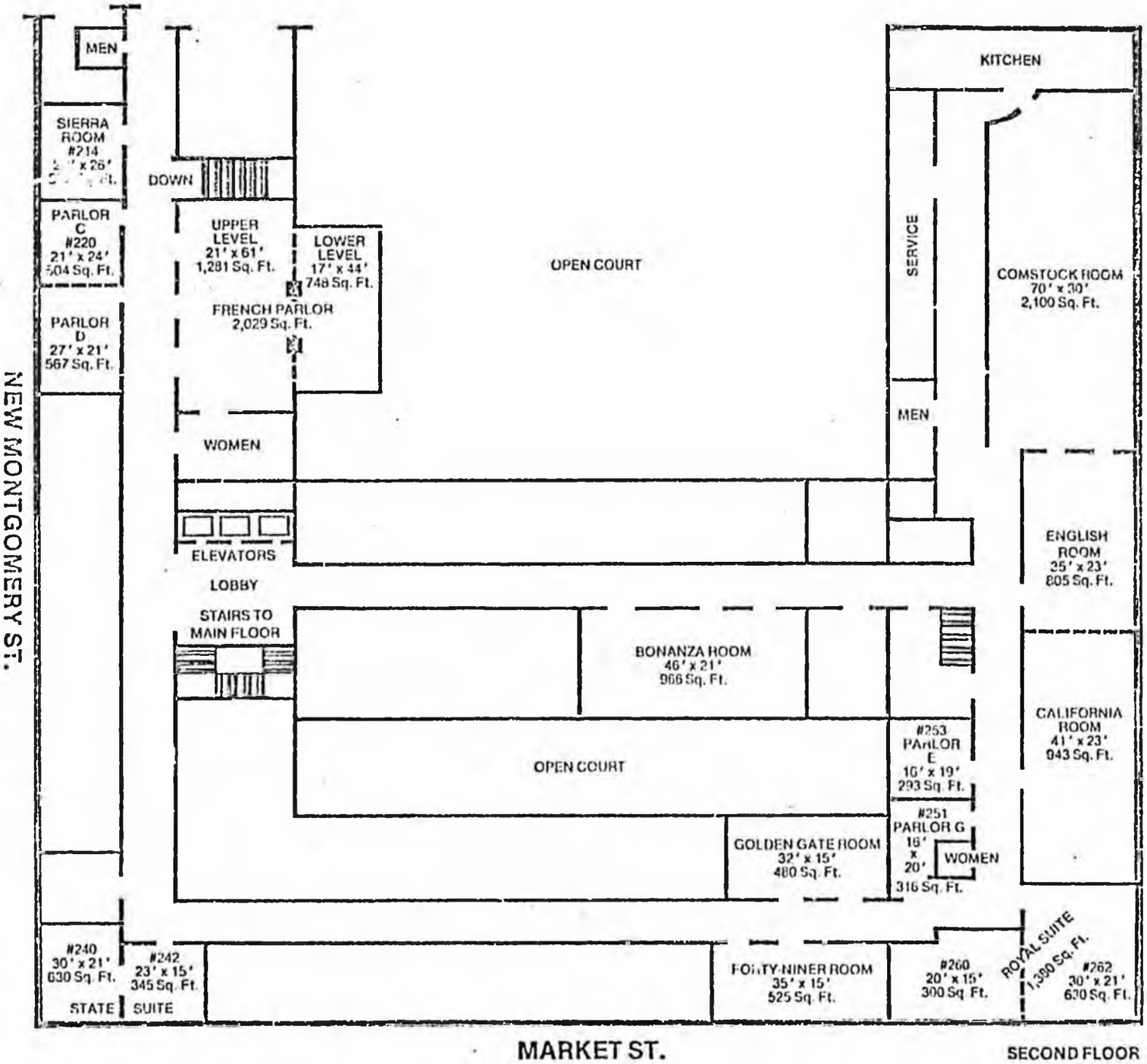
Executive Committee Breakfast	French Parlor	7:00 a.m. - 9:00 a.m.
Legislative Service Agency Dir.	Parlor E	9:00 a.m. - 12:00 Noon
Public Lands	Parlor G	9:00 a.m. - 12:00 Noon
Energy & Mineral Development	Bonanza Room	9:00 a.m. - 12:00 Noon
Corrections	Parlor H	9:00 a.m. - 5:00 p.m.
Transportation	Parlor C	9:00 a.m. - 5:00 p.m.
HOSTED LUNCHEON - (Speaker - Frank McCormick, Senior Economist, Bank of America)	French Parlor	12:15 p.m. - 1:30 p.m.

SUNDAY, APRIL 4 - NO MEETINGS SCHEDULED

MONDAY, APRIL 5

Energy Conservation	Parlor D	8:30 a.m. - 5:00 p.m.
Hazardous Materials	Sierra Room	9:00 a.m. - 5:00 p.m.
GROUP LUNCHEON	Parlor C	12:00 Noon - 1:00 p.m.

Sheraton-Palace Hotel
CONVENTION FACILITIES



WESTERN CONFERENCE
THE COUNCIL OF STATE GOVERNMENTS

165 POST STREET, 5th FLOOR SAN FRANCISCO, CALIFORNIA 94108 (415) 986-3760

WESTERN CONFERENCE COMMITTEE MEETINGS

Sheraton-Palace Hotel
San Francisco, California
April 2-5, 1982

PRELIMINARY ATTENDANCE LIST

ARIETA, Dave, Chevron, U.S.A., Energy & Mineral, CA
ABEL, Pamela, Energy Conservation, Cheyenne, WY

BACON, Art, (Speaker), Interstate Commerce Commission, San Francisco, CA
BAILEY, Frank H., Executive Director, CSG Headquarters, Lexington, KY
BANGERTER, Senator Jack, Energy Conservation/Executive, Bountiful, UT
BARENGO, Speaker Robert R., Executive, Reno, NV
BARLOW, Senator Haven J., Correctons, Layton, UT
BARR, Michael, (Speaker), Pillsbury Madison & Sutro, San Francisco, CA
BENDIX, Dr. Selina, (Speaker), Bendix Environmental Research, San Francisco, CA
BERRY, Representative Dan C., Executive, Eunice, NM
BIBLE, William A., (Speaker), Legislative Council Bureau, Carson City, NV
BILBRAY, James H., Transportation, Las Vegas, NV
BLACK, Senator Wilford R., Jr., Executive, Salt Lake City, UT
BOWEN, Jack, (Speaker), State Senate Transportation Committee, Olympia, WA
BUDGE, Representative Reed, Transportation, Silver Springs, ID
BURT, Nancy, Legislative, Sacramento, CA

CHATBURN, Representative J. Vard, Hazardous, Alvion, ID
CURTISS, Representative Aubyn A., Public Lands, Fortine, MT

DAILY, Senator O. R. "Bud", Corrections, Rawlins, WY
DONLEY, Representative Russ, Executive, Casper, WY
DOVER, Senator Harold L., Energy Conservation, Lewiston, MT
DOWLING, Diana S., Legislative, Helena, MT

ELIASON, Senator Dick, Energy & Mineral, Juneau, AK
ERIKSON, Robert E., Legislative, Public Lands, NV

FAATZ, Representative Jeanne, Transportation, Denver, CO
FAHRENKAMP, Bettye, Alaska State Senator, Energy & Mineral, Juneau, AK
FISCHER, Victor, Hazardous, Juneau, AK

GABE, Jeff, (Speaker), Citizens for a Better Environment, San Francisco, CA
GLASER, Senator Norman D., Public Lands/Executive, Halleck, NV
GOLDER, Representative James D., Hazardous, Boise, ID
GOODOVER, Senator Pat, Executive, San Francisco, CA
GRANDIS, Ed, (Speaker), Environmental Policy Institute, Washington, D.C.
GROSE, Andrew P., Legislative Council Bureau, Legislative, Carson City, NV

HARRIS, Richard, (Speaker), New Mexico State Corporation Commission, Santa Fe, NM
HICKEY, Assemblyman Thomas J., Public Lands, North Las Vegas, NV

JACKSON, Betsy, Office of Legislative Research, Salt Lake City, UT
JOHNSON, Representative Dwayne T., Transportation, West Valley City, UT

KEATING, Senator Thomas F., Hazardous, Billing, MT
KRISBERG, Barry, (Speaker), National Council on Crime and Delinquency, Corrections
KOLSTAD, Senator Allen C., Corrections, Chester, MT
KUNASEK, Representative Carl J., Hazardous, Mesa, AZ

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LEWIS, Representative C. W. "Bill", Energy & Mineral, Phoenix, AZ
LOMBARD, Representative Kip, Executive, OR
LORY, Representative Earl C., Hazardous, Missoula, MT
LUTU, Faasuka, Legislative Office, AS

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MARTINEX, Senator Alex G., Executive, Santa Fe, NM
MATHESON, Senator Ivan M., Public Lands, Cedar City, NV
MATTEUCCI, Judy, Legislative Council Bureau, Corrections, Carson City, NV
MENAHAN, Representative William, Corrections, Anaconda, MT
MERRILL, Senator Israel, Energy & Mineral, Blackfoot, ID
MOORE, Jeanne, Chevron, U.S.A., San Francisco, CA
MORGAN, Senator Jack M., Energy & Mineral, Farmington, NM
MOWDAY, David, (Speaker), U. S. Environmental Protection Agency, San Francisco, CA

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NICHOLS, Senator Milt, Energy Conservation, Cheyenne, WY
NELSON, Melissa, (Speaker), Office of Surface Mining, Washington, D.C.

OTLEY, Patricia, Burlington - Northern, Inc., Seattle, WA

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ROBERTSTON, Richard, (Speaker), Planning & Policy Development, Washington, D.C.

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SLOSKY, Leonard, (Speaker), Governor's Office, Denver, CO
SOSSAMAN, Representative James J., Executive, Phoenix, AZ
STEPHENS, Senator Stan, Corrections, Havre, MT
STEVENS, Jan, (Speaker), Office of Attorney General, Sacramento, CA
STODDARD, Kent, (Speaker), State Office of Appropriate Technology, Sacramento, CA
STRAND, Representative Ann, Hazardous, Rock Springs, WY
STRATTEN, Representative Hal, Energy Conservation, Albuquerque, NM
STRAUS, David, (Speaker), Interaction Associates, San Francisco, CA
STRONG, Richard, Transportation, Salt Lake City, UT

THOMAS, Ralph E., Legislative Service Office, Legislative, Cheyenne, WY
TROWBRIDGE, Representative Tom, Corrections, Encampment, WY

VALDES, Martha, (Speaker), Assembly Committee on Consumer Protection & Toxic Materials, Sacramento, CA
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WAGNER, Senator Sue, Corrections, Reno, NV
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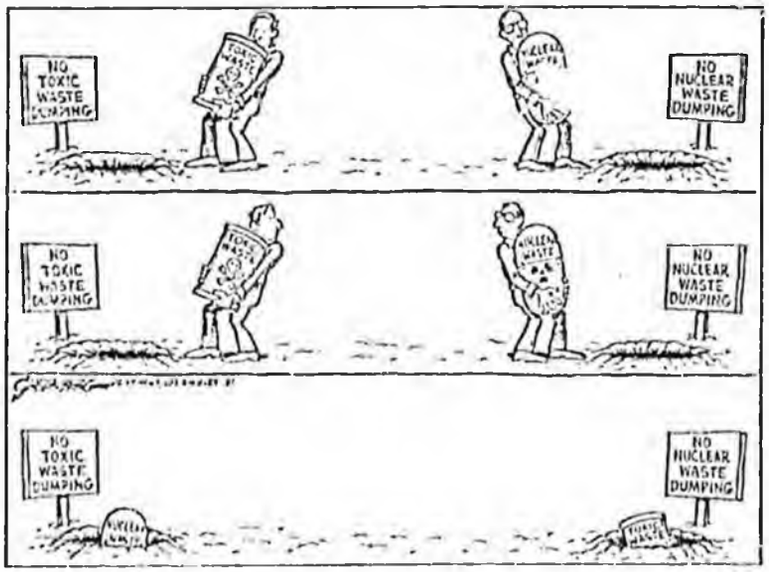
WALLIS, Representative Dick, Energy & Mineral, Gillette, WY
WEINER, Peter, (Speaker), Governor's Office, Sacramento, CA
WHALLON, Representative Glen, (Speaker), Transportation, Milwaukie, OR
WILSON, Leonard V., Council of State Governments, Waitsfield, VT

ZIEGLER, Senator Robert H., Sr., Executive, Juneau, AK

Toxic chemicals: How much does the public need to know?

By HAL RUBIN

For more than half a century, polychlorinated biphenyl (PCB) has been used commercially to insulate and to retard fires in electrical transformers as well as for other purposes. Some workers exposed to PCB developed skin ailments and other physical problems. But not until the past decade has refined testing provided evidence that PCB causes cancer. In 1976, after numerous leaks and spills had occurred, the manufacture of PCB was banned by the federal Environmental Protection Agency.



Recently the Assembly Committee on Consumer Protection and Toxic Materials held hearings on a bill requiring that utility poles still having PCB-loaded components be marked with eye-level reflective bands. Firemen supported the bill because it would help them and nearby residents to avoid PCB exposure during power line fires or other emergencies. Utility spokesmen opposed the bill, saying there already were yellow squares marking the dangerous capacitors and transformers.

The bill never got out of committee, but the debate revealed one of the thorny aspects of the toxic-chemical issue: How much does the public need to know? It's no secret that industry uses 60,000 to 70,000 chemical compounds, many of them petroleum-derived synthetics developed since World War II. About 5,000 state businesses annually generate more than 5 million tons of hazardous wastes as by-products of production. In addition, about 300 million pounds of pesticides, herbicides and fungicides are applied annually to California agricultural fields. But what does all of that mean to the public welfare?

The need to know is only one of the complex issues confronting both the industries which produce the hazardous wastes and the government which must decide how to protect the public. The Brown Administration has given toxic-waste problems high priority in recent years, and the Legislature has passed a stream of bills dealing with disposal and transportation of dangerous materials. (See box.) But these questions still await answers:

- **Do the laws guarantee greater public safety?** Not necessarily, said a state auditor general's report in October. The auditor general charged that the state Department of Health Services' four-year-old control program for toxic wastes has failed because of inefficiency and lack of enforcement. State health chief Beverlee Myers agreed with the criticism and promised that a departmental reorganization would improve enforcement. She said funding and manpower shortages were the chief problems.
- **Who is responsible for paying the costs of toxic-waste cleanup?** Should it be the businesses and industries that produce the waste or the government that requires the cleanup? In a recent out-of-court settlement of a $45 million lawsuit filed by the state, Occidental Chemical Company agreed to pump contaminated ground water from its Lathrop plant — water that contains dangerous levels of agricultural chemicals such as DBCP and EDP — and to treat the extracted water in a specially constructed plant on its premises. The state called the settlement a potential "model for the chemical industry." But the high costs of dealing with the state's total toxic-waste problems are bound to be the subject of continuing court tests. So far, state investigators have identified 93 hazardous waste sites and expect to find hundreds more. Many will be cleaned up by industry, but abandoned sites will have to be paid for by the state.
- **Do state or local governments control toxic-waste decisions?** A court test on this issue was avoided last month when West Covina voters rejected a ballot proposition that would have banned all hazardous wastes from the BKK landfill in West Covina — the last state-certified dumpsite for such waste south of the Tehachapi Mountains. The state feared that industries would dump their toxic wastes illegally if voters approved the local ban, and it promised a prompt court challenge if the proposition passed.

Cleanups and inspections

A total of 24 toxic-chemical bills was introduced in the Legislature in the past two years; 15 out of 16 passed in 1980 and three more passed this year. The two most significant laws of 1981 assign the costs of most future cleanup of dumps and spills (SB 618) and of new inspections of vehicles carrying hazardous materials (AB 1012) to the businesses involved — a policy that pleases the Brown Administration and is generally accepted by the chemical industry.

"People responsible for wastes are paying for the program — that is the principle to pursue," says Ken Finney, the governor's assistant on toxic substances.

In October Governor Brown signed a controversial executive order which effectively reversed how California handles its policy on toxic waste. In the past, the state has relied on "secure" landfill for waste disposal — that is,

Hal Rubin is a free-lance writer in Sacramento and a frequent contributor to the Journal.

Major toxic-substance legislation and executive orders, 1980-81

1980

Occupational safety and health

SB 1874 (Nejedly) — Gives workers the right to know the hazards they face from exposure to chemicals on the job. Requires manufacturers to inform employers and requires employers to train workers on acute and chronic health risks. Adds 11 industrial hygenists to inspect workplaces; funds expanded occupational health epidemiology.

Response system

SB 183 (Nejedly) — Establishes a statewide emergency response program system for toxic spills, including a training program for local police and fire personnel.

Transportation

AB 2747 (Wray); AB 2140 (Torres); SB 1903 (Marks) — Tightens regulation of hazardous-waste transportation, including nuclear fuel shipments.

Liability

SB 1465 (Garamendi); AB 3132 (Egeland); AB 2823 (Berman) — Establishes new civil and criminal penalties for illegal hazardous-waste disposal.

Enforcement powers

AB 2700 (McCarthy); AB 2408 (Tanner); AB 2691 (Tucker), AB 2362 (Gage) — Expands state and local enforcement powers; doubles state inspection and monitoring activities to combat illegal disposal practices.

Construction bans

SB 1499 (Presley); AB 2370 (Filante) — Prevents construction on properties contaminated by hazardous wastes; provides for identification, evaluation and treatment of abandoned hazardous-waste sites.

Fees

SB 1466, SB 1477 (Garamendi) — Establishes fees for hazardous-waste dischargers.

New programs

Authorizes the Office of Appropriate Technology to investigate alternatives to land-based waste disposal and to develop new regulations for airborne carcinogens.

Coordination

By executive order, Governor Brown created the Toxic Substances Coordination Council to eliminate duplication and inconsistencies in state programs regulating toxic substances.

1981

Superfund

SB 618 (Carpenter) — Imposes industry fees to help finance cleanup of abandoned dumps and toxic spills; compensates victims of toxic exposure for medical expenses, funds research into new technology at the University of California.

Vehicle inspections

AB 1012 (McCarthy) — Establishes California Highway Patrol program of terminals and inspections for vehicles transporting hazardous materials.

Statute of limitations

SB 802 (Garamendi) — Extends statute of limitations for illegal dumping of toxic wastes from one year from date of disposal to three years from the discovery of the dumping.

Landfill phaseout

By executive order, Governor Brown directed phaseout of landfilling for six categories of toxic wastes and the substitution of alternative technologies for treatment and disposal. A new Division of Toxic Substances in the state Department of Health Services also was set up to be directed by Robert D. Stephens, former chief of the department's materials laboratory in Berkeley.

burying poisonous and dangerous chemical garbage in the established dumping sites. But landfill locations are filling rapidly, and no local agencies are volunteering to provide new dump sites. Brown's executive order begins the phaseout (in 1983) of land disposal for six highly toxic and persistent wastes, including PCBs, cyanides and toxic metals, among others. Alternative methods of disposal are mandated — but finding those methods in time to replace landfills will be costly and technically difficult.

Bob Judd, director of the Office of Appropriate Technology (OAT), had a key role in formulating the governor's new policy. "To my knowledge there never has been a 'secure' landfill," Judd says. "Some are more secure than others. California's Love Canal — the Stringfellow Quarry Class I site near Riverside — is now shut down. For three years it has been leaking acids and other pesticides. A multi-million dollar cleanup is necessary."

Under the old strategy, toxic wastes were controlled only by specifying where they had to go. Highly toxic materials were limited to Class I sites, of which there were 11 through the state. But in the past two years, four of those sites have been closed down and because of local opposition, no new Class I dumps have been added for seven years.

Producers and shippers of wastes are already required to submit a manifest (a ticket) to the Department of Health Services indicating what kind of wastes they have and what they do with them. The system works reasonably well with companies which play by the rules, but "midnight dumpers" easily ignore the manifests and there aren't enough enforcement officers to hamper their operations.

Another problem: 60 to 70 percent of the toxic wastes produced never leave the site where they are generated. Until recently, the Department of Health Services had to rely on an honor system with companies using on-site disposal. The department expects to gain on-site inspection power with its reorganization and new legislation. (One of the on-site disposals — at the Aerojet-General Corporation near Sacramento — is included in the EPA list of the most dangerous chemical waste deposits in the nation. The state is suing Aerojet for negligently polluting the water supply in the area with a variety of toxic compounds.)

What are the alternatives to landfill? OAT Director Judd says that in Holland and Scandanavia, land disposal is forbidden and advanced techniques of treatment and disposal are used. (Some of the techniques have already been adopted in New York and Louisiana.) "About 75 percent of the highly toxic wastes that now go to landfill can be better treated in other ways," Judd says. The OAT plan is to encourage construction of privately owned facilities that use chemical or biological techniques. Other alternatives include high-temperature incineration, recycling, reduction of the amount of toxics produced, and interim encapsulation and surface storage until the needed technology is developed.

Kent Stoddard, director of OAT's Toxic Waste Assessment Program, concedes that the siting of new facilities is not going to be easy. "Nobody wants to be the dumping ground for hazardous materials," he says. "It is understandable why West Covina doesn't want to become a dumping ground for all of Southern California." Stoddard favors a system of small, specialized facilities close to the generating sources — facilities that would not represent any greater danger than the plant that produces the waste. If reasonable liability provisions are added, local communities could be won over, he believes.

Bryant Fischback, who participated in the OAT study, is the chairman of the toxic substance subcommittee of the Chemical Industry Council of California. He has reservations about the feasibility of life without landfills. "There should be a trend toward alternatives to landfill," he con-

cedes. "That's a good direction, but we (the industry) have to be careful that we are not mandated into how we make our business decisions — unless there is a clear public health or environmental problem associated with how we run our business." Fischback still sees a need for landfill sites, and he worries that the state may try to dictate which of the alternative treatment methods a company should use. In addition, the six categories of toxic materials to be banned from landfill are too inclusive, Fischback asserts.

The Chemical Manufacturers Association (CMA) considers the need for new landfill sites to be so critical that it advocates permanent state landfill-siting approval boards, with local representation, that have the authority to override local zoning regulations. Fischback prefers local control "unless local authorities are unwilling or unable to address the siting issue."

Answering public concern

Others in the industry are not convinced that alternative methods can be put on-line in time for the phasing out of six categories of highly hazardous wastes by 1983. But Stoddard of OAT feels public opinion will support alternative handling of toxic wastes and reject new dumping sites: "Polls show we are more likely to be able to site a sophisticated treatment facility before we can site a new landfill, so we feel we are on a much faster track going after better treatment facilities."

The state still has to make some basic decisions about how it will respond to public concern over possible correlations between toxic chemicals and health problems.

David Roe, regional counsel for the Environmental Defense Fund, has urged the governor to help clear up public confusion about the toxics issue. He wants the state government's theme to be, "We may not know everything, but what we know, you and the public are entitled to know." But chemical-industry officials are genuinely troubled about the prospect of having to divulge what they know to government agencies and the public. For practical reasons they are reluctant to divulge details about their products; trade secrets are jealously guarded. They also doubt that the effects of toxic chemicals, involving the technical subjects of toxicology and epidemiology, can be understood by a lay person. To reassure the public, they are investing in media campaigns that stress their companies' expertise and concern for public safety. The chemical industry also relies on the theme that everything in life involves risk; in exchange for the good things in life from modern chemistry, a statistically negligible risk is acceptable.

Reviewing the past two years and looking ahead, OAT Director Judd concedes that government is moving into ever more sensitive areas. "I don't see how any new administration can sidestep dealing with the toxics issue," he says. "What has been put in place as the first step is enormously important."

(For additional information, see "Toxic-chemical storm over California," *CJ*, December 1979.)

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ENVIRONMENTAL PROTECTION PROGRAMS

The President's FY 1983 request for the U.S. Environmental Protection Agency (EPA) is $3.6 billion which represents a 2.3% decrease from FY 1982 and a 32% decrease from FY 1981 levels. Research and development activities will decrease by 30% from FY 1982 and by 45% from FY 1981. A significant decrease in FY 1983 is proposed for federal abatement, control and compliance activities which would result in a total cut from FY 1982 of 17% and from FY 1981 of 33%. Grants to states and local governments for air, water and land pollution control programs would total $182 million, down 23% from FY 1982 and 33% from FY 1981. The Administration has requested a supplemental appropriation of $2.4 billion for FY 1982 to cover promised funding of the wastewater treatment construction grants program. An FY 1983 request of $230 million for "Superfund" represents a $40 million increase over FY 1982 levels.

Under the President's proposal, state and local governments would no longer receive funding for the following programs: Clean Lakes, Areawide Water Quality Management Planning (Sec. 208), Solid Waste Management, Resource Recovery, Noise Control and Toxics Enforcement. EPA will instead encourage states to assume more responsibility for environmental programs and expedite regulatory reform efforts to reduce the burden on the regulated community, state and local governments.

FY 1983 Budget Proposal:

EPA Budget (in millions)	FY 1981	FY 1982	FY 1983
State Grants for Pollution Abatement:			
Air Pollution	87.7	87.7	70.0
Hazardous Waste	26.5	41.0	35.1
Safe Drinking Water:			
Public Systems Supervision	29.5	29.5	23.6
Undergrown Injection Control	6.6	6.6	5.5
Water Quality Management (Sec 106)	51.2	51.2	40.8
Pesticide Enforcement Grants	8.0	8.7	6.9
Superfund	40.3	190.0	230.0
Wastewater Treatment Construction Grants	3,900.2	2,400.0*	2,400.0

* Supplemental appropriation pending in Congress

Source: The Proposed FY 1983 Federal Budget: Impact on the States
NGA / NCSL

Impact on the States: The Administration's proposal to significantly reduce state grants for pollution control may hamper some states' efforts to meet compliance deadlines established by federal law. It should be noted, however, that mandates and compliance deadlines under the Clean Water Act and Clean Air Act are subject to congressional reauthorization this year. With fewer federal resources devoted to research and development and enforcement, states may anticipate receiving less technical assistance from EPA. On the other hand, EPA will work to streamline existing state program requirements aimed at reducing state administrative costs. While a significant increase in "Superfund" expenditures is forecost, the clean-up of abandoned hazardous waste sites may be hindered by EPA projections that only 19 remedial site clean-ups will be completed by the end of FY 1983.

NATURAL RESOURCES PROGRAMS

The Administration has identified the small state discretionary grant programs used for resource management as low priority and, therefore, does not request FY 1983 funding. The programs eliminated which were provided funds in the past include:

- water resources planning and management (Water Resources Council);
- coastal zone management state grants;
- urban park improvement and acquisition;
- historic preservation; and
- state park land acquisition (Land and Water Conservation Fund).

The Administration feels that these programs should be at the prerogative of state and local governments where priorities can be determined by the willingness of taxpayers and the private sector to finance such activities. Planning and construction financed at the local level will also result in more cost-effective solutions to land and water resource problems. Budget authority in FY 1981 for these eliminated programs was $248 million.

FY 1983 Budget Proposal: The Administration's budget would increase direct federal expenditures for western water projects funded by the Department of the Interior. The Administration will recommend funding new project construction after adoption of new financing and cost-sharing guidelines to shift the costs of such projects from the federal government to the direct beneficiaries. State grants for surface mining reclamation and enforcement activities are increased by $9 million in outlays from FY 1982 levels.

The budget continues to emphasize user charges and fee systems as a potential federal revenue source, e.g., increased user fees for

national parks, recreation areas, historic sites, wild and scenic rivers, fish hatcheries and wildlife refuges. The FY 1983 budget reiterates the 1982 theme that user charges be employed to support deep draft harbors and channels as well as inland waterways.

Impact on the States: Many states were dependent upon the funds to assist them in resource management activities. Without this federal assistance, some states will have to abandon these activities or seek alternative funding sources.

EPA BUDGET BLUES - Senate Environment marks up its recommendations on the Environmental Protection Agency's fiscal year 1983 budget this week, while on the House side, Science's natural resources subcommittee continues spotlighting EPA's research and development funding proposals.

Environment's recommendations to the Budget Committee will be drawn up at sessions on Wednesday, March 3, Thursday, March 4, and, if necessary, on Friday, March 5. All meetings are at 10 a.m. in 4200 Dirksen.

The committee recommendations will cover the Nuclear Regulatory Commission, Fish & Wildlife Service, water resources and other programs, as well as EPA. (See related stories in this issue.)

Science's hearings resume on Tuesday, March 2, at 2 p.m. in 2325 Rayburn, and on Thursday, March 4, at 2 p.m. in 2318 Rayburn.

Senators' Concerns: Environment members' reactions to the Reagan administration's proposed $961 million budget for EPA ranged from Sen. Gary Hart's (D-Colo.) suggestion to beef the budget up to 1981 levels to Sen. Steve Symms' (R-Idaho) contention that an additional $130 million or more "ought to be cut out."

Given members' stated concerns about possible effects of the proposed cuts on enforcement, water and air quality programs, toxic substances control and research, as well as their doubts about states' capability to shoulder the programs, Environment is unlikely to endorse the administration's fiscal 1983 numbers.

One strong possibility is that the committee will opt to keep EPA at its current FY 1982 level of $1.1 billion for operating programs, plus funding for the "Superfund" and sewer construction grant accounts.

EPA's Reply: EPA Administrator Anne M. Gorsuch reiterated before the committee last week the administration's belief that by improving management, spending money only on efforts required by statute and delegating programs to states "as Congress intended," EPA can do a good job with less money.

The "vast majority" of the environmental legislation EPA is charged with carrying out is not "new," Gorsuch said, nor has the agency's workload just now doubled. "Enormous investments" made in environmental programs in the past several years are allowing EPA now to fully implement those efforts with reduced amounts of money, she said.

Part of this investment has gone to states, Gorsuch said, preparing them to take on more program responsibilities.

But Sen. Jennings Randolph (D-W.Va.) questioned the use of this delegation approach when it is accompanied by sharp cuts in grants to the states. "It seem inconsistent to ask the states to shoulder more of the regulatory burden and at the same time reduce the assistance necessary for them to carry out this responsibility."

Science Hearings: The adequacy of EPA's budget for health effects research to support the agency's standard-setting activities is the main topic of the natural resources subcommittee's March 2 hearing. Witnesses include former Occupational Safety and Health Administration official Morton Corn, now with Johns Hopkins University, and representatives of several research institutes.

On March 4, EPA's Gorsuch and other agency officials testify.

At hearings last week, former Council on Environmental Quality Chairman Russell W. Peterson urged a tripling of the EPA R&D budget to bring it back up to the 1979 funding level. He charged that the agency is inconsistent in arguing that it lacks scientific basis for environmental regulation -- such as to control acid rain -- while it eliminates the means to develop the needed data.

Former EPA research official

Richard M. Dowd told the subcommittee that federal environmental research becomes more important as additional regulatory responsibilities are placed on the states. Generally, he noted, states fund "very little research," an observation backed by Peterson, who also is a former Delaware governor.

General Mills, Inc. Vice President J. William Haun said Congress should consider legislation to define more clearly the role and objectives of an EPA R&D program, which now "is somewhat of a mystery to many of us in industry."

Also, because many companies are working on pollution control technology, Haun said, EPA should not duplicate those research and demonstration activities.

He suggested that EPA set up industry advisory committees to get "direct expert advice" on available pollution control technology, pollution control costs and the "environmental side-effects" of "overly stringent" standards aimed at controlling pollution in a single "medium," such as air.

Senate Environment staff contacts: Jim Davenport, x48212, or Jackie Schafer, x46032, both majority; Phil Cummings, x47543, minority. House Science: Tony Clark, x51121, majority; Maryanne Back, x55029, minority. -- Rose Jacobius

BUDGET

SENATE ENERGY AGENDA - Little is known about Senate Energy's plans for preparing its budget recommendations other than that the panel will be meeting a lot this week.

Sessions are scheduled to begin at 2 p.m. Tuesday, March 2, in 3110 Dirksen. They continue at 10 a.m. Wednesday, and at 10:30 Thursday in the same room.

Staff say the panel will take up the agencies under its jurisdiction in alphabetical order. The agenda includes: the president's Naval Petroleum Reserves office, the Advisory Council on Historic Preservation, Alaska Land Use Planning Commission, the Army Corps of Engineers, the Energy Department, the Housing and Urban Development Department's Solar Energy and Energy Conservation Bank, the Interior Department, the Treasury Department, the National Science Foundation, the office of the federal inspector for the Alaska Natural Gas Transportation System and the U.S. Synthetic Fuels Corp.

The committee's tack in preparing budget recomendations will depend heavily on the progress made between Republican and Democratic leaders and the administration in negotiating a compromise national budget proposal. (See related Budget story.)

The committee, in any instance, is not expected to simply accept the president's 1983 program requests. At budget hearings last week, members complained, among other things, about cuts proposed in Energy's fossil fuels and renewable energy budgets and about reports that the administration is overstating receipts expected from the outer continental shelf leasing program.

Energy Democrat Wendell H. Ford (D-Ky.), for one, bluntly warned Energy Secretary James Edwards last week that "your nuclear plans may well die if fossil plans die too. The Clinch River [breeder reactor] program lived last year because the fossil fuel programs lived.... People on this committee understand this."

Energy Chairman James McClure (R-Idaho) differed with Edwards, too, on the basis for the administration's decision to drop conservation and renewable programs. "The basic policy seems to indicate that all energy choices are simply economic as far as our government is concerned," said McClure. But because of the potential for energy supply disruptions and the need to create alternatives, McClure said, "there are reasons for non-economic choices."

Energy contacts: Richard Grundy, majority, x42564; Mike Harvey, minority, x40611.

Controlling Toxic Chemicals

	Authorized FY 81		Actual FY 83 Needs		Reagan/Gorsuch FY 83	
	Permanent Positions	Dollars (000)	Permanent Positions	Dollars (000)	Permanent Positions	Dollars (000)
Research & Development						
Intramural		11,838.3		29,707.7		14,617.2
Extramural		28,673.4		56,520.1		15,295.3
Total	187.1	40,511.7	349.4	86,227.8	171.9	29,912.5
Abatement and Control						
Intramural		20,481.7		44,715.0		17,314.9
Extramural		43,734.8		76,712.5		22,396.0
Total	502.1	64,216.5	991.6	121,427.5	401.1	39,710.9
Enforcement						
Intramural		2,695.1		18,199.3		2,817.3
Extramural		1,480.8		1,936.5		0.0
Total	86.2	4,175.9	427.0	20,135.8	68.8	2,817.3
State Grants						
Total	–	1,000.0	7.1	40,126.7	7.0	0.0
Total Program						
Intramural		35,015.1		92,622.0		34,749.4
Extramural		74,889.0		162,490.1		37,691.3
Grand Total	775.4	109,904.1	1,775.1	255,112.1	641.5	72,440.7

Protecting Water Quality

	Authorized FY 81		Actual FY 83 Needs		Reagan/Gorsuch FY 83	
	Permanent Positions	Dollars (000)	Permanent Positions	Dollars (000)	Permanent Positions	Dollars (000)
Research & Development						
Intramural		25,665.5		31,441.6		19,708.9
Extramural		38,361.8		45,892.7		8,605.0
Total	494.3	64,027.3	511.0	77,334.3	296.3	28,313.9
Abatement and Control						
Intramural		54,174.9		68,092.4		53,572.6
Extramural		70,843.5		49,575.5		37,126.3
Total	1,487.6	125,018.4	1,483.6	117,667.9	1,037.8	90,698.9
Enforcement						
Intramural		24,764.8		55,036.3		19,797.4
Extramural		9,835.9		15,782.6		3,386.8
Total	752.9	34,600.7	1,452.0	70,818.9	492.9	23,184.2
State Grants						
Total		96,230.0		142,963.7		46,080.0
Total Program						
Intramural		104,605.2		154,570.3		92,078.9
Extramural		215,271.2		254,214.5		96,198.1
Grand Total	2,734.8	319,876.4	3,446.6	408,784.8	1,827.0	188,277.0

Ensuring Clean Air

	Authorized FY 81		Actual FY 83 Needs		Reagan/Gorsuch FY 83	
	Permanent Positions	Dollars (000)	Permanent Positions	Dollars (000)	Permanent Positions	Dollars (000)
Research & Development						
Intramural		28,855.6		39,335.0		24,134.7
Extramural		45,587.7		69,745.0		26,253.0
Total	451.8	74,443.3	501.6	109,080.0	308.5	50,387.7
Abatement and Control						
Intramural		34,671.7		58,751.0		13,703.6
Extramural		27,208.8		33,127.7		15,930.6
Total	890.6	61,880.7	1,357.9	91,878.7	701.2	47,634.2
Enforcement						
Intramural		18,045.3		34,349.0		13,563.5
Extramural		13,663.0		18,145.7		6,915.6
Total	9.4	31,708.3	904.3	52,494.7	345.3	20,479.1
State Grants						
Total		87,673.0		173,434.8		78,987.8
Total Program						
Intramural		81,572.0		132,435.0		65,401.8
Extramural		174,132.5		294,453.2		128,087.0
Grand Total	1,931.8	255,705.1	2,763.8	426,888.2	1,355.0	197,488.8

Protecting Against Pesticides

	Authorized FY 81		Actual FY 83 Needs		Reagan/Gorsuch FY 83	
	Permanent Positions	Dollars (000)	Permanent Positions	Dollars (000)	Permanent Positions	Dollars (000)
Research & Development						
Intramural		6,136.4		6,445.3		3,983.2
Extramural		3,897.7		4,510.5		1,987.2
Total	114.1	10,034.1	114.1	10,955.8	67.2	5,970.4
Abatement and Control						
Intramural		22,275.3		37,713.8		20,903.0
Extramural		28,260.6		46,891.0		11,570.7
Total	673.2	50,285.7	937.8	84,604.8	505.7	32,473.7
Enforcement						
Intramural		3,907.8		5,840.8		3,212.8
Extramural		111.6		2,180.8		45.3
Total	121.4	4,019.4	169.3	8,021.6	96.6	3,258.1
State Grants						
Intramural		433.8		455.0		
Extramural		10,920.0		12,636.8		
Total	16.1	11,353.8	16.1	13,091.8		8,918.4
Total Program						
Intramural		32,753.3		50,454.9		28,099.0
Extramural		43,189.9		66,219.1		22,571.6
Grand Total	924.9	75,943.2	1,237.3	116,674.0	669.8	50,620.3

Reagan's Environmental Federalism—Are the States Up to the Challenge?

The Administration wants the states to pick up a greater share of the enforcement burden with less federal help, but critics argue that they already lack the capacity.

BY LAWRENCE MOSHER

After a year in office, the Reagan Administration has launched a profound shift in power from Washington to the state capitals that will dramatically alter how environmental programs are carried out in the future.

Proponents of these changes promise that they will lead to a more efficient system of environmental protection at much less cost. But critics warn that the Reaganites are ruthlessly destroying the federal environmental machinery with no guarantees that the states can or will pick up the pieces.

Regardless of who are right, it's now clear that by this summer, the Administration's new environmental policy direction will become almost impossible to reverse, at least through most of this decade. In that respect, President Reagan's New Federalism doctrine could be described as the great environmental gamble of the 1980s.

The federalism concept has always been a key part of the nation's environmental protection system. Under the major federal statutes dealing with air, water, solid and hazardous wastes and surface mining, the states have the option of running their own programs with federal assistance.

So far, the states have varied considerably in their willingness to administer these programs. The determining factors have been local industry pressures, public support of environmental protection and the attitudes of the bureaucrats at the Environmental Protection Agency (EPA) and the Interior Department.

State environmental officials have long complained about what they considered to be an overbearing and unnecessary federal presence that signified a lack of confidence in their capacity to administer environmental affairs. During the Carter Administration, when many environmentalists held federal positions, federal-state relations grew even thornier.

The federalism tug of wars of the past decade now appear to be over. The reasons are not only the Administration's New Federalism but also its now apparent determination to dismantle EPA as the nation's primary environmental protection institution.

Not only have the Reaganites wrought a sea change in that agency's bureaucratic attitudes, but they have also induced an institutional shrinkage through budget cuts and a strikingly high attrition rate that could significantly diminish the agency's potency by the end of this year. Ready or not, the states and cities may soon have to administer and pay for the major environmental programs because the EPA of the 1970s will no longer be around. *(See NJ, 10/24/81, p. 1899.)*

Although such White House staffers as Rich Williamson, the President's intergovernmental assistant, refer to the New Federalism as "the quiet revolution," that label may soon be drowned out by the din of institutional complaints now beginning to resound across the land.

"We are groping our way down a dark passageway and hoping it will turn out all right," Utah Gov. Scott M. Matheson admitted in an interview. Matheson is a member of the Presidential Advisory Committee on Federalism and is chairman of the National Governors' Association's water management subcommittee.

"We don't want to just balance the federal budget," Matheson said. "We have to balance the federal system, too. "I'm a great believer in the federalism concept. But the problem is that from the mayors to the President, there is no agreement on what federalism means."

State officials are keenly aware of the potential collision between Reagan's New Federalism and the public's demand for a clean environment. Matheson, for one, is concerned that unless the states are helped with sufficient funds, statutory changes and regulatory reforms, they will not be able to handle their added environmental responsibilities.

Interior Secretary James G. Watt is more optimistic, predicting that the states will "rise to the challenge." Watt has assumed a leadership role in this area as chairman of the Advisory Commission on Intergovernmental Relations and an active member of the Presidential Advisory Committee on Federalism.

"The many new responsibilities thrust upon the federal government in the past two decades have exceeded the capability of the federal system to handle them," Watt told the House Government Operations Subcommittee on Intergovernmental Relations and Human Resources on Oct. 6. "Large amounts of money have been thrown at problems simply in the hopes of achieving some benefits."

Watt believes the environmental area is particularly ripe for a major shift in responsibilities to the states, where he says the job can be done at less cost and with more public accountability.

"The states have been suffering from their years of relative neglect in the federal system," he said. He predicted that higher user fees and greater cost sharing would "diminish the demands for federal involvement" in many programs.

MORE FOR LESS?

That may or may not be true. But in the meantime, state and city officials are afraid of being saddled with more environmental responsibilities while receiving less money to discharge them.

So far, with the exception of sewage treatment construction grants, there have been no cuts in the federal aid EPA gives to the states that carry out their own

environmental programs. But the federal free ride is about to end. For fiscal 1983, state grants face a sizable slash.

Late last year, Congress gave the Administration most of what it sought by way of reducing the federal role in building municipal sewage treatment systems. By 1985, the federal share will have shrunk from 75 per cent of the cost to 55 per cent as funds are restricted by a narrower definition of water quality benefits.

State grants for other environmental programs, however, remain at $87 million for the current fiscal year, which comes to 7.3 per cent of EPA's $1.19 billion budget for fiscal 1982. How much less the Administration will seek for 1983 is still not clear.

EPA administrator Anne M. Gorsuch did not succeed in staving off a significant cut in state grants proposed by the Office of Management and Budget (OMB) for 1983, according to agency sources. Last September, Gorsuch suggested cutting EPA's over-all 1983 spending by 18 per cent, but OMB reportedly pressed for a 34 per cent reduction. After a meeting with Reagan, a compromise was reportedly reached that came closer to Gorsuch's figure. Either way, however, the agency faces continued budgetary attacks of massive proportions.

"We're not going to zero out state grants," Joseph A. Cannon, EPA's acting associate administrator for policy and resource management, said in an interview. "We're doing everything we can to minimize the impact of the budget reductions. But I admit these cuts are still perceived to be a problem by the states."

Cannon was responding in particular to the recent comments of John Anderson, Connecticut's deputy commissioner of environmental protection. Anderson said if the states do not get the funds they need, the Administration's New Federalism will fail.

"We simply don't have the resources to pick up the slack when federal grants are cut," he said. "If the federal government is thinking of turning over more programs to the states without funding, they will find the states are already spread too thin."

A case in point is Iowa. Its 1982 environmental budget is 15 per cent less than last year's outlay of $2.6 million. The reduction forced the state to drop its municipal water monitoring program under the 1974 Safe Drinking Water Act.

Iowa had started the program in 1977. When it cut its funds for the program, that triggered the loss of a matching federal grant. And when the state then withdrew, EPA had to take back the job of monitoring Iowa's drinking water. But the federal agency is performing only about 15 per cent of the inspection work the state had been doing, according to J. Edward Brown, Iowa's water quality director.

"We are now concerned that EPA is not doing as good a job as the state did," Brown said. "Also, if there is a problem, the state regulatory process is closer at hand to deal with."



Ready or not, the states and cities may soon have to administer and pay for the major environmental programs because the EPA of the 1970s will no longer be around.

Enforcement through lawsuits is another area where the states may not be able to fill what is perceived to be a growing federal vacuum.

"Any cutback in EPA as a viable organization hurts us," said Dennis Abrams, West Virginia's deputy attorney general. "Threatening EPA lawsuits is how we mostly get voluntary compliance. We don't have the resources to conduct special investigations. Our hands are totally tied."

EPA's enforcement director, William A. Sullivan, says he has kept his staff at about 90 lawyers. But he disclosed in an interview that he will be placing greater emphasis on negotiating settlements with pollution offenders before resorting to the courts.

Under EPA's administrative reorganization last year, most enforcement activities were taken from one office and assigned to the agency's various concerns—air, water, wastes and toxics. Sullivan said one of his top goals is to "improve the quality of the cases brought forward." He faulted the previous Administrations for not providing the Justice Department with sufficient case information and for lax supervision of EPA's own lawyers. He said no time records had ever been kept on cases prepared by EPA's attorneys.

In a Dec. 29 memorandum to the agency's 10 regional administrators, Sullivan directed priority attention to emergency pollution problems such as unsafe hazardous waste sites subject to cleanup under the new superfund statute. He also ordered a speedup in case management, giving regional offices 30 days to issue violation notices and his own staff two weeks to determine whether to refer cases to the Justice Department for litigation.

But EPA will be looking more to the states for general enforcement. "We need to eliminate the race to the courthouse with the states," Sullivan said, "which means we will not file automatically but will carve up the action with the states. And this will vary dramatically."

The quality of EPA's legal staff, however, also may vary. "We are seeing the cream of experienced, skilled, mature people leaving," said William Drayton Jr., EPA's assistant administrator for planning and management during the Carter Administration.

"These people have been there since the Nixon and Ford Administrations, and are now bailing out. Without them, the current industry challenge will leave a snarl of bad precedents."

EPA CUTBACKS

Drayton, now a private consultant in Washington, organized a Save EPA Committee last fall to protest the Reagan budgetary cutbacks. Drayton now contends that the Administration is skirting legality by attempting to implement still

unannounced 1983 staff reduction plans before Congress has the opportunity to debate and approve the budget.

"By June, the Reagan Administration will have driven out, fired or demoted roughly 80 per cent of EPA's headquarters civil servants," Drayton charged in a Jan. 2 committee memorandum. "Any manager knows what this means—the organization's effective end."

Drayton said in an interview that EPA will begin to fire 800 to 1,500 of its Washington staff in March to achieve a total staff reduction to 8,112 permanent, full-time employees before the current fiscal year ends on Sept. 30. This is the level of agency staffing the President will request for fiscal 1983, Drayton said, and would amount to a cut of 3,295 employees from the actual 1981 level of 11,407.

How many firings actually take place will depend on the number of staffers who quit. Since the beginning of Reagan's term, EPA's attrition rate has averaged 2.7 per cent a month, according to Drayton. The net staff decline after figuring hirings comes to 1.7 per cent a month.

Drayton estimates that out of EPA's headquarters staff of 5,298 who were there at the beginning of the Reagan Administration, only about 1,000 will not have quit, been fired or "bumped" to a lesser job by June. He said the Administration itself estimates that for every two persons fired, three others get downgraded, shifted from permanent to temporary status or shifted involuntarily to a less desirable job that doesn't fit their skills or interests.

"Anger, divisiveness, fear and institutional paralysis unavoidably flow from such losses and bumping," Drayton said. "Imagine the impact on the agency's capacity to get its complex, technical work done at all, let alone competently."



Utah Gov. Scott M. Matheson: "We are groping our way down a dark passageway and hoping it will turn out all right."

John P. Horton, EPA's assistant administrator for administration, has admitted that the new reorganization would take the agency below its 1982 authorized personnel level. But he justified this on the basis that the staff reductions are "in the direction this Administration wants to go."

Horton disputes Drayton's assertion that he and Gorsuch are attempting to reach the agency's fiscal 1983 staff level by this summer. He acknowledged, however, that at least 400 persons would be fired by late spring and did not rule out the possibility that as many as 800 could be discharged.

"A lot of what we are doing should have been done years ago," Horton said. He rejected environmentalist fears that EPA will not be able to discharge its legislative duties because of the successive budget cuts.

A MIXED BAG

If EPA reduces its activities and the states are required to shoulder much of the environmental control burden, the results could be very mixed, to judge by the recent record.

Watt's own western states, for example, have been less than enthusiastic about his major reorganization of Interior's surface mining office. Watt's changes have cut federal enforcement and caused a total rewrite of the federal regulations implementing the 1977 Surface Mining and Reclamation Act to make them more flexible.



EPA official Joseph A. Cannon: "We're doing everything we can to minimize the impact of the budget reductions."

Most western coal states had worked hard to obtain conditional approval of their reclamation programs during the Carter Administration and have been unenthusiastic about making further changes now. But the Appalachian coal states, with many marginal coal operators fighting the added costs, have been receptive to the more flexible rules.

In the last Administration, the surface mining office flunked the programs of eight states: Alabama, Illinois, Indiana, Kentucky, Ohio, Pennsylvania, Tennessee and Virginia. Indiana and Virginia then sued Interior, contesting the constitutionality of two regulations. *(See NJ, 5/30/81, p. 971.)*

Although the two states lost their court fight, Watt approved Virginia's resubmitted program last December under the new mining office's streamlined rules and expects to approve Indiana's by the end of January. The other six states are in the process of resubmitting their programs under state court injunctions.

Edward Grandis of the Environmental Policy Center, a Washington lobbying group, called the changes "disheartening" and warned that all the Appalachian states will weaken their programs to "the lowest common denominator, Virginia's." Grandis asserted in an interview that Virginia's new program would result in less public oversight and more reclamation abuses through less specific rules dealing with the dumping of "spoils," or earth removed from the mining site.

The mining office's deputy director, J. Stephen Griles, counters that the simplified rules more accurately reflect the intent of the statute. "The act intended this to be a true example of federalism," Griles said, "by leaving the details to the states. The previous Administration violated this intent."

Griles said his office will still require "environmentally sound" state programs and will issue violations if the states fail to require proper spoils disposal and contour reclamation. Under the new rules, however, federal cessation orders can be triggered only if there is "imminent danger" to the public health and safety.

In other areas, Watt has taken conflicting actions involving states' rights. In disclaiming federal water rights affecting fish and wildlife, Watt supported the supremacy of western states' water law. He also backed the states in opposing a bill (HR 4230) last November that seeks to extend federal eminent domain authority to coal slurry pipelines.

But in rewriting coal leasing regulations and in his position on oil shale leasing legislation (S 1484), Watt went against the wishes of key western governors by watering down the state role in energy development planning. *(See NJ, 12/5/81, p. 2144.)*

TOXICS AND WATER

At EPA, the status and prospects of the Administration's federalism effort are also mixed. The toxics program is entirely federal, and the 1976 Toxic Substances Control Act provides for no state administration. The agency's pesticides program, however, has been fully delegated for three years. Under the 1972

Federal Insecticide, Fungicide and Rodenticide Act, the states enforce labeling rules and evaluate health hazards.

All but six states and the District of Columbia are running their own tap water programs under the 1974 Safe Drinking Water Act. The holdouts are Indiana, Oregon, Pennsylvania, South Dakota and Wyoming, in addition to Iowa, which handed the program back to EPA last year.

Significantly, fear of a future cutoff of federal funds is one of the reasons those states refused to take on the program, according to Marian Mlay, deputy director of EPA's drinking water office.

The statute also regulates underground injections carried out by the oil and gas industry, mining companies and municipalities. In 1980, Congress amended the act to make it easier for states to qualify for administering the oil and gas provisions. So far, only Oklahoma has qualified, although Texas and New Mexico reportedly are close.



Bruce R. Barrett of EPA: "Our regulatory programs have been too fat. Their endless requirements have been counterproductive."

EPA's brightest prospects for a successful transition to state control is in the water permit program under the 1972 Federal Water Pollution Control Act. This has been one of the areas of greatest frustration to state environmental officials. After eight years, there are still 23 states and territories that have not elected to take over management of the program.

"Many states complain that the administrative burdens discourage them from assuming responsibility for the program," said Martha G. Prothro, EPA's acting director for water enforcement and permits.

EPA initiated a consolidated permit regulation review last April to simplify the process and cut the costs of state administration. The streamlined version, scheduled for completion by March, should cut the permit processing time by up to 40 per cent, Prothro predicted. She said water permits have taken as long as a year to issue.

"Our regulatory programs have been too fat," Bruce R. Barrett, EPA's acting assistant administrator for water, said in an interview. "Their endless requirements have been counterproductive. If we keep them lean and mean, we will get more pollution control in the end." To help ease coming federal cuts, EPA is urging more states to use permit fees, he adds.

EPA officials are less optimistic, however, about the hazardous waste program under the 1976 Resources Conservation and Recovery Act. Only 27 states and territories have been granted authority to administer portions of "phase one" activities, such as defining hazardous wastes and setting standards for their transportation. No states are into "phase two," issuing permits for interim and permanent waste facilities.

John Skinner, EPA's director of hazardous waste state programs, blamed much of the "chaos and confusion" on regulations developed by the Carter Administration and on a lawsuit brought by the Environmental Defense Fund Inc., a Chicago group called Citizens for a Better Environment and the National Solid Waste Management Association. The suit forced EPA to issue regulations more than a year ago that should have been issued in April 1978 under the statute.



Former EPA official William Drayton Jr.: "If Gorsuch succeeds, no one will be able to put the agency back together again for years."

Last October, after reviewing and suspending some of the regulations, Gorsuch said EPA could not issue final rules on waste sites until October 1983. The U.S. District Court for the District of Columbia has ordered EPA to issue the regulations by Feb. 1 and has denied Gorsuch's motion to reconsider the deadline.

Roger A. Kanerva, Illinois's environmental programs manager, criticized EPA's regulations issued under the previous Administration as too inflexible "We had a pretty good program," he said, "but then we had to substantially revise our regulations and we still didn't have federal approval for even the phase one program."

More significantly, Kanerva said he doesn't see much change in the direction of more flexibility at EPA under the Reagan Administration. But he acknowledged that the environmental lawsuits were "not helpful." And, as Skinner indicated, new EPA "guidances" to the states have just been issued, and the continuing confusion will still take time to remedy.

Skinner said 18 more states and territories are expected to apply to run their own phase one operations this year and the agency expects to authorize 15 states to begin phase two operations by the end of 1982. States that appear to be uninterested in qualifying to administer any of the federal hazardous waste programs are Alaska, Colorado, Hawaii, Idaho, Indiana, Michigan, Minnesota, Nebraska, Nevada, Ohio, Washington, West Virginia and Wyoming.

CLEARING THE AIR

EPA's most important program, in the minds of many, is clean air. How Congress revises the Clean Air Act will greatly affect the Administration's ability to shift more of the administration of environmental protection to the states.

But the states are not united on what changes they want, and the Administration has avoided a leadership role in revising the statute during the current debate over the legislation.

Unlike other environmental laws, the act does not establish a system for states to take over administration. Instead, it specifically gives the states management responsibility to control air pollutants, authorizing them to set emission limits for such "stationary source" pollutants as sulfur dioxide and particulates. But for "mobile source" pollutants—carbon monoxide, nitrogen oxides and hydrocarbons from cars—Congress itself sets the limits, which are designed to meet national air quality standards set by EPA.

Currently, every time a state wants to revise specific emission limits—something that may take place dozens of times a year—it must get EPA's approval.

EPA has traditionally had a backlog of hundreds of state plan revisions, which sometimes have taken two years to wind their way through its regional and headquarters labyrinths. This process constitutes one of the major sore points between the states and EPA because the states feel such close supervision is no longer needed.

"What we have now just doesn't work," said Kanerva. "The system is all

jammed up. And if EPA's state grants get cut by 30 per cent, which is the rumor, then we just won't be able to handle the program."

The Western Governors Policy Office (Westpo), representing 14 states, is now advocating that federal approval of state plans be automatic after 90 days unless EPA specifically objects.

The National Governors' Association, the State and Territorial Air Pollution Program Administrators and other groups have supported a similar change that is incorporated in a bill (HR 5252) introduced by Rep. Thomas A. Luken, D-Ohio, and also sponsored by Energy and Commerce Committee chairmen John D. Dingell, D-Mich., and ranking Republican James T. Broyhill of North Carolina.

Rather than propose its own comprehensive bill, the Administration has decided to support the Luken bill, although it appears to focus on changes that affect the auto industry. The Luken-Dingell bill, as it is now called on Capitol Hill, is touted as a bipartisan effort to revise the Clean Air Act. But that perception may change if the bill begins to look too anti-environmental.

In the past, EPA made the critical decisions on state plans to achieve air quality goals in its 10 regional offices, with only a pro forma sign-off in Washington. Soon after taking office, however, Gorsuch insisted on personally approving each state request. Only later was she persuaded to delegate the task to Kathleen M. Bennett, assistant administrator for air, noise and radiation.

"The move is inconsistent with promoting greater state flexibility," said Daniel M. Barolo, a New York state environmental official. "The basic decision should be made at the regional level. They talk as if this is only temporary. But the delays only add to our problems."

The states, however, do not agree on what to do about such interstate pollution problems as acid rain. The Clean Air Act does not address the problem directly, and environmentalists are calling for statutory changes.

Northeastern states, the recipients of acid rain, urged Congress last November to give EPA specific statutory authority to curb the formation of acid rain.

But Westpo is urging a hands-off approach by the federal government to allow the states an opportunity to develop "unique and different regional solutions," as Matheson described it. The western states would back an imposed federal solution "only after state efforts to resolve the problem have failed."

A congressional move to give EPA more authority to deal with long-range pollution transport problems would obviously exacerbate the Administration's twin goals of cutting back EPA and strengthening state power. The irony here is that acid rain may not remain a threat just to the Northeast and eastern Canada. Portions of the West, too, could suffer if nitrogen dioxide, a source of acid rain, worsens.

TAKING OVER

Whether the Administration's policies result in less environmental protection will be known only after the states come to grips with their new role and the cutbacks at EPA begin to take hold.

New York's Barolo thinks that fears of reduced pollution control are overblown. "We are not going to walk away from the gains we have made up to now," he said. "The polls show that people want a clean environment and will see that the programs are not gutted at the state level."

James R. Marshall, EPA's regional chief of staff in New York, agrees. "No governor can afford to let these environmental programs drop," he said. "The public visibility of these issues is too high."

There is concern at the state level, however, over EPA's continued ability to provide technical support services, particularly in the area of toxic substances, where most states lack expertise. "We have to rely on EPA to deal with some of these exotic toxics," Iowa's Brown said.

Illinois's Kanerva summed up the nature of the Administration's environmental gamble this way:

"The bottom line is whether the Administration in Washington provides enough transition time. So far, all we see is the budget cutting, but we are not sure yet how much administrative flexibility is coming too.

"What we don't need anymore is EPA's omnipotent presence. I was in this business before EPA was around, and before there was strong citizen support for environmental enforcement. And I certainly don't want to go back to that period. What we want now is the ability to team up with EPA. As long as EPA is there for backup, that's all we need."

But will a viable EPA exist after successive budget cuts and staff losses? EPA's top officials are quick to dismiss this worry. But Drayton and a flock of disillusioned staffers who have quit or been fired do worry.

"Time is running out for EPA," Drayton said. "If Gorsuch succeeds in her budget and personnel policies, no one will be able to put the agency back together again for years. By June it will be too late." □

'Good Neighbor' Program Has Enemies

Last February, less than a month after taking office, Interior Secretary James G. Watt invited western governors to submit requests to buy small parcels of federal land for such public purposes as schools and parks. Under several federal laws, the government can sell or swap federal lands for state or private parcels, and part of the so-called sagebrush rebellion arose over western frustrations in getting Interior's Bureau of Land Management (BLM) to act.

"The Department of the Interior's land managers must be more responsive to community needs," Watt said, "especially in those western states where much of the land is owned by the federal government." Nevada, for example, is 87 per cent federally owned, and the ownership pattern in Utah, which is 65 per cent federally owned, resembles a checkerboard over much of the state. *(See NJ, 3/21/81, p. 477.)*

Land swaps require a complicated, time-consuming process that includes establishing equivalent values. The number of swaps dwindled from 212 in 1970 to 46 in 1979, and federal land traded in 1979 amounted to only 31,620 acres. But regulations issued last April and the publication of a land exchange manual are expected to speed up the process. There are now some 400 land exchange proposals, with 95 awaiting final BLM approval.

In response to Watt's February 1981 request, western governors have asked to buy 351 federal parcels totaling 916,179 acres. Of these, BLM has acted so far on 60 tracts that total about 33,500 acres. Most of the requested acreage is in Nevada (321,000), Wyoming (203,530) and California (179,350).

But in Colorado, a proposal by Rangely, one of the state's energy boomtowns, to buy 106 acres of BLM land to build housing for construction workers has hit a snag. Twelve local landowners are suing BLM for allegedly offering the land at below-market prices. They argue that the town would be better off using some of its own 1,800 empty lots, which would save the costs of municipal expansion of services to the outlying federal land.

Similar complaints are reportedly cropping up in Idaho and Montana. Watt's "good neighbor" program appears to be running into another of his ideological tenets—the free market.

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BRIEFING MATERIALS

TABLE OF CONTENTS

I. Rocky Mountain Low-Level Radioactive Waste Compact - Summary of Key Provisions

II. Reagan's Environmental Federalism - Are the States Up to the Challenge? / National Journal

III. EPA Budget Analysis / National Wildlife Federation

IV. EPA Budget Blues / Environmental and Energy Study Conference Weekly Bulletin

V. Environmental Protection Programs - Proposed Federal FY 1983 Budget Overview / NGA, NCSL

VI. Toxic Chemicals: How much does the public need to know? / California Journal

from: Western Energy Update
February 26, 1982

EPA Budget Proposal 11½ Percent Less Than FY-82. The administration's proposed FY-83 budget for the Environmental Protection Agency is $961 million, down 11½% from the FY-82 budget estimate of $1,086.1 million. According to EPA officials, the hallmark of the new budget is more "lean and effecient" programs, but environmentalists and democratic leaders characterize the budget differently. The National Wildlife Federation, which had already analyzed an earlier, $975 million FY-83 budget that was prepared by EPA Administrator Anne Gorsuch, called the lower administration proposal a "clear case of homicide by strangulation." Meanwhile, Speaker of the House Tip O'Neill called the budget "a radical demolition program" and promised to make the budget a major campaign issue that the Democrats are "going to fight every step of the way." Rep. Gillis Long, (D-LA) chairman of the House Democratic Caucus, has announced the creation of a special task force on the environment to develop a Democratic budget alternative to the President's proposal.

The three hardest hit programs in the new budget proposal are Air -- down 16.2%, water quality -- down 21.4%, and drinking water -- down 16.7%.

According to projections, the EPA staff will be reduced by almost 12% in FY-83 to implement the budget cuts. Interestingly, Gorsuch has assured EPA staff that there will be "no involuntary separations due to reductions in force during the remainder of FY-82" and that this policy will continue in effect during FY-83. EPA's top budget chief Morgan Kingborn has denied allegations that the Gorsuch announcement was in response to EPA high attrition rates. He stated that attrition in FY-80, the last year of the Carter Administration, was higher than attrition in FY-81. (*Inside EPA*, Feb. 12)

EPA'S PROPOSED FY-83 OPERATING BUDGET – COMPARED TO PRIOR YEARS, INITIAL PROPOSAL*

($ in millions)

	Carter FY-81 (actual)	FY-82 (estimate)	Gorsuch FY-83** (proposal)	1983 President	1933 difference from 1982 estimate
Air	$ 235.4	$ 219.8	$197.5	$184.1	-16.2%
Water quality	318.3	236.8	191.2	186.0	-21.4%
Drinking water	79.3	83.8	72.6	69.8	-16.7%
Hazardous waste	141.4	107.2	103.4	103.3	- 3.6%
Pesticides	64.8	53.7	50.9	50.8	- 5.4%
Radiation	14.2	10.4	11.2	10.4	0%
Noise	12.2	2.0	--	--	zeroed out
Interdisciplinary	33.9	17.7	23.6	20.7	+16.9%
Toxics	94.1	77.4	72.4	68.6	-11.4%
Energy	84.6	52.5	35.6	34.5	-34.3%
Management & support	215.7	224.7	208.5	233.3	+ 3.8%
Reimbursements	21.3	0.1	--	0.1	--
Scientific activities overseas	0.1	--	--	--	--
U.S. regulatory council	2.4	--	--	--	--
TOTAL	$1,297.3	$1,086.1	$971.9	$961.4	-11.5

*Figures may not add up precisely because of rounding.
**Proposal as reported in Inside EPA, Oct. 3, p1.

WESTERN CONFERENCE
THE COUNCIL OF STATE GOVERNMENTS

165 POST STREET, 5th FLOOR SAN FRANCISCO, CALIFORNIA 94108 [415] 986-3760

AGENDA

Hazardous Materials Committee

Sheraton-Palace Hotel
San Francisco, California

Monday, April 5, 1982

Senator Laurence Jacobsen (Nevada), Chair

9:00-10:00 am Welcome

Senator Jacobson

Issue Update

- Rocky Mountain Compact
  Leonard Slosky, Colorado Governor's Office
- Radioactive Waste Management
  Tom Riley, Pacific Gas and Electric
- Federal Transportation Regulations
- High Level Nuclear Waste Legislation
  Sam Hohmann

10:00-12:00 noon Environmental Federalism - Federal Perspective/EPA Budget Changes and Their Impact on the States

Panel Participants

- David Mowday, Director Toxics and Waste Management Division - U. S. Environmental Protection Agency, Region IX
- Jeffrey Gabe, Citizens for a Better Environment
- Peter Weiner, Special Assistant to the Governor for Toxic Substances Control (California)

12:00 - 1:30 p.m. Luncheon

1:30 - 2:30 p.m. Business Session/Annual Meeting Agenda and Resolutions

Senator Jacobsen

2:30 - 4:30 p.m. Environmental Federalism - California Perspective

Legislative Overview
Martha Valdes, Senior Consultant to the Assembly Committee on Consumer Protection and Toxic Materials

Panel Discussion: California's Approach to Facility Siting and Landfill Alternatives

Selina Bendix, Bendix Environmental Research, Inc.

Hank Martin, California Manufacturers Association

Kent Stoddard, State Office of Appropriate Technology

Martha Valdes, Assembly Committee on Consumer Protection and Toxic Materials

Alaska State Legislature

Senate

Office of the President

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 10, 1981

TO: Senator Vic Fischer

FROM: Senator Jay Kerttula
Senate President

You have been appointed to the Western Conference Hazardous Materials and Waste Management Committee.

This committee will study certain provisions of the Resource Conservation and Recovery Act (and regulations) and examaine regional risks in the generation, use, packaging, handling, storage and ultimate disposal of hazardous substances in the region.

Purpose: to develop an interstate nuclear compact for identifying and implementing a regional low-level radioactive waste siting and management system for the western states, and to encourage individual state legislation to lessen the danger from toxic and chemical wastes.

You have also been appointed to the Committee on Suggested State Legislation (SSL)

This committee collects and formulates draft bills relating to a wide variety of important state legislative issues. The most significant and relevant proposals are disseminated through an annual publication. The committee's membership, in addition to legislators, includes a cross-section of state officials, Commissioners on Uniform State Laws, Commissioners on interstate Cooperation, Attorneys General, legislative staff.

jc

CONFERENCE OF
WESTERN ATTORNEYS GENERAL
THE COUNCIL OF STATE GOVERNMENTS

165 POST STREET, 5th FLOOR SAN FRANCISCO, CALIFORNIA 94108 (415) 986-3760

To: Hazardous Materials Committee

From: Jan Leno, Staff Consultant

Date: May 6, 1982

Re: April Meeting Minutes

Enclosed you will find an attendance list and minutes from the recent meeting held April 5 in San Francisco. Also enclosed is a copy of a recent article from the Governor's Bulletin, put out by the National Governor's Association, concerning the status of the various regional low-level waste compacts, and an article on Hazardous Waste Cleanup form NCSL's Dateline Washington (April 5)

The Annual Meeting is scheduled for August 22-25 in Salt Lake City. Please contact me if you have any further agenda item suggestions. I look forward to seeing you in Salt Lake.

Alaska • American Samoa • Arizona • California • Colorado • Guam • Hawaii • Idaho • Montana
Nevada • New Mexico • North Dakota • Oregon • Utah • Washington • Wyoming

Hazardous Materials Committee

Attendance List

Members:

Representative Earl Cory (Montana) - Acting Chair
Senator Vic Fischer (Alaska)
Representative Jim Golder (Idaho)
Representative Thomas Keating (Montana)
Representative Carl Kunasek (Arizona)
Representative Jim Schofield (Nevada)
Representative Ann Strand (Wyoming)

Observers

Dave Arrieta (Chevron USA)
Jeanne Moore (Chevron USA)
Sara Siegal (U.S. Environmental Protection Agency, Region IX)
Jan Leno (CSG Staff)

Minutes
Hazardous Materials Committee
April 5, 1982

The meeting was called to order by Representative Earl Lory (Montana) who acted as chair in the absence of Committee Chair Senator Laurence Jacobsen (Nevada). Representative Lory welcomed the members and opened the meeting with a number of issue updates.

- The first of these was a presentaiton on the Rocky Mountain low-level Waste Update made by Leonard Slosky, from the Colorado Governor's Office.

Mr. Slosky summarized the historical background related to the development of the Rocky Mountain Low-Level Radioactive Waste Compact. Discussion among western states was initiated following the passage of the Low-Level Radioactive Waste Policy Act of 1980 (P.L. 96-573F) which delegated responsibility for the disposal of low-level radioactive waste to the states. Regional solutions were recommended.

Initially, the states of Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming were considered eligible for participation in a "southwest" regional compact. As discussions proceeded, California was elimiated because of the large volume of waste it generates, and Utah joined the Northwest REgional Copmpact. Although, Wyoming has not committed itself to a compact region, Arizona, Colorado, Nevada and New Mexico have negotiated a compact agreement which basically only remains to be adpted by member states.

The Colorado and New Mexico legislatures had bill introductions in 1982 which contained the compact and enabling legislation. The Nevada legislature does not meet in 1982, and no action was taken in Arizona.

- Next, the Committee heard a presetnation by Thomas Riley, of Pacific Gas & Electric, on low-level Radioactive Waste Management in the Western States. Mr. Riley began by noting that the states - and particularly those from the Rocky Mountains - has responded with great promptness in implementing the low-level Radioactive Waste Policy Act, signed into law is December, 1980. He commented that in the Northwest the compact have already been enacted by the States of Washington, Oregon, Idaho and Utah, has passed one house in Hawaii, and is likely to be considered by legislatures in Alaska, Montana, and Wyoming next year. As for the Rocky Mountain states, legislation has been introduced in Colorado and New Mexico, and legislation will most likely be introduced in Nevada and Arizona next year.

Mr. Riley distributed three handouts: Exhibit 1 listed the Compact Groupings and states as of March 30, 1982; Exhibit 2 displayed the rate of waste generation by Compact grouping; and Exhibit 3 portrayed a graph of projected annual dispoal capacity and disposal cost. These data showed that the Rocky Mountain and Northwest States are producing far less material than the other compact regions, and as a result the disposal costs are far higher.

This cost differential is explained by the fixed costs associated with the operation of this type of facility. Since the costs function on a scale of volume, the larger the volume the lower the unit cost will be. Mr. Riley underlined the necessity of considering the imp-

lications of these economic data in our ongoing implementation of the low-level Radioactive Waste Policy Act.

At this point the Committee was joined by members of the Energy Conservation Committee for the remainder of the morning.

EPA Budget Changes and their Impact on the States

Panel Participants:

- David Mowday, Director of Toxics and Waste Management Division, U.S. Environmental Protection Agency, Region IX
- Jeffrey Gabe, Citizens for a Better Environment
- Peter Weiner, Special Assistant to the Governor, for Toxic Substances Control (California)

Mr. Mowday began by assuring the committee members that hazardous materials control is the EPA's highest priority for the 1980's. Despite large reductions in other areas, the FY1982-83 budget provides for continued commitment to funding for Superfund, which provides both remedial and immediate emergency responses to toxic spills and abandoned waste sites. This commitment is illustrated, Mowday said, by a 21% increase over 1981 Superfund spending levels.

Mr. Gabe responded by offering his doubts of the Administration's commitment to protect the environment. He pointed to decreased budgets for most EPA programs, which overall represented (with inflation) a 45% reduction from FY1981. He said the cuts were being made on the basis of three assumptions, which he challenged. These are: decreased workload within the EPA, increased efficiency, and state assumption of responsibility. These assumptions are not sound, he claimed, because some of the programs for which EPA has responsibility have only just begun to operate, there are an evergrowing number of pollutants, and federal grants to the States have been cut 16%. He also cited a survey conducted by the National Resources Defense Council which revealed that 45 states are reducing their enforcement efforts in this area, and 35 cannot assume additional responsibilities. He suggested that states should examine their own legislative records and environmental needs (for example, stringency restrictions) and create new revenue sources (such as permit fees) to help support protection of the environment.

Mr. Weiner began by claiming that EPA is both anti-industry and anti-environment, since its policies are leading to hobbling industrial growth and deterioration of the environment. His budget analysis suggests cuts of 39% in EPA purchasing power, a reduction in staff from 11,400 to 8,100 and a decrease in state grants for hazardous waste programs of over 20% (taking inflation into account). As for increases in the Superfund budget, he remarked that this budget should increase since the money is coming from industry.

He noted that California industry is upset about EPA's failure to spend funds available for hazardous waste clean-up, California's "mini-Superfund" was created to supplement inadequate federal funding. However, to the extent that state tax revenues from industry are used in place of collected, yet unspent federal tax dollars, California industry is paying twice for the same service.

Mr. Weiner observed that the EPA cuts threaten economic and industrial development because, without on-going research on new disposal technologies, on siting, and without insurance requirements, potential host site communities will be less willing to accept

sites. EPA's lack of enforcement further contributes to community reluctance to host a site because community leaders can offer no assurances to the public that sites will be adequately monitored and that public health will be protected. He noted that since June, 1981 EPA has not sent any cases to the Justice Department for enforcement.

- Sam Hohmann (Nevada Legislative Staff) presented an update on recent Congressional and State activities in the area of high level nuclear waste management. He began by explaining the 1979 recommendations of a Congressionally-mandated interagency review group. Although this group's report did not lead to any action in the 96th Congress, the 97th Congress is seeing a fair amount of interest in this issue. A number of bills have been filed - notably HR5016, HR3806, and S1662 - all of which address the following main issues: interim spent fuel storage, monitored retrievable storage, permanent repositories, financing fees, testing and experimental facilities, and state and public participation and Congressional oversight. States have responded to the various Congressional proposals in a number of ways, including prohibition of out-of-state spent fuel disposal, prohibition of permanent state facility development, creation of a commission to consult with the federal government on AFR storage, and support for a moratorium on storage and disposal unless the governor and legislature concur.

Environmental Federalism - California Perspective

Ms. Martha Valdes, Senior Consultant to the State Assembly Committee on Consumer Protection and Hazardous Materials, began by giving an overview of legislative proposals enacted by the California legislature in the past year. One of the two major bills enacted creates a fund, financed by a progressive tax on hazardous waste disposal, to clean up abandoned hazardous waste sites, contain emergency situations caused by hazardous substances, and indemnify victims damaged by a release of hazardous substances. This "superfund" provides up to $10 million a year for the next 10 years and is intended to supplement federal superfund monies. A second major legislative initiative created a Hazardous Waste Management Council to develop and recommend a method and criteria for siting hazardous waste facilities.

Ms. Valdes was then joined by the three other panelists in a discussion of California's approach to facility siting and alternatives to landfill.

Dr. Selina Bendix, Director, of Bendix Environmental Research, Inc., started off by noting that California is the fourth largest generator of hazardous waste in the country. She noted that landfill postpones problems and creates unsolvable risks, especially in light of seismic problems. With respect to recycling, she said it is important to get users and producers together and in so doing a new industry is being created. Dr. Bendix commented that the public fears of incineration as an alternative to landfill are unfounded because risk is minimal when incineration is done properly. She also cited a study done by the State Office of Appropriate Technology which concluded that 70% of hazardous waste could be dealt with through reuse, chemical treatment, or destruction.

Kent Stoddard, from the State Office of Appropriate Technology, underlined that studies show how little we know about the generation and management of hazardous substances despite a comprehensive tracking system. He also emphasized a tremendous discrepancy in the volume estimates of hazardous materials. With respect to facility siting, he noted that the issue is more complex than merely where to locate a site and that public opposition is rational. At this time landfill is considered the last resort, since there are migration and air pollution problems in even excellent natural sites. He suggested that treatment facilities should be located close to the source of generation, where the benefits

are felt. When the right type of facility is proposed in the right location, it is possible to obtain public support.

Hank Martin, Environmental Director of the California Manufacturers Association, said it is in industry's interest to have good management of facilities. He noted that industry's concern is not with phasing out land disposal, but in "getting from here to there." He said industry is expected to come up with alternative capacities, which he referred to as "technology forcing".

STATES CITE PROGRESS IN LOW LEVEL WASTE DISPOSAL NEGOTIATIONS

In late 1979, the problem of low level radioactive waste disposal received national attention. Following a series of transportation and packaging incidents at the three operating commercial sites, two of the sites — Beatty, Nevada and Hanford, Washington — closed down. The third facility, located at Barnwell, South Carolina, instituted a program to reduce by half the waste it accepted.

The increasing volume of the wastes meant that unless a method of dealing with their safe disposal was found, what was a serious national problem would soon become a crisis. The nation is expected to generate 321,000 cubic meters of low-level waste by 1990 compared to 99,000 cubic meters in 1980.

Most commercial low-level waste is contaminated paper, plastics rubble, filters, construction tools and protective clothing from nuclear power plants. The growing use of radioactive materials in such products as luminous watch dials, measurement devices and smoke alarms, contributed to the increased volume of industrial waste. The medical and academic community also increased their use of radioactive materials over the past decade. The threat of reduced or curtailed disposal capacity for medical facilities, industry and nuclear utilities moved Congress to action.

The first response was to propose a federally-mandated solution, but the governors of the three affected states had a different perspective. In November of 1979, they proposed that Congress allow states an opportunity to devise their own state-oriented solution. A month later, the Executive Committee of the National Governors' Association asked a special Low Level Radioactive Waste Task Force, chaired by Governor Bruce Babbitt of Arizona, to submit a report to the NGA annual meeting in August of 1980. The report recommended that states be responsible for low level waste, that regional compacts be negotiated and that the regions be allowed to exclude out-of-region waste.

"Since low-level waste is generated in every state, it is unfair to expect three states to shoulder the sole responsibility for the safe disposal of the nation's waste," the task force report said. "Unlike high-level waste, the problem is not so technologically complex that it requires the leadership of the federal government." The task force opted for a regional approach because, with the exception of a few of the biggest waste generating states, the volume of waste generated in a single state would be too small to make operation of a disposal site economical.

In December of 1980, Congress adopted the Low Level Waste Policy Act which reflected many of the NGA recommendations. This law delegated full responsibility for providing low level waste disposal capacity to each state, encouraged regional compacting, and permitted the exclusion by regions of wastes generated beyond their borders as of January 1, 1986. Since passage of the legislation, the National Governors' Association, other regional organizations, and individual states have been working to implement the provisions of the act.

The following summaries indicate that states have accepted the challenge of assuming responsibility for low level waste disposal and have made significant progress in what has been viewed as a test of the principles of new federalism. The summaries are based on the presentations of regional representatives who attended an NGA-sponsored seminar on February 22.

The Northwest Region

The Northwest Compact was the first to gain ratification when the Idaho state legislature voted its approval in April of 1981. It was joined soon thereafter by Washington state and Oregon. Utah joined by Executive Order last year and has subsequently ratified the compact by legislative action. In January of this year, Montana became the fifth compact member by means of an Executive Order. Alaska, Hawaii and Wyoming are the remaining eligible states. The site selection process was not a problem in the Northwest because of the existence of the Hanford facility. Congressional ratification hearings are likely to focus on one element of the Northwest compact — the prohibition of out-of-region waste after July 1, 1983.

The Southeast Region

A second region, the Southeast, which has an operating commercial repository has also made rapid progress in concluding a compact. Final language was agreed to in January, and the compact has been introduced in six of the seven eligible states. Both houses of the Georgia legis-

lature have ratified the compact. South Carolina, Florida, Alabama, and Mississippi also hope to achieve ratification this year. Tennessee and North Carolina are the remaining eligible states. North Carolina, however, has not introduced the compact and has met with the mid-Atlantic group. Negotiators emphasize the Southeast compact creates an institutional framework to manage low level waste, not a document to govern every contingency.

The compact assures all member states access to a regional facility but also requires that each state share equally in the chance of hosting a future facility. A regional commission is authorized to draw up criteria for a regional facility and may designate a host state if necessary. The Southeast compact will exclude out-of-region waste as of January 1, 1986.

The Northeast Region

The Northeast region includes the six New England states, plus New York, New Jersey and Pennsylvania. These nine states generate over 40 percent of the nation's low level waste by volume. The task of negotiating a compact is complicated by the absence of an existing operating site.

The Northeastern governors have endorsed the concept of a low level waste compact or compacts for their region, and a policy-level working group, composed of executive and legislative branch personnel, is currently devising a low level waste management plan for the Northeast. Aided by a technical subcommittee, the working group intends to conclude a compact by the end of the year for submission to state legislatures in 1983.

The Central Region

The Central region agreed on compact language in January. Two states – Kansas and Missouri – of the nine eligible have introduced ratification legislation. The remaining eligible states – Minnesota, North Dakota, Iowa, Nebraska, Oklahoma, Arkansas and Louisiana – are expected to seek ratification next session. The Central Regional compact contains a unique siting feature, if no state volunteers. After the commission establishes siting criteria, private waste disposal contractors would be asked to submit proposals to the commission. Following a review of the proposals, the commission would make a choice based on technical criteria. The Central compact also contains a provision allowing the region, rather than the host state alone, to establish disposal fees.

The Mid-Atlantic Region

The Mid-Atlantic region, in its present form, is one of the newer regions, and several of its members are negotiating with other regions. States which have participated in recent negotiations include Delaware, Maryland, Virginia, West Virginia, North Carolina, Kentucky and the District of Columbia. A draft compact has evolved following several recent meetings. The draft document states that all members are equal partners, sharing benefits and responsibilities. The management structure created by the compact will be sustained through generator fees, and the regional commission will have broad powers, including siting authority if that proves necessary. Final wording of the compact and membership in the region are not yet determined. Ratification by member states is not expected until next year.

The Rocky Mountain Region

This region consists of Arizona, Colorado, Nevada, New Mexico, and Wyoming. Compact language was completed last year and has been introduced in New Mexico and Colorado. Other member states are expected to introduce the compact next session. The Rocky Mountain document includes several provisions that separate it from other compacts. First, the compact anticipates a state volunteering to host the regional facility. Second, no member state is required to host a site unless they generate at least 20 percent of the region's waste.

The Midwest Region

Nearly a year before passage of the federal law, a group of five Midwestern states – Ohio, Indiana, Illinois, Wisconsin and Michigan – met to discuss interstate cooperation. Following passage of the act, the Midwest group expanded to include representatives from North Dakota and Maryland. Many attendees at Midwest meetings may eventually join other regions. The Midwest has adopted a singular procedure for obtaining a final version of their compact. The draft, completed late last year, has been sent to the relevant legislative committees in interested states for review over the next four months.

Any amendments will be considered in early July. A final text will be ready for submission to Midwest legislatures in early 1983.

Hazardous Waste Cleanup: EPA Dumps Higher Costs on States

States will be required to shoulder a greater share of hazardous waste cleanup costs than anticipated under the Comprehensive Environmental Response, Compensation and Liability Act of 1980.

According to the guidance document recently released by the Environmental Protection Agency (EPA), states will have to pay 10 percent of *all* costs associated with cleanup at privately-owned sites and 50 percent of *all* costs for publicly-owned sites. It was originally thought that state expenses would only be related to construction costs, but this provision covers costs from the initial feasibility study through construction.

Moreover, contrary to the intent of the legislation, states will be responsible for 100 percent of site operation and maintenance costs following an initial six months of federal funding.

Leaving some leeway for state legislative involvement, the guidance document says that an "authorized state official" must assure that the state will meet the necessary financial matching requirements.

EPA maintained its position (reported in *Dateline*, 3/8/82, p. 2) that states can impose taxes on industry for the same purposes as the federal hazardous waste "superfund." A final decision on this issue must still be made by the courts, however.

Cleanup Guidelines

Under proposed rules detailing the operation of the federal hazardous waste program, EPA has opted to review each site on its own merit rather than adopt uniform national standards. The extent of the hazard would be weighed against the cost of various cleanup alternatives.

Copies of the National Contingency Plan outlining implementation can be obtained from Donna Wise in NCSL's Washington office. The guidance document is also available.

PLEASE RETURN TO THE SENATE SECRETARY'S OFFICE

6/23 3:30pm

FREE CONFERENCE COMMITTEE REPORT

Date June 23, 1981

Mr. President:
Mr. Speaker:

The Free Conference Committee considering CS FOR SENATE BILL NO. 29 (JUD) (nuclear materials) and HOUSE CS FOR CS FOR SENATE BILL NO. 29 (JUD) (hazardous wastes and to nuclear and radioactive facilities and materials; eff. date) recommends that

(type in bill version and title)

Free Conference CS for Senate Bill 29 "An Act relating to hazardous wastes and to nuclear and radioactive facilities and materials; and providing for an effective date." be adopted along with a letter of intent.

Senator Fahrenkamp, Chairman

Rep. O'Connell, Chairman

Senator Parr

Representative Anderson

Senator Rodey

Representative Brown

FCC Letter of Intent for FCCSSB 29

In passing this Free Conference Committee report it is the intention of the Legislature that the Department of Environmental Conservation shall not administer the Hazardous Waste Program such that either private citizens or businesses are required to obtain permits from both the federal and state governments for the same activity.



THE WESTERN CONFERENCE

of

The Council of State Governments



Conference Staff
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(415) 986-3760

Date: June 15, 1981

To: Members, Hazardous Materials Committee

From: Senator Lawrence Jacobsen, Chairman

Subject: First Meeting of the Hazardous Materials Committee, Sun Valley, Idaho, June 28-30, 1981

I enclose the agenda for the conference on low-level radioactive waste, to be held in Sun Valley, Idaho, June 28-30, 1981. The meeting is co-sponsored by the Western Conference of the Council of State Governments, the Conference of Western Attorneys General, and the National Conference of State Legislatures.

The Sun Valley Conference will attempt to address the problems of management, transportation, and disposal of low-level radioactive wastes. In particular the conference will examine the following issues:

Practicalities of interstate compacts and agreements to manage LLW on a regional basis

- Is this feasible?
- What is required to make regional compacts work?
- What are their drawbacks?

Establishment of a disposal site

- What are desirable site characteristics and what characteristics impede the movement of waste materials?
- What are the safeguards required to protect the public health and environment?
- How should the states, legislators and the public be involved in the siting process?

Transportation of LLW

- What is the response of local and state governments to the recent DOT regulations regarding highway routing?
- How are they responding?
- What problems exist in the area of driver training, packaging, inspection, and emergency response capabilities?

There will be panels of speakers for each of the workshop sessions to present federal, industry, state and local perspectives and experiences on these issues.

Please note that the Hazardous Materials Committee will meet for a working dinner at Godfrey's (Elkhorn Village Inn) at 7 p.m. on Monday, June 29. At that time, we will discuss the issues to be addressed in our two-year work plan. We will also select the topic for the Committee session at the Annual Meeting, to be held in Reno in late August. We will use the survey responses you sent to begin the discussion. I urge you to give the work plan some additional thought. You may find the attached articles useful (and provocative) in preparing for the meeting:

1. Status of Nuclear Waste Legislation in the 97th Congress
2. "The Toxic Connection: Synfuels and Toxic Substances"
3. "Will the Hazardous Waste Regulations Protect Us?"
4. "Controlling Toxic Wastes: A Model State Program"

Finally, if you plan to attend the meeting but have not yet sent in your reservation form, please phone Olga Byrd at the Western Office as soon as possible. Ms. Byrd will handle your reservation at the Elkhorn Village Inn.



THE WESTERN CONFERENCE

of

The Council of State Governments

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April 15, 1981

Senator Vic Fisher
State Capitol, Pouch V
Juneau, Alaska 99811

Dear Senator Fisher:

I am pleased to learn that you have been appointed to serve on the Western Conference's Hazardous Materials Committee for 1981-82. The Committee will hold its first meeting in conjunction with the Western Conference's Transportation Committee, at Elkhorn Village Inn in Sun Valley, Idaho, on June 28-30. The agenda will focus on low-level radioactive waste issues. The meeting is co-sponsored by the Council of State Governments, the National Conference of State Legislatures, and the Idaho Attorney General's office.

As you know, two of the three low-level radioactive waste disposal sites in the United States are in our region: Beatty, Nevada and Hanford, Washington. These sites have experienced a variety of operating problems, have been closed periodically, and may face limits on the amounts of waste they can continue to receive.

The nature and scope of the low-level waste disposal problem is of great importance to the western states. The Committee will consider a variety of topics, including:

- national low-level waste policy and the authority and responsibility it assigns to the states;
- current regional efforts, including interstate compacts and other cooperative mechanisms;
- the economics of low-level waste disposal and other criteria for site selection;
- packaging and transportation of low-level wastes; and
- interim solutions for disposal shortages.

The meeting will include a tour of the Idaho National Engineering Laboratory and an opportunity to examine its disposal facilities.

Please plan to arrive in Sun Valley by Sunday evening, June 28, so that you can participate in the program on Monday morning. We have reserved a block of rooms at Elkhorn Village Inn. Please return the enclosed registration form to the Western Office.

The program and agenda will be full and informative. We will set aside time for the Western Conference Committee to meet and discuss other hazardous materials issues that they would like to address at the Annual Meeting and other future Committee meetings. So that the Western Office staff can learn of your interests and concerns in this area, please complete the enclosed questionnaire and return it by May 6, with your registration form, to Leah Brumer at the Western Office. Ms. Brumer will staff our Committee.

I look forward to meeting you in the coming months. You will receive a detailed agenda and briefing materials prior to the meeting.

Yours truly,

Lawrence Jacobsen

Senator Lawrence Jacobsen (Nevada)
Chair, Hazardous Materials Committee

Enclosures



THE WESTERN CONFERENCE

of

The Council of State Governments



Conference Staff
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HAZARDOUS MATERIALS COMMITTEE

QUESTIONNAIRE

1981-1982

I. Please identify your major policy interests in hazardous materials (rank):

__ chemical substances

__ hazardous air pollutants

__ toxic water pollutants

__ pesticides

__ solid and hazardous wastes

__ Other (Specify; e.g., uranium mill tailings)

_____

_____

2. Please identify the issues of greatest concern to you (rank):

__ siting of waste facilities

__ treatment, storage and disposal technologies

__ clean-up

__ facility and site ownership

__ transportation

__ emergency response

__ worker safety

__ abandoned sites

__ regulatory enforcement

3. Which of the following pieces of federal legislation would you like updates on:

__ Resource Conservation and Recovery Act

__ Federal Insecticide, Fugicide and Rodenticide Act

__ Toxic Substances Control Act

__ Clean Water Act

__ Clean Air Act

__ "Superfund"

4. Please attach copies of legislation which illustrate the major hazardous waste issues in your state.

5. Which programs or legislation in your state illustrate innovative or successful ways of handling hazardous materials?

6. Please provide copies of recent legislative or agency reports that describe the nature and scope of the hazardous materials problem in your state.



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Western Office
165 Post Street, 5th Floor
San Francisco, California 94108
(415) 986-3760

Meeting of the

HAZARDOUS MATERIALS COMMITTEE

Elkhorn Village Inn
Sun Valley, Idaho 83353

June 28-30, 1981

Name: _____

Address: _____

_____

Phone: (work) _____ (home) _____

Legislative Committees: _____

_____

Staff Contact: _____ Phone: _____

ROOM RESERVATIONS: Single ($44) _____ Double ($52) _____

TRAVEL PLANS: Arrival - June ___; _____am/pm

Departure - June ___; _____am/pm

(If arriving after 6 pm, please list a credit card number: _____

___ I will attend the meeting but will not need a room reservation.

___ I am unable to attend the meeting.

Registration fee: $50 (includes several meals)

Please return this form no later than May 6, 1981 to: THE COUNCIL OF STATE GOVERNMENTS
165 POST STREET, SUITE 501
SAN FRANCISCO, CA 94108

June 18, 1981

Senator Lawrence Jacobsen
Chair, Hazardous Materials
Committee
Council of State Governments
Western Office
165 Post Street, 5th Floor
San Francisco, CA 94108

Dear Senator Jacobsen:

Please forgive me for not responding sooner to your letter regarding the June 28-30 meeting of the Western Conference's Hazardous Materials Committee.

I have been waiting for our legislative session to adjourn, but it seems to be dragging on forever. Talk now is of adjournment by June 27, but we have had lots of dates mentioned before that never materialized.

In view of the situation, I will not be able to attend the Sun Valley meeting. However, I am extremely interested in the work of this particular committee,and will want to participate as best I can in future activities.

My best wishes for a most successful meeting, and I look forward to meeting you personally in the future.

Sincerely,

Sen. Vic Fischer

/sq

file

Resource Development Council
for Alaska, Inc.

444 West 7th Avenue, Anchorage, Alaska 99501
Box 516, Anchorage, Alaska 99510 - 907/278-9615

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URGENT ATTENTION, PLEASE

April 30, 1981

Dear ~~Legislator~~ Vic:

The Resource Development Council, at a meeting on April 22, 1981, adopted the following position on House CS for CS for Senate Bill No. 29 "An Act relating to nuclear materials and extremely hazardous and hazardous wastes; and providing for an effective date."

The Resource Development Council finds it is not in the best interests of Alaska for the following reasons:

(1) The bill would create a duplication in areas which are already controlled by the federal government. This means an increase of permits, regulations and bureaucracy.

At present there does not appear to be a demonstrable need or justification for this legislation. The recent stringent RCRA regulations provide more than adequate protection from hazardous waste storage, transportation and disposal in Alaska.

Determination of radioactivity that constitutes a threat to public health is presently regulated by the U. S. Nuclear Regulatory Commission and the Department of Transportation Hazardous Materials Office.

(2) The bill attempts to treat three separate problems as one: nuclear power plants, nuclear waste and hazardous waste. Each problem needs to be addressed on its merits.

(3) The bill with its all-inclusive definition of low level waste and hazardous waste would be impossible to enforce. The definitions are so broad that a person who is a small generator of almost any kind of waste will be subject to this bill.

The definition could include everything from a smoke alarm, a digital watch to old carburetors. Any equipment presently being used in Alaska with a

nuclear component is now sent back to the source for disposal (example--the densometer used in construction for measuring gravel density on road beds, etc.).

(4) The bill is premature and not technically sound. It would make it impossible to use any sort of nuclear power pack, and as technology improves this could eliminate the possibility of inexpensive power in the bush.

In Canada there will be a reactor ready for market by 1984 that will generate a scant 2 thermal Megawatts of power which will be enough to heat a building complex, hotel or perhaps a village. (See attachment.)

In conclusion, the Resource Development Council believes further research needs to be done, possibly by the newly created Alaska Energy Center, before the passage of such legislation.

It is the Resource Development Council's position that unless there is a proven need for such legislation, it will only create more problems than it can possibly solve.

Sincerely,

RESOURCE DEVELOPMENT COUNCIL
for Alaska, Inc.

Joyce Munson

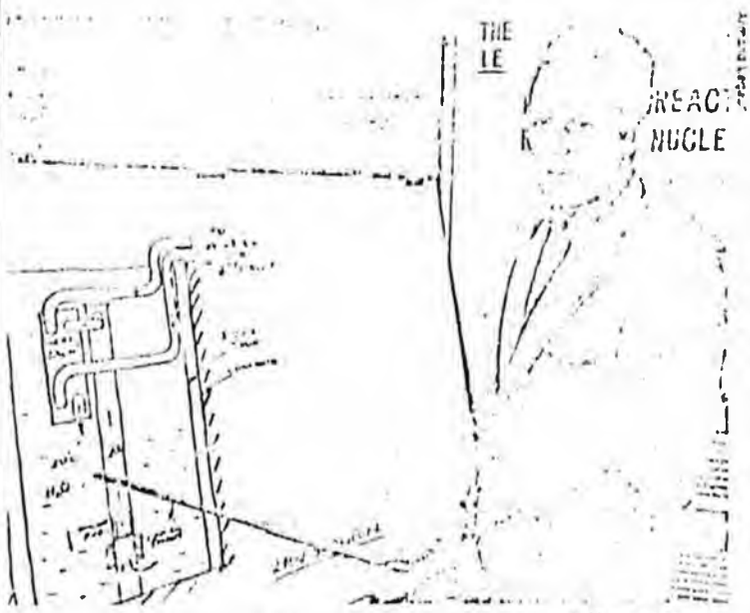
Joyce Munson
Deputy Director

Encl.

Downsizing nuclear plants

Over the years, the nuclear industry has built larger and larger reactors to produce electric power. Such reactors require elaborate safety systems because they operate at high pressures and contain large amounts of radioactive material. But now Canada's government-owned nuclear company is going in the opposite direction. It is developing the cheapest and smallest reactor ever designed for commercial use. Instead of producing superheated steam to turn electrical generators, it will produce hot water to heat buildings. The Canadians claim that it is so safe it can literally be put in basements to replace conventional furnaces.

The reactor, known as Slowpoke, is being developed by Atomic Energy of Canada Ltd. (AECL), which has also successfully marketed a power reactor known as the Candu. But Slowpoke, which stands for "safe low-power critical experiment," will generate a scant 2 thermal Mw of power—just enough to heat a large hotel or building complex.



Project Slowpoke's Hilborn: An "inherently safe" reactor

The idea of using small reactors to provide heat is also being explored in France, Scandinavia, and the Soviet Union, and has been used in some military applications. But AECL believes that Slowpoke is the safest and least expensive system under consideration. Although the concept is still in the test stage, the company estimates that it can build the reactor for as little as $500,000. That works out to $425 a thermal kw, compared with $400 to $500 for equivalent power generated by conventional nuclear reactors. "If their numbers hold up, it could be practical," concedes one Canadian utility executive.

Extreme simplicity. The key to both the low cost and safety of the system is its extreme simplicity of design. The reactor is modeled after small, pool-type research reactors used at many universities. Its vessel is a 25-ft.-deep concrete-lined pool dug in the ground. The small fuel core is immersed directly in the water-filled pool. The nuclear reaction heats the water in the pool to 190F, and the heat is removed through a double loop of heat exchangers that isolate the heated water from the radioactive core.

Unlike commercial power reactors, Slowpoke does not generate the high temperatures typical of large reactors. As a result, the reactor does not need to be pressurized, eliminating the need for expensive and potentially faulty safety systems such as the one that failed at Three Mile Island. Nor does the fuel contain enough plutonium to be practical for weapons production.

"If we want to put reactors close to people, they have to be inherently safe without engineered safety systems and simple enough to be understood by the public," argues W. Hilborn, [illegible] project manager. He says that Slowpoke is designed so that the reaction cannot continue unless hydrogen atoms present in the water reflect nuclear particles back into the fuel rods. If the water would overheat and begin to boil, the bubbles formed would reduce the amount of water around the core, and the reaction would slow automatically. Moreover, if the water would boil completely away, he adds, the nuclear reaction would be unable to continue, and the remaining heat could be dissipated into the air without any additional cooling.

Untended. The Canadians are banking on the inherent safety of the reactor design to pare operating costs. They argue that constant, on-site monitoring—which typically accounts for 25% of the operating costs of a reactor—is not necessary with Slowpoke. "An untended reactor is safer in many ways than one to which people have access," says Hilborn. AECL hopes to gain approval for a system in which several sealed heating reactors could be inspected weekly but monitored from a single remote control board.

Still, the public is not likely to take readily to the idea of having radiation sources in building basements, however safe the reactor. "Can you imagine the response of the public if we start putting reactors in basements all over Ottawa?" asks one Canadian energy official. And the remote monitoring concept is almost certain not to fly in the U.S., where the Nuclear Regulatory Commission requires constant surveillance for operating reactors and where public opposition to nuclear power is intense.

But AECL is eying the world market, where it has already built a solid reputation for its 600 Mw Candu reactor. The Slowpoke could shore up AECL's sales, which have been hurt by rising fears over nuclear safety. With a scant 3.1% profit on sales of $432 million last year, the company badly needs new products, and it expects to have a prototype of the heating reactor ready by 1984. That would give it a product at the opposite end of the spectrum that could have strong sales appeal in the face of rising prices for oil and natural gas.

Canada's Slowpoke will be just big enough to heat a large hotel

Acceptance. There are indications that the world will be receptive to the Slowpoke concept. The Soviets, not bothered by public opposition, started up a 5 Mw heating reactor in the small town of Dmitrovgrad last January and now they are building two much larger pressurized units to supply heat to the cities of Gorki and Novovoronezh. And the French are developing a pool-type reactor called Thermos. That reactor, which produces 100 Mw of thermal energy, is being considered for heating up to 30,000 homes in Grenoble. If the project is approved next summer, the reactor could be in place as early as 1985 at an estimated cost of $100 million. In addition, a similar project is being pursued jointly by Sweden and Finland.

Officials at the Canadian company point out that their Slowpoke system does not require the elaborate core-cooling safeguards of the larger reactors, and it eliminates the need for district distribution systems required for the French and Soviet approaches. Hilborn maintains that inexpensive Slowpoke will offset the economies of scale of the bigger projects. And he foresees its use in many parts of the world where petroleum is expensive and district heating systems are not practical. "We're not trying to build an elaborate machine," he says. "We're trying to go back and rediscover the Model T Ford." ■

File - WESTERN CONFERENCE / HAZARDOUS MATERIALS & WASTE COMMITTE

FROM THE DESK OF

Senator Jalmar Kerttula

Attached are charts showing the locations, amounts and classification of both low level and high level radioactive waste disposal areas.....figures from the Department of Energy

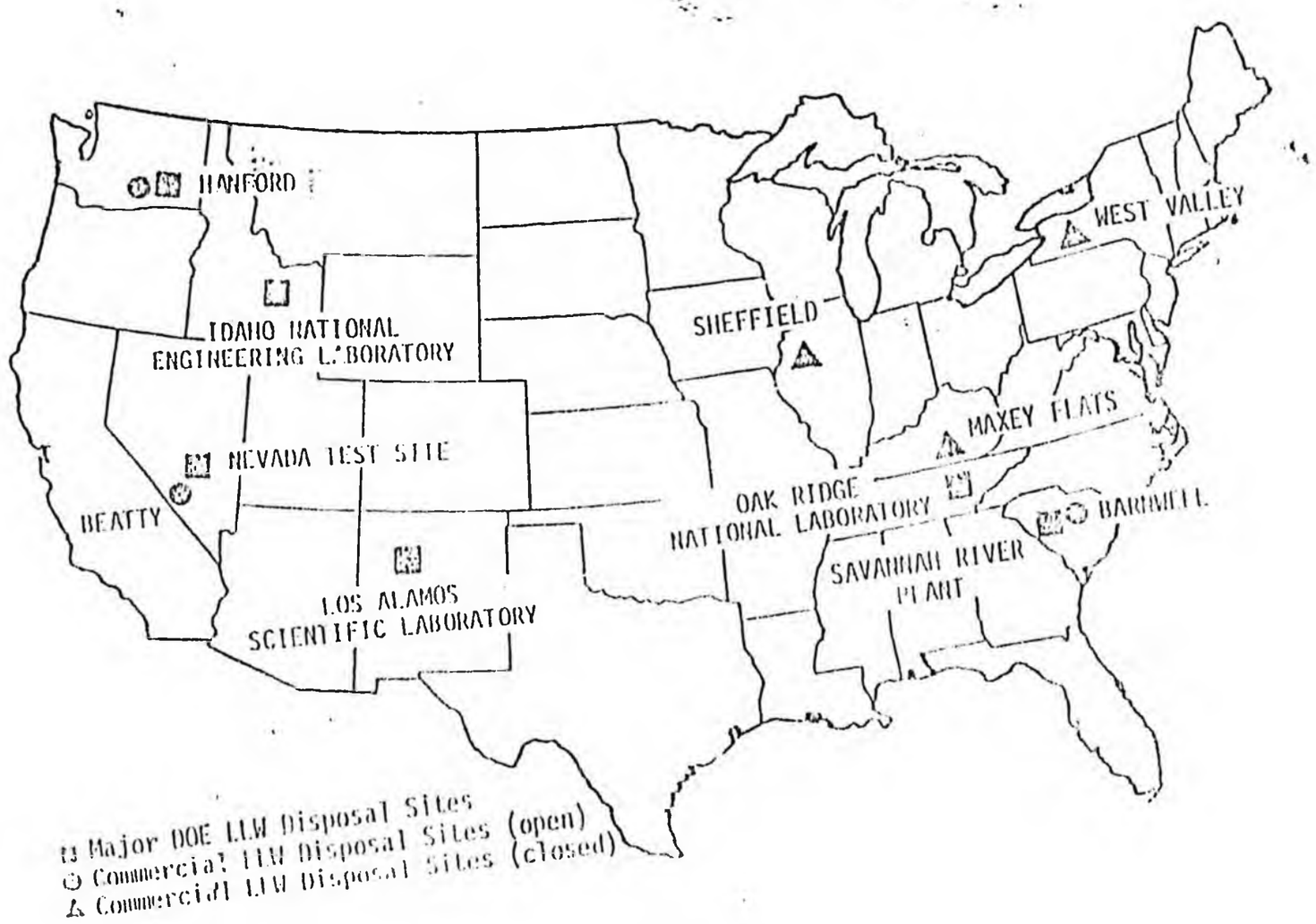


FIGURE 3-8

LOCATIONS OF MAJOR DOE AND COMMERCIAL LLW BURIAL SITES

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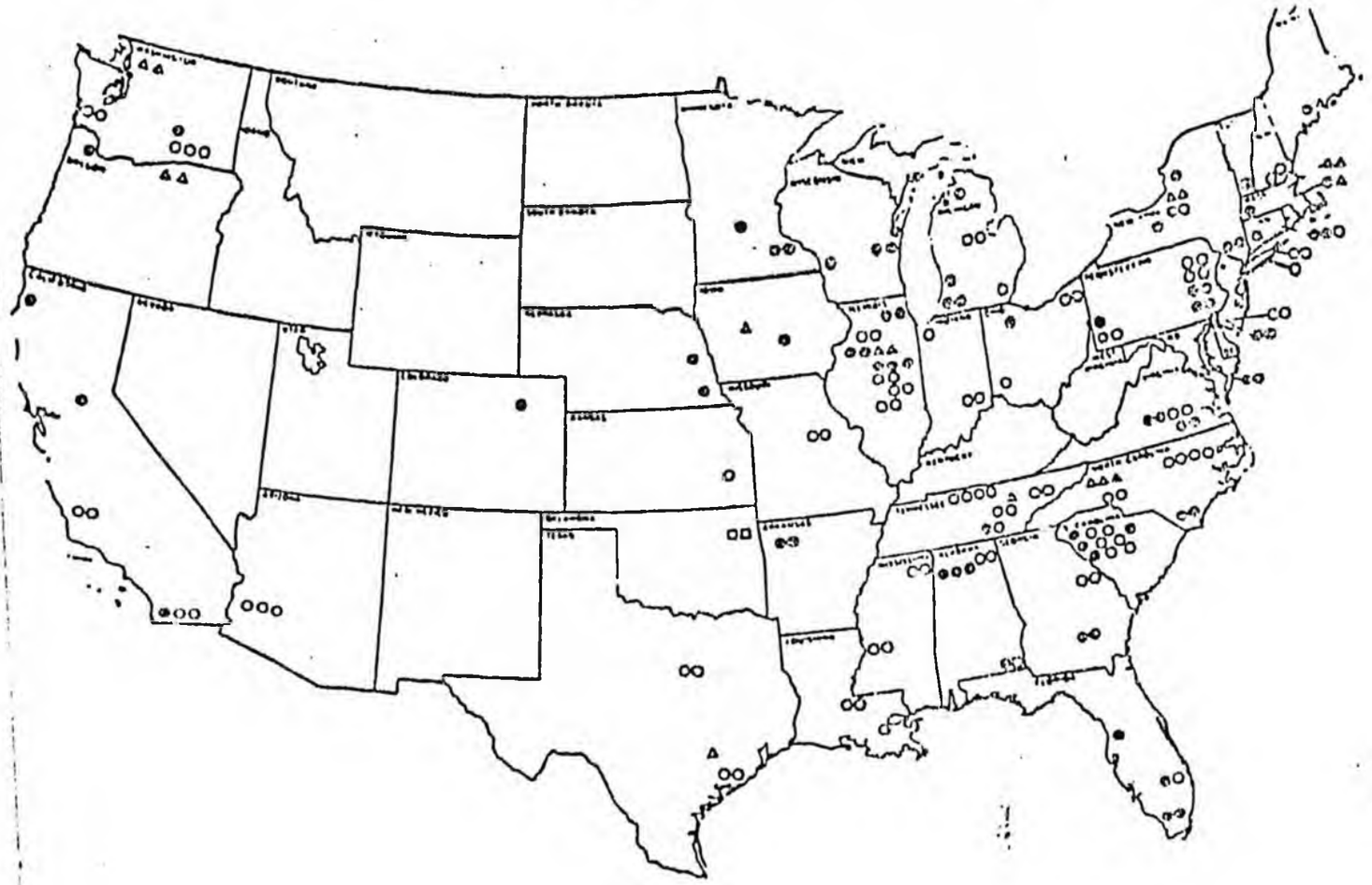
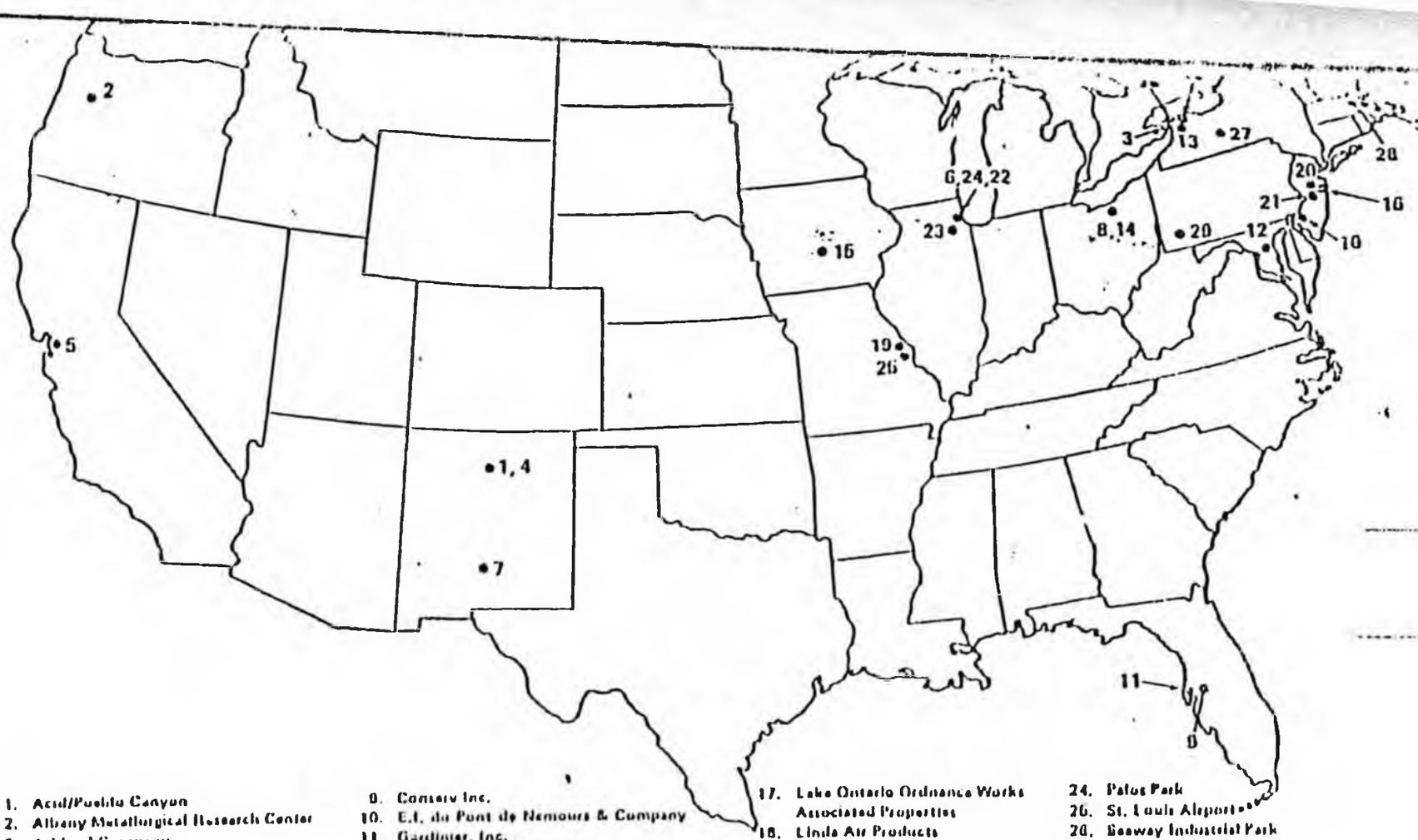


Source: Atomic Industrial Forum, 1980.



1. Acid/Pueblo Canyon
2. Albany Metallurgical Research Center
3. Ashland Company
4. Bayo Canyon
5. University of California
6. University of Chicago
7. Chupadera Mesa
8. Elcon Metals, Inc
9. Conserv Inc.
10. E.I. du Pont de Nemours & Company
11. Gardinier, Inc.
12. W. R. Grace & Company
13. Guterl Steel Corp.
14. Harshaw Chemical Company
15. Iowa State University
16. Kellex
17. Lake Ontario Ordnance Works Associated Properties
18. Linde Air Products
19. Mallinckrodt, Inc.
20. Middlesex Landfill
21. Middlesex Sampling Plant
22. National Guard Armory
23. Ohio Chemical Company
24. Palos Park
25. St. Louis Airport
26. Seaway Industrial Park
27. Seneca Army Depot
28. Slipak Landfill
29. Universal Cyclops, Inc.
30. Ventron Corporation
31. Watertown Arsenal

FIGURE 9-1

LOCATION OF SITES THAT REQUIRE OR MAY REQUIRE REMEDIAL ACTION

Source: U.S. Department of Energy. 1980. A Report to the Congress to Accompany the Proposed Residual Radioactive Material Control Act. ORNL/Sub 80 13329/1.



FIGURE 3-1

LOCATIONS OF HIGH-LEVEL WASTE STORAGE SITES



FIGURE F-3

DOE FIELD OFFICE LOCATIONS

The major classes of radioactive materials considered in this document are as follows:

- High-Level Wastes--These wastes are generated in reprocessing and contain virtually all of the fission products and most of the actinides not separated out during reprocessing. These wastes are being considered for disposal in geologic repositories or by other technical options designed to provide long-term isolation of the wastes from the biosphere.

- Transuranic Wastes--These wastes are produced primarily from the reprocessing of defense spent reactor fuels, the fabrication of plutonium to produce nuclear weapons and, if it should occur, plutonium fuel fabrication for use in nuclear power reactors. Transuranic wastes contain low levels of radioactivity but varying amounts of long-lived elements above uranium in the Periodic Table of Elements, mainly plutonium. This waste is currently defined as material containing more than 10 nanocuries of transuranic activity per gram of material.

- Spent Nuclear Fuel--These are the irradiated fuel assemblies that are removed from a nuclear reactor after having served their useful life. This material (if declared waste) is considered for disposal in geologic repositories.

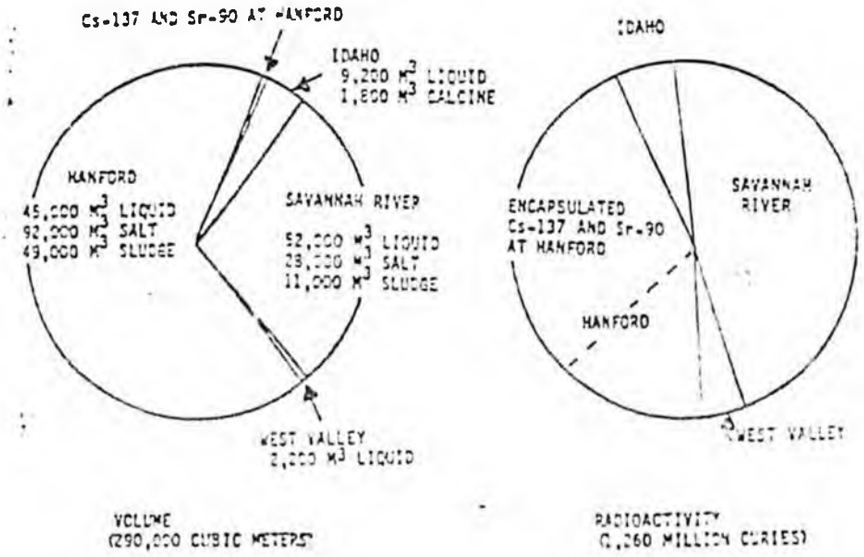
- Uranium Mine and Mill Tailings--These wastes are the residues from uranium mining and milling operations. They are hazardous because they contain low concentrations of radioactive materials which, although naturally occurring, contain long-lived radionuclides. The tailings, with a consistency similar to sand, are generated in large volumes--about 10 to 15 million tons annually--and are presently stored in waste piles at the site of mining and milling operations.

- Decontamination and Decommissioning Wastes--As defense and civilian reactors and other nuclear facilities reach the end of their productive lifetimes, parts of them will have to be handled as either transuranic or low-level wastes, and disposed of accordingly. Decontamination and decommissioning activities will generate significant quantities of wastes in the future.

- Low-Level Wastes--These wastes exclude HLW, spent fuel, transuranics, and uranium mill tailings as defined above. Low-level wastes are generated in almost all activities involving radioactive materials and are presently being disposed of by shallow land burial.

LOCATIONS OF HIGH-LEVEL WASTE STORAGE SITES

(a) IN YEAR 1980



(b) IN YEAR 2000

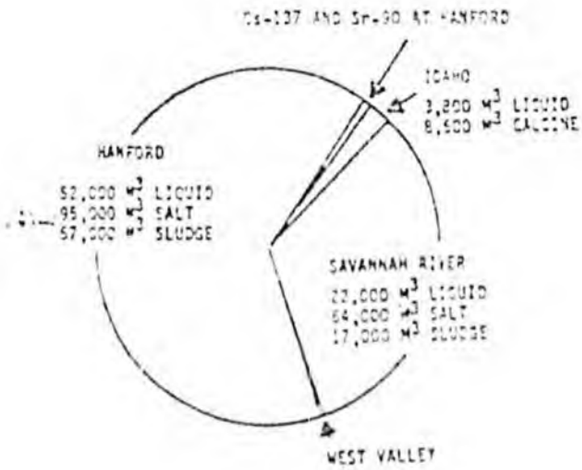


FIGURE 3-3

PRESENT AND PROJECTED QUANTITIES OF HIGH-LEVEL WASTE

Alaska State Legislature

Senate

Office of the Secretary

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

January 27, 1981

MEMORANDUM TO: Senator Fischer, Room 205, Behrends

From: The Secretary of the Senate

Subject: Peggy M. Appointments by the President

On January 26, 1981 President Kerttula appointed you to the following committees:

Hazardous Materials & Waste Management Committee

Committee on Suggested State Legislation
(for the COUNCIL OF STATE GOVERNMENTS)

CONFERENCE ON LOW LEVEL WASTE

Western Conference of the Council of State Governments,
Conference of Western Attorneys General,
and
National Conference of State Legislatures

Elkhorn Village Inn, Sun Valley, Idaho
June 28 -30, 1981

AGENDA

Sunday, June 28

5:00 - 7:00 p.m.	Registration
Evening	Hosted Dinner, Elkhorn Village

Monday, June 29

7:30 - 8:30 a.m.	Registration
8:30 - 9:30	Breakfast/Welcome and Opening Remarks . Attorney General Leroy . Senator McClure
9:30 - 10:30	LLW: Overview - Scope of the Problem
10:30 - 12:00 noon	The Evolving National LLW Policy
12:00 - 1:00 p.m.	Group Lunch: Permit Renewal Process for Beatty, Nevada LLW site
1:00 - 2:00	State of the States: Legislative Review; Status of Department of Justice suit on Initiative 383
2:00 - 3:00	Review of Current Regional Efforts
3:15 - 5:30	Concurrent Workshop Sessions
	Session A: Interstate Compacts, State Planning Activities
	Session B: LLW Issues - Economics and Site Selection
	Session C: Transportation of LLW - Impact of DOT regulations
	Session D: Review of the National Strategy

-over-

Monday, June 29 (cont'd)

7:00	Western Conference Hazardous Materials Committee - Dinner at Godfreys, Elkhorn Village Inn
	Committee business and development of two-year work plan

Tuesday, June 30

8:15 - 10:00 a.m.	Repeat Workshop Sessions
10:00 - 12:00 noon	Reporting from workshop groups
	Group Discussions on Regionalization
12:00 noon	Leave for Idaho National Engineering Laboratory (optional

ENVIRONMENTAL POLICY CENTER
317 Pennsylvania Ave., S.E., Washington, D.C. 20003
202/547-5330

✓LB ✓CM ✓VT ✓DS

file: nuclear/hazardous wastes

April 17, 1981

To: Interested Parties

From: Dave Berick, Washington Representative

STATUS OF NUCLEAR WASTE LEGISLATION IN THE NEW 97th CONGRESS AND REAGAN ADMINISTRATION

This status report is a continuation of the Environmental Policy Center's series of summaries of nuclear waste legislation begun last year. These reports are intended to keep representatives of state and local governments, members of the press, and concerned citizens up to date on developments concerning federal nuclear waste legislation and policies. Your comments and suggestions for improving this effort are appreciated.

Outlook for the 97th Congress---Nuclear waste legislation progressed further in the last Congress than many expected. Although the final tally shows that the only legislation to be enacted dealt only with assignment of responsibility for low-level waste disposal to state governments(see discussion of Low-Level Radioactive Waste Policy Act below), comprehensive nuclear waste bills passed both Houses of Congress and only lack of time at the end of the session kept these bills from a genuine House-Senate conference. As a result of this "progress" and continued pressure from the nuclear industry and the implications of ongoing rulemaking activities at the Nuclear Regulatory Commission(especially the "waste confidence proceeding"), final enactment of nuclear waste legislation is expected before the end of the 97th Congress.

On the surface, the current legislative debate is shaping up as a replay of action last year. The same committees are positioning themselves in much the same posture, to play much the same roles. For example, Senators Percy(R-IL) and Glenn(D-OH) have reintroduced their bill to establish a State Planning Council and containing a detailed structure for state/federal waste repository siting decisions(see details on S. 95 below). Senator Johnston(D-LA) has introduced a bill, along with Sen. Jackson(D-WA), almost identical to the Senate Energy Committee bill which the Senate passed last July(see details on S. 637 below). Rep. Barry Goldwater, Jr. has introduced a bill, on behalf of the House Science and Technology Committee, which is identical in intent to last year's McCormack Bill(then numbered H.R. 7418), to authorize the construction of two unlicensed waste disposal demonstration repositories(now numbered H.R. 1909; details below).

While there are numerous and subtle differences between these new bills and those developed last year, the intent of the sponsors is essentially unchanged. Similarly, the flow of legislative action is also expected to develop along much the same pattern as last year. The Senate Environment and Public Works Committee(chaired by Sen. Robert Stafford(R-VT) and its Subcommittee on Nuclear Regulation(chaired by Sen. Alan Simpson (R-WY) are expected to challenge the Senate Energy Committee initiatives. The Senate Energy Committee(now chaired by Sen. James McClure(R-ID) can be expected to continue its role as an advocate for the nuclear industry with a vengeance. While not endorsing the Johnston-Jackson Bill, McClure has repeatedly stated the his belief in the importance of waste legislation to the nuclear industry. His position, however, differs significantl from Johnston's in his support for demonstration repositories. Senators Percy and Glenn can be expected to intrude, as they did last year, in the debate on the state consultation and concurrence issue.

Outlook in the House---As in the Senate, action is expected to follow last year's plot, but with some new twists. It is clear that the Science and Tech Committee, notably Rep. Marilyn Bouquard(D-TN)(who assumed the chair of the nuclear subcommittee from Mike McCormac and Republican members Manuel Lujan(R-NM) and Goldwater(R-CA) intend to follow last year's gameplan and attempt to completely redirect the Department of Energy's waste programs. Rather than a more methodical program aimed at eventual development of licensed, full-scale repositories, Science and Tech hopes to funnel DOE's efforts into immediate construction of at least two unlicensed demonstration facilities to be in operation by 1988.

Action in the Science and Technology Committee is already drawing opposition within the Committee. At least one member, Rep. Stan Lundine(D-NY), has introduced alternative legislation(see details of H.R. 1993 below). Science and Tech can be expected to try to carry out its agenda for demonstration repositories in its mark-up of the DOE Authorization Act for Fiscal Year 1982 beginning the last week in April, as well is through passage of the Goldwater Bill(H.R. 1909). Science and Tech can also be expected to try to convince the House Appropriations Committee to follow its lead and reallocate DOE's waste budget towards demonstration repositories, as they successfully did last year. These actions in the House Appropriations and Science and Technology Committees will be the first important developments on nuclear waste in this Congress.

Both the House Interior and Commerce Committees, chaired by Rep. Mo Udall(D-AZ) and Rep. John Dingell(D-MI) respectively, are expected to offer alternatives to the Goldwater Bill in the House. Both are expected to support the type of step-by-step procedure for siting and licensing of geologic repositories they advocated last year. In addition, Rep. Richard Ottinger(D-NY), a nuclear critic, has taken over the chair of the Commerce subcommittee handling nuclear legislation. While neither Udall nor Dingell have introduced any nuclear waste legislation, Udall is expected to introduce the waste bill which passed the House at the end of the session(then numbered H.R. 8378).

Reagan Administration Waste Policy---Despite the Reagan Administration's early advocacy of nuclear energy, the details of the Administration's nuclear waste policies are far from clear. Preliminary statements by DOE officials indicate that Reagan plan will call for a speed-up of the Carter Administration timetable for development of waste repositories, but there is no indication at this point that there will be a shift toward the type of permanent surface storage technology advocated by Sen. Johnston and Jackson. Current DOE plans call for development of three prime sites at Hanford, Washington in basalt and at the Nevada Test Site in volcanic tuff and one additional site in salt; rather than the Carter plan for deferral of site selection until more sites in more media were available sometime in 1985 or 1986. The selection of the salt site is now scheduled to take place in 1982 from among Gulf Coast salt domes and bedded salt formations. Drilling of exploratory shafts is scheduled to be underway by 1983. Furthermore, DOE now intends to build a "testing and evaluation facility", or demonstration repository, at one of the three prime sites beginning in 1985. This demonstration repository is expected to be in operation by 1988. Under the DOE plan, this demonstration repository would be expanded into a full-scale repository. DOE would not, however, submit an application to the NRC until after the demonstration had begun.

This accelerated schedule is a significant departure from the Carter Administration timetable and policy against "demonstration" repositories. While DOE intends to continue to explore other geologic media including selection of a site in granite in 1988 or 1989, it is clear that the program is being reoriented toward an early demonstration of waste disposal without NRC licensing. DOE offers assurances of NRC review and compliance with NEPA so as not to jeopardize eventual use of the "demonstration" site as a full-scale repository. No information is available at this time on the Reagan Administration's views toward the role of state and local governments or the Carter "consultation and concurrence" policy.

As if to underscore its commitment to demonstration of waste disposal, the Reagan Administration has endorsed and expedited construction of the Waste Isolation Pilot Plant (WIPP) near Carlsbad, New Mexico as a first waste disposal facility thereby reversing the Carter Administration policy to bank the WIPP site. The Reagan Administration has also endorsed the separation of nuclear waste programs for commercial and defense production, also reversing the Carter policy of combining commercial and defense waste programs to the extent possible. Responsibility for developing management and disposal facilities for defense wastes has been transferred to the DOE Assistant Secretary for Defense Programs under the new DOE reorganization.

Reagan Administration Policy on Spent Fuel and Reprocessing -- In related developments, the Reagan Administration has declared that it will not endorse federal away-from-reactor spent fuel storage and that spent fuel storage is the exclusive responsibility of the private sector. The DOE spent fuel program is being reoriented to help utilities develop improved ways to store spent fuel at reactor sites. The President has also informed the DOE Secretary Edwards that the federal government would not finance or subsidize operation of the Allied-General Nuclear Services reprocessing plant at Barnwell, S.C. These "private enterprise" decisions reflect a narrowing of the federal role in managing the "back end" of the nuclear fuel cycle. The Reagan reversal of the Carter spent fuel policy coupled with the "economic" moratorium on reprocessing outwardly appears to limit federal responsibility to "disposal only".

Summaries of Current Nuclear Waste Bills in the Congress:

S. 95 Nuclear Waste Management Reorganization Act (Percy-Glenn) This bill is identical to S. 742, originally introduced by Percy and Glenn in 1979. Provisions include:

* Establishment of a state planning council, called a "waste management planning council" in the bill, but having the same intent as that proposed under the Carter waste policy.
* Establishment of a federal interagency coordinating committee, modeled on the Interagency Review Group on Nuclear Waste Management, to be responsible for federal waste policy.
* Establishment of specific state/federal responsibilities for siting nuclear waste repositories including a negotiated memorandum of understanding, specific reports to the state at site selection, repository design, loading, and closure.
* Creation of a veto/override process in which the state is allowed to expressly disapprove a DOE siting decision. DOE must obtain approval of both the Senate and the House in order to override the state and construct the repository.
* Provisions for state review panels to review DOE's repository plans and to act as the principal state contact with the federal government.

S. 637 Nuclear Waste Policy Act (Johnston-Johnson) This bill is very similar to the waste bill which passed the Senate in July. The major provisions include:

* The bill is limited to civilian nuclear waste only.
* Establishment of an unlimited away-from-reactor spent fuel storage program to be operated by DOE. DOE would be given explicit authority to acquire at least one AFR facility. Title to spent fuel would transfer to DOE at the nuclear power plant gate and utilities would retain a nontransferable right to the residual fuel value, if any.
* The bill would create a revolving fund to pay for spent fuel storage, transportation, and long-term storage of the spen fuel.
* Deferral of permanent disposal as a primary waste management goal in favor of a program for long-term storage in surface, or near-surface, engineered facilities. Wastes would be perpetually retrievable and monitored.
* Alternatives to long-term storage would be specifically prohibited. Neither the NRC nor DOE in its complicance with NEPA could consider an alternative to long-term storage as prescribed in the bill.
* Long-term storage would be statutorily equivalent to "permanent disposal" with containment only to the extent the hazard is equivalent to uranium ore.
* States would be allowed to object to DOE's decision to site a long-term storage facility, referred to as a "safe repository", subject to approval of either the Senate or the House. Upon receipt of a state's formal objections, the President would review them and either uphold them or forward them to the Congress.
* A policy of "consultation and concurrence" would be imposed, and DOE would be authorized to enter into cooperative agreements with potential host states. These provisions do not apply to any defense or research and development waste facilities or spent fuel AFR storage.

H.R. 1909 Nuclear Waste Management Research, Development, and Demonstration Act (Goldwater) This bill is modeled on legislation which passed the House Science and Technology Committee last year to require DOE to construct unlicensed demonstration repositories. It is narrowly drafted to fall exclusively within the jurisdiction of the Science Committee and prevent either the Interior or Commerce Committee from getting referral of the bill, as they were able to do last year. The major provisions of the bill are:

* Redirect the entire DOE waste isolation program towards the construction of two "technology demonstration" repositories to be in operation in 1987 and 1988.
* DOE must select two sites in different geologic media, within 180 days of enactment, to hold at least 40 canisters of vitrified high-level waste.
* Wastes would be fully retrievable and demonstrations would run 20 years to 2007.
* The bill explicitly prohibits these demonstrations from being converted into full-scale repositories; a provision which may prevent referral to other House committees.
* Repositories would be designed to protect public health and safety through engineered barriers and containers, not geology, and would contain the wastes only to a level of risk comparable to that of uranium ore.
* State would be given only a "consultation role". There would be no NRC licensing.

H.R. 1993 Radioactive Waste Research, Development and Policy Act (Lundine) This bill, introduced by Rep. Stanley Lundine (D-NY) represents most immediate alternative to the Goldwater Bill in the Science and Tech Committee. Provisions include:

* Requires DOE to develop a "mission plan" modeled on NASA's comprehensive planning process for the resolution of technology and siting problems for high-level waste disposal. The plan would be subject to Congressional approval & map future DOE waste policy.
* Authorizes construction of demonstration repositories, if approved in the mission plan. Demonstration repositories would be limited to 40 metric tons of spent fuel and would be exempt from NEPA and NRC licensing, although states would be consulted.
* Authorizes construction of intermediate scale facilities, if approved in the mission plan. These facilities would be limited to 1000 metric tons of spent fuel, but would be expected to be expanded to full-scale repositories.
* Creates an independent mediation board for binding arbitration of state/federal conflicts in siting or construction of intermediate or full-scale repositories.
* DOE would be required to select sites for intermediate scale facilities by January 1, 1987. These facilities would be subject to NEPA and NRC "preliminary" review.
* Authorizes state review boards to serve as principal representative of state.
* Authorizes payments in lieu of taxes to host states of all three types of waste facilities, in amounts determined by DOE.
* Creates a trust fund for the purpose of financing all nuclear waste activities and payments in lieu of taxes. The trust fund would be supported by a "tax" on spent fuel. These fees would be assessed on the amount of spent fuel in interim storage.
* Establishes an interagency review group to oversee federal nuclear waste policy.
* Establishes a federal state planning council.
* Prohibits transfer of title of spent fuel to the federal government until it is received at a repository for disposal.
* Establishes a spent fuel dry storage demonstration program to assist utilities with development of improved on-site storage.
* Establishes a policy of commercial-only reprocessing with no federal subsidy or operation of commercial reprocessing, although it continues R & D.

Low-Level Nuclear Waste Policy Act Enacted last year, this legislation establishes a policy that states are responsible for low-level radioactive wastes generated within their borders. States may manage disposal either by establishing their own disposal sites or by entering into cooperative agreements with other states. Such compacts must be approved by Congress, but may exclude commercial wastes generated outside of the compact after Jan. 1, 1986. The Act does not apply to any wastes generated by federal defense or R & D activities. Congress may review and revoke such compacts every five years. (Public Law P.L. 96-573)

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The Toxic Connection
Synfuels and Toxic Substances

by James Cannon

"The energy shortage is America's number one problem."

"No, the spread of poisons and toxic wastes in our environment is."

"STOP! You're both right."

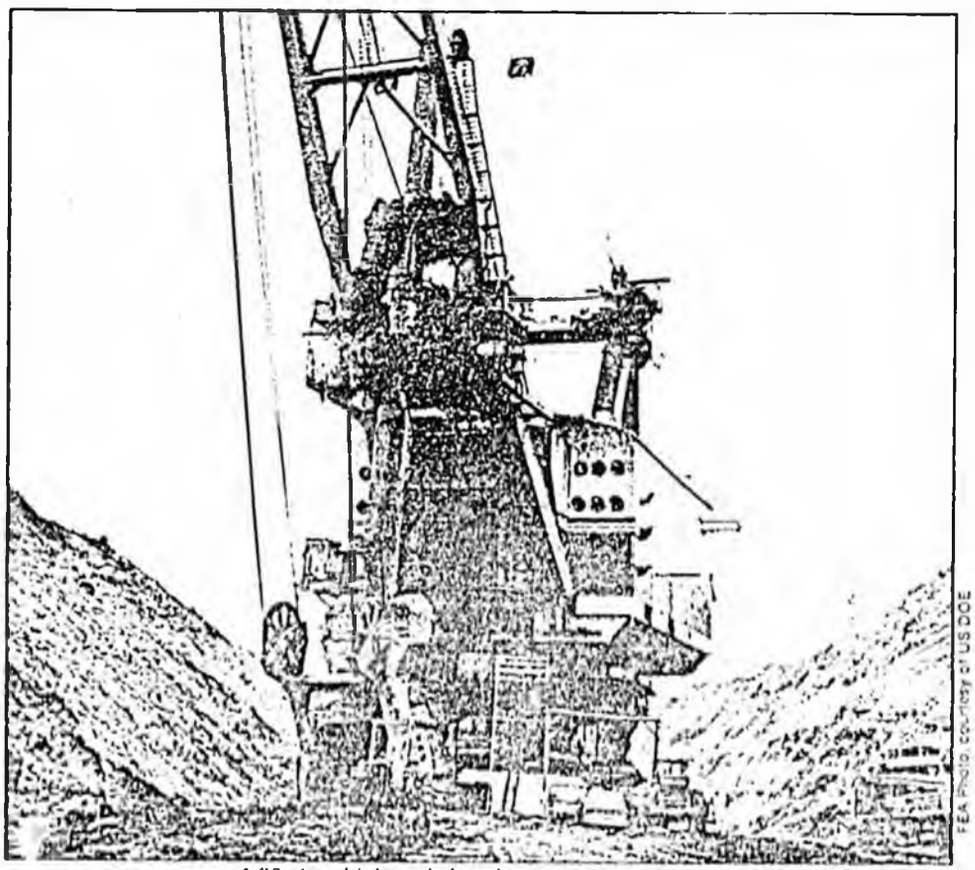
Sound like an old TV commercial? Maybe it does, but this argument points to a frightening reality: some of the proposed technologies for solving the energy crisis release toxic by-products that pose grave dangers to human health and the environment.

On June 30, 1979, Congress enacted the Energy Security Act, the most recent of several laws setting in motion a national energy program that could guide us for at least the next few years. It lays heavy emphasis on the use of coal for electric power plants and coal and shale oil for synfuel production. Most environmentalists, including CBE, oppose this energy strategy because of the tremendous air pollution and environmental devastation that it will cause. And the multibillion dollar national program to establish a synfuels industry will deflect money from the development of more environmentally sound and reliable (and probably cheaper in the long run) "alternative" energy options, such as solar and wind power and conservation.

However, another equally serious though less frequently discussed problem attends the increased use of coal and the development of synfuels: toxic by-products that must somehow be safely disposed.

Coal mining has already disturbed about 8 million acres of land, mostly forested hillsides in Appalachia; and more and more strip mining is taking place in the Midwest and West. Each new 1,000 megawatt (Mw) power plant requires either the strip mining of between 1,000 and 12,700 acres of land or the deep mining of between 27,000 and 32,000 acres.[1]

The mining process, in addition to destroying the surface of land, exposes toxic substances that are found in coal. The major component of coal is carbon—the substance that burns in the presence of oxygen and liberates energy in the form of heat. Several percent of coal is made of sulfur and nitrogen, substances that, when burned, form the dangerous pollutants sulfur dioxide and nitrogen oxides; when sulfur dioxide and nitrogen oxides dissolve in water, they form strong acids.



A 20-story high coal shovel locator at a surface mine near Marissa, Illinois

FEA photo courtesy of US DOE

Synfuel production releases toxic by-products.

The bulk of the remainder is ash. The fraction of one percent still unaccounted for is an amalgam of highly toxic chemicals, including carcinogens, such as nickel and chromium; teratogens, such as arsenic; very toxic heavy metals, such as beryllium, cadmium, and mercury, and even radioactive uranium.

When the coal is mined, these toxic substances are exposed and can leach into the environment. Like the chemical change that turns the inside of an apple brown within seconds after it has been sliced open, toxic substances are released as soon as the picks and dynamite shatter the geologic prison that encapsulates the coal.

For example, when coal is mined, the now-exposed sulfur mixes with air and water and forms sulfuric acid. When this acidic water runs off from the mine site into ponds, streams, and rivers, it raises the acidity of these bodies of water. The acidic water can be poisonous to fish and other aquatic life and can corrode metal structures and concrete. Perhaps more importantly, the acids, as they leave the mine, dissolve heavy metals and other toxic chemicals contained in the coal. These chemicals, too, are carried to places where they can wreak environmental harm. Water quality in about 10,000 miles of streams and rivers in Appalachia has been degraded by the toxic pollutants from coal mine runoff. Some streams have become so polluted that they are completely devoid of life.[2]

James Cannon is CBE's executive director

Yet the extraction of coal is only part of the problem. Not all of the coal that is mined is marketable. About 20 to 29% remains at the mine site, where it is mixed with rock, dirt, and other mine wastes in huge "gob" piles. Toxic substances in these piles can easily leach into the environment through the action of wind and rain. According to a recent Congressional Office of Technology Assessment (OTA) study, about 50 million tons of solid wastes containing toxic chemicals were left at mine sites in 1975. In this century, about 3 billion tons of wastes have accumulated in 3,000 to 5,000 refuse dumps in eastern coal fields alone.[3]

When coal is burned in an electric power plant, not all of the material is consumed in the boilers. Most of the toxic substances remain unaltered. They either accumulate at the bottom of the boiler as ash and slag, or they escape through the smokestack as airborne particulate matter. If the power plant is equipped with the best available air pollution control technology, some of these toxic particulates

The water quality in 10,000 miles of streams and rivers in Appalachia has been degraded by the toxic substances in coal mine runoff.

are removed from the air. The ash, slag, and sludge from air pollution control devices are all destined for the power plant's disposal heap. Among the toxic substances in the ash are barium, cadmium, cobalt, lead, nickel, uranium, and zinc.[3]

In 1978, utilities discarded some 70 million tons of ash, slag, and sludge near their coal burning plants. About one quarter of this waste has been reclaimed and used in products such as cinder blocks and cement. However, the remainder, which contains most of the toxic substances, is sitting in huge dumps and will remain there indefinitely. A large (1,600 Mw) coal burning plant, over its lifetime, will produce enough solid waste to cover more than one square mile of land to a height of 20 feet.[4]

However, simple stockpiling of this waste may threaten the environment. Rain water can carry the toxic pollutants to underground drinking water supplies or to nearby streams. In dry climates, the toxic substances can be whipped into the air by gusts of wind. But dumping coal wastes near the power plant is cheap—only $2 per ton.[5]

The United States Environmental Protection Agency (US EPA) is considering regulations under the Resource Conservation and Recovery Act (RCRA) that would require that utilities take special precautions against leaching chemicals or blowing dust when disposing of ash. For example, utilities could be required to line all disposal sites with impermeable shields. Or they could be required to capture and clean the water that runs off from the disposal sites. Such disposal practices are not currently in wide use, at least in part because such practices would raise the cost of ash disposal to between $50 and $100 per ton.[5] Even if US EPA acts promptly to establish such regulations, it will be a long time before this disposal problem is solved.

The United States owns more oil in oil shale deposits—some 600 billion barrels—than the Arab countries have in all their vast oil deposits. Technically, oil shale contains neither oil nor shale. It is composed of an organic compound, called kerogen, which is bound in a marlstone rock. If oil shale is heated in an oxygen-deprived atmosphere, the kerogen is converted into a crude oil-like liquid that flows from the rock. If all of this oil from shale were extracted from the nation's shale deposits, it would total more than 10 times the proven domestic reserves of conventional oil.

Unfortunately the mining of shale and the extraction of its oil pose difficult problems. Each ton, even of high grade shale rock, contains less than one barrel of oil—about 30 gallons. (The United States consumes about 18 million barrels of oil per day.) Thus, to be of any use, vast amounts of shale rock, including some

The retorting process for oil shale is like sucking the juice from an orange and ending up with a bowling ball.

overlying dirt and rubble, must be mined.* Over 25 million tons of high grade shale (more of lower grade varieties) would be mined each year to supply a commercial shale plant (50,000 barrels of oil per day). In other words, 30% more earth must be moved for a shale plant than is currently moved at the largest coal strip mine in the country. The environmental problems posed by dynamiting, digging, loading onto trucks, and transporting such huge quantities of shale are truly staggering. Reclamation alone exceeds by far any challenge ever undertaken by a mining company.

Once mined, shale is baked until the oil is liberated, in furnaces at the mine site called retorts. This leads to the second major problem with oil shale. Unlike coal, which, once mined, can be shipped to a power plant and forgotten by the mine operator, the shale rock remains after oil is extracted from it. This "spent" shale poses the largest waste disposal problem ever faced by American industry. The problem is worsened by a peculiar characteristic of the retorting process: Shale rock expands as it is heated, and remains expanded even after it has cooled. Thus the spent shale occupies *more* space after the oil has been removed than before. The retorting process is like sucking the juice from an orange and ending up with a bowling ball.

One shale oil plant will produce enough spent shale to fill a canyon 6 football fields wide, 200 feet deep, and 10 miles long.

Just as you can't fit a round peg into a square hole, you can't squeeze all of the spent shale into the hole from which it was originally mined. It simply won't fit. Thus, companies designing the first commercial retorting plants, as well as environmentalists, are worried about how to dispose of the incredible piles of rubble produced by processing shale. To give you an idea of the magnitude of the problem, a 100,000 barrel per day shale plant would, during its lifetime, produce enough shale to fill a canyon 6 football fields wide, 200 feet deep, and 10 *miles* long.[6] The national plan for production of synfuel calls for nine such plants by 19[illegible].

As with coal wastes, spent shale is not inert. Whereas coal wastes yield acids, spent shale is extremely alkaline. Runoff from small test shale projects often has a pH of [illegible].5 or more.** The runoff also contains an assortment of toxic contaminants

*Technologies are being developed so that the oil can be extracted from the rock without removing it from the ground ("in situ" processes), but these are further from commercialization than the retorting techniques and pose environmental hazards unexplored

**The pH is a scale that measures acidity or alkalinity of solutions. pH 1 is the most acid, pH 7 is neutral (pure water), and pH 14 is the most alkaline.

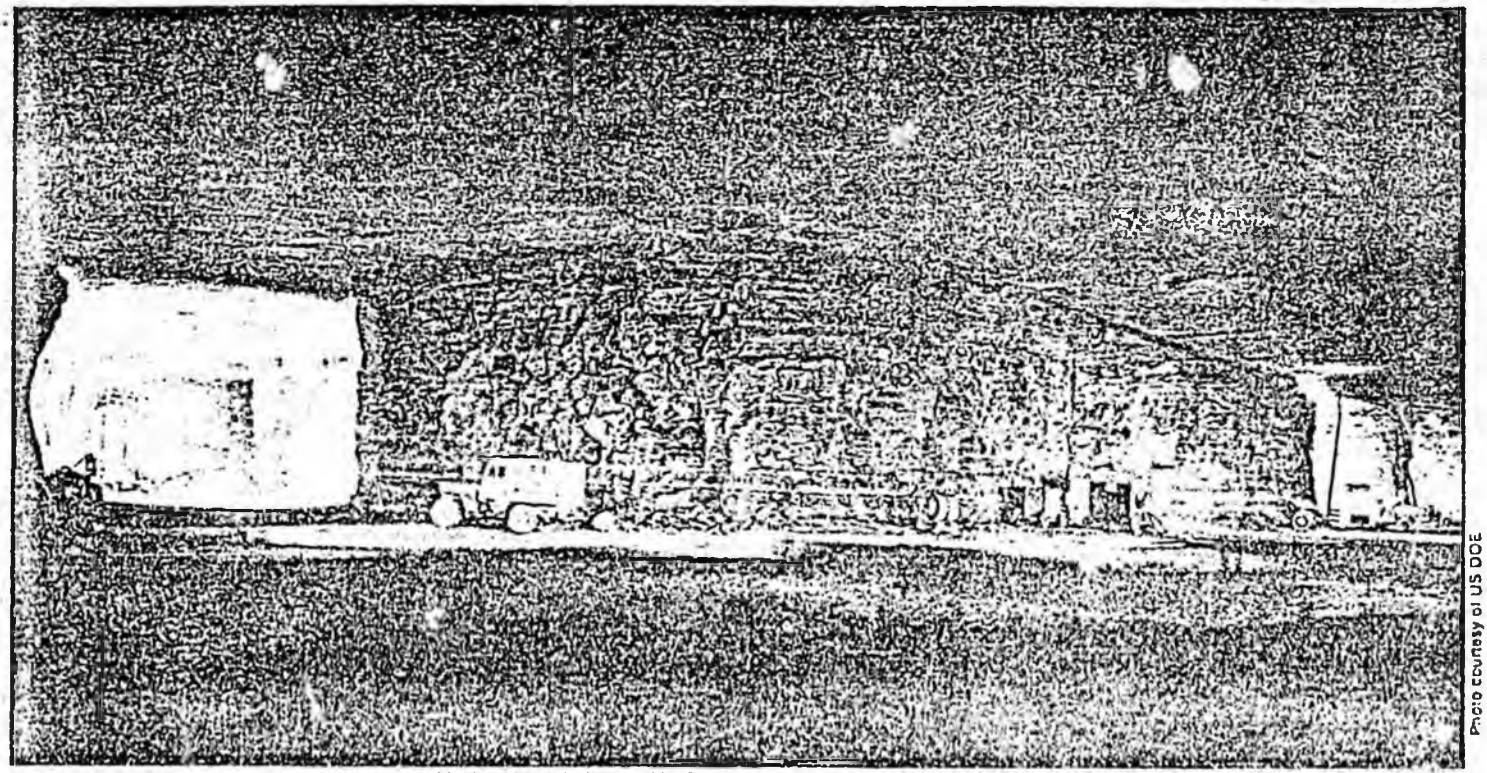


Photo courtesy of US DOE

Underground view of US Department of Energy's Anvil Points oil shale mine, located near Rifle, Colorado

similar to those found in coal wastes. Blowing winds from spent shale piles, unless covered by vegetation or grasses, could transport the toxic substances in shale dust to population centers near the disposal sites.

Much of the coal and all of the shale oil that will be mined under the national energy program will be used to produce synfuels—liquid petroleum fuels similar to crude oil. The retorting process, which converts shale oil to synfuel, leaves the problematic spent shale. Coal conversion plants, which convert solid coal to liquid synfuel, generate ash and slag similar to the waste produced from coal-burning power plants. The dangers of these substances have already been discussed. But there is yet another problem with synfuels.

The processing of coal or shale-derived oil into commercially saleable products, such as gasoline, may release high concentrations of toxic substances. Synfuel production plants will operate in a fashion similar to oil refineries and are likely to generate a host of known or suspected carcinogenic hydrocarbons similar to those from their oil refinery siblings.

A pilot coal liquefaction plant in Tacoma, Washington, run by Gulf Oil Corp., has already had several accidents that resulted in the release of highly toxic materials. On December 19, 1979, for example, 2,300 gallons of coal-derived liquids escaped when a worker accidentally left a critical valve open. The discharges, which contained dangerous concentrations of toxic and corrosive phenols, seeped into the soil and invaded the underground water table. Thirty-five feet of soil were later removed by Gulf and deposited in a nearby hazardous waste dump. A $500,000 government-funded cleanup effort was then conducted by the Department of Energy to drain the contaminated underground water. Gulf was fined $20,000 for failing to report the spill to state authorities and for violations of three water pollution regulations.[7]

The toxic wastes from synfuels might catapult this energy strategy from ill-advised to catastrophic.

Gulf is now heading a group composed of foreign corporations and the governments of Japan and Germany. This group hopes to build a much larger $1.4 billion synfuels plant (50% funded by the US Department of Energy) in Morgantown, West Virginia. But its efforts are being opposed by local environmentalists who fear the toxic pollution and subsequent health effects that such a plant might cause.

Society's problems do not exist in isolation, they are interrelated. In the best of circumstances, we can "kill two birds with one stone" by solving two interrelated problems with one action; but this is rare. In some cases, actions that correct one problem worsen another.

And then there are actions that, no matter how well intentioned, not only fail to solve the problem that they were designed to correct, but also exacerbate another. A major increase in the use of coal and shale oil might very well be such a case. Because of the costs and technological problems, synfuels might not be America's best bet to provide lasting energy sources. But it is toxic wastes from synfuels that might catapult this energy strategy from ill-advised to catastrophic.

Notes

1. US Environmental Protection Agency, *Energy from the West*, Washington, DC, July, 1977, and calculations done by the Office of Technology Assessment, Washington DC.
2. US Environmental Protection Agency, *Report of the Committee on Health and Environmental Effects of Increased Coal Utilization*, Washington, DC, 1978.
3. Office of Technology Assessment, *The Direct Use of Coal*, Washington, DC, 1976.
4. Pacific Gas and Electric Co: *Notice of Intention* (a 3 volume analysis of a proposed coal burning power plant). San Francisco, CA, 1978.
5. Edison Electric Research Institute, "Solid Waste Update," *EPRI Journal*, April, 1979.
6. American Society of Agronomy, *Reclamation of Drastically Disturbed Lands*, Madison, Wisconsin, 1978 and CBE calculations.
7. *Wall Street Journal*, July 31, 1980.

Will the Hazardous Waste Regulations Protect Us?

Besides being over 2 years late, the hazardous waste regulations are not even complete. They are also "the most complex federal regulations ever issued." Why were they delayed so long? What will they actually accomplish?

by Bill Forcade and Amy Berk

The Problem

Long before 1976, the year when the Resource Conservation and Recovery Act was enacted, the US Congress was aware of the dangers to human health and the environment that were posed by the careless handling of hazardous wastes. In the 1920s and 30s, when the United States' chemical and other industries were in their infancy, most industry scientists knew that some of their wastes could be harmful. But most figured that if these wastes were taken far from human habitation and were buried in the purifying earth, all would be well. However, as the chemical and other industries grew in the 40s, 50s, and 60s, several things happened. First, the cities began expanding out to areas that in the 20s were "far from human habitation." Second, scientific research began to reveal the insidious ways that minute quantities of highly toxic materials could damage human health. Third, scientists also began to discover that wastes left in unlined lagoons or dumped onto ordinary landfills could leach into the underground water system and contaminate public drinking water.

Meanwhile, the quantities of hazardous wastes produced by industry were growing by leaps and bounds. And the convenient conventional wisdom that burying wastes was sufficient, prevailed. It was easier and cheaper to stockpile wastes on one's property, bury them, dump them in an ordinary landfill, or give them to a hauler to worry about, than to design manufacturing methods that produce less waste or to treat the waste once it was produced. Most manufacturers just didn't think too much about their chemical offal. And for unscrupulous haulers, there was big money to be made in hauling wastes and just dumping them any old place instead of treating them.

Bill Forcade is a CBE attorney.
Amy Berk is editor of the *CBE Environmental Review*

The Resource Conservation and Recovery Act

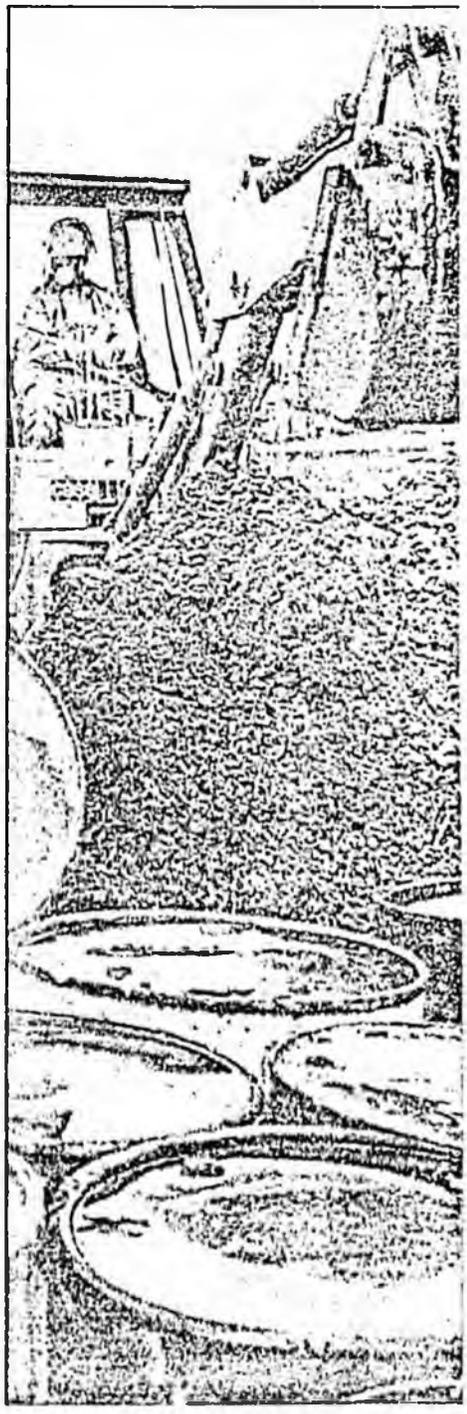
In the 60s and 70s, the public and their elected representatives in state and federal legislatures became aware of the serious hazards posed by the irresponsible handling of hazardous wastes. Reports of poisonings, explosions, and contaminated water supplies were growing.

By October 21, 1976, the US Congress finally passed the Resource Conservation and Recovery Act (RCRA), a comprehensive law designed to control and recycle all kinds of wastes. Specific emphasis was placed on controlling hazardous wastes, which Congress considered to be an urgent problem. Thus Congress mandated the US Environmental Protection Agency (US EPA) to issue the hazardous waste control regulations within 18 months—by April 21, 1978—the minimum time that Congress felt that US EPA would need to transform the mandate of RCRA into enforceable regulations.

In October, 1976, the environmentalists were congratulating themselves that they had secured the enactment of a good law that would result in the control of hazardous wastes. They believed that a solution for this horrible problem would be initiated in eighteen months. However, that was not what happened.

The Regulations Are Late

As late as April, 1978, it seemed as if the regulations would be issued on time and that they would establish strong controls. A few weeks before the regulations were due, the deputy administrator of US EPA



testified before Congress that everything was on time. But by late June, 1978, no regulations had been issued. There were no good explanations for the delay and no indication of when the regulations would be issued.

The problems causing the delay were never fully explained. It appears [illegible] egulations covering hazardous wa[illegible]osal did exist early in 1978 and that those regulations could have been issued on time. However, those regulations were for some reason deemed unsatisfactory by US EPA administrator Douglas Costle, and were rejected.



Photo by John Kuda, courtesy of the Niagara Gazette, Niagara Falls, NY

There are at least two theories for the rejection. First, because US EPA had just lost several cases in the courts, it felt that its regulations must be able to withstand challenges in court by industry. The original hazardous waste regulations may have had weaknesses that had to be corrected. Second, the cost to implement the original regulations may have been excessive and inflationary. US EPA may have decided to rewrite the regulations to reduce the costs to US EPA to run the program and the costs to industry to comply with the program. Whatever the reasons, the original regulations were rejected in 1978, and the program to control hazardous wastes was significantly rewritten over the following two years.

Shortly after US EPA decided to rewrite the hazardous waste regulations, two significant things occurred. In July, 1978, several environmental groups, including CBE, sued US EPA because the regulations were late; and in August, 1978, the New York State Health Commissioner recommended that pregnant women and children under 2 years leave an area known as Love Canal.

Environmentalists Sue US EPA

Environmentalists had sued US EPA as a way to expedite the issuance of the regulations. When Congress passes a law requiring US EPA to issue regulations by a certain date and US EPA does not do it, the courts can hear the problem and attempt to solve it. However, the courts cannot override other laws, including the laws that set the budget for US EPA. The attorneys for US EPA made clear to the judge that the amount of money and people available to US EPA prevented them from developing regulations before mid 1979 that would be acceptable to Douglas Costle. Environmentalists pointed out that Congress had given US EPA significantly more money than US EPA had asked for, and that US EPA was not presently seeking more money. The Court was in a precarious position, and Judge Gesell did not believe that he should throw Douglas Costle in jail because the Congress had not given US EPA enough money to issue the regulations on time. Thus, the judge ordered US EPA to issue the regulations in mid 1979 and to expedite them wherever possible.

Love Canal

Love Canal is an area of Niagara Falls, New York, whose name is now synonymous with the tragedies caused by improper hazardous waste disposal. In the 30s and 40s, Hooker Chemical Company carelessly dumped some of the most toxic chemicals known to humankind—including benzene, PCBs, and dioxin-contaminated pesticide residues—into a shallow, abandoned canal known as Love Canal. In 1953, Hooker deeded the land containing Love Canal to the Niagara Falls Board of Education for a mere one dollar. Hooker knew that there were dangerous chemicals there and that an elementary school would be built on the site. By August, 1979, reports began appearing in national newspapers about the abnormally high levels of miscarriages, birth defects, cancer, kidney diseases, and deafness among the residents and school children living near Love Canal. All evidence indicated that the toxic chemicals were leaking from Love Canal into the air, homes, and school in the area. And these chemicals were seriously affecting the health and well-being of the residents. (For a truly terrifying and detailed account of what happened at Love Canal and other places in the country, read *Laying Waste: The Poisoning of America by Toxic Chemicals* written by Michael Brown.) The evacuation recommended by the health commissioner in August only marked the first public acknowledgement of an ongoing tragedy.

Public outrage over Hooker's actions at Love Canal and the growing publicity of other "chemical time bombs" exerted great pressure on the Congress and White House to pressure US EPA to issue the hazardous waste regulations. Despite several Congressional hearings concerning the delays, US EPA maintained that they were proceeding as fast as they could, that the problem of regulatory control of hazardous wastes was much larger than they had anticipated, and that no internal US EPA problems were contributing to the delay.

Delay Is Detrimental

By May 19, 1980, most of the required regulations were satisfactory to Douglas Costle, and he officially signed them into law. However, that two year delay proved to be very detrimental.

First, irresponsible dumping of hazardous materials continued unimpeded for an extra two years. In fact, dumping may have increased in expectation of strict and expensive federal regulations.

Second, the delay slowed down state

control of the problem. In the United States, when Congress passes a federal law requiring control of an environmental problem, either the federal or state government can run the program (a program consists of people, laws, and money to stop pollution). The federal government will run the hazardous waste program in every state until the state adopts a program that meets certain minimum federal guidelines. When a state adopts such a program, the federal government will provide technical and financial support for the state program; but if the state does not adopt such a program the federal government program will remain in effect. Where the state adopts a program that does not meet the federal minimum guidelines, the federal program remains in effect. In such a case the federal program is funded and managed by the federal government, and the state program is funded and managed by the state government.

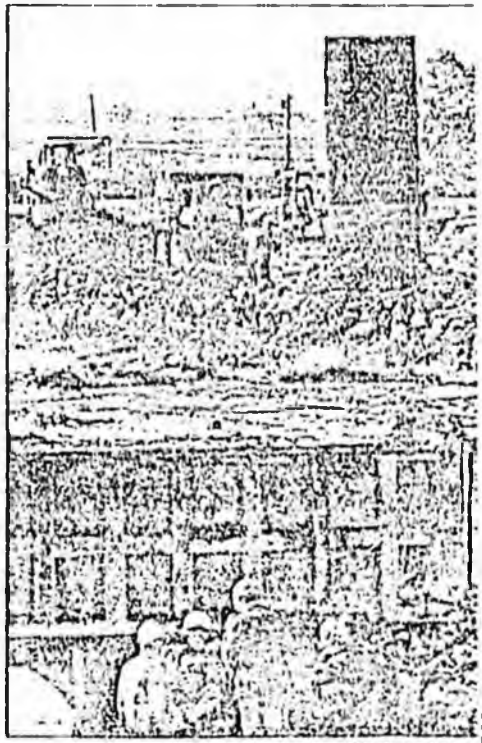
Most states want to run their own programs, and thus design them to meet federal requirements. However, before May 19, 1980, states were reluctant to develop their own hazardous waste programs because the federal minimum requirements had not yet been published. Since RCRA's passage in 1976, states had been assured that the requirements for federal funding would be issued at any moment. States were receiving the same public pressure to control hazardous wastes that Congress was, and many states were anxious to initiate their programs. Yet they did not want to design a program that might not meet the future requirements for federal funding, for most states could not afford the total cost of a hazardous waste control program and did not want both a state and a federal program operating at the same time. Thus the federal delay resulted in state delays.

Although the two year delay was costly, a more sinister evil was the weakening of the regulations that occurred during the delay. A comparison between the early versions of the regulations and the final version reveals that the final regulations control a smaller quantity of hazardous materials.

The Regulations

Most of the hazardous waste regulations were issued on May 19, 1980 and go into effect on November 19, 1980. The rest of the regulations are expected sometime in 1981. The remainder of this article will attempt to explain some of the May regulations and will point out their weaknesses.

RCRA commands US EPA to do two things: (1) establish specific standards for determining which wastes are hazardous and (2) devise a system to control the generation, transportation, treatment, storage, and disposal of those wastes deemed hazardous, so that they will not harm human health and the environment. The control of environmental contamination by hazardous wastes requires two things: (1) the prohibition through regulations of unsafe practices and (2) the aquisition of information about the handling of hazardous wastes so that violations of the regulations can be detected. The following discussion will be broken into three parts: (1) defining hazardous wastes, (2) requirements for record keeping (the manifest system), and (3) regula-



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CITIZENS HAVE MANY WAYS TO ACT

In the face of frequent malfeasance and nonfeasance by manufacturers, handlers, and government officials, as well as legal and regulatory loopholes, the nation's citizens are to a great extent left to protect themselves. Fortunately, there are many actions they can take.

Under the Resource Conservation and Recovery Act, they can demand public hearings before EPA issues a permit for a hazardous waste disposal site. They can register complaints about sites and performance at them. They can bring suit against operators for noncompliance, or on grounds of creating a public nuisance. They can petition for new types of waste to be added to the list of those covered under the law.

The Environmental Protection Agency is giving financial support to a program called "Waste Alert!"[1] which is being carried out by six national organizations—American Public Health Association, Environmental Action Foundation, Technical Information Project, National Wildlife Federation, Izaak Walton League of America, and League of Women Voters Education Fund. The program involves conferences around the country on issues related to abandoned sites, siting of new facilities, implementation of RCRA regulations, and other aspects of waste management.

The Sierra Club and Environmental Action have initiated a national "Hunt the Dump"[2] campaign, distributing handbooks with instructions for citizens on how to collect information and expose unsafe disposal sites, organize action groups, put pressure on company officials, and force local officials to act.

EPA's Region V in the Midwest has organized a "Seek and Find"[3] program which provides information to help the public identify hazardous waste problems and a hotline number to call. Of more than 50 phone calls received in the first week, a number came from employees reporting activities of their companies.

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Notes

1. Bruce Mibeck, Waste Alert Coordinator, Hazardous Waste Management Section, US EPA Region 5 (includes Illinois and Wisconsin), 230 S. Dearborn, Chicago, IL 60604; (312) 886-3712.
2. Instructions available for $0.25 from Marchant Wentworth, Environmental Action, 1346 Connecticut Ave NW, Washington, DC, 20036; (202) 833-1845.
3. The Seek and Find program is for region 5: Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin. For more information on what to look for, the brochure "Seek and Find" is available free from the Office of Public Information, US EPA Region 5, 230 S. Dearborn, Chicago, IL 60604; (312) 353-2072. The Hazardous Waste Hotline number is 800-972-3170 for Illinois and 800-621-3191 for the other states.

The state of California also has a State Abandoned Site Project. To obtain a report on abandoned sites in Contra Costa County or to report any suspicious site that could be an abandoned dump, contact Mark White, State Abandoned Site Project, California Department of Health Services, Sacramento, CA 95814; (916) 322-2337.

tions for existing hazardous waste facilities. Regulations for new hazardous waste facilities have not yet been issued; these are the regulations expected in 1981.

Which Wastes Are Hazardous?

RCRA defines a hazardous waste as follows: "A solid waste, or combination of solid wastes, which because of its quantity, concentration, or physical, chemical, or infectious characteristics may cause . . . (an) increase in mortality or an increase in serious illness . . . or . . . pose a substantial present or potential hazard to human health or the environment when improperly treated, stored, transported, or disposed of, or otherwise managed."

In the regulations, US EPA has established specific criteria and scientific tests for determining which wastes are hazardous. Hazardous wastes have one or more of the following characteristics: (1) ignitability, (2) corrosivity, (3) reactivity, (4) toxicity. Toxicity is divided into three categories: (a) EP toxicity—this is determined by an extraction procedure (EP) in which a specific concentration of one of 14 specified chemicals* appears in an extract from the waste, (b) acutely toxic—the substance is fatal to humans in small doses, (c) toxic—scientific studies have shown the substance to have toxic, carcinogenic, mutagenic, or teratogenic (causing birth defects) effects on humans or other animals.

Using these criteria and the associated scientific tests, US EPA evaluated the wastes from a wide range of industrial operations. It determined which specific chemicals and which types of effluent from specific processes are hazardous. The regulations contain several lists of these hazardous wastes and waste streams.

Weakening the Regulations

An examination of the extraction procedure (EP) for testing hazardous wastes illustrates how the final regulations are weaker than the original drafts. The EP test involves mixing the waste in question with water. The water is then extracted and tested for the 14 specified contaminants. By this procedure, US EPA hopes to approximate the most common problem that results from dumping hazardous wastes in ordinary landfills. The test approximates the trickling of rain water through the ground of a chemical landfill and gives an idea of the amount of chemicals that would be carried with the water to underground drinking water supplies. If any of the 14 chemicals appears in the extraction water above a certain level, the waste is considered hazardous. However, between the early drafts and the final regulations, the level of contamination permitted was raised, in most cases by a factor of 10. With this change, wastes that would have failed the test under early drafts now pass and are not considered hazardous. In addition, about 5 chemicals were eliminated from the list, though US EPA says more may be added later. In this manner, US EPA reduced the amount of wastes that would fall within the regulations and thus the size and cost of the program. The cost to industry would also be less, for the wastes that now

*The chemicals are arsenic, barium, cadmium, chromium, lead, mercury, selenium, silver, endrin, lindane, methoxychlor, toxaphene, 2,4-D, and 2,4,5-TP Silvex.



Photo by John Kuda, courtesy of the Niagara Gazette, Niagara Falls, NY

Wastes at Love Canal

PUT THE BLAME ON MAME

Some people like to place much of the blame for the hazardous waste mess on the public. After all, isn't it the public that demands and uses the products of modern chemistry? A *Fortune* magazine writer says that "every segment of society has played some part in generating" hazardous wastes.[1] Robert A. Roland, president of the Chemical Manufacturers Association, while conceding that the chemical industry is "a part of the problem," says it is a result of "society's advanced technology and pursuit of an increasingly complex lifestyle."

Roland says that "every individual and all of industry and even government itself . . . have contributed to this horrible mess. . . . Everyone should realize that the blame does not belong to a single company, or a single industry, but to all of us as individuals and as an advanced society."[2]

Even EPA sometimes reflects a similar line of thought—though in an understandable effort to encourage the public to accept some responsibility for the disposal problem rather than always insisting that hazardous wastes be put in someone else's community. An EPA booklet paraphrased Pogo: "We have found the sources of hazardous waste and they are us."[3] Eckardt C. Beck, EPA's assistant administrator for water and waste management, said, "It is in the final analysis the public who must realize that the products they consume produce the wastes they deplore."[4]

Beck also has said, "With a mind-boggling $100 billion a year in sales, the chemical industry is firmly here to stay, along with its wastes and the wastes of its clients."[5]

However, one should keep in mind that these public clients are not provided information on the consequences of chemical products, or on alternatives to them. They are not asked serious questions about what products should be developed by industry. Or what products should be promoted in magazines and TV commercials. They are not told anything about hazardous ingredients, problems with disposal of hazardous waste, or how wastes are handled.

A major step to encourage more rational public choices would be a system under which the prices of products reflect the full costs of hazardous waste disposal related to them.

Notes

1. *Fortune*, April 21, 1980.
2. *Washington Post*, April 21, 1980.
3. "Everybody's Problem: Hazardous Waste," EPA, 1980. This illustrated booklet is an excellent exposition of the hazardous waste problem.
4. Speech to National Solid Waste Management Association conference, Chicago, October 3, 1979.
5. *New York Times*, June 7, 1979.

Reprinted by permission from *Consumer Education Foundation Letter*, April, 1980.

pass the test are not considered hazardous and are cheaper to dispose of.

Exclusions

Once a material is listed as a hazardous waste or fails the specified scientific tests, it should be subject to all the hazardous waste regulations issued under RCRA. However, virtually every person, business, and industry generates harmful materials, from the empty pesticide container that a homeowner used on the rosebushes to the massive quantities generated by an electroplating or pesticide manufacturing facility. US EPA clearly couldn't regulate all of these wastes. First, certain substances were excluded. Household wastes are excluded as are substances regulated under other acts, notably nuclear wastes, which are controlled under the Atomic Energy Act. Certain mining wastes were excluded, largely due to a powerful lobby that convinced Congress that to include these wastes would ruin the mining industry and stifle exploration of new fuel sources. Certain agricultural wastes and irrigation flows were also excluded.

Second, there are mechanisms by which wastes that are considered hazardous according to the regulations can avoid the regulatory control mechanisms. If the hazardous waste generator generates only a small quantity of hazardous wastes, he or she is exempt from the record keeping and disposal requirements.

Originally, those who generated less than 100 kilograms per month (about 220 pounds or about half of a 55 gallon drum of liquid) would be exempt from the regulations. In the final regulations, however, the cutoff point was raised to 1,000 kilograms per month. (The cutoff point for those who generate wastes considered to be acutely toxic remains at one kilogram per month.) Ostensibly, the reason that US EPA raised the cutoff point was to enable US EPA to concentrate its limited resources on the major hazardous waste generators. By decreasing the number of generators that it would have to monitor, US EPA also cut the cost of the program.

However, what these cutoffs mean is that if a generator produces 980 kilograms of hazardous waste or 0.98 kilograms of acutely toxic hazardous waste in a month, he or she does not have to keep records for that waste. More importantly, these wastes, certainly considered hazardous by US EPA standards, may be disposed of in an ordinary sanitary landfill, thus allowing the very hazards that the regulations are seeking to prohibit. US EPA states that it plans to extend the regulations to cover the small generators, but that may not happen for five or more years.

(Note: The proposed regulations for the state hazardous waste program in Illinois establishes the cutoff of 100 kilograms per month and requires those who generate less than 100 kilograms to dispose of their wastes in an approved hazardous waste site, although records need not be kept.)

The Recyling Controversy

If a waste is beneficially used, reused, recycled, or reclaimed, then it is not a waste and is not subject to the hazardous waste regulations. If a hazardous waste is sold, it is also no longer a waste. This creates problems. For example, if most industries discard waste oil from a certain process and that oil is hazardous, but one company sells that waste oil for use in another chemical process, what regulations should apply to the oil? US EPA maintains that if the material is sometimes discarded by the industry as a whole, then all of that material is subject to the hazardous waste controls. However, the specific company that reuses the waste can apply for exclusion of its waste from the regulations. Some industries claim that the US EPA ruling is overly strict and will impede recycling. However, unscrupulous generators could "sell" their hazardous wastes (and thus avoid the record keeping regulations) to persons who would subsequently mismanage them. This issue will cause significant controversy as US EPA seeks to maintain control over all real wastes, while trying not to impede recycling. (See "Recycling Haz-

Hazardous Waste Facts[1]

Major Routes of Environmental Damage by Hazardous Wastes

- Groundwater contamination via leachate
- Surface water contamination via runoff or overflow
- Air pollution via open burning, evaporation, sublimation, and wind erosion
- Fire and explosion
- Poison via the food chain
- Human contact

Other Legislation that Controls Hazardous Substances

Atomic Energy Act covers the disposal of nuclear wastes.

Clean Air Act sets standards for hazardous air pollutants.

Clean Water Act prohibits discharge of pollutants in significant amounts into navigable waters of the United States.

Safe Drinking Water Act authorizes US EPA to set maximum contaminant levels for public drinking water systems.

Federal Insecticide, Fungicide, and Rodenticide Act authorizes US EPA to regulate registration, treatment, disposal, and storage of all pesticides; includes labeling requirements.

Toxic Substances Control Act authorizes US EPA to obtain data on health effects of chemical substances and to regulate the manufacture, use, and disposal of a chemical substance or mixture, where warranted. (Note: Just because these acts have been passed does not mean that they are effectively achieving their goals.)

Cost of Complying with the Hazardous Waste Regulations

- For industry—less than 0.2% of annual sales
- For the public—about $3.00 per year

Disposal Options[2]

Source Reduction Modify industrial processes so that the volume or toxicity of waste is reduced.

Waste Exchange One company's waste may be another's raw material. Often wastes can be reclaimed so that they can be used as raw materials for another company.

Treatment Chemical procedures, such as neutralization of acids, can be used to render the waste less hazardous. Incineration may be useful, provided that there are safeguards against air pollution.

Landfill The last, least desirable, and least safe option, landfilling is the method that has led to the problems that the hazardous waste regulations are trying to solve. (Note: The hazardous waste regulations do nothing to facilitate, encourage, or provide funds for research into the first three options.)

Notes

1. Information from the US Environmental Protection Agency.
2. Based on article by Pojasek RB: "Developing Solutions to Hazardous-Waste Problems." *Environmental Science & Technology* 14(8): 927, August, 1980.

Photo by Dave Schulte, courtesy of the Seymour (Ind.) Daily Tribune

ardous Wastes: The Only Way to Go" in this issue.)

Sewage Sludge

One waste that CBE was particularly concerned about was sewage sludge. Research done by CBE had shown that sewage sludge often contains large amounts of the toxic chemical cadmium; and if the sludge were not carefully handled, human health could be endangered. Congress had specifically included sewage sludge as one of the susbstances that RCRA regulations were to control. The early regulations indicated that sewage sludge would be treated like any other solid waste—if it failed the tests, it would be considered hazardous and would be subject to controls. However, when drafts of the regulations were published in December, 1978, sewage sludge was excluded. According to this draft, sludge would never be considered hazardous, no matter how much toxic material was in it.

CBE submitted extensive comments to US EPA that explained why the exclusion of sewage sludge was unwise. CBE had also sued US EPA because sludge was excluded. Although the US Court of Appeals had decided that CBE had brought the case to court too early in the regulatory process, the case seems to have influenced US EPA. When the regulations finally came out, sewage sludge was no longer excluded.

The Manifest System

Now that we have an understanding of which wastes come under the regulations, we can turn to the record keeping procedures. The US EPA will keep records on all facilities that generate, transport, treat, store, or dispose of hazardous wastes. In addition, records will be kept on all hazardous wastes, from the moment of generation, through transport to storage, treatment, or disposal (cradle-to-grave tracking). When a hazardous waste is generated, the generator must fill out a form, called a manifest, that describes the waste and lists the names and addresses of the generator, the transporters, and the ultimate destination (a permitted treatment, storage, or disposal facility). This manifest must accompany the waste from its generation to ultimate disposal and must be signed by the appropriate people and returned to the generator. The manifest must be kept for three years; and generators and storage, treatment, and disposal facilities must submit annual summaries of their activities to US EPA. This system would minimize unauthorized disposal of hazardous wastes and enables US EPA to assign responsibility if a specific waste or disposal site causes damage in the future.

Interim Permits

Now that we know which wastes are hazardous, where they come from, how much is generated, and where they are going, we will examine what happens at existing waste disposal sites.

Under the regulations, all an existing site has to do is notify US EPA of its location, its activities, and the identity of the waste it receives. Upon receiving this information, US EPA issues the facility an interim permit. This permit enables the facility to continue its operations, whether they are safe or not. In addition, by November, 1981, all operating facilities must have the following: wells to monitor leakage; analysis of incoming wastes; barriers, warning signs, and other security measures; an inspection system; trained personnel; emergency plans, including communications with local police and fire departments; and of course, the manifest system. All these items, however, are basically cosmetic.

The existing facilities must also apply for a permanent permit; and at some unspecified time in the future, US EPA will evaluate each existing site and decide, based on its potential for harm, how the facility should be improved.

US EPA had the authority to prohibit unsafe practices at existing sites. For example, US EPA could have mandated the closing of sites built on sand or 200 feet from an underground water source. Such regulations would have protected the public from the leaking of toxic wastes, such as occurred at Love Canal. However,

Hazardous Waste Facts

Amount Generated In 1980

- 57 million metric tons (wet)—US EPA estimate.
- Only 10% are currently being handled in a safe manner.
- Ten states generate 60% of all hazardous waste. In order by volume of waste generated, they are: New Jersey, Illinois, Ohio, California, Pennsylvania, Texas, New York, Michigan, Tennessee, Indiana.
- The quantity of hazardous waste generated is expected to increase by about 3.5% each year

Hazardous Waste Sources

Industrial Generators	*Percent*
Chemicals and allied products	60
Machinery (except electrical)	10
Primary metals	8
Paper and allied products	6
Fabricated metal products	4
Stone, clay, and glass products	3
All others	9

Information from the US Environmental Protection Agency

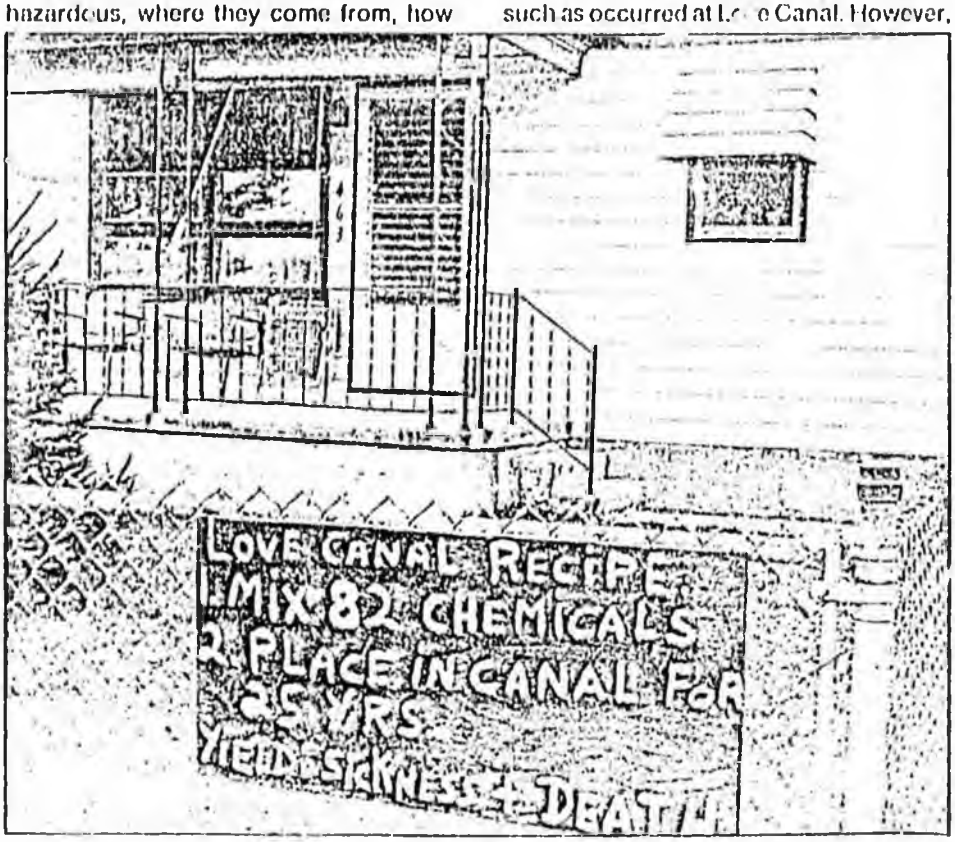

Photo by John Kuca courtesy of the Niagara Gazette, Niagara Falls, NY

US EPA did not do so.

Under these rules, Love Canal (if it were still in use) could continue operating well into 1981 (and probably beyond) before any records of its leaking were made and evaluated.

The Major Flaw

This is the major flaw in the regulations. Until US EPA evaluates and acts on the massive amounts of information that it will receive, nothing will change. The regulations do not require that existing sites meet any minimum waste containment standards. US EPA seems to have the following attitude. What happened in the past is too complicated to deal with in a uniform regulation. Also, if the standards for interim sites are too strict, then many will close; and there will be no place to put the 57 million metric tons (wet) of hazardous wastes that we will generate in 1980 alone. It would be better to have those wastes in a poor site than dumped on a back road. We will concentrate on making the requirements for new sites as rigorous as possible to prevent future calamities. (These are the regulations expected in 1981.) We will evaluate the established sites one by one and then determine what changes should be made at each site.

How soon the review of existing sites is accomplished depends on many variables—from the intangible attitude within US EPA to the tangible questions of whether there is enough money and qualified people to do the job. The present regulations could be used to promptly control current unsafe disposal practices. Or US EPA could do very little.

In addition to allowing the unsafe practices to proceed for an indefinite amount of time, US EPA's omission of prohibitions for unsafe practices at existing sites actually benefits those unsafe sites. For example, let's suppose that Love Canal is still operating. Its owners would apply for an interim permit, put up fences and warning signs, buy fire extinguishers, notify local police and fire departments of Love Canal's existence, and apply for a permanent permit. The owners then issue a press release saying that they have complied with all the requirements of the new federal hazardous waste regulations. A nervous public is relieved, thinking that if all the federal regulations are compiled with, then they are safe from any hazard from the site. Shortly thereafter, one of the residents notices a foul odor in the basement of his house. He also breaks out in rashes whenever he enters the basement. After doing research, he concludes that the odor and rashes are resulting from chemicals leaking from the Love Canal. He then sues the owners. The owners, however, have a ready defense. They claim that since a federal agency has issued regulations to protect the public's health in such situations, and since the owners have complied with those regulations, the owners are therefore not liable. The resident would have difficulty overcoming this defense.

Conclusion

Now that the hazardous waste regulations are issued, some problems will diminish, some will become more evident. On the positive side, US EPA will for the first time have an accurate record of the generation, transportation, and disposition of hazardous waste in America. This will provide valuable insight for preventing future calamities. Once the last part of the regulations is issued next year, government agencies and citizens can work to ensure that final burial of hazardous wastes will not present problems to future generations.

On the negative side, many wastes that do present hazards will be improperly disposed of because they are generated by small quantity generators. Also, unless new hazardous waste sites are approved, we may shortly find ourselves with more wastes than we can properly dispose of. In such circumstances the risk of improper disposal by midnight dumpers is high.

In addition, the regulations do not address the issue of reducing the volume of hazardous wastes. We hope that US EPA will immediately begin encouraging new procedures for recycling or neutralizing hazardous wastes to diminish the amount of land disposal space we will need.

The long-term solution to the hazardous waste problem is not finding more places to bury the wastes, but rather finding ways to minimize the amount of wastes needing disposal.

Products that Yield Hazardous Wastes

Product	*Hazardous Waste*
Plastics	Organic chlorine compounds
Pesticides	Organic chlorine compounds, organic phosphate compounds
Medicines	Organic solvents and residues, heavy metals (eg, mercury and zinc)
Paints	Heavy metals, pigments, solvents, organic residues
Oil, gasoline, other petroleum products	Oil, phenols, organic compounds, heavy metals, ammonia salts, acids, caustics
Metals	Heavy metals, fluorides, cyanides, acid and alkaline cleaners, solvents, pigments, abrasives, plating salts, oils, phenols
Leather	Heavy metals, organic solvents
Textiles	Heavy metals, dyes, organic chlorine compounds, solvents

Information from the US Environmental Protection Agency

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4. Conservation Foundation Letter: "Hazardous Waste Control Efforts: A Frightful Mess." April, 1980 (1717 Massachusetts Ave NW, Washington, DC, 20036).
5. Federal Register: "Environmental Protection Agency; Hazardous Waste and Consolidated Permit Regulations." Vol 45, no 98, book 2. May 19, 1980.
6. "Haulers Dump Toxic Wastes to Beat Rules." *Chicago Tribune*, August 4, 1980.
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Controlling Toxic Wastes:
A Model State Program

by Marchant Wentworth

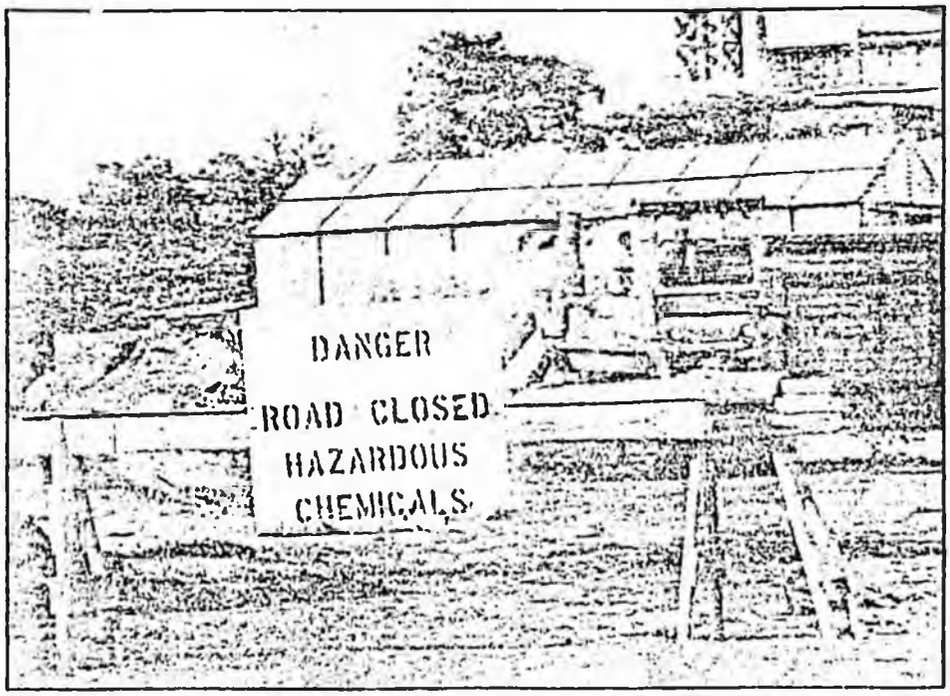
One of the greatest problems progressive public officials face today is the lack of specific programs to offer to address the many pressing problems in today's society. To help fill that void, Ways & Means *will carry a series of model state and local programs on a broad range of issues in the coming months. We are pleased to have, as the first in the series, a program for controlling toxic wastes written by the well-known environmental lobbyist, Marchant Wentworth.*

On January 22, 1981, Philadelphia became the first major city to enact legislation giving workers and city residents the right to know what kinds of toxic wastes are around them. Passed through the efforts of a broad coalition of workers, enviornmentalists and community residents, this "right to know" legislation forces manufacturers to disclose to the public what toxic chemicals are emitted into the air or stored on the premises. This legislation is part of a comprehensive program which should be implemented in every state to reduce the ever increasing dangers posed by toxic waste disposal.

Responsibility for establishing a comprehensive hazardous waste disposal program falls squarely on the shoulders of state and local officials. While federal studies have documented the magnitude of the problem—millions exposed to health hazards from leaky dumps; a hundred million tons of improperly managed toxic waste generated each year; and thousands of yet to be discovered dump sites—federal efforts to address this situation have been underfunded and narrow in scope. With almost no hope for additional federal incentives, progressive public officials must take the lead in designing programs to address this growing concern.

Some states, notably those with severe chemical contamination problems, have responded early to address some of these issues. Most states, however, have been content to propose a minimal program in order to qualify for federal support. To prevent industries from shopping around for the weakest state program, legislators and other state officials must act to fill the gaps and provide the real protection that citizens are demanding.

While specific threats vary from state to state, a comprehensive hazardous waste program should contain four key elements:



1. strong guidelines;
2. a hazardous waste facility siting procedure;
3. aid to victims of chemical contamination;
4. reliable funding.

Strong Guidelines

In 1976, Congress passed the Resource Conservation and Recovery Act (RCRA) which established a management scheme for the treatment, transportation, and disposal of solid waste. Unfortunately, EPA's interpretation of RCRA created regulations which are far too weak to provide adequate protection from the dangers of chemical wastes.

For example, EPA's regulations exclude any company that produces less than 1,000 kilograms (2,200 pounds) of hazardous waste per month. This "small generator" waste will almost surely end up in landfills which are not designed to contain dangerous chemicals possibly resulting in contaminated water supplies.

Suggested State Response

• *Include all hazardous waste generators, regardless of size, under any state hazardous waste act.*

Citizen groups and those working with hazardous waste often become aware of problems associated with the handling and disposal of toxic wastes long before state officials find out about a problem. At this time, no state gives these groups the right to find out from chemical producers and users what types of chemicals they are shipping and dumping.

Suggested State Response

• *Enact "right-to-know" legislation giving citizen groups and workers the right to determine what kinds of hazardous wastes are stored, processed and disposed of by chemical manufacturers and processors.*

An early warning system to alert state officials that a toxic shipment has not reached its proper destination is vital. The manifest designed by EPA to track waste from "cradle to grave" merely requires the generator to forward documentation of proper disposal to the federal government within three months of final disposal, and contains no requirement for state notification.

Illinois has developed a computerized system which allows officials to act quickly in case of problems. Maryland and New York have similar sytems and the New England states have developed common manifest systems to locate wastes in their area.

(continued on page 4)

Suggested State Response

• *Require that the state solid waste agency be notified within two weeks of final disposal.*

Federal regulations are weak in one other important area. Shippers of ultra-hazardous wastes, such as pesticide wastes containing dioxin, are not required to notify state officials when shipments pass through their states.

Suggested State Response

• *Require shippers to notify state officials of any ultra hazardous shipments as defined by the EPA regulations.*

Siting

Locating suitable solid waste disposal sites is an old and difficult problem. Citizen groups are reluctant to allow facilities in their communities—questioning government's ability to protect them through regulation and industry's ability to protect them through technology. Siting a new facility is often reduced to finding the place of least opposition which means either continued use of already existing, leaking dumps or transportation of wastes over long distances, increasing the chances for accident or injury.

Without doubt, citizens should be encouraged to vigorously question any proposed sites in their area. But once a need has been proven, the goal should be to create a well-designed site at the best possible location. Rejection of any site, regardless of its design or location, could merely exacerbate the problem.

In spite of the controversy that has raged over siting for years, little federal guidance is available. Even minimal siting criteria for determining the environmental acceptability of a site have not been written.

On the other hand, the industry sponsored Chemical Manufacturers Association has drafted model state legislation calling for a governor-appointed siting board with broad powers to totally preempt all state and local zoning and land use laws.

Fortunately, most states which have passed siting laws provide for some form of public participation. Michigan creates an independent siting board composed of nine members—with four representatives from the area of the proposed site—each time a new site is proposed. Oregon allows the state health department to veto any site that it believes could present a threat to public health. Massachusetts has a system which requires the permittee to prepare a Notice of Intent describing the facility and its operation as the starting point for negotiations between the community and permittee.

Four main issues must be addressed in any siting legislation:

1. Pre-emption —

Experience shows that citizen pressure is capable of rejecting any site, regardless of the facts in the case. As a result, most states have drafted siting legislation creating boards that can pre-empt local authority. Of the ten states, either with or considering siting boards, nine provide some form of pre-emptive authority.

Suggested State Response

• *Create a siting board with pre-emptive authority which represents local concerns through some form of citizen or public representation.*

2. Need —

Hazardous waste generators have historically used landfills as the cheapest and easiest method of disposal—in spite of the environmental problems they create. In fact, generators are just beginning to realize the recycling potential of their hazardous wastes. Often they can be recycled and reused—either inside the plant or as an ingredient in another plant's process. But because disposal costs have traditionally been so low, managers rarely consider new approaches.

States can help change these attitudes by requiring waste generators to file a "certificate of need" detailing their efforts to recycle and reduce waste. Waste disposal, particularly in landfills, should be seen as the resting place of last resort. The certificate would force generators to exhaust all other possibilities before seeking a new landfill and would force them to justify the need for a new landfill.

The certificate of need can be a powerful tool for both citizens and local officials. First, information on the origins and delivery routes of wastes can provide an early warning system that can allow for long range planning. Second, making this information public forces the generators to be held directly accountable for the wastes they produce. Too often in the past, waste generators stood silently in the background while site operators took the heat for a dangerous facility.

Suggested State Response

• *Require that generators submit a certificate of need to the state solid waste management agency before disposing of any hazardous waste. The certificate should detail who the actual user of the facility will be, where the waste will come from, how much and what kinds of waste will be disposed of, and what other options were pursued for recycling the waste.*

3. Technical Assistance to Citizen Organizations —

Siting decisions require careful evaluation from a variety of experts in the fields of hydrogeology, solid waste management, biology, chemistry, and toxicology. But since these experts are usually quite costly, site evaluations are typically available only to corporations and local officials. Citizen groups must depend on second hand information and volunteers to evaluate possible options.

Suggested State Response

• *Provide funding, either through a budget authorization or user fees, to allow technical experts to consult with citizen groups.*

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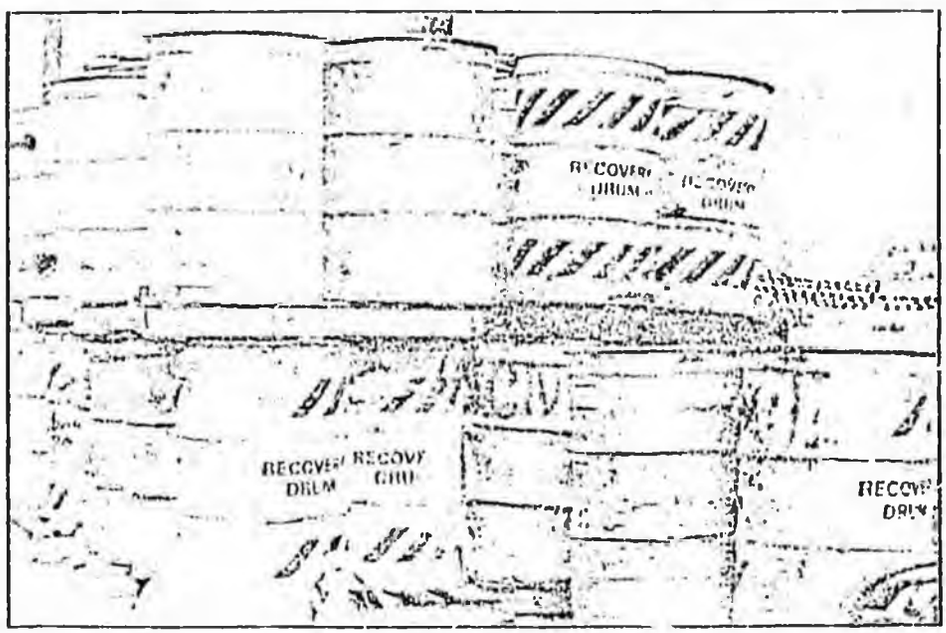

4. **Incentives —**

In the past, most communities involved in siting decisions have been forced to accept all of the risks of a facility without gaining any of the proposed benefits. In order to reverse this, some jurisdictions have proposed incentives that can be used as negotiating points between the permit applicant and the community. These incentives can be direct cash payments to the community, emergency equipment, job opportunities at the site, or road and bridge improvements leading to the site. Site operators can also provide a wide range of amenities including landscaping, elimination of odors and debris and noise control.

Suggested State Response

• *Require the permittee to develop a contract with the community detailing what types of incentives the permittee will make available and at what times during the construction and operation of the site.*

Relief for Victims

Despite the tragedy surrounding Love Canal and the thousands of industrial workers who have been crippled by exposure to toxics, federal law has consistently failed to provide any easy recourse for toxic casualties. Even the recent Superfund legislation, which was proposed to solve this problem, was stripped of provisions for victim relief before final passage in December, 1980.

Studies by the Congressional Research Service have shown that our present tort systems is inadequate to address the complexities of toxic release. And because the effects are latent, proving a direct cause and effect relationship can be very difficult. Victims rarely have the time, money, or expertise to bring their case to court, let alone win. As a result, they are usually forced to accept a small out of court settlement rather than face years of expensive litigation.

Suggested State Response

• *Change the state tort law to allow the victim to prove that an injury or disease is "reasonably related" to a particular release or discharge rather than having to prove a direct causal relationship.*

The long latency period between exposure and discovery of many toxic related illnesses may prohibit victims from suing under current state statute of limitations. Under the present system, victims who, for example, contract cancer years after initial exposure cannot bring litigation against the operator or employer responsible for the exposure.

Suggested State Response

• *Alter the statute of limitations to begin at the point of discovery of a serious illness instead of the point of exposure.*

Determining the extent of chemical contamination often requires expensive diagnostic tests. Since victims rarely have the money to pay for such tests, little or nothing is done until their health deteriorates. By the time the disease is treated, long term expensive care is often required.

In 1974, residents of tiny Toone, Tennessee were unable to pay for expensive diagnostic tests to help them determine what was causing the noticeable deterioration in their health. Not until 1978 did public health officials discover that the damage was caused by pesticide dumping from a local chemical company into the town's water supply. By that time, extensive permanent damage had occurred.

Suggested State Response

• *Provide for early diagnostic treatment for toxic chemical victims either through user fees or expanded liability provisions to include repayment for diagnostic expenses from the guilty party.*

Reliable Funding

The key to creating an adequate state program is developing a reliable source of funding. Clearly, the federal government will not provide the necessary funding. The U.S. General Accounting Office, in reviewing the national hazardous waste management effort, found that none of the 26 states it contacted had sufficient staff to develop and operate a program that could meet even minimal federal standards with the funds available.

In the face of the needs of this program, alternative funding sources must be found. The most obvious source is users fees for disposers of hazardous waste. GAO, in its recommendations to EPA, echoed this idea stating "... no long term funding sources are available for hazardous waste programs on the federal, state, and local levels. Self-supporting programs which charge for waste disposal — such as fee systems—would provide an alternative source to supplement existing funds and provide a means of long term program support."

In addition, GAO recommended that EPA should encourage state governments and agencies to develop fee systems, develop model legislation for such systems and propose amendments to the Resource Conservation and Recovery Act to include a fee system in cases where EPA is forced to implement a state's program.

Disposal fees offer a number of advantages over federal or state appropriations. Besides being more reliable, they place the burden of the program on the users of the system instead of the taxpayer. And because there are relatively few permitted hazardous waste disposers in most states, the fees are easily collected, keeping administrative costs low

A fee system can also support an effective enforcement and monitoring program—the backbone of any regulatory effort. Without a well funded enforcement program, the entire effort to control illegal and improper disposal could amount to little more than piles of papers shuffled between lawyers.

At least two states have instituted fee systems. California has created a hazardous waste disposal fee of $1.00 per ton which raised 2 million in 1978—enough to fund the state's entire hazardous waste management program. Maryland has developed a three part system consisting of a filing fee, an annual permit fee based on type and quantities of wastes and a per vehicle charge, which supports the system and provides funds for emergency removal spills.

While some state officials have expressed concern that fees increase illegal dumping or provoke bitter resistance from disposers and site operators, officials from California and Maryland have discounted these problems. They contend that a strong enforcement program is the most effective weapon against illegal dumping and note that the incremental cost increase of approximately five per cent is hardly enough to encourage illegal dumping.

Suggested State Response

• *Establish a state fee schedule for hazardous waste generators which will cover the costs, over and above federal appropriations, of management, enforcement, clean up of spills and illegal dumping and provide diagnostic testing for victims.*

On January 30, President Reagan instituted a freeze on all federal regulations not yet issued. This can only further slow the federal response to the problem of toxics in the environment. The burden now falls on state and local governments to institute strong programs citizens are demanding.

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Attack on Hazardous Waste: The Challenge of the 1980's

The Problem

Our country has recently endured an unprecedented spate of toxic-related episodes. It has become difficult to pick up a newspaper without reading about drums of hazardous waste left rotting in areas precariously close to aquatic resources, or even human communities. One need only draw on some recent historical events as examples of the effects:

Pollution of Ground Water

In 1978, the water supply of Toone, Tennessee, was found to be contaminated, six years after a nearby landfill containing pesticide wastes had been closed.

Contamination of Rivers and Lakes

In 1978, poisons leached from a dumpsite in Charles City, Iowa, into the Cedar River in quantities sufficient enough to be detected in the water supplies of communities 60 miles downstream.

Air Pollution

In 1972, hazardous chemicals vaporized from a landfill near the towns of Darrow and Geismar, Louisiana. People and livestock were exposed to toxic vapor.

Explosion and Fire

In 1978, a fire erupted at a Chester, Pennsylvania, disposal site. Forty-five firefighters were stricken after inhaling chemical fumes and a major bridge had to be closed.

Poisoning

In 1978, President Carter declared Love Canal the first national disaster area for events other than "an act of God." Miscarriages, birth defects and other serious health problems appear to have been caused by chemical wastes buried nearly a quarter of a century ago.

Although specific horror stories vary greatly in terms of the severity of the impacts upon health and the

environment, the hazardous waste problem has reached epidemic proportions. The seeds of this problem, in many cases, were planted years ago, beginning with the advent of the widespread use of synthetic materials following World War II.

Over the last 20 years, extensive national efforts have focused on cleaning up air and water, as well as on making the workplace safer for the American laborer. These were logical, immediate priorities. But overlooked were the by-product wastes from industrial processes.

We have now become painfully aware that some 50 million metric tons of potentially hazardous wastes are produced annually in the United States. The amount grows at a projected rate of about 3.5 percent a year. And less than 10 percent is probably being disposed of in an environmentally sound manner.

By a combination of ignorance of the hazards and deliberate avoidance of the costs of waste control by some industries, we find ourselves saddled with a problem which will take years to resolve.

How Wastes are Presently Handled

We are the most highly industrialized society the world has ever known. Yet no system has been institutionalized for properly disposing of our toxic wastes. More effort has heretofore gone into the regulation of restaurants or taxicabs than into establishing a safe network for waste disposal.

Furthermore, the number of actors who are involved with hazardous waste is immense:

- over 750,000 businesses generate some amount of hazardous waste
- over 10,000 transporters are involved in shipping it
- over 30,000 sites are used for treatment, disposal, or storage, some on the premises of the generator, others located elsewhere.
- an unknown number of "midnight dumpers" — transporters who take the wastes off generators' hands for a low price, then dispose of it irresponsibly — also operate on a widespread basis. The end product of their

services often turns out to be drums of wastes discarded into sewers, in the woods, in open fields, on the sides of roads. . .often near municipal drinking water supplies.

Hazardous wastes—whether from a chemical plant, battery producer, or electroplater, to cite three examples—are either disposed of at the factory or off-site. In either case, the disposal options are nearly identical:

- disposal on the land
- incineration
- placement in lagoons
- injection wells
- cycling or reclaiming

If wastes are not retained on-site, they are transported elsewhere by truck, barge, or rail.

Most hazardous waste incidents arise as the result of indiscriminate disposal by midnight dumpers, improper management at inadequate treatment, storage or disposal facilities or spills in transport.

Present Inadequacies

Industry, quite properly, seeks to dispose of wastes at the lowest possible cost, consistent with the requirements imposed upon them by laws and regulations. Presently, in most parts of the United States, such rules and regulations are non-existent or incomplete. As a result, there now are a number of glaring inadequacies in how hazardous wastes are managed in America:

Inadequate identification of wastes that are hazardous

All wastes have the potential to be harmful, but certain wastes are particularly hazardous. Until these wastes are identified as hazardous, mismanagment is likely to continue.

Inadequate assignment of responsibility for safe management

Currently, except in a few states, a generator, after handing waste over to a transporter, need assume no further responsibility. The transporter, in turn, is under no requirement to dispose of the waste properly. No records need be kept, hence liability for midnight

dumping incidents cannot be traced. No one is accountable, and in case of surreptitious dumping or an accident, the public gets stuck with health and environmental damage—and the cleanup tab.

Inadequate standards for waste management facilities

With the exception of some state programs, no process exists to define and enforce rigorous design and operating standards to ensure safe containment or destruction of hazardous wastes, or to ensure that sites are not abandoned and left unmonitored and forgotten.

Inadequate information on wastes

Except in a few states, no one is presently required to keep records of hazardous waste activities, so it is impossible to know who is generating hazardous wastes, how much, how handled, or where.

Inadequate emergency notification system

No method now exists to assure swift cleanup of hazardous waste spills during transport.

Inadequate incentives to improve technology

Safe waste management should embody the best technologies that can be developed. Yet without rules and regulations to ensure protection of public health and the environment, the costs of disposal have been low. As a result, industry has had little incentive to apply resources or brainpower to developing better, safer technologies for managing wastes.

The World According to RCRA

The Congress passed the Resource Conservation and Recovery Act to address these inadequacies and thereby require industry to change its practices to ensure safe management of hazardous waste. RCRA provides specific remedies which will be embodied in EPA regulations to be issued over the next several months:

Identification of wastes that are hazardous

EPA will publish a list of approximately 200 waste streams that are hazardous, as well as characteristics and testing procedures whereby waste generators can identify other waste streams of theirs which are ignitable, corrosive, reactive, or toxic.

Assignment of responsibility for safe management

Generators will determine if their wastes are hazardous by consulting EPA's list, or by testing the wastes. Alternately, a generator may simply declare his waste hazardous based on his knowledge of its properties.

When generators ship wastes to off-site facilities,

they must identify an approved facility to which the wastes are to go; they must contract with a transporter to take it there; and they must initiate a manifest which will track the waste through every step enroute to its destination. Both the transporter and the management facility are required to sign the manifest and return the signed copy to the generator.

Generators must follow up in cases where a signed manifest is not returned and inform EPA of any missing wastes.

Transporters are obligated to follow the generator's instructions and deliver the waste to the designated facility.

Standards for waste management facilities

All facilities which store, treat, or dispose of hazardous waste, whether on-site or off-site, will have to comply with a series of operating standards, which includes proper safety measures, development of emergency procedures, monitoring and training of employees, long-term financial responsibility, and participate in the manifest system.

Those facilities will also require permits based upon the latest technological advances in waste management. Facilities failing to meet standards must close down (or will not be permitted to begin) operations.

As the new national hazardous waste program begins, existing treatment, storage, and disposal facilities which notify EPA and submit a permit application may receive interim status to continue their operations until their permit applications can be reviewed. Those facilities must comply with extensive operating standards during interim status.

Because of the number of sites involved, the permitting process will necessarily be implemented over time. The most potentially dangerous sites will be reviewed first, so that they can be upgraded or closed. Priority will also be given to new hazardous waste facilities.

Information on wastes

During the 90 days following promulgation of the regulation defining hazardous waste—i.e., during May, June, and July of this year—every firm which handles hazardous waste (whether it be a generator, transporter, treater, storer, or disposer) must notify EPA of that fact. EPA will then assign each firm which notifies an identification number. The firm cannot continue any hazardous waste activities without using that identification number.

To help inform those affected, EPA will mail

information about notification to over 350,000 firms which it believes may be involved. The mailing will contain a notification form to be completed and returned to EPA. If any waste handler fails to be contacted, it is still his responsibility to notify EPA within the 90-day period.

Subsequently, every firm which generates, transports, stores, treats, or disposes of hazardous waste will submit an annual report to EPA, providing information what wastes were handled, in what volume, and in what way.

Emergency notification system

Generators must make sure that wastes which are being shipped are properly containerized and labeled.

Transporters are obligated to take prompt cleanup actions and report any spills or accidents to the proper authorities.

Incentives to improve technology

With responsibilities clearly assigned, and with standards of safe practice clearly defined, a new era will begin in which industry will have a strong incentive to put its best, most imaginative minds to work toward developing new technologies and new approaches to the complex problems of safe waste management.

When Will This Happen?

On *February 26,* EPA will issue regulations defining the responsibilities of generators of hazardous waste, of transporters of hazardous waste, and the requirements of the notification process. These regulations will specify how the manifest system is to work. Because these regulations are being issued early, the regulated firms will have extra time to understand their new responsibilities.

In *April,* EPA will issue regulations defining what wastes are hazardous and set forth operating standards for treatment, storage, and disposal facilities. It will also issue procedural regulations stating how the permit program will work, and what states must do to be authorized to run the Federal program.

[illegible] *May, June, and July,* all firms which handle [illegible]s waste must notify EPA.

[illegible]*ber,* all firms that store, treat, or dispose of [illegible] waste must apply for a permit. Those who [illegible]pply for a permit can obtain interim status to [illegible]heir operations.

Also in *October,* the program takes effect and goes into operation. The manifest system must be used for all

waste shipments. All sites with interim status must be in compliance with the interim operating standards.

In the *fall*, EPA will issue the standards on which the permits for storage, treatment, and disposal sites will be developed.

In the spring of 1981, permitting of facilities will begin.

State involvement is critical to the success of RCRA. Under the law, EPA can authorize States to implement and enforce RCRA—on an interim basis for two years and then on a final basis. A State program must be equivalent to the Federal program (substantially equivalent during the interim period) to be authorized. Many States have indicated a strong interest in operating the program. EPA hopes that some 37 states will qualify for authorization. EPA will administer the program in any unauthorized States.

Will RCRA Work?

To carry out the mandates of RCRA will require a massive transformation in the way that industry has been accustomed to managing its wastes. A skeptic might question whether these changes will occur. But a variety of forces will be at work to press towards the rapid adoption of safer approaches to waste management.

Public Opinion

Public policy is an outgrowth of public demand. There is no greater force in a democratic society than that of public opinion. And by any measure, the current public attitude is one of outrage directed against the indiscriminate poisoning of our environment through hazardous waste mismanagement. Lawmakers, regulators, the business community—all are aware of a strong national mood toward tightening the screws on chemical carelessness.

Forces in the Marketplace

Under the influence of the new hazardous waste controls, a number of incentives will be introduced into the economic marketplace which were previously missing. Firms offering advanced treatment and disposal approaches, which formally could not sell their services, will be swamped by the demand. New firms will enter the waste management field. Waste storers, treaters and disposers will seek out more sophisticated technological processes to properly handle their wastes. And the costs of environmentally sound waste management will rise, producing a powerful incentive

for generators to change methods of production so as to minimize their output of hazardous wastes.

The Courts and Liability

RCRA contains numerous provisions designed to make those who handle hazardous waste legally and financially liable for violations of the regulations. The degree of liability will, of course, depend on the circumstances. Through liability suits and other lawsuits based on RCRA infractions, the judicial system will play a large role in interpreting the RCRA program and clearly defining the penalties for non-compliance.

The Role of Citizens

"Public participation" has become a bureaucratic platitude in many quarters. That is unfortunate, because RCRA contains many real and potent opportunities for citizens to exert meaningful influence: RCRA provides for public hearings as part of the facility permitting process; it grants citizens opportunities to petition to add additional wastes to the hazardous waste list; it provides means for citizens to register complaints about existing sites or procedures which may pose public health threats; and it authorizes citizens to bring legal suits against corporate non-compliers. In short, RCRA authorizes citizens to play a central role in protecting themselves against the dangers brought on by the excesses of our synthetic-oriented society.

Monitoring and Enforcement

Federal regulations carry the force of law. Enforcement activities to ensure compliance with the various aspects of the RCRA program will be conducted at the State, regional, and national levels. Failure to comply with specific provisions will result in prosecution. The initial enforcement effort will be on making sure that the manifest system and interim status standards are complied with. Once facilities have been permitted, major emphasis will be placed on ensuring that permit requirements are met. But equally as important, the flexing of RCRA's legal muscle will establish a system for responsible waste management which will be buttressed by public opinion, forces in the marketplace, the courts and liability, and the role of individual citizens.

What the Future Holds

As this decade begins, so too begins a new effort to control the serious threats posed by mismanagement of hazardous waste. If the initiation of RCRA opens the door to better managerial practices, by the mid 1980's we should begin to realize noticeable changes in treatment, storage and disposal of hazardous wastes. New, safer facilities with highly developed technological capabilities should appear. Also, the cost and responsibility of properly handling wastes will be placed where it belongs – on the generators. This in turn will create incentives to reduce the production of hazardous waste in the second half of the 80's, as alternative products and production processes are developed.

But the 1980's will also bring a continuing array of difficult issues which must be dealt with as the attack on hazardous waste moves forward:

Uncontrolled and Abandoned Sites

Tens of thousands of disposal sites exist all across the nation. Many are uncontrolled and/or abandoned. These sites need to be identified, analyzed, and, where necessary, brought under control, which will be an enormous task by any measure.

EPA, Justice, and the States are aggressively developing enforcement cases against such sites. But enactment of a Superfund by the Congress is essential to provide better tools. With a Superfund, EPA will be able to move in and protect health by cleaning up problem sites before, not after, time-consuming litigation. Further, a Superfund will provide funds for cleanup of abandoned sites, for which no resources are now available.

Capacity and Siting

Our nation lacks sufficient hazardous waste management facilities. Establishment of new facilities almost always results in intense opposition of local citizens. Current public hostility to new waste disposal facilities is understandable; people are afraid. But industry can't properly manage wastes without sites at which improved management can take place. Hence every citizen has a personal stake in the resolution of the siting issue. Our society needs new processes and procedures whereby sites can be selected at which the best technologies can be applied to assure the safe management of hazardous waste.

Liability

Persons who store, treat, or dispose of hazardous waste must be required to assume some liability for their actions to assure high standards of performance. But if liability exposure is too great, responsible industry may be driven from, or never enter, the marketplace. If that happens, private capital may fail to finance the new hazardous waste management facilities which our nation desperately needs, and the way will be open for midnight dumpers to resume their illicit operations on a black-market basis.

Expanded Listing of Hazardous Waste

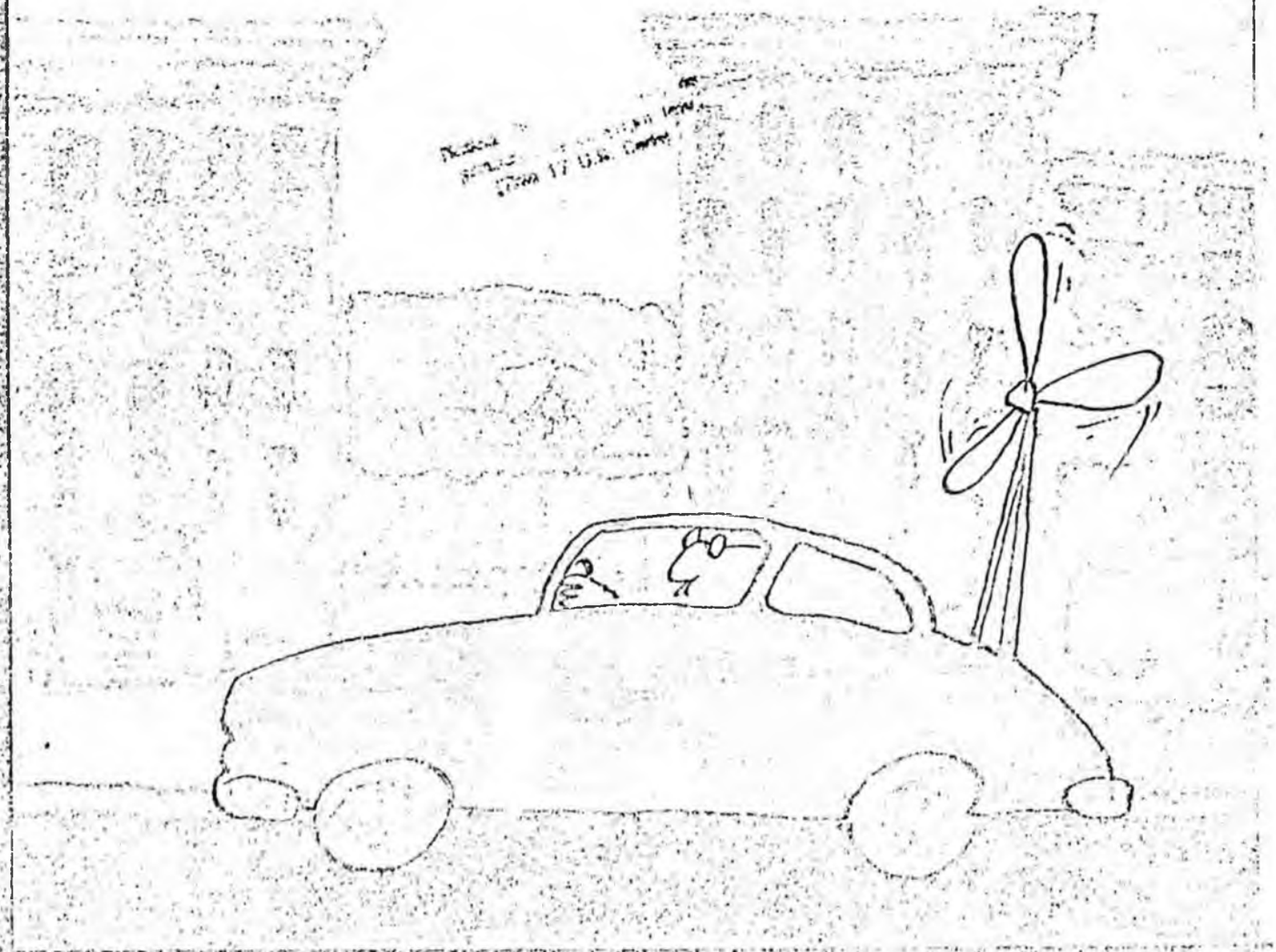
Knowledge of which wastes are hazardous is still imperfect. A continuing process must go forward to expand and refine the listing and management of hazardous wastes.

Refined Standards for Hazardous Waste Management Facilities

EPA's standards for treatment, storage and disposal facilities are based on state-of-the-art knowledge about how wastes can best be managed. But the base of knowledge will expand and improve, and so too must the standards. Hazardous waste management facilities must be upgraded and improved over time so as to reflect an evolving understanding of how wastes can be managed most safely.

These are only a few of the issues which the hazardous waste Hydra will force us to confront throughout the foreseeable future. For, if the truth be known, the problem of hazardous waste management will be never ending. As long as society generates toxic wastes, society will be forced to find safe ways to manage these wastes – and the solutions will not be easy. Nevertheless – as any former resident of Love Canal can tell you – there comes a time when hazardous waste management problems can no longer be ignored or shoved under the rug. That time is now.

Two Views on the Carb



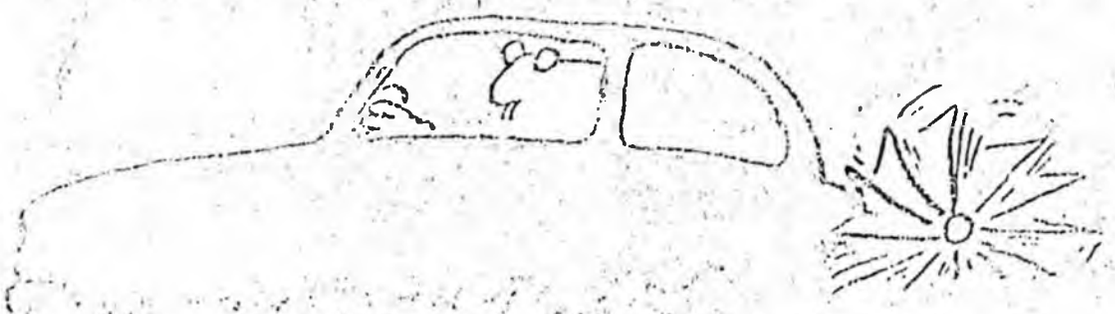
Reduction at the Source

by Don C. Scoggin and Robert H. Harris

We must act now by conserving energy and accelerating the transition to renewable sources. Moreover, such measures are desirable in their own right.

A [illegible]

bon Dioxide Problem



A More Feasible Social Response

A

Limiting CO_2 concentrations does not imply immediate reductions in total fossil-fuel use, but only in the rate of growth.

in the developed nations can offset the fossil-fuel use in the less-developed nations to allow them to grow. Such a balance could continue well into the next century, with total global CO_2 emissions still under control. Moreover, high levels of energy efficiency and reliance on renewable energy sources could be incorporated into the economies of developing countries, thus providing assurance that their energy and economic systems would not later require the major overhaul now necessary in the developed countries.

To forge an international response to an intangible problem with still-uncertain consequences is no easy task. But the United States and other industrialized nations can set an example through energy planning. The developed nations can demonstrate to the rest of the world that decreased reliance on conventional energy sources, together with an increased application of conservation and renewable energy sources, are consistent with a growing and prosperous economy.

Even without the risks of climatic change, the more basic considerations of economics, national security, and other environmental harm offer persuasive arguments for a global policy to deemphasize dependence on fossil fuel and emphasize energy efficiency and renewable sources. With the risk of potentially disastrous CO_2-induced climatic changes added to the picture, these arguments are all the more compelling.

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Robert H. Harris has a Ph.D. in environmental sciences and engineering from Harvard University and was director of the Toxic Chemicals Program at the Environmental Defense Fund for five years before being appointed to the Council on Environmental Quality by Jimmy Carter. He is coauthor of *Malignant Neglect* (Random House, 1979). Dr. Harris is currently an environmental consultant in Washington.

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Continued from page 23

emissions: the amount of fossil fuel that will be burned each year (depending on world population, economic activity, the costs and availability of each energy source, and technologies for utilizing energy); the resulting changes in the atmosphere, the polar ice caps, and the oceans; the ecological responses; and the extent to which humans can mitigate the adverse effects of the changes or even utilize them to better accomplish individual and social goals.

A Virtual Inevitability

Policies designed to lessen carbon-dioxide emissions are inherently unattractive. Fossil fuels are currently the cheapest source of energy; proscribing them would be difficult and expensive. And since we can neither estimate the magnitude of global changes

Fossil fuels are currently the cheapest source of energy; proscribing them would be difficult and expensive.

from increased CO_2 with assurance nor be certain that the physical changes will be predominantly detrimental, it would be extremely difficult to convince any nation to bear the higher costs associated with switching to other fuels.

Three lags in particular make prospects for abatement of carbon-dioxide emissions quite unlikely before the middle of the next century; even then, steps will be taken only if the effects are important and predominantly adverse and adaptation cannot mitigate the costs. The first is a recognition lag: conclusive proof that carbon dioxide will cause large, adverse effects does not yet exist, and we will have to wait at least until 2000 for confirmation that the simulation models are correctly predicting the global climate change. Yet uncertainty would remain—the models could roughly predict the effects of small increases in carbon dioxide but err on the effects of larger concentrations. For example, features of climate that are currently of secondary importance could become of primary importance with large increases in carbon-dioxide levels. Even greater uncertainty arises over whether a particular climatic change would produce beneficial or adverse effects.

A second lag involves deciding on a solution. The perceived seriousness of the CO_2 problem would vary with location, affluence, and alternatives. Given the international nature of the carbon-dioxide problem, obtaining agreement on the problem—much less its solution—could take decades. Moreover, a small nation's abatement program would not noticeably affect climate, and some nations who stand to gain from climatic change might actually *encourage* fossil-fuel burning.

Finally, assuming that worldwide agreement were reached on policies, there would be a third lag in switching to alternative fuel sources, a decades-long proposition.

The three lags are likely to be so long that carbon-dioxide emissions could not be substantially curtailed until the latter part of the next century. Without other compelling reasons for relinquishing fossil fuels, therefore, it seems virtually certain that substantial climatic change from CO_2 will occur and persist. Thus, if society is to do something about this potential problem, the emphasis should be on adapting to it.

Subtle Cues, Implicit Adjustments

Conscious adaptation is a thoughtful response by an institution or individual to a perceived problem or need for change. The action can result from legal compulsion or spontaneous recognition, but in both cases behavior is modified through widespread dissemination of information. Climatic change could affect investment decisions, education and training, migration and location generally, jobs, and the production and purchase of goods and services. Explicit government intervention to change behavior might take the form of laws, licensing, zoning, and control of conditions of operation. But mitigating the problems caused by carbon dioxide is likely to require subtle changes in individual behavior that could not be induced by such regulation. The pertinent facts, the people to be reached, and the points of leverage all vary with each target.

A range of other possible governmental actions, such as taxes, subsidies, and attempts at moral suasion, do not compel changes in behavior but do exert an influence. Although these actions stem from conscious decisions by government, they need not result in conscious decisions by consumers.

Taxes and subsidies can provide various degrees of incentive to change behavior, but implementation is difficult and applicability is limited. More important, there is the temptation to use taxes, subsidies, and licenses to reward special groups or accomplish unrelated, often socially undesirable goals. Economists have learned painfully that subsidies and regulations are predominantly political processes with outcomes that usually have little semblance of economic efficiency.

But the government's power of moral suasion should not be underestimated. When not against an individual's perceived self-interest, moral suasion can lead to important changes in behavior. Even if individuals are required to make sacrifices, most will do so provided there is a perceived threat to society and a belief that all individuals will share the burden. Examples of such actions include service in the armed forces during wartime or conservation of water and energy during crises. If people were convinced that carbon dioxide is a serious problem, they would probably respond to appeals to conserve energy.

More important than conscious adaptation, however, is implicit or automatic adjustment. For example, adjustment to changes in consumer preferences for goods and services is done automatically via prices and profits in the marketplace. The market provides unmistakable signals in the form of crop failures, unemployment, and bankruptcy, or more subtlely in the form of lower wages and profits for some busi-

The ability to adapt to carbon-dioxide-induced changes will be determined by our general ability to adapt to social and economic change.

nesses compared with profit increases and higher wages for others. Closely related are social structures and pressures that affect family size, economic activity, geographic location, and consumption patterns and indirectly affect CO_2 emission rates and adaptability to climatic change.

Unconscious adaptation is the translation of subtle cues into individual and social change. But whether such adaptation is helpful to a community, a nation, or the world depends on the aggregation of individual actions. Ultimately, the institutional and technological structures of society determine whether individuals acting in their self-interest will speed or impede social adjustments. The economic model of perfect competition, for example, is one institutional framework wherein individual actions are perfectly consonant with social obligations.

Adaptation for All Seasons

Carbon-dioxide-induced environmental changes may require the relocation of businesses, residences, and social-overhead capital such as streets and sewers. Plant and equipment may have to be replaced and workers may be obliged to find new jobs, which often require new skills. Firms may have to redesign their products and manufacturing processes. Yet these changes will accompany other, more profound changes caused by shifts in taste, technological innovation, the availability of raw materials, and patterns of international trade and relations, as well as "normal" climatic variations. The ability to adapt to the carbon-dioxide-induced changes will be determined by our ability to adapt to these other changes.

Will the automatic mechanisms send the proper signals? Will governmental and other decision makers perceive the problem and implement policies to expedite adaptation? If people perceive the need to change their behavior, will they have the resources and knowledge to do so? Will social and economic institutions be able to keep pace with climatic and social change? In other words, will our social and economic institutions respond to the changing conditions or break down under the pressure?

Whether society will have the required resources to adapt will be measured by several indicators. The first is gross national product (or income) per capita. This is a measure of aggregate economic activity and a surrogate for the economic resources available to build new facilities or move people. (The precise variable is "free" economic resources per capita. A poor society, such as a nomadic one, might be able to adapt more easily than a rich society unwilling or unable to direct resources to implement needed changes.)

The second indicator is the gross rate of investment, or ratio of investment to GNP. A high ratio means that the economy is putting many new facilities into place and turning over its capital stock rapidly. Since plant and equipment can be designed for the new situations and be built in the right places, rapid turnover means that most capital would be tailored to the new regime. For example, consider an economy in which capital lasts 50 years—only 2 percent is replaced each year. Although climatic change could make much of the capital obsolete, it would remain in place for a long time. In contrast, an economy that turns over its capital stock rapidly—say, every decade—could better respond as changes were perceived.

A third measure of an economy's capacity to adapt is the general educational level of workers. Well-educated workers can better redesign products and facilities to respond to new conditions, and they find it easier to acquire the skills needed for new jobs.

Other characteristics facilitating adaptation are not so simple to measure. One is the flexibility and diversity of capital stock. Some plant and equipment are so highly specialized that minor changes in raw materials, product design, or fuels are impossible to accommodate. Some oil refineries, for example, were built to process only one type of crude oil and produce a fixed set of outputs. A counterexample is an electrical generating unit that burns oil, coal, natural gas, any two, or even all three fuels at once. Diversity of the capital stock also gives the economy the resiliency to avoid disaster in the face of changing external conditions such as climate. However, flexibility generally entails higher capital cost and lower efficiency.

Another vital but difficult-to-measure characteristic is the level of basic scientific knowledge, which can be used to increase the number of technological alternatives currently available or that can be quickly developed. And another, related characteristic is the capacity of individuals to interpret the signals of changing conditions correctly and adapt to them—in both cases by using the available tools.

Society should take steps to enhance each of these characteristics so that we have the ability to adapt more easily to carbon-dioxide-induced changes. But note that each attribute (with the possible exception of data collection and analysis focused on climate) benefits society generally and is not unique to carbon-



dioxide-induced problems. Carbon-dioxide buildup can provide a rationale—but more probably it will be a catalyst—for enhancing society's ability to adapt to and exploit a changing environment. The issue is but one of many that will have an enormous impact on the world economy and social institutions in the twenty-first century, and it provides one more argument to make these institutions flexible, adaptable, and strong.

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mixed year in 1981, with food processing employment dropping eight percent. In the salmon sector, however, 1981 was another banner year with the harvest totaling 110 million fish. In 1982, this positive trend is expected to continue with the salmon harvest registering between 110 and 130 million fish. Declining salmon prices are expected, however, due to high inventories, another anticipated record harvest and currency exchange disadvantages. The shellfish side of the industry suffered during 1981, with the king crab catch declining to less than one-half of 1980's level and the shrimp harvest dropping by one-half as well. In 1982, these low harvests for shellfish are expected to continue.

Forest Products

Alaska's forest products industry, reflecting very poor world markets for lumber and pulp, is in the midst of possibly the worst down cycle in industry history. Forest products employment dropped 16 percent in 1981 in Alaska. High interest rates in the United States and continued sluggishness in the Japanese economy both will have to turn around before the forest products industry can regain some ground. Industry experts anticipate, however, some improvement in late 1982 or early 1983.

Visitor Industry

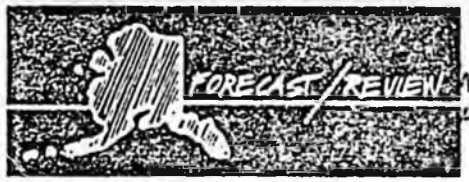
Tourists to Alaska spend about $300 million annually, with the typical tourist ranging in age from 35 to 55 with a household income of at lelast $35,000 per year. Between 650,000 and 700,000 visitors arrived in Alaska during 1981, registering a 10 to 15 percent increase from 1980. This pattern, which has been relatively constant over the last several years, will continue during 1982. In the future, foreign travelers will account for an increased portion of Alaska's visitor picture. Presently at least one-fifth of all Alaska visitors originate in Japan or Europe.

Distributive Industries

Alaska's distributive industries employ approximately one-half of the total Alaska nonagriculture workforce, excluding the military. In 1981, all segments of the distributive industries registered gains, most notably transportation and finance. Total distributive sector employment increased four percent. In 1982, the support industries will continue to mirror the steady advance of the Alaska economy as a whole.

Government

Government has been a major stabilizing force on the Anaska economy, providing about 40 percent of all the jobs statewide, when including the military. Prudhoe Bay petroleum revenuesagain will support state government growth with $3.3 billion in FY81, $3.9 billion in FY82 and $4.3 billion in FY83 (net of required permanent fund contributions). The overall presence of state government will remain strong in the future. Alaskans must make fundamental decisions soon concerning the direction and the extent of involvement that government will take in the future growth of the Alaska economy. □



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Reagan Spurs Corps Construction

$100 Million for '82



By COL. LEE R. NUNN
Corps of Engineers
Alaska District

Buoyed by increased military spending, the Alaska District's construction program for fiscal year 1982 will cost 57 percent more than 1981. The 1982 military program will total $75 million, while civil works projects will add another $26 million. This compares to $40 million of construction contracts awarded by the district during FY 1981.

We expect a continuing increase in military construction for the next few years as a result of President Reagan's decision to strengthen the country's military posture. Our 1983 military construction program will approach $110 million. Additionally, we already have early design starts on projects totalling more than $33 million for FY 1984, indicating that program also may exceed $100 million.

The Alaska District achieved a significant goal in 1981. It issued three general permits for oil development activities on the North Slope. These general permits — which have been issued for a five-year period — will practically eliminate the need to process individual Corps permits for construction of access roads, drilling pads, storage areas and other petroleum-related developments north of the Brooks Range. We expect these GPs to encompass nearly 90 percent of the North Slope permit actions, especially those that receive few comments and yet take so much processing time.

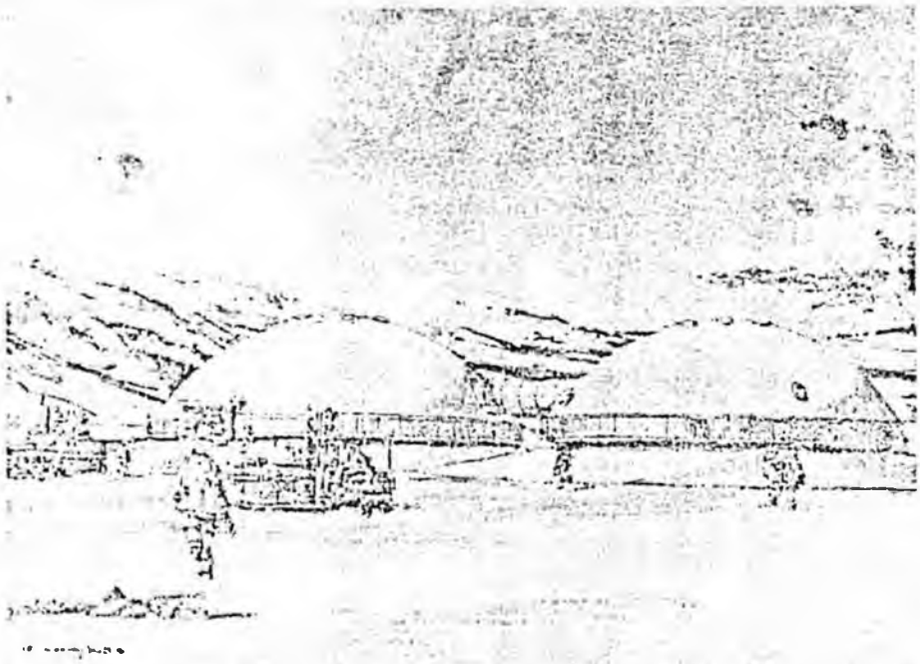
Fills up to 150,000 cu. yd. are permitted in two of the permits and access roads up to five miles in length are permitted in the other. A pre-application coordination conference is required to help iron out problems before final application plans are prepared. These conferences are similar to the gravel conferences already held by oil companies and resource agencies. Because of the size of the fills, the district requires submission of an application so that we can tabulate and assess cumulative impacts. Then following a short 15 day period for comments from resource agencies, we can generally issue a letter of authorization.

The district also expects to issue general permits for each of the regional housing authority areas in Alaska.

MAR Construction to Start

The largest military construction start this year is phase one of the Minimally Attended Radar (MAR) project. The Air Force is planning to replace 1950-vintage facilities throughout western and interior Alaska that are part of the Aircraft Control and Warning System. This spring the Corps of Engineers will begin constructing support facilities at Indian Mountain, Cape Romanzof, Sparrevohn and Tatalina. We will call for bids soon on a single contract for all four sites. The cost is expected to range from $30 to $50 million. The Alaska District design is based on a concept developed by the architectural firm of Mayne and Partch. A 90-ft. diameter dome for living quarters and a 100-ft. diameter dome for industrial and maintenance functions will be constructed at each site.

Phase two of MAR construction will begin in 1983. Existing buildings will be renovated and facilities consolidated at Cape Lisburne, Cape Newenham, Cold Bay and Tin City. Smaller facilities will be located at Kotzebue, Fort Yukon, Galena and Murphy Dome.



Artist's rendering of the Minimally Attended Radar project, Phase One, designed for the U.S. Army Corps of Engineers by Maynard and Partch.

Design of the FY83 phase will be accomplished by the district's design branch and by contract with architectural-engineering firms. Construction for phase two also is expected to cost between $30 and $50 million.

Military Construction Scheduled

The FY82 construction p[illegible]m for Eielson AFB includes four pr[illegible]as. New construction includes an 8,000-sq.-ft. asphalt concrete ammunition holding area with associated gravel road and a 6,000-sq.-ft. flight simulator building containing fire protection, air conditioning and environmental control systems. The ammo maintenance upgrade will cost l[illegible]s than $1 million and the flight simulator project will cost between $1 million and $5 million.

Two projects will modify existing facilities. A munitions maintenance shop will be improved by adding 800 sq. ft. of parking pads for explosive haul vehicles and approximately 2,500 ft. of security fencing. The project is estimated to cost between $1 million and $5 million. A project expected to cost less than $1 million will modify an existing telecommunications building.

On Elmendorf AFB, two existing barracks will be remodeled to house unaccompanied enlisted personnel. The pro[illegible]ect will cost $5-$10 million and will be advertised in the third quarter of FY 1982.

Other projects scheduled for Elmendorf include alterations to a transmitter building and a fuel cell hanger. The second project includes installations of fire suppression systems, alarm systems and upgrading of the e[illegible]st[illegible]ag electrical system. Both projects are expected to cost between $1 million and $5 million.

Another project in the same cost range will convert an existing building to a training facility. The facilit[illegible] will contain classrooms, a mobile training[illegible]set, visual aid rooms and [illegible]ydraulic power room.

Two projects are scheduled for construction at King Salmon AFS. Repairs to a taxiway will be combined with an operations and maintenance job for runway repairs. The project was scheduled for early advertisement so that materials can be shipped by Cool Barge which leaves Seattle in mid-March. A taxiway project is expected to cost between $1 million and $5 million. A composite building, expected to cost more than $10 million, consists of replacing the existing facilities with a new 22,780-sq.-ft. building. The composite building will provide office space, dining facilities and industrial functions.

A $1-$5-million project close to award will install vehicle exhaust systems in shop buildings at Ft. Wainwright and Ft. Greely. The base contract includes three buildings on Ft. Wainwright and two buildings at Ft. Greely.

Corps, State Cooperate at Homer

Civil works projects in Fairbanks and Homer are scheduled for 1982. Scheduled for advertising in the second quarter of FY82 is a project to enlarge the existing small boat harbor at Homer. Estimated to cost in excess of $10 million, the project includes construction of new breakwaters, removal of existing breakers and dredging. The harbor would be expanded from its present 16.5 acres to 50 acres and moorage capacity would be increased from 400 spaces to a total of 1,500.

The State of Alaska and the City of Homer feel the project is needed urgently enough for the state to pay the bulk of construction costs if this will make early contract award possible. The Corps and the State are trying to develop a unique agreement whereby the state would pay the federal portion of the construction costs but the project would remain a Corps project. The Corps would prepare plans and specifications and administer the construction contract as usual.

This type of cooperation between the Corps and the state also could be used to expedite construction of two hydroelectric projects, Bradley Lake and Snettisham, phase two. The Alaska Legislature appropriated $15 million for the Bradley Lake project and $4.5 million for the Snettisham project.

The Alaska congressional delegation strongly supports initiatives to accelerate construction of needed hydropower projects and is working on legislation which would allow the Corps to accept state funds and start work. Depending on funds available this year, the district will prepare plans and specifications for constructing a temporary construction camp to accommodate up to 200 workers. Continuing drilling and survey work will be conducted, and two local service roads, one from the airstrip to the powerhouse and the other from the powerhouse to the dam site will be designed.

The Bradley Lake project includes a concrete gravity dam with a lake tap diversion into a concrete-lined power tunnel which will carry the water to a steel penstock. Water will then fall through the penstock to an above-ground power house near sea level. The present schedule calls for power to come on line in 1987.

The Snettisham project, located near Juneau, has congressional authorization but has not yet been funded. If funds are authorized, the Corps will begin preparing plans and specifications for construction of the powerhouse tunnel, construction camp, a short access road and a third turbine generator set to be installed in the existing underground powerhouse.

Snettisham was designed in phases to meet expanding demand. Construction of the Long Lake phase was completed in 1974. Interest has been revived in the second phase, tapping Crater Lake, which would involve constructing a 7,820-ft. power tunnel and penstock, about one mile of roads and installing the third turbine.

More Work at Chena

In Fairbanks, the third major interior drainage channel (Channel A) was scheduled to be advertised in December. This project will provide interior drainage features on the lower portion of the Tanana levee in the vicinity of the Fairbanks airport.

Major construction contracts to provide seepage control measures also are under design for Chena. Scheduled for advertisement early this year, the projects will consist of placing silt blankets and drilling relief wells. This remedial work is a result of an operations test the Corps conducted on the project this summer.

Main features of the project, including a seven-mile-long Moose Creek Dam with its outlet works, a floodway and a 20-mile-long levee have been operation since 1979. However, until recently, water levels in the Chena River had not been high enough to operate the project and divert water form the Chena to the larger Tanana River. Heavy rains in July allowed the gates to be closed for the first time.

The District used the event as a test fill to

evaluate the performance of the structure. Surveillance of the embankment and downstream areas resulted in the discovery of a minor erosion problem on the upstream slope and several sand boils in low areas downstream of the dam. A small groin was constructed to correct the erosion problem. The scheduled contract work will correct the downstream problems.

A contract for constructing recreation facilities at the Moose Creek Dam project is on the district's schedule with a spring advertising date.

Dredging Project Added

In addition to the annual maintenance dredging at Nome, Homer, Ninilchik, Dillingham and Anchorage, the district will be dredging Dry Pass this year. Dry Pass is the waterway between El Capitan Passage and Shakan Strait which provides a safer, shorter route for passage of fishing vessels, log rafts and small vessels from the northwest coast of Prince of Wales Island. The Corps has not dredged the passage since 1958-59. A contract valued at less than $1 million will be advertised in February.

Carryover and Completed Work

Carryover work includes expansion of the Cordova small boat harbor and installation of the Barrow gas line. The Alaska District has a $5.7-million contract with JJ Construction Co. of Ferndale, Wash., to double Cordova's harbor size. Twenty acres will be added by enclosing a near rectangular area with rubblemound breakwaters and removing the existing breakwater. Now closed down for the winter, the project is scheduled for completion in November 1982.

In Barrow, the Corps is building a natural gas distribution line for the Bureau of Indian Affairs. Work on the $45-million project takes place in the winter when the ground is frozen enough to protect the tundra.

Three major civil construction contracts were accomplished during FY81. Peter Kiewit Sons' Co. completed the small boat harbor at Port Lions on Kodiak Island a year early. The $1.5-million contract included construction of a 170-ft. stub breakwater and a 600-ft. main breakwater. Two quarries were developed and approximately 66,000 cu. yd. of materials were placed.

At Craig, T.O. Paddock Construction Co./Construction Rigging, a joint venture, completed a 150-ft. stub breakwater and a 275-ft. main breaker to provide additional wave protection to the entrance of Craig's South Cove Harbor. The $[illegible]00-project was completed in September.

Another project completed by Peter Kiewit was the Tanana River Levee, phase three. The $7-million project protects a large area of southeast Fairbanks as well as property used by the airport, the Alaska Railroad and many industrial companies. The contractor started the work in early February and completed the project by early April.

Major military construction projects accomplished during FY81 included the Regional Operations Control Center on Elmendorf AFB. The Interstate Co. constructed a 23,600-sq.-ft., two-story steel-framed, precast concrete panel enclosed operations structure and similar generator building, both adjacent to existing headquarters. The $6.9-million contract also included paving the parking lots, associated utilities and site work. Phase two will begin this year when Interstate remodels the control center facility after the Air Force completes installation of communications and radar equipment.

Other Elmendorf projects completed during FY81 included a $2.8-million contract with McWil, Inc., to alter a base enlisted quarters building, a $1.2-million contract with Sandland Construction to construct a concrete block addition to the fire station and a $3-million contract with Green Construction to repair airfield pavement.

At Ft. Richardson, major contracts included $610,000 to McLee Construction Co. to construct a 4,605-sq.-ft. airfield fire and rescue station, and $4.7 million to Alaska Diversified/Frachbach for modernizing two barracks buildings and the dining facility.

At Shemya, Hoffman Construction completed a $4.5-million contract to construct a 729 sq. ft. approach facility, concrete foundations, and stands for landing equipment and antennae. Work also included repair on the dock with new sheet piling and H-piling. City Electric had a $222,000 contract to furnish and install instruments for the electrical power generating plant. At King Salmon, Rockford Corp. had a $416,000 contract to construct a new aerated sewage lagoon and modify and add to the existing blower house. ◻

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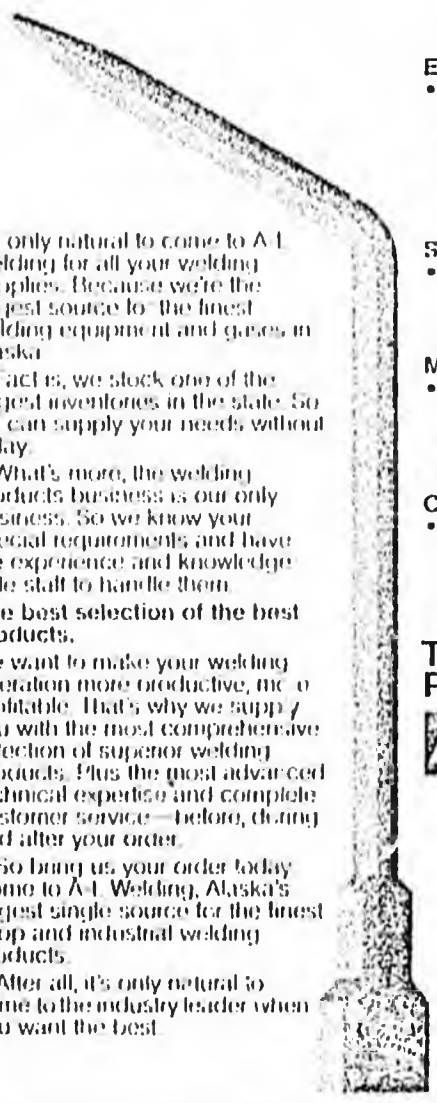

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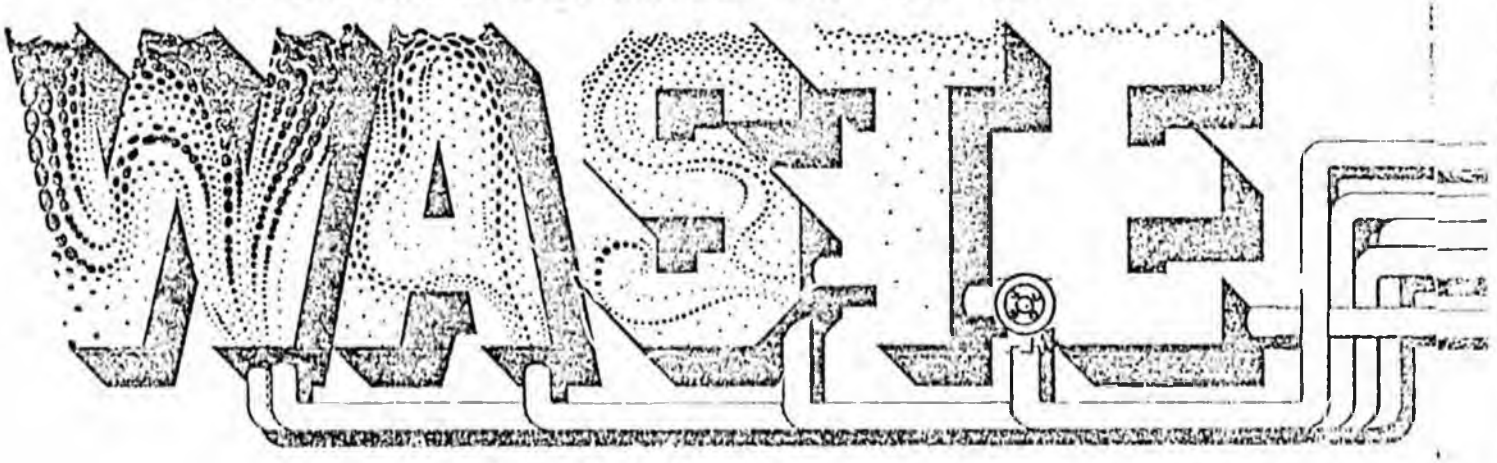
WHAT TO DO WITH HAZARDOUS WASTE



by Selim M. Senkan and Nancy W. Stauffer

Toxic and hazardous chemical wastes, the inevitable by-products of a technological society, rank as one of our most serious problems. But proper management practices can prevent them from threatening life or its environment.

For many decades industrialized society has produced hazardous chemical wastes. They threaten human health and the environment because they have dangerous properties; many are toxic and some can explode or undergo destructive reactions. In the 1970s a series of highly publicized incidents began linking human tragedy with hazardous wastes handled improperly in the past, either through negligence or lack of knowledge. People became terrified of waste-disposal sites, viewing them as time bombs. The fragile nature of our environment became clear, but much damage had already been done.

Meanwhile, industrial and other activities continued to produce billions of pounds of potentially hazardous wastes. Responding to growing concern, many companies adopted the safest waste-handling techniques available, and some began to invest substantial funds into improving current technologies and developing new ones. Unfortunately, some companies continued to handle their wastes irresponsibly. After all, the economic incentive is great: it costs ten to a hundred times more to use proper waste-treatment methods than simply to dump untreated wastes in unsecured landfills, rivers, lakes, and oceans. The prices

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charged by companies using unsafe methods did not reflect the full social cost of production, and the conscientious producers found themselves at a serious competitive disadvantage. Recognizing the economic pressures within industry and the potential dangers posed by hazardous wastes, the federal government began to take legal and political steps to ensure better waste management.

However, developing sound waste-management policies has proved controversial and complex. The Resource Conservation and Recovery Act (RCRA) of 1976 gives the U.S. Environmental Protection Agency (EPA) overall responsibility for setting hazardous-waste regulations and assigns individual states responsibility for developing specific hazardous-waste programs. Both tasks have been difficult. After considerable effort, EPA published its first set of rules and regulations in May of 1980, including criteria for identifying hazardous and toxic wastes, a list of specific and nonspecific hazardous-waste streams, and a manifest system for controlling them from production to disposal ("cradle-to-grave").

Industry immediately criticized the regulations as expensive and stifling, calling for—at a minimum—added provisions establishing "degree of hazard." (Under the current system, all substances that fit EPA's broad definition of "hazardous" are subject to the same rules.) EPA is trying to respond to industry's demand, but developing an acceptable scheme may be impossible: the agency had considerable difficulty just creating a broad definition (*see page 40*).

While EPA and industry continue their controversy, the states have problems of their own. Many states want or need regulations stricter than those set by EPA, but while they have the legal right to set stricter laws, they might find it impossible to enact them without federal backing (*see page 48*). Like environmental groups, the states are worried about the Reagan administration's steps to cut EPA's budget and ease current regulations in an attempt to improve the economy.

The Federal Perspective

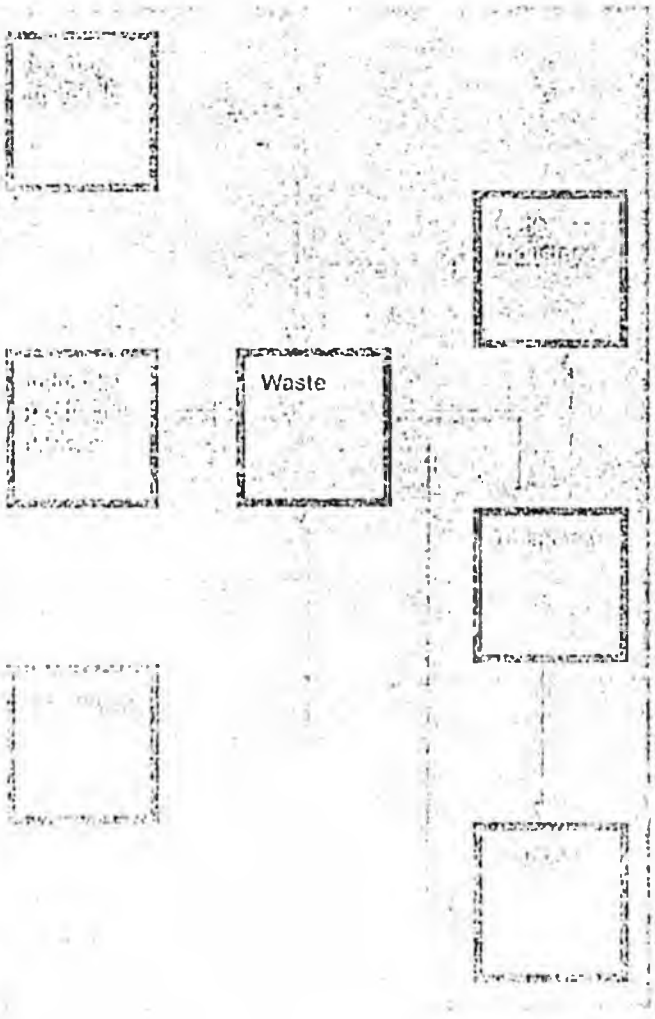
Despite those steps, the Reagan administration claims that the cleanup of hazardous spills and dumpsites is its highest priority. Such cleanup activities are covered by the Comprehensive Environmental Response Act of December 1980, which establishes a trust fund to pay for cleanup of waste sites and spills and assigns EPA responsibility for administering it. Of the $1.6 billion in this "Superfund," 87.5 percent will be collected from the chemical industry over a five-year period. Under the Superfund program, by July 1981, EPA had identified 9,300 hazardous waste sites, undertaken preliminary assessments of 5,900, completed investigations of 2,700, and begun emergency actions at 52. Both EPA and the Justice Department have been pursuing vigorous enforcement programs.

Nevertheless, some congresspeople and environmentalists are charging the administration with dragging its feet in administering the Superfund program. Many are concerned that EPA missed the June 1981 deadline for developing a National Contingency Plan, slated to be the cornerstone of the Superfund response actions. Furthermore, EPA has not completed a uniform scheme for states to rank sites they identify as threatening. And emergency actions taken thus far have focused mostly on preventing further leaching of hazardous materials from existing waste sites into groundwater; little actual hazardous-waste removal and treatment has occurred. There is also much speculation that Superfund money will not be sufficient for cleanup, with administration of the program taking most of the funds.

Environmental groups and many states fear the administration will not spend all the fees collected from industry to clean up priority sites. States could be faced with cleaning up both priority and nonpriority sites—a task exceeding the capabilities of most state budgets. Likewise, industry worries that it will end up with excessive financial responsibilities. If EPA judges a company's cleanup efforts inadequate, the agency will do the work and bill the company three times its expenses. But when a company cleans up its own sites, there is no limit on its cleanup responsibilities—no definition of what is "adequate."

The crux of the hazardous-waste regulation problem is clear: we do not have enough solid scientific information to identify with certainty the "right" level of regulation. And it is not surprising that battles are highly emotional: too much regulation can severely impair our economic well-being, while too little regulation can threaten our very lives. Nevertheless, we must not let the regulatory furor obscure one encouraging fact: while we may not fully understand all aspects of the hazardous-waste issue, we do have the basic technology to handle most waste-related problems. Many of the processes are expensive, but their costs are outweighed by the potential gains associated with saving human lives, decreasing human

To manage hazardous wastes, the general pathways of industrial waste generation, recycle, and disposal must be considered. The best solution includes reducing the initial quantity and danger of hazardous wastes, and many industries are modifying their processes to accomplish this source reduction. Wastes can also be recycled or reused; what's left must be treated and disposed of in an environmentally acceptable way.



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suffering, and protecting our environment from toxic chemical contamination. Also, research is underway in government, industry, and academia to improve the technology, and the prospects for even more effective, less costly methods of treatment and disposal are good.

The Magnitude of the Problem

According to EPA's definition, between 10 and 17 percent of all chemical wastes are "hazardous"—some 35 to 60 million metric tons (77 to 130 billion pounds) in 1980. Although some toxic substances are now being banned, production of chemicals is increasing and new materials are being identified as hazardous, resulting in a 5 to 10 percent growth in the amount of hazardous wastes generated each year.

Essentially all industries, both manufacturing and nonmanufacturing, produce hazardous wastes in varying amounts and compositions. Most wastes come from very large generators, typically large manufacturing facilities located in the Mid-Atlantic, Southeast, Great Lakes, and Gulf Coast regions. In the nonmanufacturing sector, generators include schools, hospitals, gas stations, and repair garages.

In all, there are about 760,000 individual generators of hazardous wastes. About 40,000 produce more than five metric tons of wastes per month, while 695,000 produce less than one metric ton per month. The top 5 percent of the generators are reponsible for 98 percent of the nation's wastes, while 91 percent of the generators together contribute only 1 percent of the total. However, the geographical distribution of large and small generators is not uniform nationwide (*see the figure at the right*). This regional variation is one of the factors making federal regulation of hazardous wastes difficult.

The EPA has estimated the total wastes and hazardous wastes generated by 14 specific industries (*see the figure on page 38*). Primary-metals and inorganic-chemicals industries are the biggest waste producers on the list, yet proportionally the fractions of their wastes that are hazardous are extremely low: 7.5 percent and 5 percent, respectively. Excluding pharmaceuticals, the other industries produce wastes that range from 24 percent to 100 percent hazardous. Together the primary-metal, organic-chemicals, pesticides, explosives, electroplating, and inorganic-chemicals industries produce about 83 percent of the total hazardous wastes generated by the industries.

A complete picture of the hazardous-waste problem must include wastes produced and handled in the past. It's estimated that from 330 to 570 million metric tons of hazardous wastes were produced between 1960 and 1980. Though some of these wastes have been eliminated through proper treatment and disposal, significant quantities have been kept in over 100,000 industrial disposal sites, many still operating today. In addition to the identified sites, we must assume there are many sites that have long been closed and cannot now be accounted for. Clearly, not all industrial sites pose an immediate threat to human health, but experts estimate that between 1,200 and 34,000 sites may cause problems, such as underground water contamination, and eliminating dangers at those sites may cost more than $50 billion.

Unfortunately, precise sources, volumes, and components of the nation's hazardous wastes are not yet known and may never be public knowledge: the industrial sector is highly competitive and secretive, and

In 1980, an estimated 760,000 generators produced 35 to 60 million metric tons of hazardous waste. Most wastes come from large generators—typically large manufacturing plants in the Mid-Atlantic, Southeast, Great Lakes, and Gulf Coast regions. Proper treatment and disposal of hazardous wastes from large generators will make the greatest national impact, but in many regions small hazardous-waste generators pose serious local problems.



Percentage of total hazardous waste
Percentage of total waste generators

many companies believe information on their waste streams should remain confidential. But if we consider the enormous quantities of hazardous wastes being generated and stored, the persistence of many of the constituent compounds, and the difficulties involved in identifying their short-term and long-term toxic effects, we must conclude that our hazardous-waste problem is very serious indeed.

Waste Generation and Management

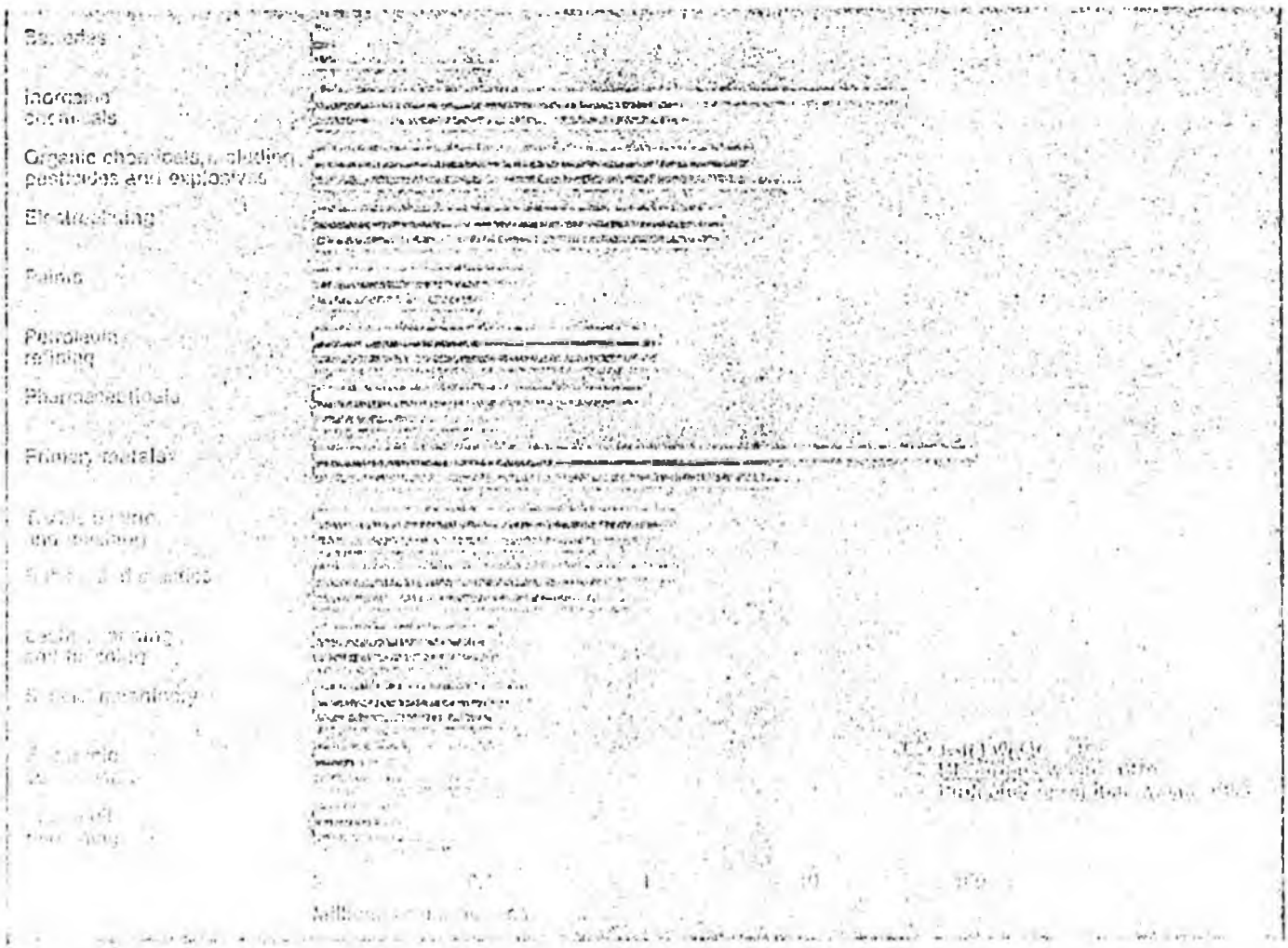
Hazardous wastes are produced by virtually all types of industries, and characteristics of the waste streams are as variable as the industries themselves. Although many cleanup and disposal options exist, no single process can be applied to all types of waste streams. Considerable knowledge and judgment are needed to select a suitable process for each specific waste or class of wastes.

To clarify the approaches to managing hazardous wastes, it is helpful to consider general pathways by which wastes are generated. There are essentially three sources of wastes (*see the figure on p. 36*). All industries require raw materials, and frequently a fraction of those materials ends up as waste streams. The process of using raw materials to form a product or perform a service also produces a substantial amount of waste. Finally, consumers create wastes by using and discarding the products.

There are several options for managing wastes, also shown in the figure:

- They can be recycled within the industry that produced them.
- They can be sold to another industry.
- They can be treated and recycled within the same industry, sold to another industry, or disposed of.
- They can be disposed of without pretreatment (a practice that is illegal for hazardous wastes).

Total and hazardous wastes generated by 14 specific U.S. industries, estimated by the Environmental Protection Agency.



This analysis is valuable because it makes clear the several strategies available for reducing the hazardous-waste problem.

Source Reduction. Clearly, the ideal solution involves reducing the quantity and danger of hazardous wastes produced in the first place. Although source reduction is not always feasible, many industries are working to modify their processes to accomplish that end. Some companies are altering or pretreating their feedstocks, while others are changing processes or selected operating conditions to reduce the formation of hazardous compounds. The expenses will be partly offset by lower treatment and disposal costs and reduced potential for future problems.

Such economic incentives have recently been increased: industry must use expensive treatment and disposal practices mandated by RCRA, and must pay high prices for raw materials, particularly petroleum, petroleum-derived intermediates, and strategic minerals. Nevertheless, regulatory action may be required to ensure that all waste producers pursue source reduction. It is encouraging that industry has made significant changes, a notable example being the development of easily biodegradable pesticides to replace persistent ones such as DDT.

Waste Recycling and Reuse. Despite source reduction, however, some hazardous wastes will no doubt be produced. Before disposing of those materials, industry can explore another option, recycling and reuse. In the past, environmental regulations were minimal, and the cost of recovering materials from waste streams was greater than the cost of acquiring new materials; recycling was therefore rare. But higher costs of treatment, disposal, and raw materials are making recycling far more attractive.

Most companies are actively pursuing new ways to recover and reuse their own wastes. But given the wide variety of companies nationwide, the greatest

Clearly, the ideal solution involves reducing the quantity and danger of hazardous wastes produced in the first place.

opportunity for increased recycling clearly lies in industry-to-industry transfers. However, such transfers are difficult to arrange because of competition; industry places great value on secrecy, so it is difficult if not impossible for one company to know what materials are available from another.

This problem is being solved through establishment of waste clearinghouses and waste-exchange organizations that list available materials without identifying their sources. When RCRA was passed in 1976, there were 4 such waste exchanges; in 1981 there are at least 29. And many of today's exchangers are quite aggressive: while some still simply provide lists of available materials, others seek out both producers and potential consumers. There are also waste brokers who act as agents for waste-generating companies, receiving a commission for each successful sale.

One of the fastest-growing recycling markets is in chemical solvents. Recycling solvents has always been feasible; these high-value compounds can frequently be recovered by simple distillation techniques. RCRA further encouraged such recycling by making disposal of spent solvents difficult and expensive. By early 1981, solvent recycling involved some $200 million per year, and experts foresee a billion-dollar yearly market by 1986. The National Association of Solvent Recyclers, formed in Dayton, Ohio, in 1980, now has 43 members. These and other companies are making plans to construct improved facilities to handle chemical solvents. Some of the plants will recycle all the solvent, some will recycle part of the material and recover the rest as synthetic fuel oil, and others will convert all the waste to fuel.

While the trend toward recycling is clear, more can be done. Today only about 10 percent of the materials listed with waste exchanges actually changes hands; in older European organizations 30 to 40 percent is traded. Part of the problem stems from current regulations. Provisions of RCRA do not cover recycling activities comprehensively. For example, under present law some recyclers are not required to have permits for processing wastes unless they generate their own hazardous wastes. (However, recyclers may need permits for storage and transportation.) Such complications may make waste-generating companies hesitant to deal with recyclers and brokers, because if the company receiving the waste does not handle it correctly, the liability may revert to the waste generator.

The EPA is now considering revising RCRA to provide for better control over waste recyclers. However, the Chemical Manufacturers Association and a host of chemical companies are challenging EPA on the grounds that materials destined for recovery, recycling, and reuse are, by definition, not waste and thus should be exempt from hazardous-waste regulations. Although this point is valid, the likelihood that such an exemption will materialize is quite slim, as some recyclers were among the major offenders of environmental law in the past.

Meanwhile, two bills supporting recycling are being considered by Congress. One would make procedural changes in RCRA that encourage creation of pollution-control facilities, including recycling units. The other would increase the investment tax credit for companies involved in energy conservation and waste recycling. Senate hearings on the former bill were held in June 1981; hearings on the latter bill have yet to be scheduled. With such changes pending, the outlook for recycling is better than ever.

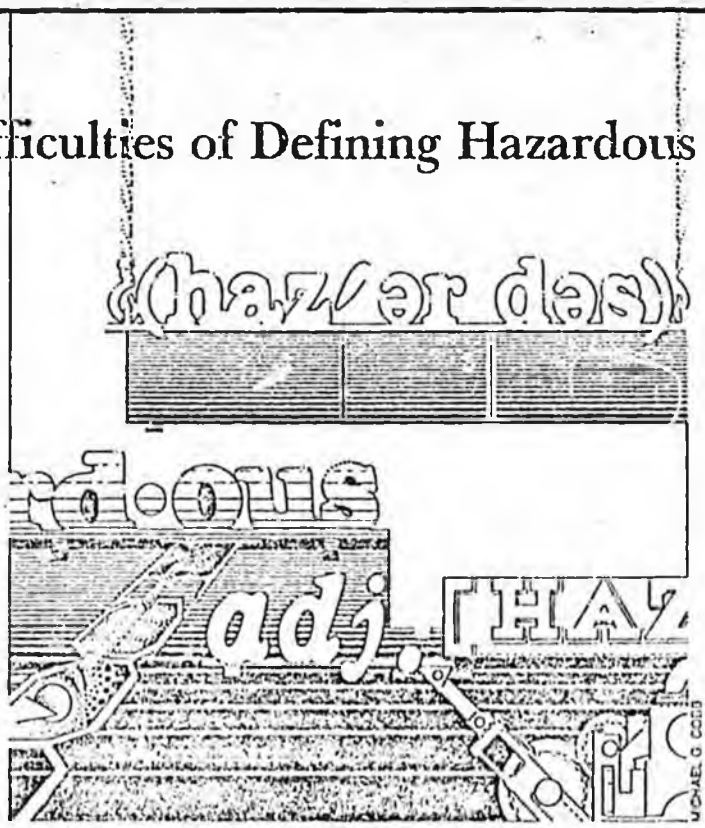
However, we must not have unrealistic expectations: according to a 1976 study by Arthur D. Little, only 3 percent of the 350 million metric tons of industrial wastes generated that year were potentially recyclable, although the fraction of hazardous wastes that is recyclable is probably higher. Changing regulations and rising prices have no doubt increased both percentages, but the fact remains that for certain types of wastes, recovery and recycling are simply not yet practical. The best we can do is to treat and dispose of such wastes in an environmentally safe way.

Classifying Hazardous Wastes

There are many waste-treatment and disposal processes, each best suited to certain types of materials. Therefore, the first step toward effective waste management is to examine an individual waste stream in enough detail to identify the appropriate processing techniques. The most practical method of classifying substances is according to their basic physical and chemical properties.

The first decision involves the state of the waste stream: is it predominantly a gas, a liquid, a solid, or a mixture? Next, the waste is classified according to its chemical constituents: are they organic or inorganic? Explosive materials should be identified, as they require special handling. Both organics and inorganics are subdivided into aqueous and nonaqueous categories, and then classified according to their concentrations of heavy metals. Heavy metals are important because their presence complicates many waste-treatment operations. Organic wastes can be further classi-

The Difficulties of Defining Hazardous Wastes



ESTABLISHING effective and just hazardous-waste regulations is difficult, in part because it is hard to define precisely which materials should be considered hazardous. Should a chemical be classified as hazardous because at some dosage it is toxic to humans? If so, should it be regulated only at certain levels of generation?

Not surprisingly, different people offer drastically different answers to such questions. At one extreme are those who believe human activities should generate no pollutants; they advocate very strict government regulations. At the other extreme are those who believe industry can and should take responsibility for protecting the public; they are opposed to any government regulation of any industry.

A Delicate Balance

The practical optimum is somewhere between those extremes, and therein lies the problem. The best regulations would protect human health and the environment while imposing the minimum economic hardship on industry and thus our national economy. Unfortunately, we do not fully understand the possible long-term adverse health effects of many chemicals. Indeed, only recently has environmental contamination been recognized as a problem worthy of intensive scientific research. Regulators have thus been faced with the problem of imposing quantitative pollutant emission controls in the presence of little (if any) solid scientific data.

Some hazardous wastes have properties that are easy to recognize—for example, ignitability, corrosivity, reactivity, and acute toxicity—making their definition and regulation relatively uncontroversial. However, chronically toxic chemicals are harder to identify and thus are the subject of considerable controversy. Chronically toxic compounds can take 15 to 20 years or longer to produce adverse health effects. Because everyone is exposed to a wide variety of chemicals for many years, it is difficult to identify cause-and-effect relationships. Although epidemiological studies, bioassays, and other research efforts provide some insight, our understanding of the scientific principles of chronic toxicology is in its infancy and inadequate for clearing up regulatory disputes.

Defining and identifying acutely toxic chemicals can also be a problem because virtually all substances become toxic at sufficiently high doses. Some chemicals produce death in microgram doses and thus are commonly considered extremely hazardous or toxic. Others are essentially harmless, inducing a toxic response only at doses over several grams. But most chemicals fall between those two extremes, posing the question of where on such a scale we make the (perhaps arbitrary) switch from "toxic" to "safe."

There is yet another problem in deciding whether specific compounds are hazardous. Laboratory tests generally focus on a single compound, but compounds almost always exist in mixtures, and there is growing evidence of synergisms between them. Thus, the health impacts of the mixture may be totally unlike those of the individual components. For example, we may determine that a compound is harmless, but in combination with another (perhaps harmless) chemical, this compound may become highly toxic. Since we do not understand how these interactions occur, we need to examine not only an enormous number of chemicals but also all possible combinations—a formidable task. Furthermore, most standard laboratory studies use nonhuman subjects and high chemical doses, so another troublesome question is how reliably we can extrapolate the results to people. Although this is also a highly controversial area, single-cell and animal tests will be the major source of quantitative toxicity data until better means are developed.

Despite the present shortage of information, in response to public outcry, the U.S. Environmental Protection Agency (EPA) developed a system for identifying hazardous wastes through well-defined characteristics such as ignitability, corrosivity, reactivity, and acute toxicity as determined through a specific extraction and testing procedure. The EPA system also considers each chemical's chronic toxicity, changes in its health impacts at various concentrations, its potential for degrading into toxic products, its persistence in nature, and its potential for bioaccumulation. The EPA has also created a list of specific and nonspecific hazardous-waste streams.

There are several indications of the difficulty EPA had in establishing hazardous-waste regulations. First is the long time delay before any action was taken. The Resource Conservation and Recovery Act mandated that EPA establish hazardous-waste regulations in 1976, but the agency did not publish any rulings until May of 1980, primarily because of its problems in defining the legal and technical terms on which the rulings are based. Even today, those terms are not defined with sufficient scientific rigor—this situation leads to continuing conflict between industry and regulatory agencies.

As the List Changes

As an even clearer demonstration of the problems of regulating hazardous wastes, the official list of hazardous wastes is constantly changing. In May 1980 that list contained about 300 chemicals and 80 waste streams (*see the figure*). There have been almost daily additions to the list as more toxicological evidence is obtained about specific compounds or groups. Not surprisingly, many substances

have also been deleted, since EPA created the list under substantial public pressure and in many cases without sound scientific data. Given that situation, the tendency was to include any waste streams that aroused the slightest suspicion. Whenever research uncovers an unnecessary item on the list, industry claims "overregulation."

Arguments among environmentalists, waste-producing industries, and regulators (who consider themselves caught in the middle) are energetic and often emotional. The difficulties of regulating hazardous wastes can be reduced only through the acquisition of better scientific data. Recognizing that fact, researchers are now creating new fields of study combining engineering, environmental chemistry, and toxicology to help define and quantify the risks associated with various types of potentially hazardous wastes. With such information we will be in a better position to attack the complex issue of determining which risks can be reduced or eliminated, and what levels of risk we may have to accept to maintain our industrialized society.—*S.M.S. and N.W.S.* □



The Environmental Protection Agency has compiled a list of hazardous wastes and waste streams, considering such factors as acute and chronic toxicity, ignitability, corrosivity, breakdown products, and potential bioaccumulation. In May 1980, the list contained 300 chemicals and 60 waste streams; examples are shown in the table. There have been many additions and deletions as the list has developed, with changes often bringing charges of "overregulation" from some industries.

fied according to whether they are biological.

Unfortunately, most waste streams contain mixtures of all sorts of materials, and it is necessary to use several processes, either in series or in parallel. Since this practice leads to even higher treatment costs, it is likely that industries generating hazardous wastes will move in the direction of making their waste streams more uniform.

Designing Facilities

Choosing an optimal design for a waste-treatment and disposal facility is not simple, as different generators have different needs and options. There are at least three possible choices for generators of small quantities of hazardous wastes. They can install permanent, small-scale treatment facilities at plant sites and then use regional sites for ultimate disposal of treatment residues. They can use a contractor with specialized, mobile treatment units that operate at the plant site from time to time. Or they can use the services of a specialized treatment/disposal company.

The concept of a completely integrated regional facility is appealing but hard to implement (*see the figure on page 44*). Such a facility must be able to handle both large and small quantities of hazardous wastes at a reasonable cost, and must be readily accessible to a large number of generators. The siting of such a facility involves careful analysis of the geography, geology, topography, and hydrology of an area, along with social, economic, and political factors.

While integrated regional facilities are useful for small generators, companies that generate large quantities of wastes may be best served by having their own waste-treatment systems, even if there is no suitable landfill nearby for disposal of the treatment residues. Treating the wastes at the point of generation frequently reduces the amount and danger of the waste material and provides substantial reduction in transportation and related costs. Having their own treatment plants also enables companies to take greater advantage of recovery and recycling.

Treatment and Disposal Methods

There is a long list of processes for treating hazardous wastes (*see the table on page 43*). These processes are basically designed to reduce the volume of the waste, separate it into individual components that are easier to process, and/or detoxify it. Often certain processes also allow resources to be recovered. Each

Treatment processes are designed to reduce the volume of the waste, separate it into individual components that are easier to process, and detoxify it.

process ultimately produces residues that require a final disposal site, typically a secured landfill. Rather than describe each process, we will focus on a few that have a relatively broad range of applicability.

Incineration and Pyrolysis. The hazardous nature of certain wastes may be due to the structure of the molecules present rather than to the properties of the elements contained. In such cases, high-temperature treatment may simultaneously detoxify the waste and reduce its volume. The most common thermal treatment methods are incineration and pyrolysis.

Incineration involves burning wastes in the presence of sufficient oxygen with or without the use of an auxiliary fuel source. The products are generally gases (carbon dioxide, steam, hydrochloric acid, and sulfur dioxide) and ash with essentially no heating value. Pyrolysis essentially involves heating wastes in the absence of oxygen; the wastes thermally decompose to form a solid carbonaceous residue along with gaseous products. Often these two processes are combined.

The advantages of incineration and pyrolysis are substantial. These processes can in principle be applied to almost all organic wastes not severely contaminated by volatile heavy metals, and they can be used equally well on some inorganics. The facilities are capable of handling large volumes at a time, there is potential for energy and materials recovery, and the necessary equipment requires relatively little land. Finally, the processes can reduce the volume of most wastes to a minimum, reducing their danger and the costs of storing and transporting them.

However, there are several disadvantages to incineration and pyrolysis. The processes tend to be technically complicated and costly to operate—as high as $300 per cubic meter of waste. The methods may not be directly applicable to some hazardous-waste streams because of the unusual combustion characteristics of some toxic wastes, especially those containing halogenated compounds. In addition, under some circumstances the processes produce a toxic residue that requires special disposal techniques, and they frequently give off pollutants such as carbon monoxide, hydrochloric acid, chlorinated dioxins, sulfur dioxide, or soot, requiring strict operating controls and additional pollution-control equipment.

Incinerators are used both at industrial plants where wastes are generated and at specialized disposal facilities. Incineration requires the user to select a system design suited to the type of waste, and operating conditions should be fine-tuned to the particular waste being burned. Certain materials in wastes also require special handling. For instance, heavy metals such as arsenic, selenium, sodium, and mercury must be removed before incineration.

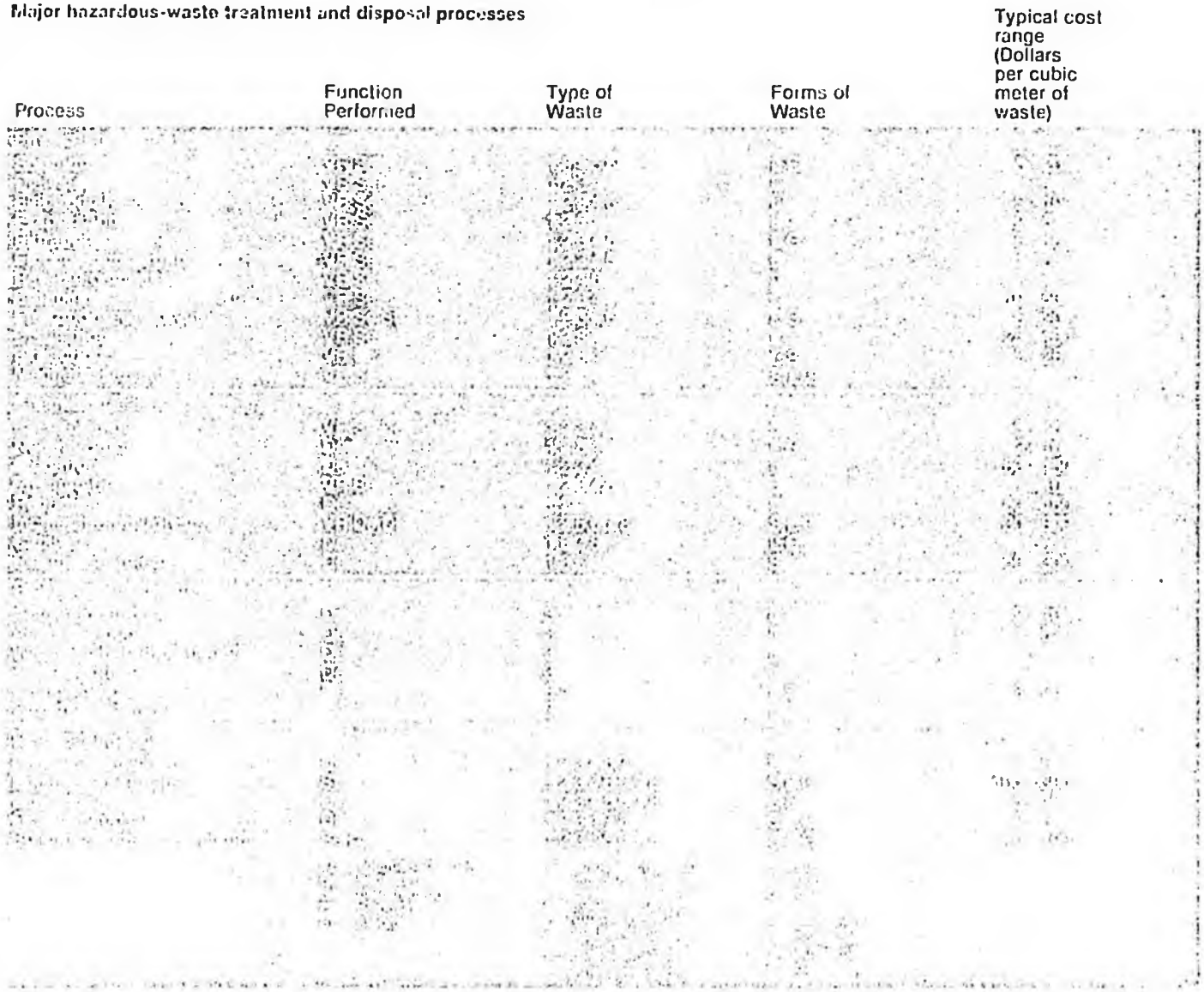
Our understanding of the subtleties of incineration and pyrolysis is limited, but advances are being made. For example, the Midwest Research Institute in Kansas City is opening a facility that will provide information on the compounds formed in an incinerator. The facility simulates actual incinerator conditions, but includes ports from which samples can be taken; the compounds in those samples can be identified and quantified. By running the system under different operating conditions, the researchers claim they can identify conditions that result in 99.99 percent destruction of the principal organic hazardous constituents—the level required by EPA.

In our laboratories in the Department of Chemical Engineering and the Energy Laboratory at M.I.T., fundamental combustion studies are in progress. We are examining the basic combustion characteristics of a variety of chlorinated hydrocarbons and their mixtures, thereby establishing a better understanding of the scientific principles involved in the incineration of toxic chemical wastes. And at the University of Dayton, researchers are examining the pyrolysis characteristics of toxic chemicals using a laboratory-scale thermal-decomposition analytical system.

Biological Methods. Biological treatment offers an effective means of handling organic and some inorganic toxic wastes. The waste stream is brought into contact with microorganisms that detoxify the waste material—decomposing organic molecules into carbon dioxide, water, or compounds with lower molecular weights. If the microorganisms are aerobes, molecular oxygen must be added to the systems; if they are anaerobes, oxygen is not necessary for them to degrade the wastes. (There are also certain microorganisms that can act either as aerobes or as anaerobes.) Of the aerobic and anaerobic processes, the former are generally faster and have wider applicability.

Principal biological treatment processes include activated sludge systems, trickling filters, aerated lagoons, anaerobic digestion systems, and composters. The first three processes can be used for aqueous waste streams with total contaminant levels under 1 percent. The activated sludge system is particularly well-developed and tested, having been used in industry for many years. Its attractive features include compactness, flexibility, and relatively rapid rates of degradation.

Major hazardous-waste treatment and disposal processes



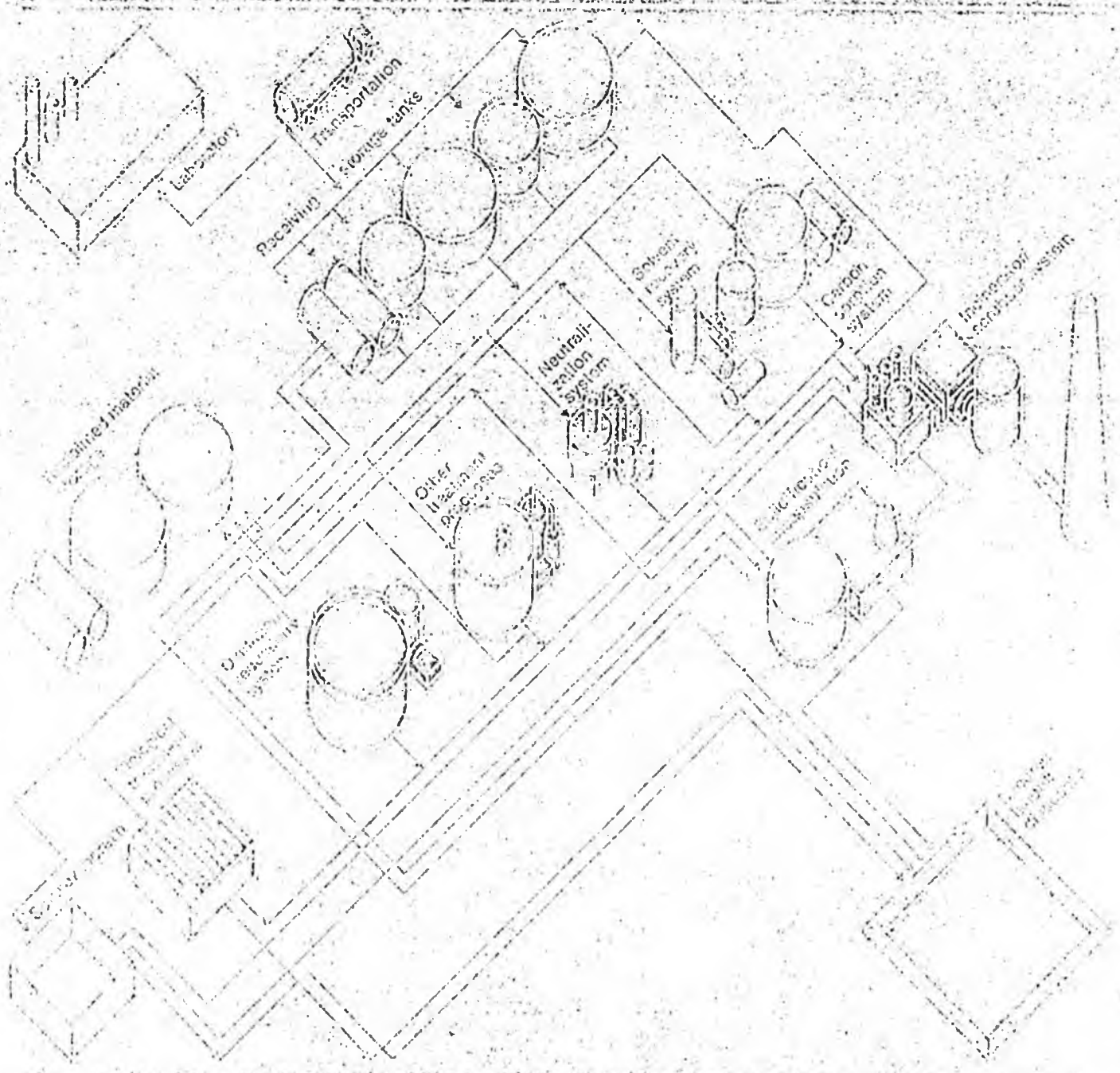
Anaerobic digestion and composting systems can tolerate concentrations of contaminants up to 10 percent and 50 percent, respectively. Of all biodegradation systems, composting is probably the best choice for most organic waste streams, primarily because it is not as sensitive to changes in flow rates, composition, and concentrations of the wastes. Composting uses organisms that can live at relatively high temperatures (45°C and up), and those temperatures and long residence times make bioconversion thorough.

Almost all organic compounds, including halogenated hydrocarbons, are biodegradable. However, there are a few limitations. The compounds in the waste must be nontoxic to the microorganisms. The wastes also must contain some water; enzymes play a key role in the microorganisms' degradation of wastes, and enzymes require water for their activity. Soluble inorganics must be kept to a minimum as they can inhibit the enzymatic conversion process and are generally unaffected by biological treatment.

Nevertheless, biological methods are widely applicable to organic wastes, and operating costs of most methods are low. Depending on the waste stream and the process used, typical costs range from $1 to $20 per cubic meter of waste. The major drawback is that large land areas can be required to hold wastes during the long, slow biodegradation process.

Adsorption. This well-established technology removes organic as well as some inorganic contaminants from aqueous streams. The waste stream is brought into contact with porous particles that adsorb the contaminants; the contaminant-bearing particles are then removed from the system. The adsorption process is often reversible, so removed material can be recovered or treated for disposal, and the sorbent can be regenerated and recycled. The costs of such treatment are generally between $5 and $20 per cubic meter of waste treated.

The most common sorbent is carbon. Activated carbon has been used for years to treat drinking and



[illegible] components are essential to any such operation. First, there must be a well-equipped laboratory, perhaps the most important part of an integrated facility, since here incoming hazardous wastes are examined and treatment methods selected. The laboratory oversees the operation of each system in the facility. To minimize operating costs and risks associated with handling, no wastes are storing the residues, every treatment operation must function with utmost efficiency. Mixing the secured landfill leachate and streams from the various processes requires a dedicated laboratory and personnel equipped with the necessary analytical tools.

Second, there must be sufficient storage space, primarily because incompatible waste streams must often be stored in isolation. Separate storage also useful because one waste stream can sometimes be used to treat another example, [illegible] can be combined to [illegible]

Secured landfills are designed specifically to contain hazardous wastes, and when operated properly should minimize contamination of the environment.

waste waters, decolorize liquids, control odors, and recover solvents. Activated carbon is obtained from coal, wood, coconut shells, and other organic materials, and is used in either granular or powdered form. The specific raw materials and manufacturing method determine the carbon's structure, adsorption characteristics, and regenerability. Regeneration is usually accomplished by heating the carbon particles until materials held in their pores desorb—a procedure that is expensive because of its high energy requirements. However, this thermal technique may one day be replaced by improved methods, such as critical solvent extraction, which uses milder temperatures and therefore is less costly.

The other common sorbent is resin. Resin has a lower adsorption capacity than activated carbon, but its chemical nature can be manipulated to make it highly selective. Also, resin regeneration does not require such high temperatures; thus, resin may be better than carbon when material recovery is desirable. In combination, the activated-carbon and resin adsorption systems could become widely used, as together they offer flexibility at an acceptable cost.

Solidification/Encapsulation. This is the process of deactivating and immobilizing toxic chemicals by incorporating them into the structure of a stable solid compound with high physical strength, minimal leachability, and (ideally) minimal cost. Although solidification/encapsulation is now used for a small fraction of hazardous wastes, it promises to become one of the most important disposal techniques.

Practically all processes for treating hazardous wastes produce some residue, and frequently that residue is also toxic. Therefore, solidification is usually the last treatment operation before waste streams are sent to a secured landfill for storage. Also, for concentrated heavy-metal solutions and hazardous wastes that cannot be incinerated or detoxified by other methods, solidification is the only environmentally sound method of preparing the wastes for storage.

There are four major kinds of solidification technologies: cement-based, lime-based, thermoplastic, and polymerization. Techniques using cement are most common because they are cheap and easiest to use. They are effective principally for inorganic wastes, especially those containing heavy-metal cations such as cadmium, chromium, copper, lead, mercury, and nickel. The alkalinity of the cement stabilizes the heavy metals in the form of hydroxides, much as did the ores from which the metals originated. Asbestos, metal filings, and other materials often present in waste streams add strength to the cement matrix, and companies generally use proprietary additives to make the cement even stronger. However, organic materials in the wastes generally weaken the cement.

A major advantage of cement-based techniques is that wastes need not be dried before processing. On the other hand, the resulting solid matrix is vulnerable to acid leaching and the freeze-thaw and wet-dry cycles of the environment. However, these problems can be overcome by burial beneath the frost line.

Lime-based techniques are similar to cement-based methods in principle and application. They are somewhat less expensive, but the solid matrix is weaker and thus more vulnerable to environmental changes.

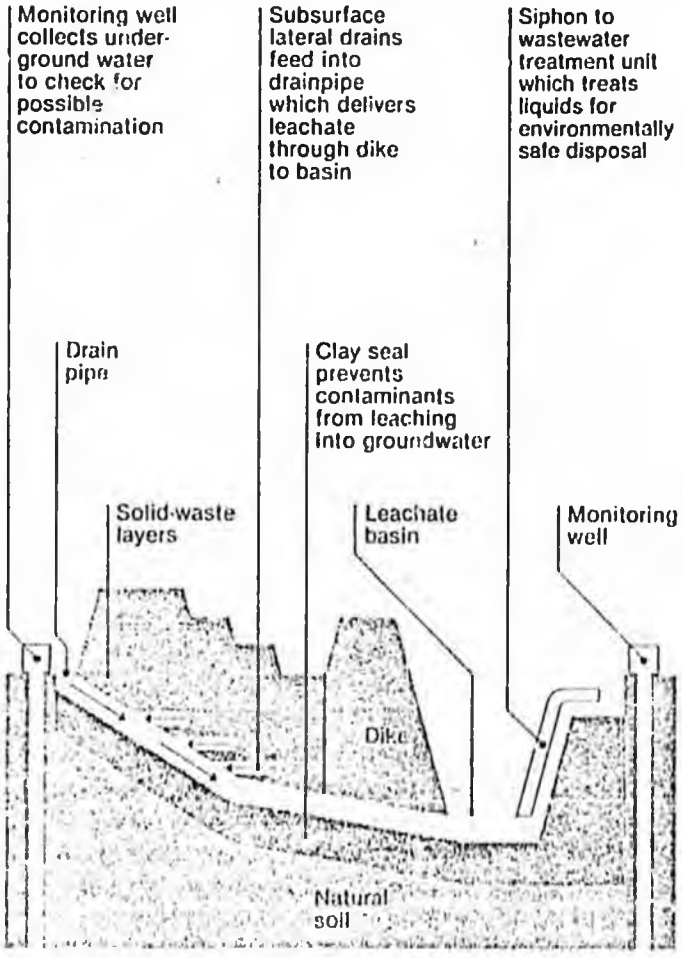
Thermoplastic techniques use bitumen, asphalt, and other materials that soften when heated, bind tightly to waste materials, and solidify when cooled. Wastes frequently must be dried before being mixed with the hot thermoplastic material. The principal advantage is that the binders immobilize waste materials very well, and the resulting solid structure allows minimal leaching, being very resistant to most aqueous solutions and acids. Thermoplastic techniques are thus especially suited to highly hazardous and concentrated wastes. However, the solid structure may be flammable and deteriorate if exposed to organic solvents. Another drawback is that thermoplastic processes have high material and operating costs.

In the polymerization method, a monomer is mixed with the wastes and allowed to polymerize, trapping the toxic materials in the resulting matrix. Because material requirements are lower, this process is less expensive than thermoplastic methods. The process also is applicable to both aqueous and nonaqueous hazardous-waste streams.

Many of the approaches used in solidifying hazardous industrial wastes are based on processes developed for the treatment of radioactive wastes. Those processes have been modified to take into account the larger volumes associated with toxic chemical wastes.

Secured Landfill. Secured landfills are sites for the ultimate disposal of liquid and solid wastes, mixtures, and residues from *all* waste-treatment operations. Such sites are designed specifically to contain hazardous wastes, and when operated properly should minimize contamination of the environment.

Past experiences with landfills have been dismal. Many landfills were created in marshlands, abandoned sand and gravel pits, and other sites that have



A secured landfill has a number of essential geological, hydrological, and geographical features. Past experiences with landfills have been dismal, with many sited where they could contaminate underground water. However, secured landfills offer the best method for disposal of many hazardous wastes and are the only viable method for most inorganics. (Diagram: Chemical Manufacturers Association)

hydraulic connections with underground water. Poor strategic planning also meant wastes were often transported great distances. Despite such a bad track record, secured landfills offer the best method for disposal of many hazardous wastes, and the only viable one for most inorganics.

Proper landfill design involves geological, hydrological, and geographical considerations (*see the figure above*). Of utmost importance is location in thick natural clay deposits where the hydraulic transport of leachate to an underground water source is unlikely. Ideally, wastes in the landfill will have been properly solidified, but drums or other containers can be used for storage of liquids and sludges. Individual clay-lined cells may also be required to ensure that incompatible wastes do not come in contact with one another. To ensure proper operation of the site, special techniques that prevent failures are required, as are quick repair methods to be used in an accident. The facility's operating procedure must also include scientific studies that assess the risk of system failure and the impacts of possible accidents on people and the environment.

Recent regulations set by EPA under the provisions of RCRA were designed, in part, to ensure safer construction, operation, and closure of landfills. For example, the regulations require collection, monitoring, and treatment of the leachate. And the owner or operator of a facility is required to provide for post-closure care of the landfill for 30 years or more, as determined on a case-by-case basis. One may argue that such a period of post-closure responsibility is impractical since the operating company may not exist for that long. Moreover, many heavy metals remain toxic forever, so perpetual monitoring should be required. The EPA is now considering establishing some form of national insurance plan to cover such extended monitoring programs.

Improving Our Options

To encourage proper handling of hazardous wastes, many research organizations and pioneering companies are trying to improve technological options. Some of their efforts are leading to novel ways of using standard techniques. For example, burning halogenated organic wastes at sea—on ships or unused oil rigs—has been shown to be both feasible and less expensive than standard land incineration because exhaust-gas treatment is not necessary.

But many techniques under development are quite different from old ones. Lockheed and EPA have developed a microwave plasma process for detoxification of pesticides and other toxic wastes. Rockwell International is using molten-salt combustion to attain complete and rapid destruction of many toxic organic wastes; molten sodium carbonate rapidly absorbs many toxic emissions from the system, making exhaust scrubbers unnecessary. The Department of Agriculture is developing a method for treating chlorinated hydrocarbon-bearing wastes by simultaneously bubbling oxygen through the wastes and irradiating them with ultraviolet light. This process apparently breaks the chlorine-carbon bonds, and the

Only with more basic research can we increase the fundamental knowledge needed to develop policies and technologies that provide maximum safety at reasonable cost.

remaining compounds can be biodegraded by soil microorganisms.

Several companies are developing organisms that thrive on certain hazardous materials. For instance, Hooker Chemical has commissioned Battelle-Columbus to engineer an organism that thrives on chlorinated aromatics, and Koppers has contracted with Genex to develop an organism that detoxifies coal-tar wastes. Battelle Pacific Northwest Laboratories will soon begin field tests of a technique for immobilizing buried toxic-metal wastes. An electric current is passed between electrodes placed in the ground around the wastes, melting the wastes, soil, and rocks into a solid. The vitrified material becomes compact, leaving a hole that can be filled in.

Other new techniques are designed not only to treat hazardous wastes but to recover energy and materials—an important combination as we try to adopt processing techniques that conserve our resources. For example, Chem-Trol Pollution Services has burned chlorinated hydrocarbon-bearing wastes together with conventional fuels in a cement kiln, accomplishing waste treatment while producing cement and saving energy.

Similarly, several U.S. utilities burn wastes in combination with fuel oil to run boilers and generate electricity. In Geismar, La., Borden Chemical Co. is building a French-designed incinerator that burns chlorinated hydrocarbon wastes; the system provides recovery of both hydrochloric acid and a significant fraction of the heat of combustion. The use of water hyacinths—fast-growing plants—for treatment of both industrial and municipal wastes is being explored by Exxon and through a joint effort by EPA, the state of California, and the city of San Diego. While water hyacinths cannot tolerate high salinity, they efficiently degrade many organic materials (especially municipal wastes) and remove heavy metals. The hyacinths can later be harvested and either used for animal feed, composted, or fed to a digester that produces methane to fuel the facility.

Industry and government have set up special programs to study another aspect of the hazardous-waste problem: how to identify specific substances that pose a threat to humans and the environment. In 1975 the chemical industry established the Chemical Industry Institute of Toxicology (CIIT) in Research Triangle Park, N.C., to conduct tests on commodity chemicals, develop toxicological methodologies, and provide postdoctoral training of toxicologists. Thirty-six companies now support the CIIT, which has already produced important results, most notably evidence of the carcinogenicity of formaldehyde. The federal government performs many activities relating to the testing of hazardous chemicals through its National Toxicology Program.

In addition to testing specific chemicals, these and other organizations are designing new tests that will prove simpler, cheaper, and more accurate than existing methods. CIIT has recently developed a test for carcinogenicity that uses animals instead of cell cultures, allowing for the effects of chemical processes in the animal's body. The National Institute of Environmental Health Sciences has published the results of a two-year study involving 12 nations; it shows that no single test can be used on all potentially carcinogenic compounds, but suggests a series of tests that may be effective. Such procedures will help identify the most threatening wastes and combinations, enabling us to set priorities in tackling waste problems.

In spite of all our past and present work, our fundamental understanding remains limited. We do not know the exact mechanisms by which hazardous compounds damage the human body and the environment, nor do we have the full scientific knowledge needed to design and operate optimal waste-treatment and disposal processes. Indeed, our achievements have mostly resulted from empirical methods. Only with considerable basic research can we increase the fundamental knowledge needed to develop policies and technologies for hazardous-waste management that are scientifically sound and that provide maximum safety at reasonable cost.

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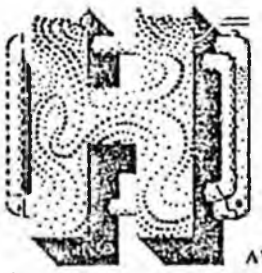
The Federal-State Dilemma

by Ann Rappaport



AVING the necessary treatment and disposal technologies available is one part of the complex equation for solving the hazardous-waste problem. Ensuring that the technology is appropriately used is the other. Although government has adequate legal authority to require sound waste management, as a practical matter that authority cannot be exercised without substantial public and private support.

Many firms and institutions have not internalized waste-treatment and disposal costs, so adoption of treatment methods may require new investment in equipment or services. While regulations requiring waste management are clearly beneficial to public health, the environment, and the waste-disposal industry, other sectors of the economy foresee dramatic increases in the cost of doing business and are therefore fighting for exemptions and exclusions from regulations.

As directed by the Resource Conservation and Recovery Act of 1976, in May of 1980 the U.S. Environmental Protection Agency (EPA) published a comprehensive regulatory program to set a national pace. States are encouraged to assume responsibility for regulating their own hazardous wastes and ensuring their proper management. After all, individual states are in a better position than the federal government to tailor programs and regulations to local patterns of hazardous-waste generation and hydrogeological features.

An issue now being resolved on a state-by-state basis is the extent to which states may develop programs that go beyond the federal model. These concerns are illustrated by two examples: the manifest system and the exemption level.

The Manifest System. This is often referred to as the heart of the "cradle-to-grave" hazardous-waste tracking process established by federal law. The manifest is a shipping document indicating the origin, destination, type, and volume of waste and containing certification from each party that the waste is properly packaged and accurately characterized. All wastes in transit from a waste generator to a waste-handling facility must be accompanied by a manifest, and the facility must return a signed copy to the generator showing that the material has been received.

EPA decided to require that it be notified only when a signed copy from the waste-handling facility had not been received by the generator within 45 days of shipment. This is referred to as an "exception-reporting" system because government is informed that a shipment is in transit only after the waste and/or its paperwork cannot be located.

States such as California, New York, Illinois, New Jersey, Pennsylvania, and Maryland have implemented "load-by-load" tracking systems in which the generator and the facility send copies of all manifests to the state. Such a load-by-load system enables the state to identify trends and enforcement problems, pinpoint industry education needs, ensure that unsound practices are quickly stopped, and augment its data base on waste transactions.

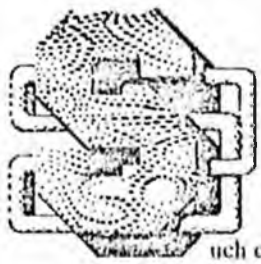
For example, individuals have sometimes inaccurately represented themselves to generators as being licensed to handle hazardous wastes. Under the federal system, a state must rely on annual reports and exception reports to identify a transfer to such an unlicensed party. Thus, a full year of disposal at an illegal facility can occur, with potentially serious consequences to public health and the environment. Under the load-by-load system, the state would receive a manifest indicating the transfer, and state staff could immediately provide a generator with a list of licensees and offer other assistance in interpreting regulations.

Opponents of the load-by-load tracking system argue that the paperwork is burdensome and that the federal system is adequate. Proponents of load-by-load tracking feel the paperwork burden is justified by benefits in protection, enforcement, and education.

The Exemption Level. States frequently have elected to be more stringent than the federal government in establishing exemption levels limiting the applicability of hazardous-waste regulations. Except for a few acutely toxic wastes, federal regulations provide that sources generating or accumulating less than 1,000 kilograms per month of hazardous waste need not comply with record-keeping, reporting, and handling requirements, and need not send their waste to an approved hazardous-waste disposal facility. This exemption level was based on the fact that 91 percent of hazardous-waste generators nationwide produce less than 1,000 kilograms per month, contributing only about 1 percent of the total hazardous waste produced each year. A closer look, however, reveals that national statistics may not be a sound basis for state policy.

For example, in the Northeast there are many small companies in the metal-plating, metal-finishing, paint and coating, and other industries that produce small amounts of hazardous waste. Consequently, concern has been growing about the potential effects of a large number of small generators depositing hazardous wastes in municipal landfills, particularly in areas where poorly protected aquifers are a major source of drinking water.

States Take Different Route



MICHAEL G. COBB

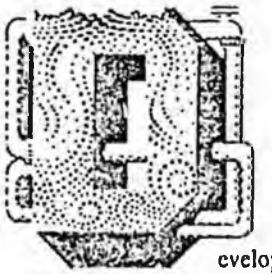
uch concern has prompted Rhode Island to establish a zero exemption, and New Hampshire, Vermont, Maine, and New York to set the exemption limits at 100 kilograms per month. Massachusetts' comprehensive regulatory program is in the draft stage, but a study of available data indicates that at 1,000 kilograms per month, perhaps 25 percent of the waste generated in the state would escape regulation, and at 100 kilograms per month approximately 5 to 7 percent would escape regulation. Obviously, exclusion levels must be practical. As the exemption level goes down, the potential for environmental protection increases, but eventually the limits of program administration are reached. There is clearly a need for compromise between exemption limits and

effective law enforcement in attempting to maintain acceptable public health and environmental protection.

While states are allowed to develop and enforce regulatory programs more stringent than federal programs, they often encounter formidable barriers—particularly lack of resources and influence. Most state governments have traditionally had a harder time than private industry and the federal government in attracting and keeping qualified staff and in obtaining sufficient resources for research and program administration. Each state also needs to attract new businesses and keep old ones, and competition among the states is stiff. Compounding these difficulties are new initiatives to limit government spending and a growing sentiment that government regulation stifles economic expansion and contributes to inflation. These factors can adversely affect both the timing and quality of state efforts to ensure sound waste-handling practices quickly enough to prevent future problems.

Also, industry groups that win exemption from federal regulations will usually oppose state efforts to establish different exemptions or requirements. States seeking to protect a local phenomenon, such as a vulnerable aquifer used for drinking-water supplies, could face real problems if challenged, since few states can match industry resources. States must then look to the concerned public and innovative industries to support strong regulatory programs. Firms that make early investments in source reduction and sound waste handling may rely on government efforts to prompt their competitors into making comparable expenditures.

The Public's View

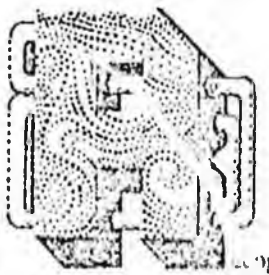


Developing sound and effective programs for hazardous-waste management is complicated by an often emotional public reaction to real and perceived threats. Without scientific data, environmental and health consequences of particular situations are often speculative. As a result, communities adversely affected by chemical contamination often push for conservative remedial actions. In Plymouth County, Mass., for example, a variety of toxic chemicals, apparently leaching from a municipal landfill, reached wells providing drinking water to homes. The levels of contaminants detected were well below the "Suggested No Adverse Response Levels" (SNARLs) established by EPA, based on the limited available epidemiological and toxicological data.

Local decision makers therefore had two choices: they could do nothing, based on the rationale that contaminant levels are far below SNARLs; or they could appropriate $775,000 to provide affected homes with water from an uncontaminated town well. The town chose to pay for the alternative water supply.

Risk-averse behavior of this type is to be expected at the local level. However, when risk aversion is extrapolated to the state or national level, it suggests a scale of corrective actions with a dollar value that far exceeds government's ability to pay. In fact, federal "Superfund" monies allotted for site cleanup are expected to be so meager in many states that only the most serious problems will be tackled. For example, the current list of problems in Massachusetts includes contamination by polychlorinated biphenyls (PCBs, a family of persistent synthetic compounds) of an estuary and major fishing port, possible thallium poisoning of residents in a rural town, and several sites where stockpiled wastes threaten major public sources of drinking water. Thus, the Plymouth County situation and others like it are not serious contenders for federal or state funds. Massachusetts and other industrialized states with many contamination problems clearly lack the resources to provide zero-risk remedies that the public expects. Industries performing their own cleanup operations face the same problem.

Cost Cuts Cause Criticism



Recognizing serious fiscal constraints, government increasingly looks for ways to minimize costs in providing acceptable solutions to site contamination problems. Sometimes this means taking actions that critics see as government capitulation to industry pressure. For example, in cases where responsible parties can be identified and the threat to public health is not imminent, agencies may negotiate compliance and schedules for remedial action designed to keep the violator solvent and ensure corporate responsibility for cleanup or containment. But where an agency considers the threat to public health imminent, it may take immediate measures to stop polluting activities, running the risk that taxpayers will have to pay for corrective action if the violator declares bankruptcy.

Hazardous-waste regulations now contain details on performance standards, operating procedures, security measures, contingency plans, and a host of other provisions designed to protect public health and the environment. New statutes and regulations also require establishment of trust funds or other mechanisms to prevent taxpayers from assuming the financial burdens for unsuccessful or mismanaged waste-disposal ventures. But skeptics still question the adequacy of regulations and the ability of government or any other group to enforce their provisions.

To overcome such skepticism and community resistance to the siting of new facilities, regulators are encouraging widespread public participation in all aspects of the program: in developing the regulations, in monitoring facilities' compliance with performance standards, and in carefully selecting sites for waste-treatment facilities. These methods have yet to be put to a suitable test on the national level, but community participation in the development of regulations at the state level has already yielded positive results. □

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Table of Contents

Introduction 5
1. EPA: The Full Story 7
OPERATING PROGRAMS
2. Managing Hazardous Wastes 15
3. Controlling Toxic Chemicals 19
4. Protecting Water Quality 23
5. Ensuring Clean Air 27
6. Protecting Against Pesticides 33
7. Smaller Programs 37
CAPITAL PROGRAMS
8. Superfund 41
9. Wastewater Treatment Construction Grants 43
APPENDIX
Comprehensive Budget Summaries 44

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Introduction

Last fall sharp actual and planned budget and personnel cuts at the U.S. Environmental Protection Agency (EPA) became the subject of great public concern. It became apparent to the National Wildlife Federation, especially after a series of Senate and House hearings, that sensible decision-making required a careful, analytic, objective statement of EPA's workload and consequent real budget needs.

The Federation asked the American Environmental Safety Council (SAVE EPA) to prepare this 1983 budget for the Agency and to translate its numbers into a clear, English-language statement of its needs. It asked the Council to do so using EPA's own best workload models and data. The Federation staff worked intensively with the Council and roughly 30 program experts, each with extensive experience at the state and/or Federal levels. It especially sought to challenge every fact, number and assertion. It also arranged for independent reviews of the draft chapters by further independent program experts.

It is because so many people, with so much understanding of environmental management, have worked so hard over the last months that this document is, we believe, the first fully independent, detailed, reliable statement of EPA's real program needs. The National Wildlife Federation gratefully acknowledges their contribution

This document does not go into the details typical of a full budget presentation. Its purpose is to give the public a clear, careful, independent analysis of the major issues in this year's EPA budget. It seeks to explain the workloads imposed on EPA by its major environmental responsibilities, many of them recent, and to calculate with the best available analytic techniques and information the resources needed to manage these workloads. The document also compares these needs to both the 1981 baseline year and the Administration's 1983 proposal.

This analysis focuses on EPA's operating budget, which includes its critical research, regulatory, and field implementation/enforcement work. This is the core of the nation's environmental management capacity. The last two chapters quickly cover EPA's two capital programs, wastewater treatment construction grants and the "Superfund" for cleaning up abandoned hazardous waste sites. The capital budget is several times the operating budget, but is less critical to the implementation of most of EPA's statutory mandate.

Our proposals cover resources both for in-house staff (intramural expenses) and for outside procurements (extramural expenses). They are broken down into the following categories:

- **Research and Development:** This covers all research conducted by EPA laboratories or by outside organizations such as universities or non-profit foundations.

- **Abatement and Control:** This includes all program activities related to the design and implementation of control programs, including regulation writing.

- **State Grants:** This category includes all state grants related to the general program area (air, water, toxics, etc.), and generally cover both abatement and control and enforcement activities.

- **Enforcement:** The Reagan/Gorsuch Administration has abolished the traditional enforcement organization. Budget figures presented here are based on the previous organization, and are designed to illustrate the exact magnitude of proposed cuts in this critical area of EPA's budget.

The following rules have been applied consistently throughout this proposal:

1. We have figured all FY 83 personnel costs based on the implicit costs shown in the Reagan/Gorsuch FY 83 submission of September 1981 *for the subprogram element concerned.* Costs per position vary by the duties assigned: laboratory staff costs include specific allocations for supplies and equipment, enforcement staff costs include higher-than-average allowances for travel. Occasionally, explicit adjustments are suggested, such as for increased travel allowances for field inspectors.

2. Where we have extrapolated extramural costs from one year to another, they have been inflated according to historical data generated by the Bureau of Economic Analysis (BEA) for dates up to the last quarter of 1981, and beyond that by a (conservative) inflation estimate of five percent (5%) per year.

Where a calculation of the staff effort necessary to achieve a program objective is entirely subjective (such as the level of mobile source enforcement needed to encourage voluntary compliance) the subjectivity of that statement is acknowledged. Elsewhere we have generally used EPA's own workload models, pricing, and data supplemented by independent workload analyses where necessary. We are confident that the resulting budget is a fair, objective presentation of real program needs.

EPA Programs: Needs vs. Reagan Budget

	1981 Budget		Actual FY 83 Needs		Reagan-Gorsuch FY 83 Budget	
	Permanent Positions	Dollars (000)	Permanent Positions	Dollars (000)	Permanent Positions	Dollars (000)
OPERATING BUDGET						
Hazardous Waste[1]	992	138,872.7	2,386.8	346,838.9	661.3	111,308.5
Toxic Chemicals	775	109,904.1	1,775.1	255,112.1	641.5	72,440.7
Clean Water[1]	2,735	319,876.4	3,446.6	408,784.8	1,827.0	188,277.9
Clean Air	1,932	255,705.1	2,763.8	426,888.2	1,355.0	197,448.8
Pesticides	925	75,943.2	1237.3	116,674.0	669.8	50,620.6
Other[2]	1,473	237,772.7	1,228.1	313,700.5	1,066.1	146,085.6
Management	2,575	214,802.0	3,71[illegible]	310,750.0	2,178.3	208,479.1
Total Operating	11,407	1,352,876.2	16,548.9	2,178,748.5	8,399.0	974,660.3
Superfund	142	78,000.0	965.0	690,000.0	554.6	275,000.0
Construction Grants		3,304,837.0				2,400,000.0

1. For comparison purposes, the hazardous waste and water quality figures have been adjusted to reflect such things as the subsequent expiration of the conventional solid waste program, the transfer of spill response duties from the water office to the new Office of Solid Waste and Emergency Response, and other minor adjustments.

2. Contains drinking water, radiation, noise, and other minor programs, plus certain special items (such as the conventional solid waste program) that have been subtracted from the hazardous waste and water quality media for comparison purposes (see footnote #1).

EPA: The Real Story



"This administration does not intend to deny the needed resources to carry out environmental statutes that are on the books."

Edwin L. Dale, Jr.
Office of Management and Budget
December 19, 1981

The accuracy of Mr. Dale's statement is the subject of this inquiry. It is an inquiry of enormous importance both to those responsible for legislating, implementing and complying with the major environmental and public health laws of the United States and to the public that relies on the protections established by these statutes. These laws, all administered by the United States Environmental Protection Agency (EPA), include the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, the Resource Conservation and Recovery (hazardous wastes) Act, the Safe Drinking Water Act, the Federal Environmental Pesticide Control Act, and the Comprehensive Environmental Response, Compensation and Liability Act ("Superfund"). Together, they represent the environmental "safety net" which protects each citizen from the by-products and wastes of our high-technology society This includes over 55,000 chemicals (with 600-1,000 additions per year); 50,000 plants discharging wastes into U.S. rivers and streams; another 40,000 firms discharging toxics into our municipal sewer systems; over 160 million tons of air pollutants such as sulfur oxides, carbon monoxides, nitrogen oxides, soot and other particles; billions of gallons of municipal sewage and stormwater run-off; and approximately 20,000 hazardous waste facilities, the repositories for the over 40 million tons of hazardous wastes generated each year. In addition, as many as 35,000 abandoned hazardous waste dump sites require attention. Without effective public control of these waste products our public health, and the health of our basic biological support systems (air, water, soil) cannot be maintained.

Environmental protection, like police protection, costs money. Last fall the National Wildlife Federation commissioned a thorough study of EPA's workload and its consequent 1983 resource requirements. The Federation staff, roughly 30 independent program experts, and the American Environmental Safety Council (SAVE EPA), worked intensively on the study.

Every effort was been made to be as accurate and statistically sound as possible. For purposes of comparison we used as a baseline a clearly verifiable figure: the Congressionally-approved EPA operating budget for FY 1981 of $1.353 billion. Since it is still unclear how the current FY 1982 budget resolutions will be implemented within EPA on a program-by-program basis, it is impossible to use 1982 figures as a basis of substantive program comparisons. Moreover, the 1981 budget, which describes the level of protection provided the public until September 30, 1981, is the most logical base against which to compare the Reagan Administration's cumulative budget cuts.

This budget has computed EPA's FY 1983 minimum funding needs, both in personnel and in money, on the basis of state-of-the-art budgeting principles. Where they exist, we have used EPA's own workload analyses to compute program needs, including the excellent analysis done for the hazardous waste program. Throughout, we have adjusted for inflation using the deflator for government goods and services to date and have assumed only a five percent inflation in the future. Fully recognizing the state of the economy and the need for budget restraint, we have assumed that many of the new toxic programs will stretch out the transition to full implementation until 1984-85. We have also cut existing programs where possible and assumed efficiencies elsewhere.

In comparing these estimates of EPA's real program needs with the Administration's proposed 1983 budget, we've generally used Administrator Gorsuch's detailed budget proposal, with its thorough program and workload information (not available in the Congressional submission). For summary charts, however, we have used the President's final totals. Because the final budget is three percent smaller than the Gorsuch proposal, the resource levels identified in this document as the "Reagan-Gorsuch Budget" will sometimes be a bit higher.

On the basis of this analysis, we have reached the inescapable conclusion that Mr. Dale's statement is wrong. In fact, it is dead wrong: if EPA is forced to accept these cuts, EPA will be unable to implement many of the laws that are essential components of the nation's environmental safety net. If Congress accepts the Reagan-Gorsuch budget, the country will face the following programmatic results:

- EPA will be cut in half - just as its workload doubles. It doubles because it is in the early 1980s that all the programs enacted to protect the public from environmental toxics must be implemented. The older problems, e.g., sulfur, continue.

- The nation's environmental research and management institutions, already badly hurt, will disintegrate. Given the very long time required to rebuild such complex institutions, let alone their credibility, we can expect a decade of rising environmental and public health risks.

We should not legislate such fundamental *de facto* statutory repeal through the budget process. If, as a nation, we conclude that the cost of protection from exposure to toxic chemicals and other pollutants is too high, Congress should defer or repeal significant portions of the wave of toxics legislation just now reaching the point of field implementation. In any event, the public should be involved in this debate. The present attempt to cloak programmatic decisions in the budget process makes public debate impossible.

This volume tries to provide a careful, independent analysis of the resources needed to make our environmental safety net a reality, not a legislative mirage. In 1983 these costs add up to $2.18 billion, a 40 percent inflation-adjusted increase over 1981. It also briefly touches on several possible ways the Congress could pay for providing this protection.

The major resource increases required in EPA's 1983-85 budgets flow directly from the scientific discoveries and consequent legislative actions of the last decade. In 1970 the country decided to clean up the air and water. The resulting regulatory program worked. Today we have much lower levels of the sorts of pollution we decided to control—e.g., sulfur in the air and biological oxygen demand in the water—than we otherwise would have. For example, whereas the air would have been roughly 50 percent more sulfurous in 1980 than in 1970 without environmental regulation, in fact it contained 17 percent less sulfur. However, continued economic expansion requires additional controls just to stay even. On the basis of the existing control program (i.e., without new controls) by 1990 we will emit 50 percent more sulfur than we do now.

By the mid-1970s science demonstrated that hundreds of toxic pollutants were an even more serious environmental and health threat. As a result, Congress promptly redesigned the nation's environmental safety net. It directed EPA to take on toxics in addition to the "traditional" pollutants through revisions to the Clean Water, Clean Air, and Safe Drinking Water Acts. It strengthened the pesticides law. It required EPA to review and control, when necessary, all 55,000 chemicals existing and the roughly 1000 new chemicals introduced each year (The Toxics Substances Control Act). It ordered EPA to regulate over 42 million tons of hazardous waste from initial shipment through permanent safe disposal. Finally, and most recently, it gave EPA responsibility for cleaning up hazardous spills and abandoned waste dumps ("Superfund"). In the several years since this legislative assault on toxics was enacted, EPA has established the scientific, regulatory, and initial organizational foundations necessary to implement these programs.

Now, over the first years of the 1980s, EPA must go "on line," i.e., actually bring environmental toxics under control in the field. Doing so, on top of the Agency's existing tasks, doubles its workload. For example, the number of industrial firms for which specific effluent limitations must be negotiated and then enforced more than doubles to 90,000, and the hazardous waste law requires EPA and the states to control the waste management practices of another 120,000 firms. Moreover, almost all this new toxics work is technically complex and therefore resource-intensive.

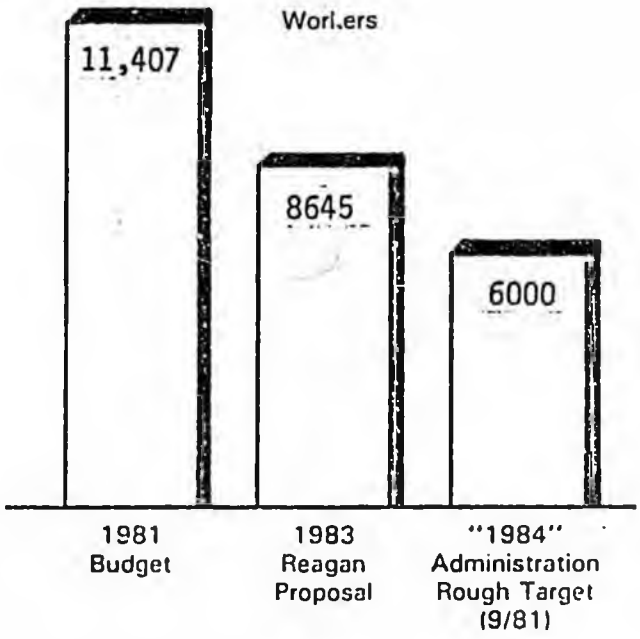
In the face of this doubling workload, the Reagan 1983 budget proposal would cut the EPA's 1981 purchasing power in half. (See Chart I.) This proposal would cripple the "traditional" programs, such as clean air and clean water, supported by the 1981 budget levels. It would make control of environmental toxics entirely illusory.

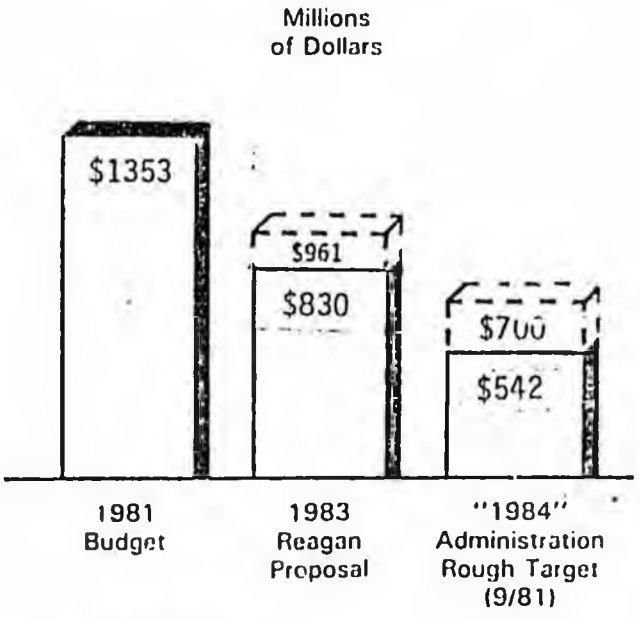
Since Adminstrator Gorsuch plans to reduce her headquarters staff to the proposed 1983 budget level by June, 1982, we know exactly what these reductions mean in terms of existing program management. Unless legal objections force postponement of the plan, by June 30 over 90 percent of the headquarters staff the Reagan Administration inherited on January 24, 1981, will have (1) been made to quit, (2) been fired, or (3) been downgraded to less attractive jobs less well suited to their skills. In other words, in only a year and a half, two-thirds of the staff built up over a decade will be gone and almost no one remaining will be doing a job with which they are familiar.

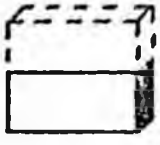
Since last September the Administration apparently has also been working on a "1984" budget it hopes to implement in 1983. This budget would cut EPA's 11,400 permanent workers and $1,353 million of 1981 to roughly 6,000 workers and $700 million ($546 million once adjusted for inflation). (See Chart I.) This budget represents almost short of a 50 percent cut in personnel and almost a two-thirds reduction in purchasing power.

Chart I

The Administration Proposes Cutting EPA in Half







Half the Agency cannot do twice the job. Accepting the Administration's proposal means the destruction of the country's institutional capacity to understand and manage the environment—not just for 1983 but for the rest of the decade. Once these complex, heavily scientific institutions are gone, it will take many years of strenuous and very extensive effort to recreate the capacity and credibility so easily and quickly demolished:

- The budget that pays for research outside EPA (20 percent of the 1981 Agency budget) will be cut by two-thirds. This means an abrupt loss to the field of roughly 1,500 senior researchers and 4,000 to 5,000 of their associates and graduate students, the sudden closing of university laboratories, and the loss of the continuity of data bases. If the country decides several years hence it wants to regenerate its environmental research capacity, it will take two to three years to work that decision through the Federal budget process and to rebuild the structure of EPA supervisors and scientists capable of managing private research grants and contracts. Then it will take several more years for the universities to hire the senior researchers and then junior staff and graduate students, and to negotiate and actually perform the needed research. A decision to rebuild in 1984 would not get a flow of research results equivalent to the present program until 1990.

- This budget's fourfold increase in workload per employee (twice the work, half the workers) means that EPA must lose enforcement credibility with both the states and industry. It simply won't be able to cover the ground. In hazardous wastes, for example, the Reagan budget would cut the 1981 workforce (then devoted to start-up planning) 33 percent just as the program must start dealing with its 120,000 firms in the field. Once EPA begins losing its field credibility, it will be caught in a virtually irreversible downward spiral of lost credibility, lessening voluntary compliance, therefore quickly multiplying field workload, and consequent further loss of credibility. Once hundreds of thousands of people believe that these laws are little enforced, anyone seeking to rebuild an acceptable compliance rate will have to affect the behavior of these footdragging firms, not just the few percent that require enforcement attention now. That is a task that will take a good many years—even assuming enormously expanded resources.

These consequences tend to reinforce one another. For example, the loss of scientific capacity hurts enforcement, and the loss of credibility in both fields further adds to the Agency's demoralization and consequent loss of the core of excellent, spirited civil servants that have grown with the Agency since its creation in the early 1970s. (Already, the quitting

rate agency-wide is roughly 30 percent on an annualized basis.) Such a loss of scientific expertise is particularly alarming in light of the Reagan Administration's announced intention to base regulations on "good science".

If America is left without competent environmental management through the 1980s, its citizens will suffer:

- The average citizen's exposure to environmental toxics will increase well over 50 percent, and will probably roughly double in ten years. The volume and number of toxic pollutants grow especially rapidly because they are the byproducts of one of the economy's chief growth thrusts—the continuing chemical revolution.
- Air and water quality will deteriorate. Consider the impact of 50 percent more sulfur in ten years on acid rain, visibility and smog.
- We will go into the next decade still startlingly ignorant of what we are doing to the environment, what it is doing to us in return, and how we might most effectively manage those impacts.

Business is also at risk. An incompetent, backlogged EPA will not be able to make prompt permitting or regulatory decisions that will hold up under challenge. Moreover, as several industry representatives have pointed out, EPA will no longer be capable of balanced, sophisticated regulation when the political pendulum eventually swings back towards enforcement of environmental legislation.

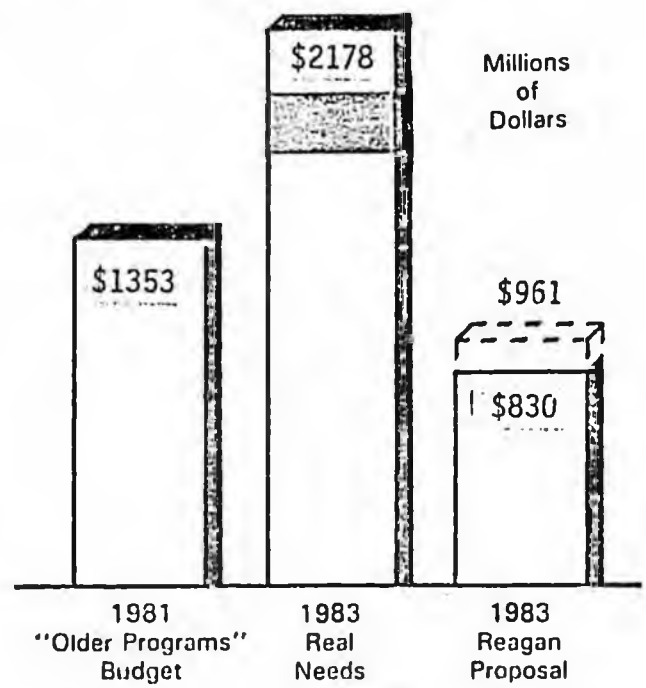
If Congress decides not to accept this future, if it decides that it does want an environmental safety net in place, it must make that decision now. EPA needs a $826 million increase over its FY 81 budget if it is to seriously provide field protection to the public against environmental toxics in 1983. After correcting for inflation, that's a 40 percent increase over FY 81. Full implementation in FY 84-85 will require substantial further resources. In contrast, the Administration's proposal is 39 percent below the inflation-adjusted 1981 base and 55 percent below what is needed to take on both the traditional pollutants and the new toxics job. (See Chart II.)

Most of the rest of this volume explains, program by program, why this increase is needed. A few of the key needs that will go unmet without such an increase are:

- Ensuring that hazardous wastes get to safe, permitted disposal sites, not future Love Canals—a task that requires working with 120,000 firms. This new program requires $180.3 million.

Chart 2

The Administration's Proposal Covers Less Than Half FY 83's Need



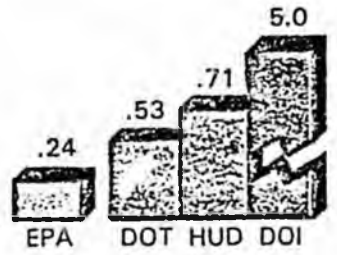
- Weeding out these substances from the 55,000 chemicals in U.S. commerce that are dangerous, especially those with which the public has extensive contact—and then taking the necessary regulatory action. Also reviewing (and controlling where necessary) up to 1,000 new chemicals a year. Also a new program. Added resources required: $123.3 million.
- Getting priority toxic discharges out of the water: $96.3 million.

EPA can't fund this new workload, let alone the Administration's proposed cuts, from internal efficiencies. Even before the toxics workload wave, EPA workers typically had very much more work to do than employees with similar functions elsewhere in government. (See Chart III.) Nor were they poorly

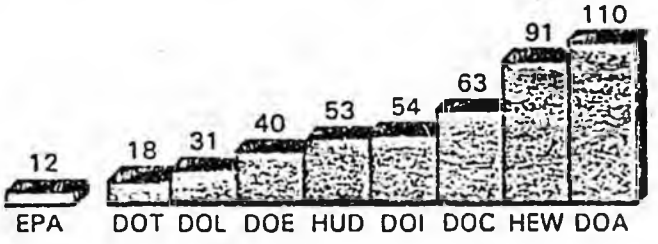
Chart 3

EPA Has Had More Work per Worker Than Other Agencies

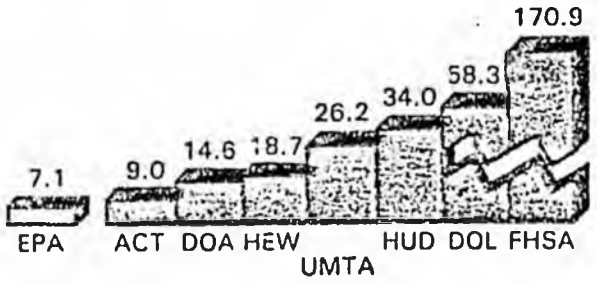
EPA Has Fewer Positions per $M Construction Outlay



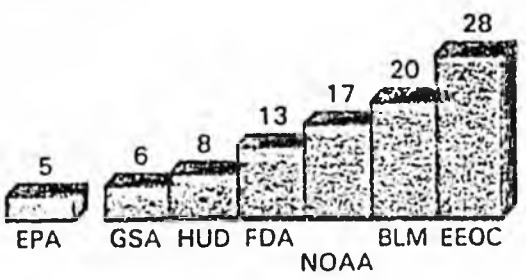
EPA Has Fewer Lawyers per Significant Regulation



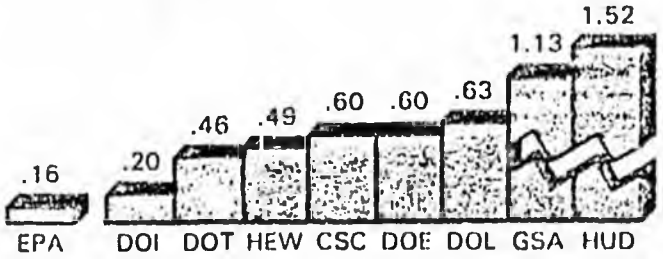
EPA Has Fewer Auditors per 1000 Grantees



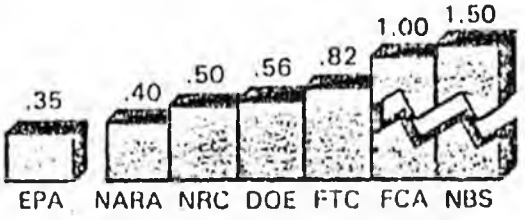
EPA Has the Least Administrative Management per 100 Employees



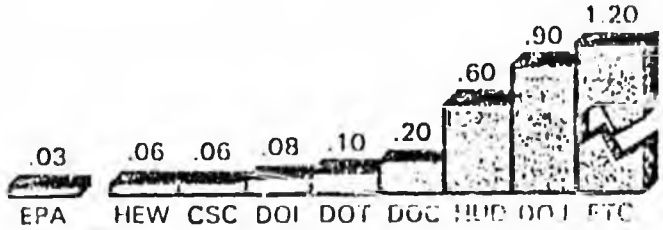
EPA Has The Smallest Percentage of Management and Operation Staff



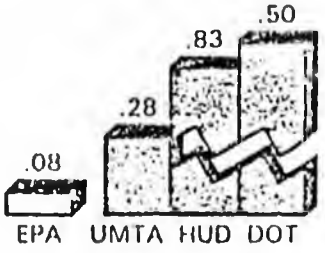
EPA Has Smallest Percentage of Library/Information Staff per Professional User



EPA Has Fewer Evaluation Dollars as a Percent of Operating Budget



EPA Has Fewer Positions per Active Construction Project



Source: U.S. EPA budget submission, 1981, based on studies by the Office of Management and Budget, the Office of Personnel Management, independent contractors, and EPA

managed. Donald Lambrow, the author of *Fat City: How Washington Wastes Your Taxes*, a book President Reagan sent his cabinet members, listed EPA, the IRS and the SEC as Washington's best-run agencies "for maintaining scandal-free administrations as well as conducting themselves with a high degree of professionalism and competence."

The very idea of an increase is startling this year. Congress and the public have been presented with a budget framework where the only apparently legitimate issue is cutting. And the deficits driving that perspective are real enough. If Congress decides to do the job of protecting against both traditional and toxic pollutants, it will also have to decide how to pay the bill. Here is a sampling of some attractive possibilities:

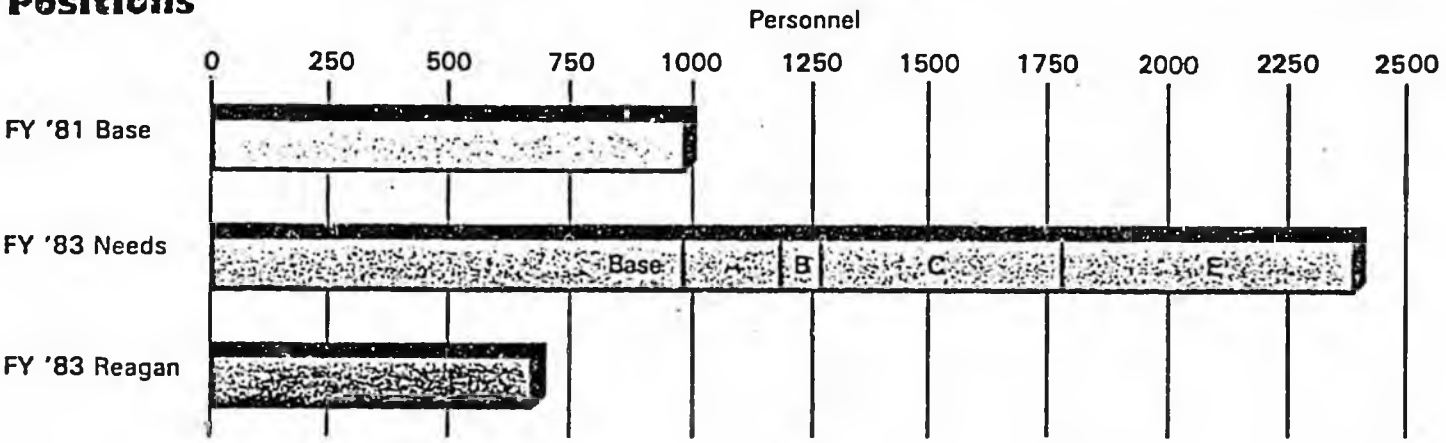
- It could cut out several large capital projects such as dams with low cost-benefit yields.
- It could review some of the $265 billion a year of revenue foregone to various tax loopholes.
- It could impose an "acid rain tax" on major sources of sulfur based on historical emissions but allowing credits for reductions due to coal cleaning or the installation of control equipment. This may be an effective way to reduce emissions inexpensively from older plants, is not a threat to Eastern coal, and is worth several billion dollars.
- It could increase the cigarette tax for high tar and nicotine brands only, thereby encouraging both industry and consumers to switch. A four cent tax on the most dangerous top seventy-five percent of all cigarettes sold would raise $930 million.
- It could stretch out Agency capital expenditures to preserve core operating programs.
- It could implement Section 110(a)(2)(k) of the Clean Air act which requires permittees to pay the cost of permit review and issuance. To date, this requirement has been ignored.

There are, of course, many other possibilities.

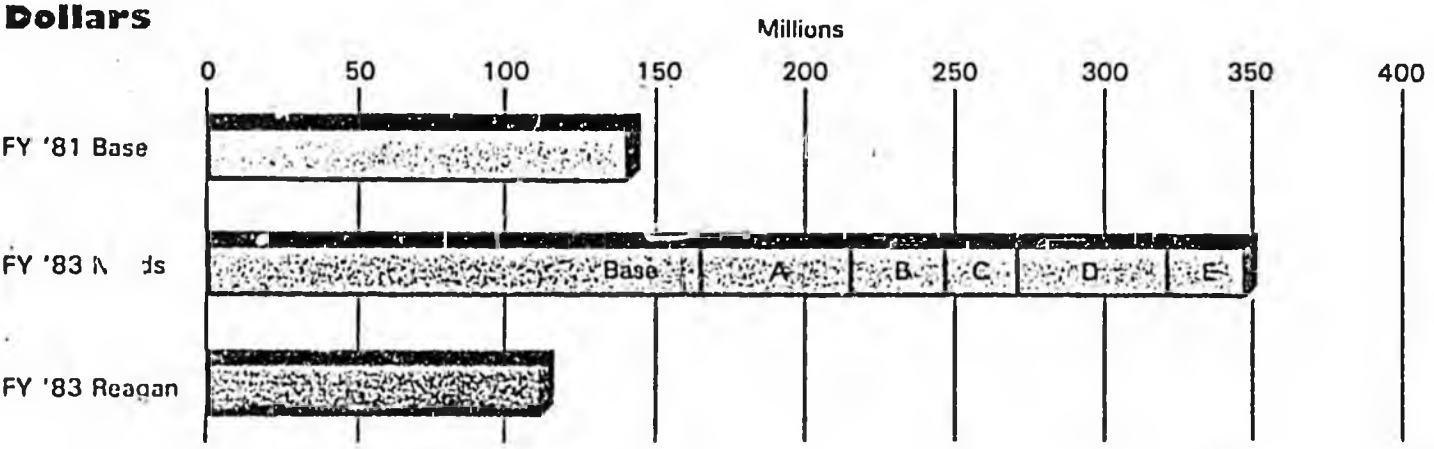
The Administration's 39 percent cut in EPA's budget saves the equivalent of $2.68 per capita each year. Increasing the budget to make toxics implementation possible would cost $2.50 per capita. Is the protection worth such insurance premiums? Poll after poll reports that most Americans are willing to pay for clean air and water and that they are almost unanimous in their anxiety to have more done to protect them from toxics.

Now Congress must decide.

Positions



Dollars



Budget Summary	Permanent Positions	Extramural ($000)	Total ($000)
1981 Base (Adjusted for Inflation)	991.7	107,726.3	166,573.1
A. Research on how hazardous substances in dumps interact, how they move and change, and how to get rid of them safely	191.6	44,996.8	49,566.4
B. Writing rules on how hazardous disposal facilities are to be designed and operated	73.0	30,142.2	34,246.0
C. Making sure that actual sites are safe and issuing permits for them; running the manifest system that ensures that hazardous waste really goes from source to safe disposal	513.5	4,260.0	24,160.9
D. Grants to states to help pay for hazardous waste program development	—	48,605.0	48,605.0
E. Enforcing hazardous waste rules on all sources, transporters and disposal sites; dealing with violators; investigating discrepencies in waste shipment manifests	617.0	1,463.2	23,687.5
Total Increment	1,395.1	129,467.4	180,265.8
Program Total	2,386.8	237,193.7	346,838.9

Managing Hazardous Wastes

2

Our society generates about 42 million tons of wastes each year that are a threat to human health due to their toxicity, nondegradability, persistence in nature or susceptibility to biological magnification (bio-accumulation). These hazardous wastes, which come in every imaginable form, include inorganic toxic metals; salts, acids or bases; synthetic organics; flammables; explosives, and pathological, biological and radioactive materials. Until now about 80 percent of these wastes have been scattered about quite unsafely in dumps, in shallow ponds dug out back of a factory, in a nearby woods or wetlands, down old mines or quarries, just about anywhere. No one knows just how many of these dangerous time capsules we have about us, or how much damage has already been done to the land, to both surface and groundwaters, to ourselves. However, we've begun to pay the consequences (e.g., Love Canal), and Congress and President Ford resolved in 1976 to bring irresponsible handling of hazardous wastes to an end. That year's legislation required comprehensive control of these wastes from the point of generation through shipment, storage, treatment, and final disposal. Although this law was passed in 1976, and although comprehensive implementing regulations finally followed in 1980 and early 1981, effective control has yet to begin.

Recognizing the great dangers to the public of continuing to let tens of millions of tons of dangerous waste be scattered carelessly about the environment, Congress enacted the Resource Conservation and Recovery Act of 1976 (RCRA). RCRA requires EPA to track hazardous wastes from "cradle to grave" and to ensure their ultimate safe disposal. After years of scientific and legal preparation, this massive, complex program--easily as large as the traditional air or water programs--now must be put into effect. It is an enormous task. The most likely estimates tell us that EPA must control:

- the wastes from the 90,000 "producers" that each generate more than 1000 kilograms a month;
- the activities of some 10,000 transporters of hazardous waste;
- the design and operation of at least 14,000 and possibly as many as 20,000 facilities for the storage, treatment or disposal of hazardous waste.

It must begin to do this even though the base of knowledge about hazardous waste and its safe management is still rudimentary and the regulatory structure supporting the program is still incomplete.

Love Canal is not simply the name of an unfortunate community; it has come to symbolize the national resolve not to mortgage our future again by cutting corners in the present disposal of toxic wastes. Although EPA has the task of making real that resolve, it has never been given the resources to do so properly. The costs of good management, including government costs, are far less than the costs of remedial action in the future, not to mention the hidden and unpredictable costs of human disease and environmental damage. But the program we now have is inadequate for the job.

Our knowledge of hazardous waste is primitive. Partly in consequence we have not been able, despite several years of effort and several court deadlines, to regulate the chief waste streams. Fully 30 percent of the total wastes covered by the program remain unregulated. They include residues from the organic chemical industry, which are usually likely to contain substances having carcinogenic or other toxic characteristics, and which are relatively difficult to analyze, identify, and control. Once they are covered, the program's workload will grow more than 30 percent because of their complexity and risk. Neither the states nor EPA have the resources to ensure that wastes are tracked as already required by law, let alone the technical skills and staff to evaluate the safety of the thousands of disposal facilities awaiting licensing.

As recently as fiscal 1978 the Agency had, in effect, no real hazardous waste budget. A detailed EPA analysis of the resources required to start a minimally credible program clearly shows that the hazardous waste budget must grow to several times the FY 81 level. To make sensible permitting guidance possible and to develop the practical remedies required, a $49.6 million investment in research is necessary. In

addition, at least 73 permanent staff are needed to design the implementation program and write the guidance documents. The biggest increases must come in the front line, including a 617 position increase in EPA's hazardous waste enforcement staff and a $48.6 million added investment in state grants. Instead, Mrs. Gorsuch's September 1983 budget proposal would have cut the staff 33 percent and its purchasing power 31 percent.

Research

While air and water pollution have been studied for some time, the disciplined study of what happens when toxic chemicals are disposed of on land has barely begun. Virtually nothing was spent on hazardous waste research prior to 1979.

We do not know what various industry waste streams contain. We have no reliable models of how liquid wastes move through the earth, or what happens to their complex toxic mixtures over time. Thus we cannot set the standards each industry needs for waste management. This is particularly costly and frustrating for industry, which cannot develop sensible or secure control strategies until such standards are established. We also do not know nearly enough about the design and operation of hazardous waste facilities—landfills, incinerators and the like—nor do we have the investment in engineering research to develop better and cheaper disposal technologies for the future. As a result, we have developed few remedies, and we don't know how long they will work.

The problems are as complex and urgent, and the backlog of undone research needs are as extensive as they are in the air or water programs. We need a $100 million research effort to close these pressing gaps. Such an effort would be comparable to research expenditures on air and water, but smaller than the resources committed to analyzing the environmental risks associated with energy production and developing the necessary control technologies. It would be three times higher than the funds proposed by the Reagan-Gorsuch budget.

Setting Standards

RCRA directs EPA to develop standards for each type of hazardous waste facility—landfills, surface impoundments, incinerators, etc. These standards define the design of such facilities and tell how they must be operated in order to preserve public health. They also guide permit writers in determining which sites and facilities are safe and which must be closed down. Although a number of standards had been promulgated by 1981, the Gorsuch Administration withdrew almost all of them. The facility review and permitting process has stopped and no guidance exists as to what constitutes safe and acceptable practice. As a result, either no decision is made or inspectors must make high risk, high cost decisions that are difficult to justify if challenged.

Developing these hazardous waste guidelines is an extremely difficult, detailed, slow process requiring the most intricate scientific, technical, and economic analysis. The Agency needs the hiring flexibility to bring on a number of highly skilled professionals to accelerate and improve its standard-setting process. The costs of poor products or of further uncertainty and delay far exceed the budgetary costs.

To move this job forward, EPA needs an increase of 20 workyears and $25 million in contract support. Without this minimum commitment, essential standards will not be established in FY 83. The Reagan-Gorsuch budget would reduce the 1981 authorization for this effort by 13.7 workyears and 1.5 million contract dollars.

Managing Hazardous Wastes

Although no one knows for certain, there may be 20,000 hazardous waste facilities now operating in this country. At present these are only required to comply with very simple "good housekeeping" rules. RCRA intended that (1) the design and operation of each facility be individually reviewed, (2) those meeting standards be issued permits, and (3) those failing to do so be closed. This permit review was intended to be conducted on an expedited schedule, for until these reviews are complete there can be no assurance of public safety.

The permitting process is politically sensitive, technically very difficult, and therefore necessarily complex. The facility owner must first submit detailed information on facility design, types of wastes handled, and normal operating procedures. Competent engineering and other technical personnel must then review this information and preliminarily determine whether the facility is in compliance with standards or not. The staff then must visit each site, following up by requiring further tests if necessary. The public must be given an opportunity to be heard. EPA has estimated that a landfill permit will require 226 work days, an incinerator permit 122-208 work days, and a storage site permit 64 work days. If local fears politicize the process, it can take *much* longer.

Congress intended that permitting be completed in three to five years, and few residents near one of these facilities want to wait a decade before someone competent reviews its safety. Getting the job done in five to six years would require 260 workyears if there are 14,000 facilities and 375 if there are 20,000. This budget uses the lower figure for 1983, subject to further review in FY84. The Reagan-Gorsuch budget would reduce existing manpower to a level that, according to EPA's own analysis, would require ten years to permit all estimated sites. But that analysis assumes that there are only about 14,000 facilities, and if there turn out to be 20,000 such operators, which people with the program believe to be more likely, than some communities will not have anyone review their facilities until the mid-1990s. Moreover, unless EPA can hire some of the rare experts, e.g. geohydrologists, necessary to this work, neither it nor the states, which can't afford such people, are likely to be able to ensure an effective review even when one is done.

The Agency also needs added personnel to oversee the manifest system. This system, designed to track wastes from generator through transporter to final disposal, is the law's chief defense against the terrible damage that has been done repeatedly by irresponsible generators or "midnight dumpers." EPA estimates that there will be an average of 18.2 shipments under manifest from the typical generator every year—which means there will be 15 *million* shipments of hazardous waste annually.

Properly managing this vast traffic would require 400 additional workyears at the combined Federal and state levels, at least during the first several years of program start-up. The Reagan-Gorsuch budget provides 2.6 workyears to supervise the manifest system in the 17 states in which EPA has responsibility for running the program.

Enforcement

The hazardous waste program must deal with 120,000 firms, many of which are small, independent operations. Most of them have never been regulated by an environmental office. Where they have, poor voluntary compliance records are common. A credible enforcement effort is therefore more vital to this program than to most others in EPA, especially during the program's first years, when the participants' expectations will be formed.

The enforcement workload includes the following tasks:

- identifying and bringing into the regulatory system the estimated 21,000 subject firms that have never informed EPA of their existence;
- making inspections and dealing with the 20 percent expected to identify serious violations;
- acting against the two percent of all waste shipments that will entail an exception or discrepancy.

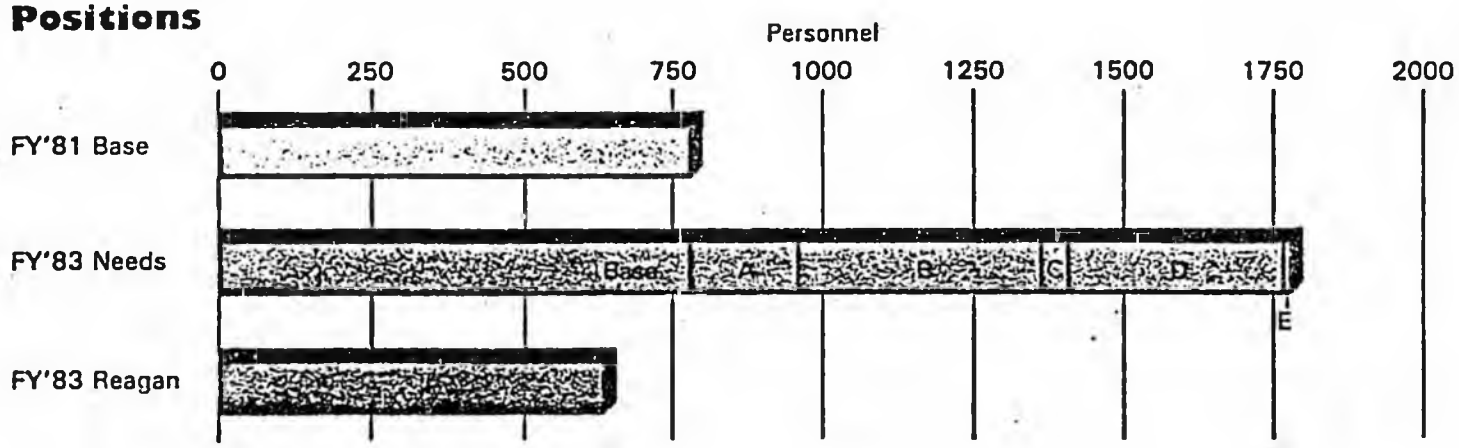
These and other tasks add up to an enforcement program requiring roughly 700 workyears. That this number is larger than the 570-member water enforcement staff reflects the nature of the workload: the large number of regulated concerns, the technical complexity and uncertainty of the field, and Congress's specific requirement that it be regulated more intensively than its predecessors given the risks involved and the prevalence of irresponsible practices. The Reagan-Gorsuch budget allows 46 workyears for hazardous waste enforcement, a decline of 45 percent from the 1981 level.

State Grant Support

If the states are to hold up their end for permitting alone, they will require another 887 positions in FY 83, which at state labor rates translates to approximately another $30 million. Adequate funding for program development and enforcement will add another $18 million, bringing the total to $87.1 million.

Under the law, if states refuse to accept a program, responsibility reverts to the Federal government. The Reagan-Gorsuch budget calls for a complete phase-out of the Section C hazardous waste grants over the next five years, after which time the states will have to fund this politically-charged program completely unassisted, a burden hardly likely to encourage strong state commitment.

Positions



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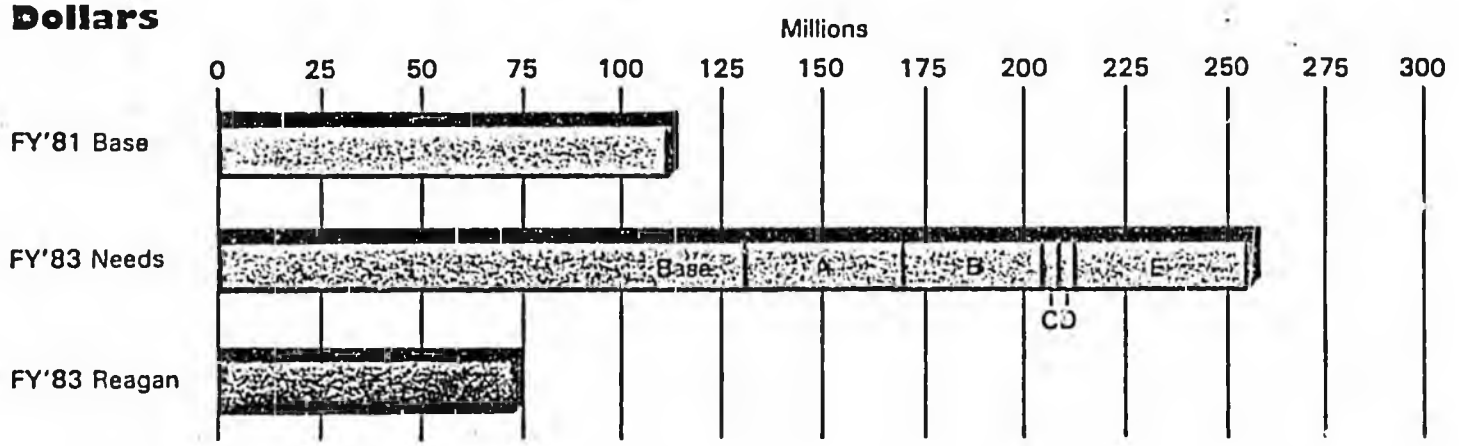


Budget Summary	Permanent Positions	Extramural ($000)	Total ($000)
1981 Base (Adjusted for Inflation)	775.4	86,662.9	131,813.1
A. Research to develop better ways of testing the risks posed by suspect chemicals.	162.3	23,338.9	37,129.5
B. Reviewing 100 substances judged as being potentially the most dangerous and exercising control where warranted.	406.1	20,337.2	36,009.8
C. Reviewing 100 proposals from manufacturers wanting to make new chemicals or use existing ones in major new ways, and following up where necessary.	49.2	3,084.2	4,982.8
D. Enforcing at least 20 toxic chemical rules—finding such chemicals and ensuring that they are removed from environment to safe disposal.	375.0	1,936.5	5,050.2
E. Grants to states to help them run toxics control programs.	7.1	40,000.0	40,126.7
Total Increment	999.7	88,696.8	123,299.0
Program Total	1,775.1	175,359.7	255,112.1

Controlling Toxic Chemicals

3

Toxic chemicals are poisons. However, most chemicals are not toxic. Prior to passage of the Toxics Substances Control Act of 1976 (TSCA) no federal program existed to screen toxic from non-toxic chemicals and protect the public from those chemicals found to endanger public health. TSCA controls the use of toxic chemicals in two ways. First, it requires EPA to gather information, test, and (if necessary) limit the use of toxic chemicals before ***they are placed on the market. This is called premarketing review. Second, TSCA requires EPA to review all chemicals already in use and to regulate those that pose unreasonable risks. TSCA promises the public the first comprehensive screening for, and follow-up control of, dangerous chemicals. It also encourages industry to research the health implications of its own products as they are being developed, and it avoids investments in products that later prove harmful.***

Over the last decade, the chemical revolution has transformed our environment as well as our economy. As our use of chemicals has grown, so has the presence of their toxic byproducts in the environment. Our consequent accelerating exposure to these byproducts has become a significant environmental health risk.

There are over 55,000 chemicals in commerce. In addition, at least 600, probably closer to 1000 new chemicals will come to EPA for premarketing reviews next year. We don't know what the vast majority of these chemicals do to living creatures. We don't know where they enter the environment, or how they travel through it, or where they may be accumulating. We don't know how they change after they enter the environment, how they interact with other chemicals, or what new risks are created by these changes and reactions. Cloaked in such ignorance, the possibility of a catastrophic mistake is significant.

In 1976 the Ford Administration and Congress took action. The Toxic Substances Control Act (TSCA) represents the first systematic attempt to evaluate and control the manufacture of toxic chemicals. The Act requires EPA to identify and prevent "unreasonable risks," and requires industry to test chemicals for safety and report the results to EPA before manufacturing a new chemical or using specified chemicals in significant new ways.

For the last several years the EPA toxics program established the research, organizational, and legal foundations necessary to regulate this extremely complex field. It took two years after the passage of TSCA merely to find out—for the first time ever how many chemicals were in use in the U.S. More work was then necessary to build up the computer capacity to identify and compare these tens of thousands of chemicals structurally; to gather the information and build the staff required to conduct risk assessments and other tasks; to focus in on the roughly 2000 (3.5 per cent) of these chemicals requiring priority attention; and to complete the legal framework for a regulatory process. By 1981 this work was largely complete, and the Toxic regulatory program came "on line."

The Toxics program now faces a full agenda. By 1982, and certainly by 1983, the Toxic Substances Control staff should be conducting the research required to support faster, cheaper, and more accurate evaluations of chemical risk; should carefully review roughly 100 new chemicals per year; should complete at least preliminary risk evaluations of the first group of several hundred of the most risky of the existing chemicals; and should carry out the field and enforcement work required to ensure that the public actually receives the protection promised by the Act once real dangers have been identified.

Almost every step--research, risk assessment, regulation, and enforcement—is difficult and resource intensive. Because the economic stakes of taking action against an existing chemical are high, Congress requires EPA to conduct both a scientific assessment of the risks and an economic evaluation and then balance the results. Field implementation will be no easier because each chemical requiring control will have its own unique group of users and exposed populations.

If TSCA is to achieve its promise, it will need very substantially increased resources over these first years of implementation. Specifically, (1) research, especially to develop better ways of testing the risks of suspect substances reliably and inexpensively, will require 162 new staffers and $23.3 million; (2) review and field control of 100 existing priority suspect substances will cost 406 extra people and $20.3 million, and (3) review and field follow-up (as necessary) on 100 new chemicals will cost 49.2 new

workers and $3.1 million. In contrast, the Reagan-Gorsuch budget would cut the TSCA staff 17 percent, its research budget 36 percent, and its real ability to buy outside research and services by 56 percent.

Research

We are barely beginning to understand what we don't know in this area. For example, we have only a very incomplete, sketchy understanding of the full spectrum of toxic chemical effects. Much of what we know is related to tests for cancer, and much of that is based on relatively unreliable short-term tests. Almost no work has been done regarding long-term toxic chemical effects on the brain; the nervous, cardiovascular, or excretory systems; human inheritance, or unborn children. However, we know enough to understand that this vast undone job is urgently needed.

If TSCA is ever to be fully implemented, toxicity testing must be made cheaper, faster, and more reliable. That's as important for the chemical industry as for EPA. Just the development of reliable and economic tests for the full range of health effects is a major task that will require substantial resources.

An adequate research budget designed to develop cheaper, more reliable tests for a variety of effects, to develop better test standards, to fund work on finding how chemicals "travel" through the environment, how they interract and are changed, where they accumulate, and what their ultimate fate is, and to exert more effective quality control over the private laboratories that accomplish most testing, would require 350 permanent positions (up about 160 over FY 81 levels), supported by a $86.2 million budget including $56.5 million for use by private laboratories. In contrast, the Reagan-Gorsuch budget proposes to cut the real purchasing power of EPA's toxics research by 36 percent.

Controlling Existing Chemicals

The most ambitious aspect of the Toxic Substances law is the requirement that EPA screen existing chemicals to determine which pose unreasonable risks and, where necessary, regulate those that do. This task has never been adequately funded and the Agency has consequently done little more than promise eventual control of existing chemicals.

Workload calculations indicate that a serious effort to control existing chemicals would require an additional 406 workyears and $20.3 million. This level of resources would allow the Agency to test most of the current backlog of the most suspect chemicals in five to six years. That won't finish the job, however, because the initial list of 2000 suspects is being continually augmented as reports of industry testing, scientific research, health problems experienced by particular groups of workers and consumers, and the review of analogous chemicals suggest additional substances for review.

The screening process is complex. It involves:

- a preliminary determination of what information is available and what additional information needs to be collected;
- preparation of testing and/or information collection rules to require industry to provide the additional information required. Statutory simplification could cut the costs of this inefficient requirement, possibly significantly.
- preliminary risk assessments to determine where the risks exist;
- required engineering and economic analyses; and
- preparation of support documents for the specific regulations being issued.

Review of New Chemicals

TSCA requires industries to notify EPA before manufacturing a new chemical or using a chemical in a significant new way. Effective review of such premanufacturing notifications (PMNs) is the most powerful tool EPA has to identify potentially dangerous chemicals before they enter commerce and to take whatever steps are necessary to control or limit their contact with workers, consumers, and the environment. For 1983, we estimate that EPA will be notified of nearly 1,000 new chemicals, of which approximately one half will be exempt from further review due to the absence of potential hazard or the lack of significant exposure. The remainder, however, will require several levels of increasingly rigorous scientific review leading, in approximately 30 percent of the cases, to further testing, regulatory action, or voluntary agreements by manufacturers to test or restrict use. We estimate that a sound new chemical review program will require an additional 49 permanent positions and $3.1 million in FY '83. This investment will protect public health and the environment from the risk of poorly tested, inadequately controlled, and potentially dangerous new chemicals.

Enforcement

Enforcement of the toxic program's rules, if the initial experience with PCBs is any indication, is a potentially immense undertaking. The PCB control effort has so far required the work of approximately 50 people for over 5 years. Enforcement required (1) the termination of this chemical's manufacture, (2) the identification of PCBs in equipment all over the country, (3) their removal to safe storage areas, (4) the identification of safe incineration facilities, (5)

tests for human or animal uptake, (6) technical help to state and local officials, and (7) the pursuit of legal remedies where necessary.

There are roughly 2000 priority existing chemicals awaiting review. Since, as noted above, at least a hundred others will be added to the priority list each year, the staff would have to process roughly 500 priority substances a year to work its way through this backlog in five years, or 200 a year if a 10 year review cycle were acceptable to Congress. Only then could review of the other 53,000 chemicals in use begin.

Probably six to eight hundred of the existing priority list of 2000 will eventually require field work. (Six hundred have been specifically identified by other public bodies as dangerous or highly suspect substances.) Thus, if the Agency were in fact to review 500 priority existing chemicals a year, it might well generate 350 control actions a year. Almost all would require field follow-up.

If every one of these 350 actions required as much field work and took as long to do as the PCBs rule, this program would require as much effort as the rest of the Agency's programs combined. Fortunately, most actions will probably require less work. A few will require more. For example, if the Agency decided that formaldehyde was unsafe, it and the states would have to deal with 11 major applications (including home insulation) and many minor ones. Although we can expect significant efficiencies as the number of chemicals covered increases and as industry and government learn how to manage such cases, this remains a huge job—if we take seriously the clear intent of the law.

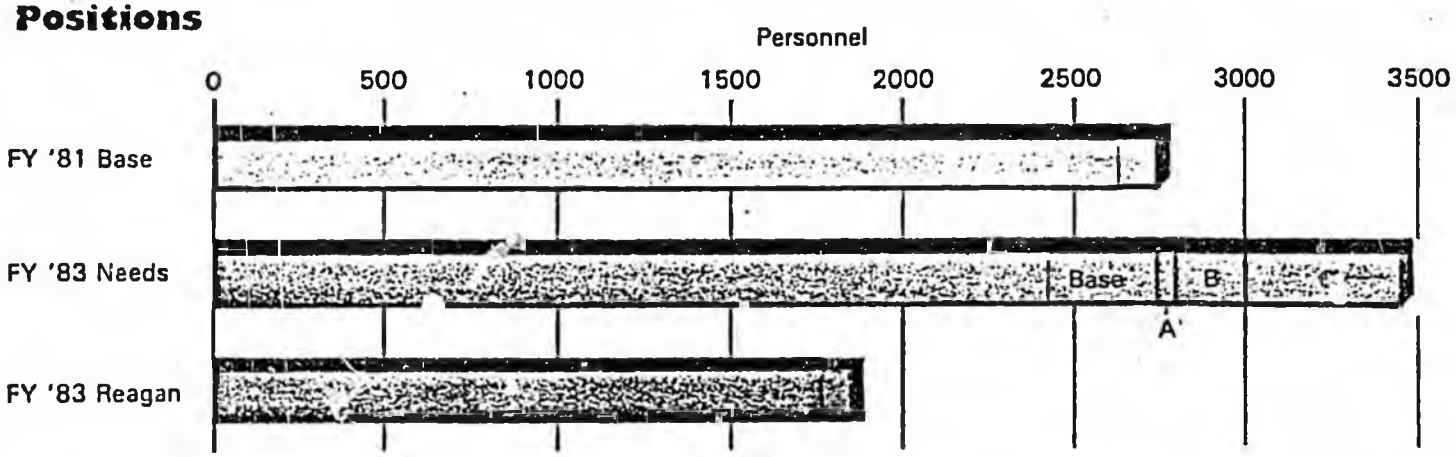
Given the number of cases now in the risk assessment/regulatory pipeline and the time required to process such cases, we estimate that the enforcement office will have to deal with 20 existing chemical actions in 1983. The number should jump to at least 35 in 1984 and could easily be several times that. If the existing distribution of heavy to modest workload actions remains constant (1 to 3), and adjusting for the states doing an increasing proportion of the work and for likely economies of scale and experience, the EPA enforcement staff responsible for implementing these toxics decisions should add 375 permanent positions in 1983 and 600-650 in 1984. The states, at least those with major toxic chemical enforcement problems, should be given sufficient grant funds to build the staff and facilities to take an increasing proportion of the field load: $40 million in 1983 (including start-up funds for necessary technical facilities) and $55-60 million in 1984.

Probably by 1984, and certainly by 1985, the Agency should be implementing toxic control programs in the field. During 1983 and 1984 the Agency and states should build the organizational and support framework to support the very large field staff needed to allow the country to gain ground for the first time on the growing backlog of suspect but ignored substances in the environment. This requires a level of effort of about the same order of magnitude as the traditional air and water quality enforcement staffs.

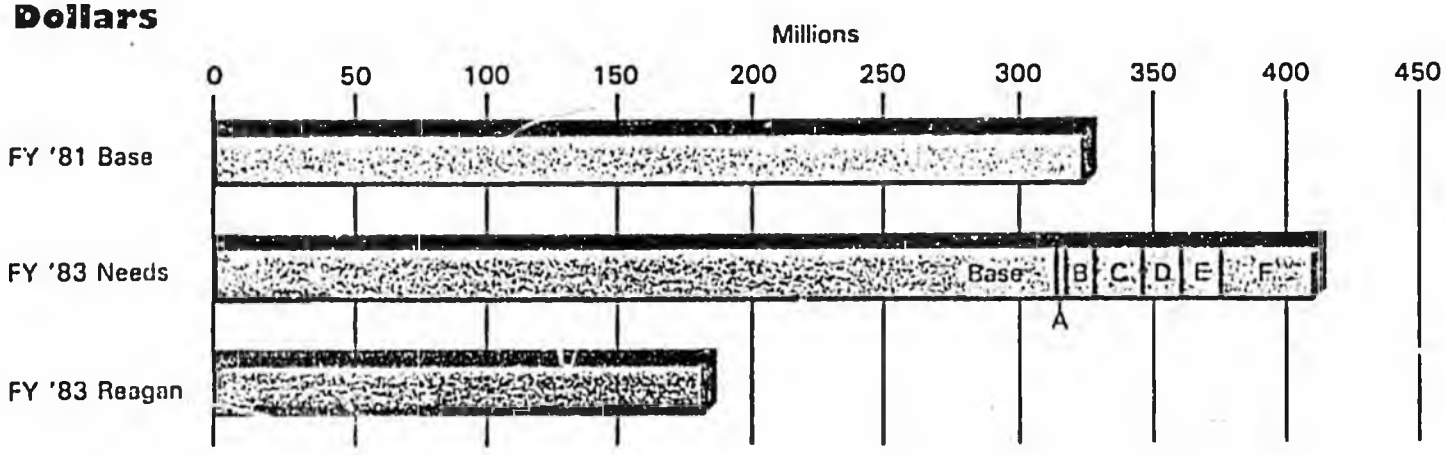
By 1983 EPA should also have to have the capacity to follow up on its new chemical decisions. Chemicals approved subject to production or use restrictions, for example, need periodic checks to make sure that the restrictions are being respected. Because it will be hard to get state help initially, and because several hundred new chemical requirements should be in place by mid-1983, EPA will need 90-100 new staff members to do the job.

If the Congress is determined to see the Toxics Substances law take effect, it will have to make a major resource commitment. It could also insist that a minimum number of suspect chemicals, both new and old, be reviewed and acted on each year. If it does not intervene, the Administration's program is clear: the Agency will suspend its efforts to implement the existing chemicals part of the Act, and its proposed 1983 budget will cut the purchasing power of the Toxic Substances Control program over fifty percent.

Positions



Dollars



Budget Summary

	Permanent Positions	Extramural ($000)	Total ($000)
1981 Base (Adjusted for Inflation)	2,729.9	184,811.0	312,470.0
A. Developing better tools for monitoring tc in water and assuring the quality of sampling procedures	16.	1,500.0	2,517.9
B. Determining how toxic effluents from 40,000 industrial sources must be treated before entering sewage systems, and writing the appropriate pre-treatment permits	200.0	3,800.1	12,012.4
C. Enforcement of pre-treatment standards	500.0	600.6	18,281.7
D. Grants to help states issue pre-treatment permits	–	15,000.0	15,000.0
E. Grants to help states enforce pre-treatment rules	–	15,000.0	15,000.0
F. Grants to states for exploring the extent of groundwater pollution, developing control strategies, and writing rules to prevent it	–	33,502.8	33,502.8
Total Increment	716.7	69,403.5	96,314.8
Program Total	3,446.6	254,214.5	403,784.8

APRIL 1982

Waste Management in the States

The Council of State Governments

The Council of State Governments

The Council is a joint agency of all the state governments—created, supported, and directed by them. It conducts research on state programs and problems; maintains an information service available to state agencies, officials, and legislators; issues a variety of publications; assists in state-federal liaison; promotes regional and state-local cooperation; and provides staff for affiliated organizations.

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WASTE MANAGEMENT IN THE STATES

States continue to struggle with the problems of waste disposal at a time of federal budget cuts and increasing regulatory authority. The purpose of this report is to provide an overview of the key issues and the state/federal statutes affecting the management of solid, hazardous and low-level wastes. This report was compiled from existing reports and a survey conducted by The Council of State Governments during September 1981. Individual states should be contacted for more detailed information.

SOLID WASTE/RESOURCE RECOVERY

Beginning with the enactment of the Solid Waste Disposal Act and continuing with the Resource Recovery Act of 1970 and the Resource Conservation and Recovery Act of 1976 (RCRA), Congress recognized that such traditional solid waste disposal methods as open dumping, landfilling, uncontrolled incineration and ocean burial were environmentally and economically unacceptable. These laws directed the federal government to develop and encourage the use of better systems for the disposal of solid waste. Subtitle D of the RCRA established a broad-based national program to improve solid waste management through the development of state and regional solid waste management plans. The Act offered federal financial assistance to states interested in developing and implementing a solid waste management plan. The state plans, under federal guidelines, identify respective responsibilities of local, state and regional authorities, and encourage resource recovery and conservation and the application and enforcement of environmentally sound disposal practices. By November 16, 1981, 34 states had submitted their adopted state plans to the Federal Environmental Protection Agency (EPA) for approval. One state plan, Iowa, has received federal approval. Thirteen other states and four U.S. territories are in the process of developing or adopting a state plan, with one state, New Mexico, choosing not to participate under the Subtitle D program.

Another major element of RCRA's Subtitle D program is the open dump inventory. The inventory is designed to inform Congress and the public of the extent of the open dump problem and also provide states with a listing of problem sites which need correction. The first national listing of open dumps appeared in 1981 and identified 1,029 existing dumps.

Although the federal government has, under RCRA, provided grant assistance to states for their solid waste management programs, federal support has been reduced from $14 million in federal fiscal 19[illegible] to $8 million in fiscal 1981. Further cutbacks have resulted in the elimination of all federal Subtitle D funds for fiscal 1982. Many of these cutbacks can be attributed to the shifting of federal and state programs from solid waste to hazardous waste management. This will confront many state solid waste

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This report was prepared by Leslie Cole, Environmental Resources and Development, Office of Research and Management Services, The Council of State Governments, Lexington, Kentucky.

programs with severe financial problems. As a result, some states will assume a minimum level of effort and activity in their solid waste management programs. Many other states are seeking increased legislative appropriations as an alternative source of program funds. Other funding sources now under consideration in several states are license/permit fees, disposal surcharges and taxes, inspection fees and increased fines.

States which have implemented statewide solid waste/resource recovery authorities have felt less impact from the loss of federal funds. The authorities are considered something of a hybrid--part governmental agency and part private corporation. Similar to a government agency, they may issue tax free obligations to meet the large capital requirements of solid waste facilities. As a private enterprise, the obligations issued are secured only by the financial viability of the project. The solid waste facilities are generally self supporting through service charges and user fees. Regional or multi-county solid waste authorities exist in Texas, Georgia and Vermont. State authorities exist in Louisiana, Connecticut, Puerto Rico, Delaware, Rhode Island and Wisconsin. Other states, such as New York, Maryland and Ohio have state authorities whose scope also encompasses other areas of environmental concern. Many of the authorities are also active in resource recovery facility development.

Although resource recovery is not a new idea, technological advances and the rising costs of land disposal have made the concept economically feasible. Under RCRA, Congress recognized the important role of resource recovery in solid waste management. Of the eight objectives under Subtitle A, five refer to resource recovery as a practice that should be developed and encouraged. Faced with increasing environmental, economic and energy pressures, states are considering resource recovery as one of today's most workable solutions to the high costs and physical limitations of landfills and the establishment of new open dump sites.

State resource recovery efforts range from high technology energy resource recovery projects to much simpler source separation and waste reduction. Source separation first became popular in the 1970s. According to EPA there are now over 1,000 community recycling centers. One of the most successful source separation programs, Arizona's Beverage Industry Recycling Program (BIRP), was established in 1971 and now operates 14 centers around the state. Similar Beverage Industry Recycling Programs are now operating in New Mexico, Maryland and Kentucky. Another litter reduction program which has encountered wide success in over 200 communitites is the Clean Community System--a behavioral approach to the litter problem based on teaching the public not to litter. Other state approaches to promote and encourage recycling include the development of state recycling associations in Nebraska and Colorado and the popular use of state and regional waste exchanges.

The general purpose of a waste exchange is to put waste users in touch with waste producers in order to minimize disposal expense and recover as much value from waste as possible. A number of waste exchange programs which were originally begun and funded by government agencies are now operated by private sponsors such as Chambers of Commerce and Trade Associations. Industry waste exchanges were established by industries or associations to provide a direct service to industry and an indirect environmental and resource service to the general public. Twenty-three states currently participate in some form of

state or regional waste exchange.

Many of these state litter reduction efforts were alternatives to a mandatory beverage container deposit law. The first deposit law was enacted by Oregon in 1972. As of November 19, 1981, nine states--Connecticut, Delaware, Iowa, Maine, Michigan, Oregon, Rhode Island, Vermont and Massachusetts--had passed mandatory deposit laws. Delaware's bottle bill has not yet gone into effect pending appropriations. The Virgin Islands has similar legislation pending. Two states, Nebraska and Washington, have enacted legislation which levies a tax on litter prone goods. The revenue generated from the tax is used for litter programs and grants to local communities developing recycling programs. California and Connecticut repealed similar legislation and Connecticut allowed its litter material tax to expire earlier this year. Additional state resource recovery efforts include tax incentives and loan and grant programs. North Carolina provides tax incentives to individuals or corporations who purchase resource recovery or recycling equipment or construct resource recovery facilities. Oregon offers tax credits, 5 percent per year for 10 years, for eligible resource recovery projects. Connecticut, Washington, Nebraska, Pennsylvania, Minnesota, California and New Jersey all provide some form of loan or grant assistance for resource recovery activities including city and county waste to energy systems. According to the American Iron and Steel Institute, there are over 100 cities and counties operating, building or developing waste to energy facilities. Although some of these facilities have been eligible for state grants and loans a majority have been financed by public means, usually tax exempt long-term bonds. The Connecticut Solid Waste/Resource Recovery Authority has four waste-to-energy projects in various stages of development. Delaware, Rhode Island, Louisiana and Wisconsin authorities are also in the process of constructing or developing city and regional systems. Oregon, Tennessee, Washington, Illinois, New Jersey, New York, Ohio and Maine provide state financial assistance for the construction and operation of resource recovery facilities through the issuance of bonds.

Although a few state resource recovery programs are self supporting, most have relied on federal financial support. Unfortunately, recent cutbacks have also eliminated federal funding for state resource recovery programs for fiscal 1982 ($4 million in 1981). In light of this, many states are considering funding alternatives for their resource recovery programs. Maine recently passed a bond issue in support of resource recovery activities and facility development while West Virginia and the Virgin Islands are exploring bonding alternatives. Many states are prepared to request additional state legislative appropriations for program funding. New Jersey recently passed a landfill tax which will be used to develop, over a long period, a 30 million dollar resource recovery program. Other states are considering similar taxes and fees in an effort to protect and preserve their resource recovery programs.

HAZARDOUS WASTES

RCRA was the first comprehensive federal legislation to deal with the hazardous waste issue. Under Subtitle C of the Act, the EPA was directed to establish a national program to regulate hazardous wastes from the "cradle to grave." Furthermore and similar to the provisions of the Clean Water Act and the Clean Air Act, the law enables states which have promulgated appropriate

statutory and regulatory programs to operate and enforce the federal hazardous waste program. Federal monies were made available to encourage state participation. Federal funding for Subtitle C of RCRA rose from $30 million in fiscal 1981 to $41.7 million in fiscal 1982.

Under the Subtitle C of the RCRA, EPA approves state hazardous waste management programs in two phases. Phase I authorization gives states the right to control transportation and generation of hazardous wastes within their borders and to regulate existing Treatment, Storage and Disposal (TSD) facilities. Phase II authorization grants states authority to issue permits to hazardous waste facilities. As of January 26, 1982, 28 states had received EPA authorization for Phase I of their hazardous waste management programs and five states had applied for final authorization. Where states have not established HWM (Hazardous Waste Management) programs or the programs do not meet federal standards, EPA is required to assume regulatory control.

On May 19, 1980, EPA published the first set of standards under Subtitle C of RCRA. Phase I regulations contain "self-executing, largely administrative and operational standards which existing hazardous waste facilities must meet during interim status." Phase I regulations also include the listing of wastes considered hazardous, the establishment of a state manifest system and the establishment of an initial set of performance standards for TSD facilities.

EPA defines hazardous wastes through four characteristics: ignitability, corrosivity, reactivity and toxicity. EPA regulations also list 500 wastes as hazardous. If a waste exhibits one or more of the characteristics or is found on the list, it is deemed to be a hazardous waste for regulatory purposes. Current EPA regulations allow some exemptions for small-quantity generators; however, inclusion of this provision into a state program is not required. States seeking Phase I interim authorization have incorporated, with slight modification (at least eight states have indicated their substances list is more stringent than the federal list), EPA's identification and definition standards of hazardous wastes into their state's HWM program. Other states, such as Washington and California, have adopted an alternative approach which defines hazardous wastes on the basis of its "degree of hazard" by specifying, in their respective programs, different standards of control for different hazardous wastes. EPA has begun to analyze whether the hazardous waste regulations under RCRA can be adjusted to control specific wastes based on waste type, the usual management technology, and the surrounding environment. The EPA "degree of hazard" analysis is expected in February 1982, with standards adjusted to this approach by 1984.

Another major element of Phase I authorization is the development of a manifest system for tracking a waste shipment to its designated destination. In general, the manifest system requires the generator to use only licensed transporters and to designate only a permitted TSD facility to take delivery of wastes. Currently, 35 states provide for a manifest system in their HWM programs, however, citing a lack of uniformity among the states manifest documents, EPA plans to make final, by April 1982, a prescribed uniform manifest form to achieve standardization and efficiency in the manifest system. The New England states were the first to implement a regional manifest system in 1980 to provide uniformity and improve the overall management of hazardous wastes between the states. This regional manifest has

allowed states in the New England region, for example, Connecticut, to track shipments of waste through their states.

The Phase I interim status regulations also require creation of closure and postclosure plans as well as financial responsibilities. Under the financial responsibility regulations, which were to take affect on October 13, 1981, owners and operators of 14,300 existing facilities seeking interim status must show evidence of at least $1 million of liability insurance per occurence or $2 million per year for "accidental occurences" to cover claims awarded by courts for property damage and personal injury caused by releases from hazardous waste facilities. The rules also would require another 4,400 land disposal facilities to insure against long-term waste seepage accidents at a limit of $3 million per claim or $6 million per year for "non-sudden" occurences. However, EPA is now considering a proposal to suspend permanently federal requirements for liability insurance and has deferred the financial regulations effective date to April 13, 1982, pending a decision. A majority of the states require proof of financial responsibility and hold an owner or operator of a HWM facility liable for damages. However, since some states statutes, such as Texas and Massachusetts, have incorporated RCRA's financial reg ations by reference, their status is also pending the EPA decision.

In January 1981, Phase I regulations were supplemented by more technical Phase II standards. Phase II standards include technical and environmental performance criteria designated to guide EPA in issuing permits.

EPA divided Phase II state interim authorization into three components, A, B and C.

Phase II A. -- standards for granting permits for storage and treatment facilities, effective July 13, 1981.

Phase II B. -- standards for permitting hazardous waste incinerators, effective July 22, 1981.

Phase II C. -- standards for permitting land disposal facilities, pending.

However, EPA has temporarily suspended Phase II A and B standards for existing incinerators and storage surface impoundments due to industry comments on retrofitting existing facilities and 1980 amendments to RCRA which require EPA to distinguish between new and existing facilities. In addition, EPA has yet to issue regulations under Phase II C, land disposal facilities. While the Agency first proposed standards for permitting land disposal facilities on December 18, 1978, due to the receipt of hundreds of critical comments, EPA decided to develop revised regulations. On February 5, 1981, EPA published its revised proposed landfill regulations with final rules to be promulgated no earlier than the beginning of 1982, later amended to 1983.

However, through a suit brought about by Illinois, two environmental groups and the National Solid Waste Managment Association, U.S. federal district court Judge Gessell ordered on November 13, 1981 that regulations "setting design and operation standards for existing hazardous waste land disposal facilities must be issued by the EPA by February 1, 1982." EPA and the Department of Justice will appeal the Court's decision. In another ruling, Judge Gessell declined to order EPA to reverse its decision to

suspend temporarily the standards for issuing permits for existing surface storage impoundments and incinerators.

Of the five states seeking Phase II authorization to issue permits for storage and treatment facilities and incinerators, Texas and Georgia are also seeking authority to write land disposal permits although EPA regulations do not currently allow for that.

Phase III standards or final authorization will resolve complex technical issues and establish detailed requirements for design, construction and operation of facilities. For states seeking final authorization, RCRA regulations require the administration of a strict enforcement program which generally includes within a compliance evaluation program: reports and notices, an independent inspection and surveillance program, entry, inspection and monitoring authority, and proper evidence gathering procedures. Most states provide for civil and criminal fines; however, many states have moved toward classifying hazardous waste violations as felonies. Twenty states have amended their statutes to provide for felony status.

In addition to the minimum requirements under Subtitle C of RCRA many states are also active in facility siting, comprehensive planning and emergency response.

One of the major issues related to siting is permitting authority. In most states an existing department issues the permit; however in several cases, a state-level board consisting often of state-level agency heads issues the permit. Five states have developed a state-level siting board specifically for hazardous waste facilities. The nine-member Connecticut Siting Council allows three electors from the affected municipality and one from the neighboring municipality most affected to sit on the council. The council, following receipt of a complete application and hearings, has the authority to grant or deny a certificate of public safety and necessity. The Michigan site approval board, in another approach, is comprised of permanent statewide members and temporary additional members selected from the affected area. The board acts on site construction permit applications that have been approved by the State Department of Natural Resources and has final authority. Two on-site facilities were recently sited by the Michigan approval board.

The way siting legislation deals with local governments varies significantly between states. Seventeen states provide state-level preemption of local zoning ordinances while eight states specifically give local governing bodies approval over hazardous waste land disposal facilities. Illinois Hazardous Waste Regulations require final approval of sites by county or municipal governing bodies.

In some cases, states provide for mediation and arbitration to resolve siting conflicts. Florida, for example, has an appeals procedure set up for dealing with conflicts. Under Florida law if the Department of Environmental Regulation issues a permit for a hazardous waste facility on technical grounds and if the local government finds the facility inconsistent with local plans, the permittee may seek a variance from the local plan. If the local government denies a variance, the permittee may appeal to the Regional Planning Council for a recommendation. If the Regional Planning Council recommends that a variance be granted, the permittee may appeal to the

Governor and Cabinet to grant the variance.

Fourteen states currently provide for public involvement in the ownership and operation of hazardous waste facilities. Virginia, under its HWM program, allows the state to own and operate an HWM facility, while states such as Georgia and Texas have established quasi-public state authorities to own, operate and lease HWM facilities.

Several states are also active in comprehensive planning in order to assess and evaluate hazardous waste issues and problems and develop, in general, state siting, resource recovery, funding policies and program strategies. A majority of the states have undertaken waste surveys to determine the scope of the hazardous waste problem.

Although RCRA and additional state actions have made great progress in establishing comprehensive safeguards against the release of hazardous wastes into the environment, they have not dealt with the problems of past waste disposal practices. Many inactive and abandoned hazardous waste disposal sites have proven to be a serious threat to public health and the environment.

In December 1980, Congress enacted the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). This law, known as Superfund, created a five year, $1.6 billion fund which will be used to clean up about 400 sites nationwide. The fund will be paid for by a tax on generators (87.5 percent) and federal appropriations (12.5 percent). EPA has identified 115 of the worst dumpsites and targeted the locations for clean-up under Superfund. The sites are located in 45 states and territories, with the 16 sites in Florida, 12 in New Jersey, eight in New York and Pennsylvania and 26 state and territories have one site on the list.

A major concern to some states is the preemptive language of Superfund. The present controversy focuses on section 114(c) of the Superfund legislation, which provides:

> Except as provided in this Act, no person may be required to contribute to any fund, the purpose which is to pay compensation for claims for any costs of response or damages or claims which may be compensated under this title. Nothing in this section shall preclude any State from using general revenues for such a fund, or from imposing a tax or fee upon any person or upon any substance in order to finance the purchase or prepositioning of hazardous substance response equipment or of other preparations for the response to a release of hazardous substances which affects such State.

The Exxon Corporation and four other corporations required to pay taxes under the New Jersey Spill Act brought suit in federal district court in New Jersey alleging preemption and seeking a refund of taxes paid. On July 27, 1981 the suit was dismissed holding that the corporations have an affective and efficient remedy for their grievances in state courts. In an effort to seek federal court approval of the tax New Jersey later sought a declaratory judgement that the provisions of the State Spill Compensation and Control Act of 1979 are not preempted by the federal Superfund Act of 1980. New Jersey lost its bid for federal court approval when the U.S. district court of the District of Columbia dismissed the suit on November 10, 1981. Five

petrochemical companies have resumed the battle on December 18, 1981 asking a state tax court to bar the state from collecting the surcharges. The awaited outcome on the New Jersey case leaves the legal status of many state funds in question. Florida has reacted by adding language to its state fund indicating that it will not be used in a manner inconsistent with CERCLA. State laws authorizing the establishment of trust funds often spell out the funding source. California recently enacted Superfund legislation in response to a 1980 state survey which identified 67 hazardous wastes sites in need of cleanup. The $100 million dollar fund, to be collected over the next ten years, will be supported entirely on industry-paid fees on hazardous waste disposal. Thirty states have some type of spill or trust fund to provide funding for an assortment of hazardous waste management activities. Several states can activate their funds to provide for emergency response and cleanup. Other funds, such as Kentucky and Massachusetts, have been set up to also encourage volume reduction and alternatives to land disposal of hazardous wastes.

Although most states encourage the recycling of all wastes and many require alternative options to be considered prior to land disposal, few actually provide incentives to recycle hazardous wastes. Utah, Montana, South Carolina, Washington and Michigan exempt or partially exempt generators from regulation under the state hazardous waste management program if the wastes are recycled. Florida and Missouri provide fee and tax exemptions for generators who recycle. Oregon provides a 100 percent tax credit on capital costs for projects recovering usable material or energy from wastes and New Jersey funds low-interest, state-subsidized loans for equipment and other capital expenditures related to recycling residentially generated waste oils. New Jersey municipalities which recycle residential waste oils receive a separate state rebate derived from a tax on landfills. Many states have also become involved in state and regional solid/hazardous waste exchanges in an effort to recycle wastes. The New York Waste Exchange Law authorized New York State Environmental Facilities Corporation (a public benefit corporation) to study and establish a statewide effort in order to reduce the quantities of hazardous wastes that need ultimate disposal.

Other state recycling efforts include research and development. Illinois has earmarked 25 percent of its Hazardous Waste Fund to be used for research in order to reduce, recycle or detoxify hazardous wastes in the state and Oklahoma has set up a separate Resource Recovery Division to research and encourage recycling.

LOW-LEVEL NUCLEAR WASTE

Before 1954, the management and use of atomic energy and radioactive materials were largely confined to the federal government, however, the Atomic Energy Act of 1954 enabled private entities to operate nuclear facilities and use radioactive materials. Although the Atomic Energy Commission (AEC) was charged to carry out the regulations of the act, many states voiced concern over public health and safety and expressed an interest in state regulation of atomic energy and radioactive materials. In response to the states concern, section 274 of the Atomic Energy Act was passed in 1959 and gave the governor of a state the right to enter into an agreement program with the AEC and later the Nuclear Regulatory Commission (NRC) and assume certain regulatory

authority over radioactive by-products, source materials, and small quantities of special nuclear materials. Low-level waste would fall under the regulatory purview of the states participating in the program (low-level wastes are defined as industrial, medical or research waste contaminated with small amounts of radioactive material). To enter into the agreement program a state is required to pass enabling legislation authorizing the governor to enter into such an agreement and have a state radiation control program compatible with regulations and standards set by the AEC.

Low-level wastes were not generated in significant quantities by the private sector until the 1960s. At that time most radioactive wastes were disposed of at federal government sites. However, as larger volumes of low-level radioactive wastes were produced, the need for commercial disposal sites increased. Between 1962 and 1971, six commercial low-level waste burial sites opened: Maxey Flats, Kentucky; West Valley, New York; Sheffield, Illinois; Barnewell, South Carolina; Richland, Washington; and Beatty, Nevada. Government facilities which generate and dispose of low-level waste on site are: Oak Ridge National Laboratory, Tennessee; Los Alamos National Laboratory, New Mexico; Idaho National Engineering Laboratory; Hanford Reservation, Washington; and Savannah River Plant, South Carolina. There are also government disposal facilities in Texas, New Mexico, Ohio, New York, Kentucky, Tennessee and Missouri.

Under the state agreements with the AEC, state authorities have regulated five of the six disposal sites under the federal/state agreement program. As of November 15, 1981, 26 states had agreement state status and 18 others have have enabling legislation. The non-agreement states have also developed radiation control programs in an effort to protect the public health and safety of its citizens regarding those radiation sources which are not controlled by the federal government. By 1979, three of the six low-level waste commercial sites had closed. The three states in which commercial facilities are currently operating, Nevada, South Carolina and Washington, have sinced exerted considerable pressure on the states which send waste to their respective commercial sites by limiting the types and amounts of out-of-state wastes to be accepted. Furthermore, over the past five years, at least 25 states have placed restrictions on the disposal of radioactive wastes within their borders.

Recognizing the nation's needs for developing additional low-level disposal sites, Congress passed the Low-Level Radioactive Waste Policy Act of 1980. Under the act, states are responsible for providing low-level radioactive waste disposal capacity for wastes generated in their states, except for wastes generated by the military or federal research and development activities. To carry out that responsibility the act authorizes states to enter into regional compacts to establish and operate regional disposal facilities for low-level radioactive wastes.

To date, more than 20 states have completed or are conducting studies of their low-level waste management requirements. During the last nine months, groups of states in each region of the country have met to discuss regional management of low-level wastes. The Northwestern states are the first to seek federal approval of a regional low-level waste compact. The Northwest Compact established an eight-state region with a low-level waste disposal facility located at Hanford, Washington. Washington, Idaho and Oregon have adopted the

compact and Utah has joined by executive order, pending action by the 1982 legislative session. Alaska, Hawaii and Wyoming are expected to submit the agreement in their next legislative session. The Northwest Compact provides that all party states conform to the host state's packaging and transportation laws. The act also provides for the management of hazardous chemical wastes and states that "in consideration of the state of Washington allowing access to its low-level waste disposal facility by generators in other party states, party states such as Oregon and Idaho which host hazardous chemical waste disposal facilities will allow access to such facilities by generators within other party states." These bills provide that effective July 1, 1983, if Congress approves the Northwest Compact, then "no facility located in any party state may accept low-level waste generated outside of the region comprised of the party states unless the low-level waste committee votes otherwise." Because some states wastes are forbidden and not all states' wastes could violate the Commerce Clause, Congress must consent to this provision before it becomes law.

The Southern states expect to have a draft low-level waste compact ready for submission to state legislatures by January 1982. Other meetings concerning the regional siting of low-level facilities have been held in the Midwest and New England. The status of potential party states of low-level radioactive waste interstate compacts (as of January, 1982) is as follows <1>: Northwest--Alaska, Hawaii, Idaho, Montana, Oregon, Utah, Washington, Wyoming;* Rocky Mountain--Arizona, Colorado, Nevada, New Mexico, Utah*, Wyoming;* Midwest--Delaware, Illinois, Indiana, Iowa*, Maryland, Kansas*, Kentucky, Michigan, Minnesota*, Missouri*, Nebraska*, North Dakota*, Ohio, Virginia, Wisconsin; Central--Arkansas, Iowa*, Kansas*, Louisiana, Minnesota*, Missouri*, Nebraska*, North Dakota*, Oklahoma; Southeast--Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee; Northeast--Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; Going Alone--California, Texas; Unaffiliated--South Dakota, West Virginia, District of Columbia, Puerto Rico, Virgin Islands, Guam, Northern Mariana Islands, Trust Territory of the Pacific Islands.

Other areas of state regulation of low-level materials include transportation and emergency response. While some states have left radioactive material transportation regulation to the federal government others have been active in providing regulatory authority in areas such as pre-notification, financial responsibility, and surveillance, monitoring and inspection. Twenty states have adopted pre-notification requirements, 12 states have defined financial responsibility transporter limits, and 24 states have enacted some form of transporter monitoring, surveillance and inspection program. The most frequent transportation actions by states are the adoption of federal DOT regulations and requiring some form of registration, fee payment, permit or license.

<1> National Association of Attorney Generals

* States potentially belonging to more than one compact.

The Three Mile Island incident and recent experiences of improper disposal and storge of hazardous wastes at Love Canal and the Valley of the Drums accelerated state concern regarding emergency response planning. Many state emergency response programs are directed at nuclear reactor incidents, but several states have developed or expanded their emergency response to consider all radioactive and hazardous materials incidents. Currently, 45 states provide some kind of state emergency response program.

SUMMARY OF STATE SOLID WASTE AND RESOURCE RECOVERY PROGRAMS

State or other jurisdiction	Solid Waste		Resource Recovery				
	State solid waste management plans	State solid waste/resource recovery authorities	State used oil recycling programs	Industrial waste exchange programs: State operated	Industrial waste exchange programs: Industry/ private operated	Bottle bill legislation enacted	State litter control program
Alabama	*,o	...	x	...	–	i	x
Alaska	#	...	x	...	...	.&	x
Arizona	*	...	...	...	pdg	...	...
Arkansas	o(a)	...	...	...	...	...	...
California	o	...	x	...	=	...	x(b,r)
Colorado	*,o	...	...	...	–	...	x(b,e)
Connecticut	*,o	x	...	...	...	x	x(b,r)
Delaware	#	x	...	...	...	pdg	...
Florida	*,o	...	i	...	–	...	...
Georgia	o(a)	x	...	...	–	...	x
Hawaii	(c)	...	x	...	...	...	x
Idaho	#	...	...	...	...	...	x
Illinois	*,o	...	x	–	...	...	...
Indiana	*,o	...	x	–	...	...	x
Iowa	o(a)	...	...	...	–	x	...
Kansas	*,o	...	x	–	...	...	...
Kentucky	*,o	...	x	...	...	...	...
Louisiana	*,o	x	...	...	...	...	...
Maine	*,o	...	x	...	...	x	...
Maryland	#	x	x	...	–	...	...
Massachusetts	*,o	...	x	...	...	x	...
Michigan	*,o	...	x	...	=	x	...
Minnesota	*,o	...	x	...	–	...	...
Mississippi	*,o	...	...	...	...	...	...
Missouri	*,o	...	x	...	–	...	...
Montana	*	...	x	...	...	...	...
Nebraska	#	...	...	...	–	...	x(b)
Nevada	#	...	...	...	...	...	...
New Hampshire	(g)	...	x	...	...	...	...
New Jersey	#	...	x	...	–	...	x
New Mexico	"	...	...	...	...	...	..
New York	#	x	x	–	...	...	...
North Carolina	*,o	...	...	...	–	...	...
North Dakota	*,o	...	...	...	...	...	...
Ohio	*,o	x	pdg	–	=	...	x
Oklahoma	*,o	...	...	...	...	...	...
Oregon	*,o	...	x	–	–	x	...
Pennsylvania	*,o	...	x	–	=	...	...
Rhode Island	*,o	x	x	...	...	x	...
South Carolina	#	...	...	...	...	...	...
South Dakota	*,o	...	...	...	...	...	x
Tennessee	*,o	...	pdg	–	–	...	x
Texas	*,o	x	...	...	–	...	...
Utah	*	...	x	...	...	...	...
Vermont	*,o	x	...	...	–	x	...
Virginia	o	x	...	...	...	...	x
Washington	*,o	...	...	...	–	...	x(b)
West Virginia	#	...	...	...	...	...	...
Wisconsin	*,o	...	i	...	...	...	...
Wyoming	#	x	...	...	...	...	...
American Samoa	*,o	...	...	...	...	...	...
Guam	#	...	...	...	...	...	...
No. Mariana Is.	#	...	...	...	...	...	...
Puerto Rico	#	x	...	...	...	...	...
Virgin Islands	#	x	...	...	...	pdg	...

Key:
* - Completed plans awaiting federal approval.
o - Completed plan adopted by state.
- Plan in draft stages.
" - No subtitle D program.
x - Active program.
i - Inactive program.
pdg - Pending.
– - Information exchange.
= - Material exchange.
(a) - Federal approval.
(b) - State litter materials tax.
(c) - Completed plan awaiting state adoption.
(r) - Tax repealed.
(e) - Tax legislation expired, not renewed.
(g) - Completed plan awaiting adoption.

Source: Compiled by The Council of State governments, November, 1981.

Siting Hazardous Waste Facilities

State or other jurisdiction	State[2] hazardous waste management programs	State hazardous waste management plans	Permitting/Approval Authority: State level department	Permitting/Approval Authority: State level board	Permitting/Approval Authority: State level siting board	Siting Provisions: State ownership/ operation	Siting Provisions: State preemption	Siting Provisions: Local veto	Transportation: State manifest system	Enforcement: Felony Status
Alabama	*	pdg	...	x	...	...	...	...	x	x
Alaska	#	...	x	...	...	...	...	...	...	x
Arizona	+	...	x	...	...	x	x	...	...	...
Arkansas	*	x	x	...	...	...	...	x	x	...
California	*	x	x	...	...	...	...	...	x	...
Colorado	+	x	x	...	...	...	...	x	...	...
Connecticut	(* pdg)	...	x	...	x	...	x	...	x	x
Delaware	*	x	...	...	...	...	...	...	x	...
Florida	(* pdg)	x	x	...	...	...	x	...	...	x
Georgia	*	x	x	...	...	x	x	...	x	x
Hawaii	+	...	...	...	...	...	...	...	...	...
Idaho	x	pdg	...	...	...	...	...	...	...	...
Illinois	(* pdg)	x	x	...	...	...	...	x	x	x
Indiana	+	...	...	x	x	...	x	x	...	...
Iowa	*	x	...	...	...	...	x	...	x	...
Kansas	*	pdg	x	x	...	x	x	...	x	x
Kentucky	*	x	x	...	...	...	...	x	x	x
Louisiana	*	...	x	x	...	...	...	...	x	...
Maine	*	x	...	x	...	...	x	...	x	x
Maryland	*	x	x	...	x	x	x	...	x	x
Massachusetts	*	x	x	...	...	...	...	...	x	x
Michigan	+	x	x	...	x	...	x	...	x	...
Minnesota	+	x	x	...	x	x	x	..	...	...
Mississippi	*	...	...	x	...	...	...	...	x	...
Missouri	+	x	x	...	...	...	...	...	x	...
Montana	*	x	x	...	...	x	...	...	x	...
Nebraska	e	x	x	...	...	x	...	x	...	...
Nevada	+	pdg	pdg	...	...	x	...	...	x	x
New Hampshire	*	...	x	...	...	...	...	...	x	x
New Jersey	(* pdg)	...	x	...	pdg	...	pdg	...	x	x(c)
New Mexico	+	...	x	...	...	...	x(b)	...	x	...
New York	(* pdg)	pdg	x	...	x	x	...	x	pdg	x
North Carolina	*	x(a)	x	x	...	x	x(b)	...	x	...
North Dakota	*	...	x	...	...	...	...	x	...	...
Ohio	(* pdg)	...	x	...	...	...	x	...	x	x
Oklahoma	*	...	x	...	...	...	...	...	x	...
Oregon	*	x	x	...	...	x	...	...	x	x
Pennsylvania	*	...	x	...	...	...	x	...	x	x
Rhode Island	*	pdg	x	...	...	...	...	...	x	x
South Carolina	*	...	x	...	...	...	...	...	x	...
South Dakota	+	x	...	x	...	...	...	...	...	...
Tennessee	*	...	x	x	...	...	...	...	x	x
Texas	*	...	...	x	...	...	...	...	x	...
Utah	*	...	...	...	...	...	...	...	...	...
Vermont	*	x	...	...	...	...	...	...	x	...
Virginia	*	x(a)	x	...	...	x	x	...	...	x
Washington	+	x	x	...	...	x	...	...	x	pdg
West Virginia	n	x	...	...	...	...	...	...	...	x
Wisconsin	*	...	x	...	...	...	x	...	x	...
Wyoming	x	...	...	...	...	...	...	...	...	...
American Samoa	...	...	...	...	...	...	...	...	...	...
Guam	+	pdg	pdg	...	...	pdg	...	...	pdg	pdg
Puerto Rico	(* pdg)	...	...	...	...	...	...	...	...	...
Virgin Islands	...	...	...	...	...	...	...	...	...	...
D.C.	pdg	pdg	x	...	...	...	...	...	x	...

Key:
* — EPA interim authorization (Phase 1).
x - Active state program.
i - Inactive.
+ - Adopted state regulations.
# - State regulations in development and draft stages.
(a) - Under state solid waste plan.
(b) - Under state eminent domain statutes.
pdg - Pending.
(c) - Some regulations are enforced under misdemeanor status, some under felony status.
(e) - State regulations completed and pending adoption.

Source: Compiled by The Council of State Governments, November, 1981.

[2]Updated January 26, 1982.

HAZARDOUS WASTE FUNDS

State or other jurisdiction	State Hazardous Waste Trust and Spill Funds	Source of fund	Major scope of fund
Alabama	Hazardous Waste Management Fund	F(o)	Administrative costs.
	Perpetual Care Fund	F(o)	Monitoring beyond the active use of the site.
Alaska	...	...	...
Arizona	Hazardous Waste Trust Fund	F(o)	Operation, maintenance, perpetual care.
Arkansas	...	...	...
California	Hazardous Substances Account	T(g)	Match federal superfund monies, cleanup, incident contingency fund, victim compensation fund, health studies, emergency equipment.
Colorado	Hazardous Waste Disposal Fund	L,P	...
	Emergency Response Cash Fund	L	Emergency response.
Connecticut	Emergency Spill Response Fund	L,R	Oil and hazardous spills
Delaware	...	...	...
Florida	Hazardous Waste Management Trust Fund	L,T,F(o),R,P	Reduce hazard at abandoned sites.
Georgia	Hazardous Waste Trust Fund	F(o),B*	Maintenance of abandoned sites.
Hawaii	...	...	...
Idaho	...	...	...
Illinois	Hazardous Waste Fund	F(o)	Tak[illegible] action against long term danger, research and [illegible]elopment of recycling.
Indiana	Hazardous Substances Emergency Trust Fund	T(g)	Emergency response, match under superfund.
	Environmental Management Special Fund	F,P	Multipurpose environmental response.
Iowa	...	...	...
Kansas	Perpetual Care Trust Fund	F(o),L	Cleanup and monitoring.
Kentucky	Hazardous Waste Management Fund	F(g)(o),R	Emergency response, postclosure, monitoring, and maintenance.
Louisiana	Hazardous Waste Protection Fund	B*,L	Perpetual care, assure financial responsibility.
	Abandoned Hazardous Waste Site Fund	excess $,L	Match federal funds, cleanup at abandoned sites.
	Environmental Emergency Response Fund	R,L,P	Environmental emergency responses, match federal funds.
Maine	Hazardous Waste Fund	F(g),F(t*)	Emergency response.
Maryland	Oil Disaster Containment Cleanup & Clgy Fund	F(o),P,R	Oil and petroleum products spills.
	Hazardous Substance Control Fund	F(o),L	Hazardous substances in water cleanup.
Massachusetts	...	...	...
Michigan	Disposal Facility Trust Fund	F,(o)	Long term care of closed facilities.
	Hazardous Waste Service Fund	L,R	Emergency response.
Minnesota	...	...	...
Mississippi	...	...	...
Missouri	Hazardous Waste Fund	F(g),I(o),L	Administrative costs, cleanup.
Montana	...	...	...
Nebraska	...	...	...
Nevada	State Emergency Fund	L	Emergency response.
New Hampshire	Hazardous Waste Cleanup Fund	L,P,L	Cleanup.
New Jersey	Spill Compensation Fund	I(o),L	Cleanup of spills.
New Mexico	Hazardous Waste Emergency Fund	L,R,P	Cleanup, disposal, containment.
New York	Hazardous Waste Remedial Fund	L	Emergency response.
	Environmental Protection & Spill Comp. Fund	P	Oil spills only.
North Carolina	...	...	...
North Dakota	...	...	...
Ohio	Hazardous Waste Facility Mgmt. Special Acc.	F(g)	Administration, closure, abatement, grants.
	Emergency Response Spill Fund	L,P	Emergency response to spills.
Oklahoma	...	...	...
Oregon	Hazardous Waste Account	F(g)	Perpetual care.
Pennsylvania	Solid Waste Abatement Fund	P,R,B*	Emergency situations, spills.
Rhode Island	Hazardous Substance Emergency Fund	L,R	Abandoned site spills.
South Carolina	Hazardous Waste Contingency Fund	F(g)	Emergencies at permitted landfills.
South Dakota	...	...	...
Tennessee	Hazardous Waste Trust Fund	B*	Cleanup, perpetual care.
	Perpetual Care Trust Fund	F(o)	Containment of abandoned site.
Texas	Disposal Facility Response Fund	L	Match federal superfund monies.
Utah	...	...	...
Vermont	Oil and Hazardous Spill Contingency Fund	L,R	Response to spills, hazardous substances.
Virginia	...	...	...
Washington	...	...	...
West Virginia	...	...	...
Wisconsin	Hazardous Waste Fund	F(o)	Closing and longterm care.
	Hazardous Substances Spill Fund	L,R	Cleanup and disposal.
Wyoming	...	...	...
D.C.	Pending	...	...
American Samoa	...	...	...
Guam	...	...	...
No. Mariana Is.	...	...	...
Puerto Rico	...	...	...
Virgin Islands	...	...	...

Key:
F - Fees
L - Legislative appropriations
P - Penalties
R - Reimbursements
B* - Bond forfeiture
T - Taxes
B - Bond supported
o - Operator
g - Generator
(* - Out-of-state transporters

Source: Compiled by The Council of State Governments, November, 1981.

RADIOACTIVE MATERIAL MANAGEMENT IN THE STATES

State or other jurisdiction	State radiation control program	State Emergency Response Programs		Transportation		Regulation	
		Nuclear reactor specific	All radioactive materials incidents	Federal source of transportation requirements adopted by states	Requires registration fees, permits, licensing, certificates	Commercial low level waste disposal facilities	Regulation of radioactive waste disposal
Alabama	x(a)	x	x	DOT	L	...	*
Alaska	x	...	...	DOT	R	...	+
Arizona	x(a)	x	x	DOT	L	pdg	pdg
Arkansas	x(a)	x	x	DOT	P	...	...
California	x(a)	x	x	NRC,DOT	R	...	...
Colorado	x(a)	x	x	DOT	L	...	o
Connecticut	x	x	...	ICC	P,F	...	b
Delaware	x	x	x	DOT(a)	P	...	o
Florida	x(a)	x	x	DOT(a)	F	...	I
Georgia	x(a)	x	x	DOT(a)	P,L	...	...
Hawaii	x	...	...	...	...	...	o
Idaho	x(a)	...	...	DOT(a)	L	...	...
Illinois	x	x	x	DOT(a)	P,C	pdg	#
Indiana	x	...	x	...	...	...	...
Iowa	x	...	x	DOT	...	...	...
Kansas	x(a)	...	x	DOT(a)	R	...	o
Kentucky	x(a)	x	x	DOT(a),NRC(a)	L	I	o
Louisiana	x(a)	x	x	DOT	L	...	H
Maine	x	x	i	DOT(a)	P	...	o
Maryland	x(a)	...	x	DOT(a)	...	...	...
Massachusetts	x	x	x	DOT(a)	...	...	...
Michigan	x	x	x	DOT(a)	R,F	...	*
Minnesota	x	...	x	DOT(a)	...	...	o
Mississippi	x(a)	x	x	...	...	...	o
Missouri	x	x	x	...	...	...	...
Montana	x	...	x	...	L	...	#
Nebraska	x(a)	...	x	DOT	L	...	...
Nevada	x(a)	...	x	DOT(a)	P,L	S	L,F
New Hampshire	x(a)	...	...	DOT	...	...	b
New Jersey	x	...	x	...	C	...	...
New Mexico	x(a)	...	x	DOT	...	...	+
New York	x(a)	x	x	DOT(a)	P	I	+
North Carolina	x(a)	x	x	DOT,NRC	...	...	...
North Dakota	x(a)	...	x	DOT	L	...	o
Ohio	x	...	x	DOT(a)	...	...	...
Oklahoma	x	...	x	...	...	...	+
Oregon	x(a)	x	x	DOT	L	...	=
Pennsylvania	x	x	x	DOT(a)	P	...	...
Rhode Island	x(a)	...	...	DOT,NRC	P	..	...
South Carolina	x(a)	x	x	...	P	S	L
South Dakota	x	...	x	(DOT,pdg)	...	...	#,=
Tennessee	x(a)	...	x	DOT	...	...	...
Texas	x(a)	...	x	DOT,NRC	P,L	pdg	#,*
Utah	x	...	x	DOT	...	...	...
Vermont	x	x	x	DOT(a)	R	...	*
Virginia	x	x	x	DOT	R,C	...	b
Washington	x(a)	x	x	DOT,NRC	L	S	P,F,C
West Virginia	x	...	x	DOT,NRC	...	...	*
Wisconsin	x	x	x	DOT	...	...	...
Wyoming	x	...	...	DOT(a)	L	...	...
D.C.	x	...	x	...	...	...	...

Key:
(a) - Federal/state agreement
DOT - Department of Transportation
NRC - Nuclear Regulatory Commission
ICC - Interstate Commerce Commission
AEC - Atomic Energy Commission
(a) - Specific titles
F - Fees
P - Permits
L - Licensing
R - Registration
C - Certificates
x - Active state program
i - Inactive
* - Bans disposal of all radioactive waste generated outside state.
# - Bans disposal of high level waste.
o - Requires legislative approval prior to disposal of radioactive waste.
+ - Requires consultation and concurrence before disposal is permitted.
I - Requires disposal operator to meet specific technical and environmental criteria.
= - Requires Governor's approval prior to disposal.
" - Bans all radioactive waste disposal within the state.
S - Commercial disposal site.
H - Requires Asst. Secretary of Office of Environmental Affairs approval prior to disposal.
b - Bans disposal of high-level waste, low level radioactive waste disposal requires prior legislative approval.

Source: Compiled by The Council of State Governments, November, 1981.

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TENNESSEE
Tom Tiesler, Director (3)
Div. of Solid Waste Management
Bureau of Environmental Services
Dept. of Public Health
Capitol Hill Bldg., Suite 326
Nashville, TN 37219
(615) 741-3424

TEXAS
Jack C. Carmichael, Chief (3)
Div. of Solid Waste Management
Texas Dept. of Health
1100 W. 49th Street, T-602
Austin, TX 78756
(512) 475-2041

UTAH
Dale Parker, Director (3)
Bureau of Solid Waste Management
Div. of Health
P.O. Box 2500
150 West North Temple
Salt Lake City, UT 84101
(801) 533-4145

1 Solid wastes
2 Hazardous wastes
3 Solid & Hazardous wastes

STATE WASTE MANAGEMENT OFFICIALS

VERMONT
John Malter, Chief (2)
Hazardous Materials Management Section
Agency of Environmental Conservation
State Office Bldg.
Montpelier, VT 05602
(802) 828-3395

Richard A. Valentineti, Chief (3)
Air & Solid Waste Programs
Agency of Environmental Conservation
State Office Bldg.
Montpelier, VT 05602
(802) 828-3395

VIRGINIA
William Gilley, Director (3) Bureau of Solid & Hazardous Waste Management
Dept. of Health
Madison Bldg., Rm. 927
109 Governor Street
Richmond, VA 23219
(804) 786-5271

WASHINGTON
Tom Cook, Section Head (2)
Hazardous Waste Section
Dept. of Ecology
Olympia, WA 98504
(206) 753-4276

Earl Tower, Division Supervisor (1)
Solid Waste Management Division
Dept. of Ecology
Olympia, WA 98504
(206) 459-6317

WEST VIRGINIA
John Northheimer (2)
Div. of Water Resources
Dept. of Natural Resources
1201 Greenbrier Street, 2nd Floor
Charleston, WV 25311
(304) 348-5935

Dale Parsons, Director (1)
Solid Waste Division
Dept. of Health
1800 Washington Street, E.
Room 520
Charleston, WV 25305
(304) 348-2987

WISCONSIN
Robert Krill, Director (3)
Bureau of Solid Waste Management
Dept. of Natural Resources
P.O. Box 7921
Madison, WI 53707
(608) 266-1327

WYOMING
David Finley, Supervisor (2)
Hazardous Waste Management
Dept. of Environmental Quality
Solid/Hazardous Waste Management
401 West 19th Street
Cheyenne, WY 82002
(307) 777-7752

Charles Porter, Supervisor (1)
Solid Waste Management Program
State of Wyoming
Dept. of Environmental Quality
Equality State Bank Bldg.
401 West 19th Street, Rm. 3011
Cheyenne, WY 82002
(307) 777-7752

AMERICAN SAMOA
Puti Faiai, Executive Secretary (3)
Environmental Quality Commission
American Samoa Government
Pago Pago, AS 96799
Oversees Operator
(Commercial Call 633-4141)

1 Solid wastes
2 Hazardous wastes
3 Solid & Hazardous wastes

STATE WASTE MANAGEMENT OFFICIALS

DISTRICT OF COLUMBIA
Ken Laden, RCRA Coordinator (3)
Dept. of Environmental Services
5000 Overlook Avenue, SW
Washington, DC 20032
(202) 724-4102

GUAM
James Branch, Deputy Administrator (3)
EPA, Government of Guam
P.O. Box 2999
Agana, GU 96910
Overseas Operator
(Commercial Call 646-8863)

NORTH MARIANA ISLANDS
Carl Goldstein (2)
Div. of Environmental Quality
Dept. of Public Health & Environmental Services
Commonwealth of the North Mariana Islands
Saipan, MARIS 96950
Overseas Operator
(Commercial Call 6984-6114)

PUERTO RICO
Santos Rohena
Environmental Quality Board
Office of the Governor
P.O. Box 11488
Santurce, PR 00910
(809) 725-2062, 725-5140, ext. 229

1 Solid wastes
2 Hazardous wastes
3 Solid & Hazardous wastes

Headquarters Office
Iron Works Pike
Lexington, Kentucky 40578
(606) 252-2291

Eastern Office
1500 Broadway, 18th Floor
New York, New York 10036
(212) 221-3630

Midwestern Office
203 North Wabash Avenue
Chicago, Illinois 60601
(312) 236-4011

Southern Office
3384 Peachtree Road, NE
Atlanta, Georgia 30326
(404) 266-1271

Western Office
165 Post Street, 5th Floor
San Francisco, California 94108
(415) 986-3760

Washington Office
Hall of the States, 444 North Capitol Streey
Washington, D.C. 20001
(202) 624-5450

The Council of State Governments

P.O. Box 11910
Iron Works Pike
Lexington, Kentucky 40578

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H.B. 1246 as Reported by HEWI Committee, February 17, 1982 COLORADO

Concerning Low-Level Radioactive Waste
and Making Appropriation in Relation
Thereto

SUMMARY OF KEY PROVISIONS

Rocky Mountain Low-Level Radioactive Waste Compact

I Findings & Purpose

1. States are responsible for providing for the management of non-federal low-level radioactive waste.

2. Low-level radioactive waste can be most safely and efficiently managed on a regional basis.

II Definitions

1. Host state means a state in which is located a regional facility for the disposal or incineration of low-level radioactive waste.

2. Low-level waste excludes federal waste, high-level waste, material contaminated with transuranic elements emitting more than 10 nanocuries per gram and mining and milling waste.

III Responsibilities of Party & Host States

1. At least one regional facility other than Beatty, NV must be open and operating in a party state other than Nevada within 6 years after Nevada and at least one other state have adopted the compact.

2. Each party state that generates at least 20% of the region's waste has an obligation to host a regional facility.

3. The decisions on how and where to site a facility are left to the laws and policies of the host state.

4. All member states must enforce transportation and packaging regulations.

IV Board Approval of Regional Facilities

The board must approve or disapprove all regional facilities, based only on considerations of their economic feasibility and capacity requirements.

V Surcharges

1. The board will impose a surcharge on waste disposed at regional facilities to provide funding for administration of the compact.

2. A host state may impose a surcharge on waste disposed at a regional facility in order to offset regulatory costs, local government impacts, to provide for closure and long-term care and to provide a positive financial incentive for state and local governments.

3. The board is authorized to ensure that all surcharges are reasonable.

VI The Board

1. The Board is composed of one representative from each party state.

2. Each party state must pay $70,000 to fund the initial two year operating costs of the compact.

3. The Board is authorized to assure that charges by regional facilities are reasonable.

VII Prohibited Acts

1. Low-level radioactive waste may not be shipped out of the region without approval of the Board and host state.

2. No low-level radioactive waste may be shipped into the region unless approved by the Board and host state.

3. No defense or federal low-level radioactive waste or any other type of waste may be managed at a regional facility unless authorized by the Board and host state.

VIII Eligibility, Entry Into Effect, Congressional Consent, Withdrawal, Exclusion

1. The States of Arizona, Colorado, Nevada, New Mexico, Utah and Wyoming are eligible to join.

2. Other states may join with the unanimous consent of the Board.

3. The compact must be congressionally ratified.

4. If a state fails to fulfill its obligations under the compact, it may be excluded by a two-thirds vote of the remaining states on the Board.

5. A state may withdraw from the compact two years after legislative repeal of the compact.

6. If a host state chooses to withdraw from the compact, its facility will continue to be available to the remaining member states for five years so that another facility can be developed.

103 Definitions

Low-level waste excludes federal waste, high-level waste, material contaminated with transuranic elements emitting more than 10 nanocuries per gram and mining and milling waste.

104 Administration - Application of Other Laws

1. All low-level radioactive waste facilities must receive a certificate of designation from the county in which it is located, pursuant to the Solid Waste Act 30-20-101 et seq., CRS, 1973. In addition, all facilities must be licensed by the Department of Health under the Radiation Control Act 25-11-101 et seq., CRS, 1973.

2. Clarifies that low-level waste is not covered by Part 2 of the Radiation Control Act (25-11-201) which governs the disposal of high-level radioactive waste.

3. Authorizes the Department of Health to administer the act.

105 Site Recommendation by Counties

1. Provides counties with opportunity to recommend facility sites.

2. In making a recommendation, the county must consider comments from the Department of Health, Rocky Mountain LLW Board and Colorado LLW Advisory Committee.

3. A proposed facility must first obtain a certificate of designation (under the Solid Waste Act) from the Board of County Commissioners of the county in which it is to be located.

4. If a county fails to recommend a facility site by July 1, 1983, the Department of Health may prepare a state-wide site assessment.

106 State-Wide Assessment of Facility Sites

1. Authorizes the Health Department to acquire property by gift, transfer or purchase for a regional low-level radioactive waste facility and by eminent domain if authorized by the General Assembly.

2. Requires the Department of Health to conduct, with opportunity for public input, a state-wide assessment and evaluation of potential areas for location of a regional low-level radioactive waste facility.

3. Prohibits Department of Health approval of any proposed regional low-level radioactive waste facility not located in state or county identified areas, unless applicant demonstrates that proposed site is at least as technically suitable.

4. In the event no regional facility is proposed or approved by January 1, 1985, the Department of Health is required to prepare an alternative plan for facility development, to be submitted to the legislature for review and approval.

107 State Surcharge

1. Authorizes local governments to negotiate an annual fee to be paid by the regional facility operator, that does not exceed 2% of its annual gross revenues.

2. Requires the regional facility operator to pay to the state a surcharge of 1% of its annual gross revenues.

108 Governor to Appoint Member to Compact Board

Authorizes the Governor to appoint, with the consent of the Senate, the Colorado member of the Rocky Mountain LLW Board.

109 Colorado Low-Level Radioactive Waste Advisory Committee

1. Establishes a Colorado Low-Level Radioactive Waste Advisory Committee comprised of:

   a) Executive Director of the Department of Health;
   b) Director of Colorado Geological Survey;
   c) Three members appointed by President of Senate;
   d) Three members appointed by Speaker of House; and
   e) Four members appointed by Governor.

2. Authorizes the committe to advise the Department of Health and Colorado member of the Rocky Mountain compact on low-level radioactive waste matters.

110 Coordination with Other Programs and Agencies

Requires the Department of Health to coordinate the low-level radioactive waste program with its other programs and those of other local, state or federal agencies.

111 Regulation of Charges

1. Authorizes the Board of Health to regulate regional low-level radioactive waste facility charges to assure they are just and reasonable.

2. Requires the regional low-level radioactive waste facility operator to file its proposed rate change at least 60 days prior to its effective date.

3. Requires opportunity for public inspection and hearings for proposed rate changes.

Sec.3 Appropriation

1. Provides for the appropriation of funds to the Department of Health to implement this compact.

2. Provides for the appropriation of $70,000 to fund Colorado's share of the initial two year operating expenses of the regional board.

INTERIM BUDGET MATERIALS

LEGISLATIVE AFFAIRS AGENCY - LEGISLATIVE LEADERSHIP & COUNCIL UPDATE - 09/30/81 SENATE

Account	Committee Name	Chairman	Budget	Expenditures	Adjustments & Encumbrances	Balance
012	Legislative Council	Malone	$ 51,800	$ 5,688	$ -0-	$ 46,112
013	Senate President	Kerttula	125,000	31,836	6,795	86,369
015	Senate Majority	Rodey	125,000	23,259	3,425	98,316
017	Senate Minority	Kelly	125,000	31,112	5,888	88,000
020	Senate C&RA	Gilman	55,302	13,829	3,079	38,394
021	Senate HESS	Parr	58,763	21,998	3,689	33,076
022	Senate Judiciary	Rodey	35,000	12,162	1,930	20,908
023	Senate Labor & Commerce	Mulcahy	43,450	11,291	2,772	29,387
024	Senate Resources	Fahrenkamp	100,000	26,817	5,205	67,978
025	Senate Rules	Kelly	10,000	2,333	-0-	7,667
026	Senate State Affairs	Fischer	109,059	37,575	14,309	57,175
027	Senate Transportation	Ray	100,000	13,380	1,801	84,819
028	Senate Veterans	Bradley	75,593	21,937	3,424	50,232
029	Senate Travel	Kerttula	40,000	3,775	-0-	36,225
030	Senate Coordinator	Kerttula	25,000	5,269	1,694	18,037
031	Senate Contracts	Senate Leadership	200,000	-0-	-0-	200,000

Senator Fischer

L E G I S L A T I V E A F F A I R S A G E N C Y

CURRENT STATUS

W O R K I N G B U D G E T - F. Y. 1 9 8 2

SEPTEMBER 30, 1981

RICHARD G. BERG, DIRECTOR
ADMINISTRATIVE SERVICES

W O R K I N G B U D G E T - F. Y. 1 9 8 2

Legislative Affairs Agency

Summary

Component	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%	Page
01 Legislators' Salaries and Allowances	1,953,400	303,382	45,481	1,604,537	82	3
02 Legislative Leadership	5,125,200	620,265	120,159	4,384,776	86	4
03 Executive Administration	280,400	80,839	12,787	186,774	67	5
04 Public Services	2,139,563	311,925	49,986	1,777,652	83	6
05 Administrative Services	3,565,500	492,794	56,558	3,016,148	85	7
06 Legal Services	1,274,000	196,244	31,541	1,046,215	80	8
07 Session	4,768,600	240,070	1,532	4,526,998	95	9
08 Council/Subcommittees	658,356	104,529	38,426	515,401	78	10
09 Office Space	2,021,560	236,796	19,391	1,765,313	87	11
10 Equipment	579,590	17,302	6,728	555,560	96	12
11 House Research	566,100	98,557	23,245	444,298	78	13
12 Senate Research	566,100	1,648		564,452	99	14
Sub-Total	23,498,309	2,704,351	405,634	20,388,124	87	
13 Capital Improvements	1,236,777	22,756	140,820	1,073,201	87	15
GRAND TOTAL	24,735,086	2,727,107	546,654	21,461,325	87	

W O R K I N G B U D G E T - F. Y. 1 9 8 2

31-92-1-002

Legislative Affairs Agency
Legislators' Salaries & Allowances

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	1,428,400	291,292	57,571	1,079,537	
TRAVEL & PER DIEM	285,000	12,090	(12,090)	285,000	
CONTRACTUAL	240,000			240,000	
COMMODITIES					
TOTAL Component 01	1,953,400	303,382	45,481	1,604,537	82

NOTES: Authorizing Agent: M. R. Charney Phone: 465-3800

Authorized Positions: 60 Positions Presently Filled: 60

Budget Adjustments History: Ch 82, SLA 81 - JV 820052 - July - $1,953,400

TOTAL $ 1,953,400

Lapsing date: 06/30/82

Other Information: Legislators' Salaries & Allowances consists of regular monthly salaries for legislators (Range 10A); per diem, travel, and moving allowances to and from regular sessions; and, $4000 allowance per legislator per session.

W O R K I N G B U D G E T - F. Y. 1 9 8 2 — 31-92-1-010

Legislative Affairs Agency
Legislative Leadership

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
SENATE	2,562,600	382,058	77,898	2,102,644	
HOUSE	2,562,600	238,207	42,261	2,282,132	
TOTAL Component 02	5,125,200	620,265	120,159	4,384,776	86

NOTES: Authorizing Agent: Senate President - Kerttula 465-3771 / House Speaker - Hayes Phone: 272-3471

Authorized Positions: 58 Positions Presently Filled: 58

Budget Adjustments History: Ch 82, SLA 81 - JV - 820052 - July - 5,125,200

TOTAL $ 5,125,200

Lapsing date: 06/30/82

Other Information: Legislation states the House and Senate leadership shall evenly divide the allocation for this budget component and determine distribution within their respective houses. See detailed breakout at end of report.

W O R K I N G B U D G E T - F. Y. 1 9 8 2

31-92-1-090

Legislative Affairs Agency
Executive Administration

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	223,100	72,985	12,787	137,328	
TRAVEL & PER DIEM	13,500	1,747		11,753	
CONTRACTUAL	41,800	5,564		36,236	
COMMODITIES	2,000	543		1,457	
TOTAL Component 03	280,400	80,839	12,787	186,774	67

NOTES: Authorizing Agent: M. R. Charney Phone: 465-3800

Authorized Positions: 7 Positions Presently Filled: 7

Budget Adjustments History: Ch 82, SLA 81 - JV 82005? - July $280,400

TOTAL $ 280,400

	Expenditures
Executive Director	$ 48,246
Media Center	3,591
Wash D.C.	29,002
TOTAL	$ 80,839

Lapsing date: 06/30/82

Other Information: Executive Administration includes Office of Executive Director, Media Center closeout, and Wash. D.C. Office 3-month phaseout.

W O R K I N G B U D G E T - F. Y. 1 9 8 2

31-92-1-100

Legislative Affairs Agency
Public Services

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	1,430,013	229,090	45,426	1,155,497	
TRAVEL & PER DIEM	67,150	6,682		60,468	
CONTRACTUAL	603,800	72,330	4,560	526,910	
COMMODITIES	38,600	3,823		34,777	
TOTAL Component 04	2,139,563	311,925	49,980	1,777,652	83

NOTES: Authorizing Agent: Charity Kadow Phone: 274-8518

Authorized Positions: 52 Positions Presently Filled: 45

Budget Adjustments History: Ch 82, SLA 81 - JV 820052 - July - $2,121,100

RSA - Revenue - Permanent Fund - 18,463

TOTAL $ 2,139,563

Lapsing date: 06/30/82

Other Information: Public Services includes funding for Director's Office, Information Network, and Teleconference Network.

W O R K I N G B U D G E T - F. Y. 1 9 8 2

31-92-1-161

Legislative Affairs Agency
Administrative Services

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	1,493,000	308,340	57,310	1,127,350	
TRAVEL & PER DIEM	63,500	10,405		53,095	
CONTRACTUAL	1,788,500	33,031		1,755,469	
COMMODITIES	90,000	9,766		80,234	
EQUIPMENT	130,500	131,252	(752)	-0-	
TOTAL Component 05	3,565,500	492,794	56,558	3,016,148	85

NOTES:

Authorizing Agent: Richard Berg Phone: 465-3850

Authorized Positions: 60 Positions Presently Filled: 46

Budget Adjustments History: Ch 82, SLA 81 - JV 820052 - July - $3,565,500

TOTAL $ 3,565,500

Expenditures	
Admin Services	$128,990
Print Shop	75,094
Tour Guides	11,082
Data Information	277,628
Chief Clerks' Conf	-0-
Cograde Lounge	-0-
Capitol Re-Roof	-0-
TOTAL	$492,794

Lapsing date: 06/30/82

Other Information: Administrative Services includes Accounting, Personnel, Supply, Print Shop, Tour Guides, and Data Processing Services.

W O R K I N G B U D G E T - F. Y. 1 9 8 2

31-92-1-250

Legislative Affairs Agency
Legal Services

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	1,114,000	180,215	31,541	902,244	
TRAVEL & PER DIEM	32,000	10,830		21,170	
CONTRACTUAL	93,000	2,473		90,527	
COMMODITIES	8,000	741		7,259	
LIBRARY BOOKS	27,000	1,985		25,015	
TOTAL Component 06	1,274,000	196,244	31,541	1,046,215	80

NOTES· Authorizing Agent: Billy Berrier Phone: 465-3867

Authorized Positions: 39 Positions Presently Filled: 17

Budget Adjustments History: Ch 82, SLA 81 - JV 820052 - July - $1,274,000

TOTAL $ 1,274,000

Lapsing date: 06/30/82

Other Information: Includes funding for legislative attorneys and legal library.

W O R K I N G B U D G E T - F. Y. 1 9 8 2
Legislative Affairs Agency
Session

31-92-1-300

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	2,207,300	34,339		2,172,961	
TRAVEL & PER DIEM	619,000	34,611		584,389	
CONTRACTUAL	1,716,900	168,931		1,547,969	
COMMODITIES	225,400	2,189	1,532	221,679	
TOTAL Component 07	4,768,600	240,070	1,532	4,526,998	95

NOTES: Authorizing Agent: M. R. Charney Phone: 465-3800

Authorized Positions: 190 Positions Presently Filled: 0

Budget Adjustments History: Ch 82, SLA 81 - JV 820052 - July - $4,768,600

TOTAL $ 4,768,600

Lapsing date: 06/30/82

Other Information: Includes funding for 120-day session.

W O R K I N G B U D G E T - F. Y. 1 9 8 2

31-92-1-600

Legislative Affairs Agency
Council & Subcommittees

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES		42,615	7,729		
TRAVEL & PER DIEM		15,397			
CONTRACTUAL		46,374	30,697		
COMMODITIES		9			
EQUIPMENT		134			
UNALLOCATED	658,356				
TOTAL Component 08	658,356	104,529	38,426	515,401	78

NOTES: Authorizing Agent: Legislative Council Phone: 465-4843

Authorized Positions: 5 Positions Presently Filled: 5

Budget Appropriations History: Ch 82, SLA 81 - JV 820052 - July - $400,000
Ch 82, SLA 81 - JV 3182001 - July - 99,100
Ch 82, SLA 81 - JV - Sept - 159,256

TOTAL $ 658,356

Lapsing date: 06/30/82 - See detail

Other Information: See detailed breakout at end of report.

W O R K I N G B U D G E T - F. Y. 1 9 8 2

31-92-1-700

Legislative Affairs Agency
Office Space

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	507,700	85,704	14,842	407,154	
TRAVEL & PER DIEM	5,000			5,000	
CONTRACTUAL	1,413,800	147,282	4,000	1,262,518	
COMMODITIES	85,000	3,710	549	80,741	
EQUIPMENT	10,000	10		9,900	
TOTAL Compon[illegible]9	2,021,500	236,796	19,391	1,[illegible]5,313	87

NOTES: Authorizing Agent: Richard Berg Phone: 465-3850

Authorized Positions: 15 Positions Presently Filled: 12

Budget Adjustments History: Ch 82 SLA 81 - JV 820052 - July - $2,000,500

Salary Increase LTC workers 21,000

TOTAL $ 2,021,500

	Expenditures
Capitol Building	$126,368
Behrends Building	15,452
KTOO	5,900
Public Services	89,076
TOTAL	$236,796

Lapsing date: 06/30/82

Other Information: Includes funding for Capitol Building operations, Behrends Building operations, KTOO Building rental, and Public Services rental.

W O R K I N G B U D G E T - F. Y. 1 9 8 2

31-92-1-750

Legislative Affairs Agency
Equipment

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
EQUIPMENT	579,590	17,302	6,728	555,560	
TOTAL Component 10	579,590	17,302	6,728	555,560	96

NOTES: Authorizing Agent: Richard Berg Phone: 465-3850

Budget Adjustments History: Ch 82, SLA 81 - JV 820052 - July - $ 542,400

Carry forward 37,190

TOTAL $ 579,590

Lapsing date: 06/30/82

Other Information: Includes funding for regular agency equipment.

W O R K I N G B U D G E T - F. Y. 1 9 8 2

31-92-1-800

Legislative Affairs Agency
House Research

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	495,500	83,172	18,245	394,083	
TRAVEL & PER DIEM	27,600	5,980		21,620	
CONTRACTUAL	40,800	8,964	5,000	26,836	
COMMODITIES	2,200	441		1,759	
TOTAL Component 11	566,100	98,557	23,245	444,298	78

NOTES: Authorizing Agent: Duncan Read Phone: 465-3991

Authorized Positions: 13 Positions Presently Filled: 9

Budget Adjustments History: Ch 82, SLA 81 - JV 820052 - July - $ 566,100

TOTAL $ 566,100

Lapsing date: 06/30/82

Other Information: House Governing Committee reviews activities of this component.

W O R K I N G B U D G E T - F. Y. 1 9 8 2

31-92-1-850

Legislative Affairs Agency
Senate Research

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES		501			
TRAVEL & PER DIEM		1,280			
CONTRACTUAL		(133)			
COMMODITIES					
UNALLOCATED	566,100				
TOTAL Component 12	566,100	1,648		564,452	99

NOTES: Authorizing Agent: Kerttula Phone: 465-3771

Authorized Positions: 0 Positions Presently Filled: 0

Budget Adjustments History: Ch 82, SLA 81 - JV 820052 - July - $ 566,100

TOTAL $ 566,100

Lapsing date: 06/30/82

Other Information: _____

W O R K I N G B U D G E T - F. Y. 1 9 8 2
Legislative Affairs Agency
Capital Improvements

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
CAPITOL RENOVATIONS	144,487	5,202	4,485	134,800	
CAPITOL BUILDING FIRE PREVENTION	15,000			15,000	
CAPITOL BUILDING FIRE ESCAPE	38,689		18,689	20,000	
CAPITOL BUILDING UPGRADE ELEVATOR	100,000			100,000	
CAPITOL BUILDING EMERGENCY GENERATOR	98,000	6,574	91,426	-0-	
CAPITOL BUILDING EXTERIOR CLEANING	89,706			89,706	
CAPITOL BUILDING RENOVATE HEATING	450,895			450,895	
CAPITOL BUILDING	300,000	10,980	26,220	262,800	
TOTAL Component 13	1,236,777	22,756	140,820	1,073,201	87

NOTES: Authorizing Agent: M. R. Charney Phone: 465-3800

Authorized Positions: 0 Positions Presently Filled: 0

Budget Adjustments History:

Chapter 50, SLA 1980 -	$ 159,487
RSA Capitol Bldg - JV 318122	98,000
RSA Capitol Bldg - JV 318121	89,706
RSA Capitol Bldg - JV 318123	38,689
RSA Capitol Bldg - JV 318124	100,000
RSA Capitol Bldg - JV 3181	450,895
Ch 82, SLA 81 - JV 820052	300,000
TOTAL	$1,236,777

Lapsing date: Continuing

Other Information: _____

Account: Legislative Council (012) Funding Source/Amount: Ch 82 SLA 1981 $51,800 Lapsing date: 06/30/82
Account Chair: Malone
Account Authorization: Kerttula

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES		4,777			
TRAVEL & PER DIEM					
CONTRACTUAL		911			
COMMODITIES					
UNALLOCATED	51,800				
TOTAL	51,800	5,688	-0-	46,112	89

* *

Account: Senate President (013) Funding Source/Amount: Ch 82, SLA 1981 $125,000 Lapsing date: 06/30/82

Account Chair: Kerttula

Account Authorization: Kerttula

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES		27,941	6,461		
TRAVEL & PER DIEM					
CONTRACTUAL		2,737			
COMMODITIES		1,158	334		
UNALLOCATED	125,000				
TOTAL	125,000	31,836	6,795	86,369	69

LEGISLATIVE LEADERSHIP BREAKOUT SENATE

Account: Senate Majority (015) Funding Source/Amount: Ch 82, SLA 1981 $ 125,000 Lapsing date: 06/30/82
Account Chair: Rodey
Account Authorization: Kerttula

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	42,000	17,197	3,425	21,378	
TRAVEL & PER DIEM	5,000	2,588		2,412	
CONTRACTUAL	3,600	2,952		648	
COMMODITIES	400	522		(122)	
UNALLOCATED	74,000			74,000	
TOTAL	125,000	23,259	3,425	98,316	79

* * * *

Account: Senate C&RA (020) Funding Source/Amount: Ch 82, SLA 1981 $ 55,302 Lapsing date: 06/30/82
Account Chair: Gilman
Account Authorization Kerttula

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	39,052	11,596	3,079	24,377	
TRAVEL & PER DIEM	14,000	2,121		11,879	
CONTRACTUAL	2,000	112		1,888	
COMMODITIES	250			250	
UNALLOCATED					
TOTAL	55,302	13,829	3,079	38,394	69

* * * *

Account: Senate Judiciary (022) Funding Source/Amount: Ch 82, SLA 1981 $ 35,000 Lapsing date: 06/30/82
Account Chair: Rodey
Account Authorization: Kerttula

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	25,000	8,681	1,930	14,389	
TRAVEL & PER DIEM	1,800	441		1,359	
CONTRACTUAL	8,100	2,879		5,221	
COMMODITIES	100	161		(61)	
TOTAL	35,000	12,162	1,930	20,908	60

* * * *

LEGISLATIVE LEADERSHIP BREAKOUT

SENATE

Account: Senate Resources (024)
Account Chair: Fahrenkamp
Account Authorization: Kerttula

Funding Source/Amount: Ch 82, SLA 1981 $ 100,000

Lapsing date: 06/30/82

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	52,382	22,042	4,772	25,568	
TRAVEL & PER DIEM	24,000	1,828		22,172	
CONTRACTUAL	10,595	2,830		7,765	
COMMODITIES	13,023	117	433	12,473	
TOTAL	100,000	26,817	5,205	67,978	68

* * * *

Account: Senate State Affairs (026) Funding Source/Amount: Ch 82, SLA 1981 $109,059 Lapsing date: 06/30/82
Account Chair: Fischer
Account Authorization: Kerttula

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	43,559	17,131	4,809	21,619	
TRAVEL & PER DIEM	48,000	7,703		40,297	
CONTRACTUAL	10,000	12,415	9,500	(11,915)	
COMMODITIES	7,500	326		7,174	
UNALLOCATED					
TOTAL	109,059	37,575	14,309	57,175	52

* * * *

Account: Senate Veterans (028) Funding Source/Amount: Ch 82, SLA 1981 $ 75,593 Lapsing date: 06/30/82
Account Chair: Bradley
Account Authorization: Kerttula

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	35,190	14,938	3,424	16,828	
TRAVEL & PER DIEM	16,443	2,473		13,970	
CONTRACTUAL	20,960	3,878		17,082	
COMMODITIES	3,000	648		2,352	
TOTAL	75,593	21,937	3,424	50,232	66

* * * *

Account: Senate Coordinator (030) Funding Source/Amount: Ch 82, SLA 1981 $ 10,000 Lapsing date: 06/30/82
Account Chair: Kerttula
Account Authorization: Kerttula

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	25,000	5,135	1,694	18,171	
TRAVEL & PER DIEM					
CONTRACTUAL		134		(134)	
COMMODITIES					
UNALLOCATED					
TOTAL	25,000	5,269	1,694	18,037	72

* * * *

Account: Subcommittee Labor & Commerce (032) Funding Source/Amount: Ch 82, SLA 1981 $ 50,050 Lapsing date: 06/30/82
Account Chair: Hohman
Account Authorization: Kerttula

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	31,000	1,682		29,318	
TRAVEL & PER DIEM	14,050	547		13,503	
CONTRACTUAL	5,000	643		4,357	
COMMODITIES					
UNALLOCATED					
TOTAL	50,050	2,872		47,178	94

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LEGISLATIVE LEADERSHIP BREAKOUT SENATE

Account: Subcommittee, Banking (034) Funding Source/Amount: Ch 82, SLA 1981 $ 25,000 Lapsing date: 06/30/82
Account Chair: Rodey
Account Authorization: Kerttula

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	25,000	7,839	2,122	15,039	
TRAVEL & PER DIEM					
CONTRACTUAL					
COMMODITIES					
TOTAL	25,000	7,839	2,122	15,039	60

* * * *

Account: Subcommittee, Property Tax (036) Funding Source/Amount: Ch 82, SLA 1981 $ 50,000 Lapsing date: 06/30/82
Account Chair: Kelly
Account Authorization: Kerttula

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	32,000	16,513	3,150	12,337	
TRAVEL & PER DIEM	5,000			5,000	
CONTRACTUAL	10,000	166		9,834	
COMMODITIES	3,000	146		2,854	
TOTAL	50,000	16,825	3,150	30,025	60

* * * *

Account: Senator Fahrenkamp (038) Funding Source/Amount: Ch 82, SLA 1981 $ 37,500 Lapsing date: 06/30/82
Account Chair: Fahrenkamp
Account Authorization: Kerttula

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	13,278	6,206	1,350	5,722	
TRAVEL & PER DIEM	10,500			10,500	
CONTRACTUAL	3,000	500		2,500	
COMMODITIES	10,722			10,722	
TOTAL	37,500	6,706	1,350	29,444	79

* * * *

Account: Senator Sackett (040) Funding Source/Amount: Ch 82, SLA 1981 $ 28,271 Lapsing date: 06/30/82
Account Chair: Sackett
Account Authorization: Kerttula

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	22,771	10,110	2,876	9,785	
TRAVEL & PER DIEM	3,000	1,390		1,610	
CONTRACTUAL	2,500	444		2,056	
COMMODITIES					
TOTAL	28,271	11,944	2,876	13,451	48

* * * *

Account: Senator Sturgulewski (042) Funding Source/Amount: Ch 82, SLA 1981 $ 25,082 Lapsing date: 06/30/82
Account Chair: Sturgulewski
Account Authorization: Kerttula

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	23,407	8,928	1,800	12,679	
TRAVEL & PER DIEM	1,425	358		1,067	
CONTRACTUAL		129		(129)	
COMMODITIES	250	250		-0-	
TOTAL	25,082	9,665	1,800	13,617	54

* * * *

Account: Subcommittee, Labor & Commerce Cottage Industries (044) Funding Source/Amount: Ch 82, SLA 1981 $39,014 Lapsing date: 06/30/82
Account Chair: Colletta
Account Authorization: Kerttula

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	26,870	9,245	1,801	15,824	
TRAVEL & PER DIEM	6,912	411		6,501	
CONTRACTUAL	2,312	98		2,214	
COMMODITIES	2,920	137		2,783	
UNALLOCATED					
TOTAL	39,014	9,891	1,801	27,322	70

* * * *

Account: Senator Kerttula (046) Funding Source/Amount: Ch 82, SLA 1981 $ 37,500 Lapsing date: 06/30/82
Account Chair: Kerttula
Account Authorization: Kerttula

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	15,500			15,500	
TRAVEL & PER DIEM	5,000			5,000	
CONTRACTUAL					
COMMODITIES					
UNALLOCATED	17,000			17,000	
TOTAL	37,500	-0-	-0-	37,500	100

* * * *

Account: House Speaker (014) Funding Source/Amount: Ch 82, SLA 1981 $ 1,499,731 Lapsing date: 06/30/82
Account Chair: Hayes
Account Authorization: Hayes

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES					
TRAVEL & PER DIEM					
CONTRACTUAL					
COMMODITIES					
UNALLOCATED	1,499,731				
TOTAL	1,499,731		-0-	1,499,731	100

* * * *

Account: Majority Coalition (019) Funding Source/Amount: Ch 82, SLA 1981 $ 150,000 Lapsing date: 06/30/82
Account Chair: Hayes
Account Authorization: Hayes

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES		58,503	10,898		
TRAVEL & PER DIEM		4,475			
CONTRACTUAL		12,508			
COMMODITIES					
UNALLOCATED	150,000	2,991			
TOTAL	150,000	78,477	10,898	60,625	40

* * * *

Account: House HESS (051) Funding Source/Amount: Ch 82, SLA 1981 $ 74,000 Lapsing date: 06/30/82
Account Chair: Beirne
Account Authorization:

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	27,918	11,054	2,362	14,502	
TRAVEL & PER DIEM	11,719			11,719	
CONTRACTUAL	8,552	405		8,147	
COMMODITIES/EQUIPMENT	4,500	1,102		3,398	
UNALLOCATED	21,311			21,311	
TOTAL	74,000	12,561	2,362	59,077	80

* * * *

Account: House Labor & Commerce (053) Funding Source/Amount: Ch 82, SLA 1981 $ 74,000 Lapsing date: 06/30/82
Account Chair: Martin
Account Authorization: Hayes

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	23,571	7,580	1,915	14,076	
TRAVEL & PER DIEM	7,982	1,456		6,526	
CONTRACTUAL	4,108	86		4,022	
COMMODITIES	600	78		522	
UNALLOCATED	37,739			37,739	
TOTAL	74,000	9,200	1,915	62,885	85

* * * *

LEGISLATIVE LEADERSHIP BREAKOUT HOUSE

Account: House Rules (055) Funding Source/Amount: Ch 82, SLA 1981 $ 74,000 Lapsing date: 06/30/82
Account Chair: Fuller
Account Authorization: Hayes

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	17,460	4,967	702	11,791	
TRAVEL & PER DIEM	3,000	333		2,667	
CONTRACTUAL	1,800	317		1,483	
COMMODITIES	1,300			1,300	
UNALLOCATED	50,440			50,440	
TOTAL	74,000	5,617	702	67,681	91

* * * *

Account: House Transportation (057) Funding Source/Amount: Ch 82, SLA 1981 $ 137,000 Lapsing date: 06/30/82
Account Chair: Cato
Account Authorization: Hayes

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	83,150	17,360	3,425	62,365	
TRAVEL & PER DIEM	37,1 0	4,587		32,513	
CONTRACTUAL	14,7 0	2,403		12,347	
COMMODITIES	2,000	1,224		776	
TOTAL	137,000	25,574	3,425	108,001	79

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LEGISLATIVE LEADERSHIP BREAKOUT HOUSE

Account: House Regulation Review (059) Funding Source/Amount: Ch 82, SLA 1981 $ 115,049 Lapsing date: 06/30/82
Account Chair: Randolph
Account Authorization: Hayes

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	88,709	15,920	3,787	69,002	
TRAVEL & PER DIEM	24,800	2,383		22,417	
CONTRACTUAL	1,540	1,131		409	
COMMODITIES		659		(659)	
TOTAL	115,049	20,093	3,787	91,169	79
* * *

COUNCIL SUBCOMMITTEES BREAKOUT

Committee: Legislative Council (601) Funding Source/Amount: Ch 82, SLA 1981 $ 181,000 Lapsing date: 06/30/82
Committee Chair: Malone
Committee Vice-Chair: Ray
Committee Authorization: Council 7/22/81

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES					
TRAVEL & PER DIEM		10,054			
CONTRACTUAL		752			
COMMODITIES					
UNALLOCATED	181,000				
TOTAL	181,000	10,806	-0-	170,194	94

* * * *

COUNCIL SUBCOMMITTEES BREAKOUT

Committee: Blue Ribbon Commission (682) Funding Source/Amount: Ch 82, SLA 1981 $ 99,100 Lapsing date: 06/30/82
Committee Chair: Ray
Committee Authorization: Carry forward

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES		15,200	2,805		
TRAVEL & PER DIEM		100			
CONTRACTUAL		38			
COMMODITIES					
UNALLOCATED	99,100				
TOTAL	99,100	15,338	2,805	80,957	82

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LEGISLATIVE LEADERSHIP BREAKOUT

SENATE

Account: Senate State Affairs (026)
Account Chair: Fischer
Account Authorization: Kerttula

Funding Source/Amount: Ch 82, SLA 1981 $109,059

Lapsing date: 06/30/82

DEC 31 1981

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	43,559	47,070	4,990	(8,501)	
TRAVEL & PER DIEM	48,000	15,363		32,637	
CONTRACTUAL	10,000	19,974	4,788	(14,762)	
COMMODITIES	7,500	1,613		5,887	
UNALLOCATED					
TOTAL	109,059	84,020	9,778	15,261	14

* * * \

026-SENATE STATE AFFAIRS-FISCHER

	0% 25 50 75 100%		AMOUNT/ % LEFT
100	----------	43,559	21,619
PERSONAL SRVC	----------	21,940	49%
200	----------	48,000	,297
TRAVEL	------	7,703	83%
300	----------	10,000	-11,915
CONTRACTUAL	----------	21,915	000%
400	----------	5,000	4,674
COMMODITIES	--	326	93%
500	----------	2,500	2,500
EQUIPMENT		0	100%
999	----------	109,059	57,175
TOTALS	----------	51,884	052%

(BLUE=EXPENDITURES AND ENCUMBRANCES) (RED=AUTHORIZED BUDGET) THROUGH 0981

AUG

LEGISLATIVE LEADERSHIP BREAKOUT

SENATE

Account: Senate State Affairs (026)
Account Chair: Fischer
Account Authorization: Kerttula

Funding Source/Amount: Ch 82, SLA 1981 $109,059

Lapsing date: 06/30/82

AUG 3 1 1981

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	43,559	7,512	3,006	33,041	
TRAVEL & PER DIEM	48,000	286		47,714	
CONTRACTUAL	10,000	1,854	3,150	4,996	
COMMODITIES	7,500			7,500	
UNALLOCATED					
TOTAL	109,059	9,652	6,156	93,251	85

* * * \

Expenditures Made + not yet charged to account	Adjusted Balance Available	Additional Projected Expenses Through 1-10-82	Remaining Balance After all Expenses	Suggested Request	Comment
0	21,619	33,379	−11,760	11,760	$11,760 comprised of additional 27% of wages for ret. + benefits
0	40,297	15,000	25,297	—	Per diem + some travel
3,000	−14,915	7,000	−21,915	22,000 + 2K	Travel + honorarium for a couple of workshop participants not yet debited Phone, teleconf, Moving expenses ~1,500 — NEED + 2K
2,000	5,174	3,000	2,174	—	

Total Need for $33,760 in Personal Services + Contractual categories might be almost .... met by possible surplus in Travel + Commodities categories of $30,297 and $2,174 respectively

SEPT

LEGISLATIVE LEADERSHIP BREAKOUT

Account: Senate State Affairs (026)
Account Chair: Fischer
Account Authorization: Kerttula

Funding Source/Amount: Ch 82, SLA 1981 $109,059

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Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available
PERSONAL SERVICES	43,559	17,131	4,809	21,619
TRAVEL & PER DIEM	48,000	7,703		40,297
CONTRACTUAL (1),500 -Jamie, Joe, Bill) air freight rent,	10,000	12,415	9,500	(11,915)
COMMODITIES	7,500	326		7,174
UNALLOCATED				
TOTAL	109,059	37,575	14,309	57,175

FUND 100 ACCOUNT 7200 BUDGET COMPONENT 09.92.01.02.00 LEGISLATIVE COUNCIL LEADERSHIP

000	UNALLOCATED FUNDS	109,059.00				
	TOTAL UNALLOCATED FUNDS	109,059.00				109,059.00
100	PERSONAL SERVICES					
111	REGULAR COMPENSATION		40,062.94	40,062.94		
181	AK SUPPLMNTL BENEFIT		2,455.88	2,455.88		
182	PUBLIC EMPLOYEE RET		5,083.97	5,083.97		
184	UNEMPLOYMENT INS.		440.75	440.75		
185	GROUP HEALTH INS.		2,534.43	2,534.43		
186	WORK COMP INSURANCE		224.40	224.40		
189	TERMINAL LEAVE CHRGE		320.51	320.51		
199	PERSONAL SVC TRANSFR		1,309.73	1,309.73		
	TOTAL PERSONAL SERVICES		52,432.61	52,432.61		52,432.61-
200	TRAVEL AND MOVING					
247	OUT SESSION TRANSPRT		1,519.00	1,519.00		
248	OUT SESSION PER DIEM		2,406.00	2,406.00		
291	TRANSPORTATION		5,663.70	5,663.70		
293	OTHER COSTS		6,000.00	6,000.00		
	TOTAL TRAVEL AND MOVING		15,588.70	15,588.70		15,588.70-
300	CONTRACTUAL SERVICES					
311	LONG DISTANCE TELE		2,856.58	2,856.58		
312	LOCAL SERVICE TELE		1,046.77	1,046.77		
314	POSTAGE & MAILING		196.16	196.16		
316	MESSENGER SERVICE		24.00	24.00		
326	SUBSCRIPTN/INFO SVC		38.25	38.25		
331	RENTS & LEASES		3,150.00	3,150.00		
345	OFFICE FURN & EQUIP		210.61	210.61		
363	OFFICE EQUIPMENT		127.00	127.00		
367	OFFICE COPIER EQUIP		51.39	51.39		
389	PROFESSIONAL SVC NCE		13,702.00	13,702.00	3,334.00	
394	CONFERENCE REGISTRAT		73.81	73.81		
397	FREIGHT EXPRESS/CART		863.05	863.05		
	TOTAL CONTRACTUAL SERVICES		22,339.62	22,339.62	3,334.00	25,673.62-
400	SUPPLIES & MATERIALS					
421	FOOD SUPPLIES		235.00	235.00		
481	STATIONERY & SUPPLYS		102.64	102.64		
482	EDUCATIONAL/TRAINING		9.95	9.95		
489	OFC/LIBRARY SUPS NCE		1,275.42	1,275.42		
	TOTAL SUPPLIES & MATERIALS		1,623.01	1,623.01		1,623.01-
FGRP	TOTAL SENATE STATE AFFAIRS	109,059.00	91,983.94	91,983.94	3,334.00	13,741.06

LEGISLATIVE LEADERSHIP BREAKOUT

SENATE

Account: Senate State Affairs (026)
Account Chair: Fischer
Account Authorization: Kerttula

Funding Source/Amount: Ch 82, SLA 1981 $109,059

Lapsing date: 06/30/82

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Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	43,559	52,432		(8,873)	
TRAVEL & PER DIEM	48,000	15,589		32,411	
CONTRACTUAL	10,000	22,339	3,334	(15,673)	
COMMODITIES	7,500	1,623		5,877	
UNALLOCATED					
TOTAL	109,059	91,983	3,334	13,742	10

PR012382			360	31921026	111		25		4,224.28
PR012382			360	31921026	181		25		258.95
PR012382			360	31921026	182		25		536.06
PR012382			360	31921026	184		25		46.47

DEPARTMENT LEGISLATIVE AFFAIRS — PROGRAM LEGIS & ELECT OPERAT — PAGE 2208

DIVISION OPERATIONS — MONTHLY EXPENDITURE JOURNAL AACM2110-R03 — 01/31/82

DOCUMENT	DESCRIPTION	REFERENCE	TXN	COLLOC	OBJ REC	CT PROJ	WARRANT	DAY	AUTHORIZATION	ENCUMBRANCES	EXPENDITURE
PR012382			360	31921026	185			25			239.58
PR012382			360	31921026	186			25			23.66
PR013182			362	31921026	189			29			33.79
FW323722	122981VIC FISCHER		362	31921026	248			22			225.00
FW323579	122281MUNICIPALITY OF AN		362	31921026	311			13			255.26
FW323581	122181MUNICIPALITY OF AN		362	31921026	311			13			399.81
TR006390	LD REIM		363	31921026	311			11			21.49-
TR006390	LD REIM		363	31921026	311			11			12.42-
V3103101	010182JUNEAU & DOUGLAS		361	31921026	311		878662	14			12.75
FW323579	122281MUNICIPALITY OF AN		362	31921026	312			13			43.15
FW323581	122181MUNICIPALITY OF AN		362	31921026	312			13			117.15
FW323646	122881THE ANCH TIMES		362	31921026	326			20			9.75
FW323697	122981INTERPRETER REFERR		362	31921026	389			22			108.00
V3103088	120431JAMES P LOVE	CC310006	381	31921026	389		878287	13		1,454.00-	1,454.00
FW323749	010482LAURA FLEMIN		362	31921026	399			20			200.00
TR006587	SAL ADV REIMB		363	31921026	399			14			200.00-
FW323690	122981CONF ON ALTERNATIV		362	31921026	482			20			9.95

LEGISLATIVE LEADERSHIP BREAKOUT

SENATE

Account: Senate State Affairs (026) Funding Source/Amount: Ch 82, SLA 1981 $109,059 Lapsing date: 06/30/82
Account Chair: Fischer
Account Authorization: Kerttula

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	43,559	27,111	4,990	11,458	
TRAVEL & PER DIEM	48,000	13,139		34,861	
CONTRACTUAL	10,000	18,040	4,788	(12,828)	
COMMODITIES	7,500	602		6,898	
UNALLOCATED					
TOTAL	109,059	98,892	9,778	40,389	37

OCT 31 1981

IBM

LEGISLATIVE LEADERSHIP BREAKOUT

SENATE

Account: Senate State Affairs Session (076) Funding Source/Amount: Ch 82, SLA 1981 $ 25,000 Lapsing date: 06/30/82
Account Chair: Fischer
Account Authorization: Kerttula (1/12/82)

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES					
TRAVEL & PER DIEM					
CONTRACTUAL					
COMMODITIES					
UNALLOCATED	25,000			25,000	
TOTAL	25,000			25,000	100

JAN 31 1982



PR102481		360	31921026	111		26	7,850.00
PR102481		360	31921026	181		26	481.21
PR102481		360	31921026	182		26	996.16
PR102481		360	31921026	184		26	86.36
PR102481		360	31921026	185		26	458.97
PR102481		360	31921026	186		26	43.97
PR103181		362	31921026	189		30	62.80
FW248980	092981VI FISCHER	362	31921026	247		23	935.00
FW274135	100681VIC FISCHER	362	31921026	248		26	540.00
FW248797	091581CELIA M HUNTER	362	31921026	291		01	141.00
FW248798	091581JOHN E RASMUSSEN	362	31921026	291		01	450.60
FW248802	091581BLENDA WILSON	362	31921026	291		01	1,000.00
FW248804	091581TOM DINELL	362	31921026	291		15	585.40
FW249028	093081WORLD OF TRAVEL LT	362	31921026	291		29	286.00
FW213587	090181BLENDA WILSON	362	31921026	293		01	500.00
FW248797	091581CELIA M HUNTER	362	31921026	293		01	500.00
FW248798	091581JOHN E RASMUSSEN	362	31921026	293		01	500.00
FW248851	091781MUNICI OF ANCHORAG	362	31921026	311		05	565.07
FW248852	091781MUNICI OF ANCH	362	31921026	311		05	156.28
FW248966	092581MUNICIPALITY OF AN	362	31921026	311		12	61.05
TR003809	LD REIM	363	31921026	311		23	63.29-
FW248851	091781MUNICI OF ANCHORAG	362	31921026	312		05	154.32
FW248852	091781MUNICI OF ANCH	362	31921026	312		05	43.15
FW248966	092581MUNICIPALITY OF AN	362	31921026	312		12	102.65
FW248967	092581MUNICIPALITY OF AN	362	31921026	312		12	265.75

DEPARTMENT LEGISLATIVE AFFAIRS PROGRAM LEGIS & ELECT OPERAT PAGE 2397

DIVISION OPERATIONS MONTHLY EXPENDITURE JOURNAL AACM2110-R03 10/31/81

DOCUMENT	DESCRIPTION	REFERENCE	TXN	COLLOC	OBJ REC ACT	PROJ	WARRANT	DAY	AUTHORIZATION	ENCUMBRANCES	EXPENDITURE
FW274106	100781LAURA FLEMING		362	31921026	314			20			26.12
FW274107	100781VIC FISCHER		362	31921026	314			20			82.96
FW249049	093081THE ANCH TIMES		362	31921026	326			13			14.25
V3102708	101581IBM CORPORATION		361	31921026	345		827399	23			210.61
FW274108	100781VIRGINIA BAIN		362	31921026	363			20			127.00
AV006100	MCKINNON	CC310004	250	31921026	389			16		2,880.00-	
AV007155	LOVE	CC310006	250	31921026	389			30		546.00-	
AV007155	MCKINNON	CC310004	250	31921026	389			30		286.00-	
FW248953	092481JOE MCKINNON		362	31921026	389			05			1,000.00
FW248954	092481JOE MCKINNON		362	31921026	389			05			1,000.00
FW248955	092481JOE MCKINNON		362	31921026	389			05			880.00
V3102711	102081WILLIAM T SALAMENT	CC310005	371	31921026	389		827397	23		1,000.00-	1,000.00
FW274106	100781LAURA FLEMING		362	31921026	489			20			14.00
FW274107	100781VIC FISCHER		362	31921026	489			20			10.72
FW274108	100781VIRGINIA BAIN		362	31921026	489			20			150.99
FW274221	101481SEN VIC FISHER		362	31921026	489			26			100.00

LEGISLATIVE LEADERSHIP BREAKOUT

SENATE

Fischer

Account: Senate State Affairs (026)
Account Chair: Fischer
Account Authorization: Kerttula

Funding Source/Amount: Ch 82, SLA 1981 $109,059

Lapsing date: 06/30/82

Item	Budget	Expenditures	Encumbrances & Adjustments	Balance Available	%
PERSONAL SERVICES	43,559	37,090	4,990	1,479	
TRAVEL & PER DIEM	48,000	14,263		33,737	
CONTRACTUAL	10,000	18,881	4,788	(13,669)	
COMMODITIES	7,500	1,511		5,989	
UNALLOCATED					
TOTAL	109,059	71,745	9,778	27,536	25

* * * \

026-SENATE STATE AFFAIRS-FISCHER

	0% 25 50 75 100%		AMOUNT/ % LEFT
100	----------	43,559	21,619
PERSONAL SRVC	----------	21,940	049%
200	----------	48,000	40,297
TRAVEL	------	7,703	083%
300	----------	10,000	-11,915
CONTRACTUAL	----------	21,915	000%
400	----------	5,000	4,674
COMMODITIES	--	326	093%
500	----------	2,500	2,500
EQUIPMENT		0	100%
999	----------	109,059	57,175
TOTALS	----------	51,984	052%

(BLUE=EXPENDITURES AND ENCUMBRANCES) (RED=AUTHORIZED BUDGET) THROUGH 0981

LEGISLATIVE AFFAIRS AGENCY - LEGISLATIVE LEADERSHIP & COUNCIL UPDATE - 09/30/81 SENATE

Account	Committee Name	Chairman	Budget	Expenditures	Adjustments & Encumbrances	Balance
032	Subcom. Labor/Commerce	Hohman	$ 50,050	$ 2,872	-0-	47,178
033	Subcom. Rivers	Sackett	29,470	9,020	2,117	18,333
034	Subcom. Banking	Rodey	25,000	7,639	2,122	15,039
035	Subcom. Railroad	Ray	50,000	-0-	-0-	50,000
036	Subcom. Property Tax	Kelly	50,000	16,825	3,150	30,025
037	Colletta	Colletta	26,892	192	-0-	26,700
038	Fahrenkamp	Fahrenkamp	37,500	6,706	1,350	29,444
039	Ferguson	Ferguson	56,475	18,589	3,895	33,991
040	Sackett	Sackett	28,271	11,944	2,876	13,451
041	Stimson	Stimson	37,000	7,621	1,350	28,029
042	Sturgulewski	Sturgulewski	25,082	9,665	1,800	13,617
043	Ziegler	Ziegler	60,000	18,633	3,426	37,941
044	Cottage Industries	Colletta	39,014	9,891	1,801	27,322
045	Parr	Parr	37,500	-0-	-0-	37,500
046	Kerttula	Kerttula	37,500	-0-	-0-	37,500
047	Senate Finance Spec Projects	Dankworth/Bennett	80,000	-0-	-0-	80,000
011	Unallocated	Kerttula	613,879			613,879
	SENATE TOTALS		$ 2,562,600	$ 382,058	$ 77,898	$ 2,102,644

Account	Committee Name	Chairman	Budget	Expenditures	Adjustments & Encumbrances	Balance
014	House Speaker	Hayes	$ 1,499,731	$ -0-	$ -0-	$ 1,499,731
018	House Minority	Brown	117,820	13,497	2,760	101,563
019	Majority Coalition	Hayes	150,000	78,477	10,898	60,625
050	House C&RA	O'Connell	74,000	15,930	3,425	54,645
051	House HESS	Beirne	74,000	12,561	2,362	59,077
052	House Judiciary	Barnes	74,000	15,185	4,282	54,533
053	House Labor & Commerce	Martin	74,000	9,200	1,915	62,885
054	House Resources	Sutcliffe/Fanning	74,000	21,347	5,280	47,373
055	House Rules	Fuller	74,000	5,617	702	67,681
056	House State Affairs	Metcalfe	74,000	20,451	3,425	50,124
057	House Transportation	Cato	137,000	25,574	3,425	108,001
058	House Council Liaison	Phillips	25,000	275	-0-	24,725
059	House Reg. Review	Randolph	115,049	20,093	3,787	91,169
	HOUSE TOTALS		$2,562,600	$238,207	$ 42,261	$2,282,132

LEGISLATIVE AFFAIRS AGENCY - LEGISLATIVE LEADERSHIP & COUNCIL UPDATE - 09/30/81 COUNCIL

Account	Committee Name	Chairman	Budget	Expenditures	Adjustments & Encumbrances	Balance
601	Council	Malone/Ray	$ 181,000	$ 10,806	$ -0-	$ 170,194
681	Gas Pipeline	Kerttula/Halford	159,256	46,736	3,568	108,952
682	Blue Ribbon Commission	Ray	99,100	15,338	2,805	80,957
683	Code Revision	Legal Services	219,000	31,649	32,053	155,298
	COUNCIL TOTALS		$ 658,356	$104,529	$ 38,426	$ 515,401

Alaska State Legislature

Senate

Office of the President

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO : ALL SENATORS

FROM : SENATOR JAY KERTTULA
SENATE PRESIDENT

DATE : OCTOBER 8, 1981

SUBJECT: INTERI'' BUDGETS

We are now half way through the interim. Please take a close look at your attached interim budget to make sure the initial projections were accurate.

If corrections need to be made, please notify my office by November 1. This will allow a sufficient amount of time for any corrections to be made prior to the October end-of-the-month run.

Thank you.

JK/aj

Attachments

INTERIM
OFFICE

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Dick Berg
LAA--Admin. Services

FROM: Senator Fischer
Senate State Affairs Committee

DATE: June 10, 1981

RE: Purchase of supplies

This memorandum is to confirm that the Senate State Affairs Committee discretionary account, originally in the amount of $25,000 and now (for all practical intents and purposes supplemented by the recent allocation of $8,045) will be the source of funding for the purchase of certain supplies and furnishings for the Anchorage office where the State Affairs Committee will be based during the interim.

All invoices you receive for purchases of this nature will reflect that the purchaser is the Legislative Affairs Agency, and will indicate the Senate State Affairs Committee for accounting purposes. We have taken care to purchase goods subject to a competitive bid from the stores holding the appropriate award, and we will make sure that all purchases for which the payment process cannot be begun before June 30 will be protected by funds encumbered by means of a delivery order.

If there is other information about the correct procedures which we should know about, please let me know as soon as possible so that no complications arise. Thank you for your assistance with this.

/lf

cc: Leo Wheadon

V. Fischer

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

MEMORANDUM

TO: Sen. Jalmar Kerttula
Senate President

FROM: Sen. Vic Fischer

DATE: March 8, 1982

RE: Senate State Affairs Committee Interim Activities

This is a brief summary of activities carried out by the State Affairs Committee between sessions.

Staff work was performed on a variety of legislation pending before the committee the end of the 1981 session, including retirement, ethics code, legislative reform (session length, number of legislative terms, legislative procedures) and others.

Special projects dealt with issues of distributing wealth to Alaska citizens, alternative approaches to long-range economic and fiscal planning, the political campaign contribution tax credit, and others.

Seven public hearings and statewide conferences were held on: sixteen bills involving public employees' and teachers' retirement programs, standards of conduct for public officials and employees; public assistance programs, limiting length of legislative sessions, problems of foster care, and recreation in Prince William Sound (the last one was carried out by me and staff as subcommittee of Senate Resources). In connection with these issues and others dealth with during the interim, many meetings were held with civic groups, state agencies, miscellaneous specialists, and private individuals on legislative issues.

A major workshop was conducted by a subcommittee chaired by Senator Stimson to explore ways of dealing constructively with Alaska's future. In addition, continuing oversight was provided for activities of the Department of Administration and their consultants in planning, design, and other actions leading to site acquisition and construction of the Anchorage State Office Complex.

PROPOSED 1981 INTERIM WORK PROGRAM - June 5, 1981

ETHICS CODE, FINANCIAL DISCLOSURE, LEGISLATIVE REFORM, ETC.

Measures pending before State Affairs cover a proposed ethics code (SB 175, 336), revision of APOC regulations on financial disclosure (HB 154, SB 183), changes in legislative procedures (HB 155, SB 333), and proposed constitutional amendments dealing with session length and legislative terms (SJR 6, 9 and 24).

Proposed repeal of the political campaign contribution tax credit (SB 82) was also subject to several public hearings, and the committee agreed to examine alternative schemes for public financing of campaigns.

RETIREMENT

Sixteen bills dealing with PERS and TRS retirement are in committee, and more may reach us before adjournment. These range from a measure that might affect only one individual to a comprehensive housekeeping bill for both state retirement programs.

Proposals will be screened for inclusion in one or several comprehensive retirement bills. The Department of Administration, APEA, and NEA-Alaska have agreed to cooperate in this committee effort.

Bills pending before the committee are SB 121, 143, 195, 196, 197, 262, 356, 360, 361, 394, 400, 402, 471, 472, 557 and 568. There are additional miscellaneous requests for service credit and membership in PERS and TRS.

STATE CONTRACTING, BONDING, BIDDERS PREFERENCE, ETC.

Principal emphasis lies in adjusting state law so as to enhance opportunity for Alaska firms, individuals, and small and minority businesses in bidding on state contracts, construction, and employment. Bills currently before the committee are SB 45, 414, and 415; additional legislation may be considered.

ECONOMIC POLICY, LONG RANGE POLICY PLANNING, ALASKA'S FUTURE

Wealth Sharing

A variety of concepts have been enacted, are pending, and are being talked about for providing means for state sharing of oil wealth with Alaskans. Specifically in State Affairs are SB 66 and 67, which provide for royalty oil premium payments to all individuals. Also before the legislature are proposals for PACE and a royalty oil trust.

We intend to review these and other proposals for state oil revenue distribution, examine alternative means of equitably sharing oil wealth with all Alaskans, and suggest criteria for accomplishing this most effectively.

State Bond Defeasance

Administration policy on retirement of outstanding state general obligation bonds has not yet been set. Committee hearings on SB 13, 296, and 297 begot general support for the concept, but we decided to pursue the issue further during the interim and prepare recommendations in the context of broader economic and expenditure policy. The work will be pursued in cooperation with the Department of Revenue and Governor's Office.

Permanent Fund

Work on the Permanent Fund will deal primarily with broad policy and long term economic aspects. Topics to be considered include long range (15-20-30 years) permanent fund goals, share of state revenues that should be included in the Fund to achieve long term targets, possible establishment of special endowments separate from the Permanent Fund, and the like. Work will be carried out in cooperation with the Budget and Audit subcommittee on the Permanent Fund, the Permanent Fund Board of Trustees, Department of Revenue, and others.

Comprehensive Approach to Alaska's Future
(Senator Terry Stimson, Subcommittee Chairman)

A series of future-oriented seminars will examine how Alaska relates to the nation and the world. Orientation will be on integrating Alaska into the national and international economic and political systems. Seminars will bring together key legislators, selected Alaskans, and nationally recognized futurists to discuss how Alaska can appropriately relate to its own future and to the national and international context in which it functions.

Alaska's Fiscal Future

This work component, to be carried out under contract, will include: (1) a detailed calculation of the asset value to the state of Prudhoe Bay revenues; (2) an analysis of potential revenues from other natural resources, including other petroleum revenues that may be available when Prudhoe Bay income is reduced; (3) calculation of how much can be spent out of assets each year to maintain certain assets level; and (4) analysis of likely timing and impacts on private and public sectors of forced reductions of expenditures and/or increases in taxes to compensate for reductions in future revenues.

Planning and Institutions

We will continue to examine alternatives for long range economic and policy planning dealing with the use of Alaska's wealth, economic development, human resources, and the like. The experience of other states will be examined in terms of applicability to Alaska. Review of ongoing planning activities of state agencies will be continued.

A major objective of this work component is to evolve a process and structure suited to Alaska's needs. Specific attention will be given to institutionalizing long range economic, resources, and development planning within the executive branch, and exploring the most appropriate manner in which the legislature could deal with broad economic policy issues on a continuing basis.

ANCHORAGE STATE OFFICE COMPLEX OVERSIGHT

Continuing oversight will be provided for activities of the Department of Administration and their consultants in planning, design, and other actions leading to site acquisition and construction of the Anchorage state office complex.

PUBLIC ASSISTANCE OVERSIGHT

A general oversight review of public assistance programs of the Department of Health and Social Services will be carried out in coordination with the Legislative Budget and Audit Committee. Oversight will cover effectiveness of the Division of Public Assistance in implementing programs and carrying out legislative intent, identification of program management problems and needs, determination of unmet needs in the area of social services, and other topics that may assist in judging compliance with law and need for additional legislation.

DECENTRALIZATION OF STATE GOVERNMENT

In pursuit of SB 93, a general review will be made of alternative approaches to decentralization of state decision making to regional, district, and local offices, and to limitation of the number of state employees in headquarters offices in the state capital, wherever it may be located. The work will result in proposals for followup through legislation, administrative action, or further, more detailed, analysis.

STATE OF ALASKA

THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

EQUIPMENT LOAN AGREEMENT

THE FOLLOWING EQUIPMENT HAS BEEN LOANED TO SEN. FISCHER

SENATE STATE AFFAIRS
(COMMITTEE NAME)

FOR INTERIM USE:

EQUIPMENT:

IBMEM	TAG# 3554	SN-28-0153267
IBM CS II	TAG# 4932	SN-4817610-09
IBM ET 60	TAG# 4942	SN-110078998
IBM ET 95	#05486	[illegible]

PLEASE SIGN HERE Donna Fleming for Sen. Fischer TO VERIFY.
(SIGNATURE)

AFTER SIGNING AGREEMENT, PLEASE RETURN TO THE LEGISLATIVE AFFAIRS AGENCY, POUCH Y, JUNEAU, AK.

Speediset © Moore Business Forms, Inc.-s

Senate State Affairs Committee | Anchorage | 1 of 2

Reason for inventory (annual, personnel change, etc): ANNUAL Tag Number

Responsible individual (type or print):

Loss Code	New Property Control Number	Old Property Control Number	Item Name	Description (mfr, model, s/n, size, etc)	Rec
1.		31-06636		TIF 7711BK TYPING STAND BLACK	Yo
2.		06630		"	Yo
3.		06639		HON7421R Desk Black+Walnut	To
4.		06671		HON 7090L Return (Typing arm), Black+Walnut	T
5.		06638		Watson CHF0/24x48 Table 24x48 Walnut Top Blackleg	Yo
6.		06680		Secty chair Haskell F5006	Barro H
7.		06679		" " " " "	
8.		06676		Side Chair Haskell F5005	"
9.		06675		Side Chair Haskell F5005	"
10.		06677		Side Chair Haskell F5005	"
11.		06678		Side Chair Haskell F5005	"
		06674		Exec Chair Haskell F500	"
		06673		Exec Chair " " "	
14.		06681		HON 7401 Desk Black+Walnut	
15.		06683		" " "	
16.		06635		Costumer 6 Hooktree, black (Coat Rack)	
17.		06685		HON 548A Bookcase Black	
18.		06686		HON 214C-BK 4 Drawer File Cabinet	
19.		06707		Record 2-call	
20.		06687		HON 214C-BK 4 Drawer File Cabinet	
21.		06688		HON 312CBK 2 Drawer File Cab	
22.		06689		HON 312CBK 2 Drawer File Cabinet	
23.		06682		HON 7401 Desk Black+Walnut	

, one copy in your file. Original
t be signed, dated, and returned to
: Departmental Property Officer within
l. working days unless otherwise noted.

I acknowledge that all controlled property items on this have been physically inventoried and are accounted for. ~~I am responsible for the continued control and protecti~~ ~~State owned property.~~ All of the items except #5+ #13 on page 2 will remain in charge of Legisl Office, Ancho

Signature of responsible individual:

Dana Fleming

Date signed: Nov 5, 1981

Senate State Affairs Committee | Anchorage | Page: 2 of 2

Reason for inventory (annual, personnel change, etc): ANNUAL

Responsible individual (type or print):

Class Code	New Property Control Number	Old Property Control Number	Item Name	Description (mfr, model, s/n, size, etc)	Remarks
1.		06684		HON 548A Bookcase Black	YOS
2.		07090		Watson CHFO/2448 Chamlok URN WALNUT TOP, BLACK LEGS 24x48 Table	YOS
3.		07091		HON 7401 Desk Black+Walnut	YOS
4.		07969		File cabinet (4 drawer tan)	
5.	↓ Items	below	only	will return to Juneau ↓	
6.		05986		IBM Electronic Typewriter	
7.		04932		IBM Selectric II	
8.		07092		TIF 1177 Typing Stand Black+Walnut	YOS
9.		04967		IBM Mini cassette recorder	
10.		06132		TOSHIBA BC-1232PV Printing Calculator	
11.		04942		IBM 60 Electronic Typewriter	
12.		03554		IBM Memory 100 Typewriter	
13.		04969		IBM Mini Cassette Recorder	
14.					
15.					
16.					
17.					
18.					
19.					
20.					
21.					
22.					
23.					

, one copy in your file. Original
t be signed, dated, and returned to
Departmental Property Officer within
working days unless otherwise noted.

I acknowledge that all controlled property items on this sheet have been physically inventoried and are accounted for, and th I am responsible for the continued control and protection of t State owned property.

Signature of responsible individual: Dana Fleming

Date signed: Nov 5, 1981

Alaska State Legislature

Senate

Office of the President

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO : SENATOR VIC FISCHER
SENATE STATE AFFAIRS COMMITTEE

FROM : SENATOR JAY KERTTULA
SENATE PRESIDENT

DATE : AUGUST 17, 1981

SUBJECT: INTERIM BUDGET

Attached is a copy of the approved interim budget for the Senate State Affairs Committee.

If you have any questions, please call my office at 465-3771 or 465-3772.

JK/aj

Attachment

BUDGET REQUEST

TO: SENATE PRESIDENT

FROM: State Affairs Committee

BUDGET

100 Personal Services	$ 43,559
200 Travel	$ 48,000
300 Contractual	$
400 Commodities	$ 7,500
TOTAL	$ 99,059

* *

Details:

100 Personal Services

Staffing Detail:

Name: Secretary 15A(7/1-1/10/82) Range x months $ 13,401

Name: Researcher17A(8/1-1/10/82) Range x months $ 12,955

Prof.Asst.21A(8/1-1/10/82) 17,203

200 Travel

Anticipated:

No. Travelers	Destination	Cost
1. Committee chairman, members, staff		$ 18,000
2. Workshop & symposium participants,		$
3. consultants, etc.		$ 30,000
4.		$

300 Contractual

Telephone:

Utility _____ Phone Nos. _____

Office Space:

Vendor _____ Location _____

Payment Arrangements _____

_____

Anticipated special contract requests: _____

_____

_____

400 Commodities

Office Supplies anticipated _____

Miscellaneous and unanticipated expenses...$5,000

500 Equipment

1. Furniture $2,500 (included in #400 on previous page)
2. _____
3. _____

Petty Cash:

Yes / / No / /

Amount $ _____ Custodian: _____
Name

Travel Request Books:

Yes / / No / / Custodian _____
Name

* * * *

1981

Alaska State Legislature

Senator Vic Fischer · Pouch V · Juneau, Alaska 99811 · (907) 465-4954

TO: Sen. Jalmar Kerttula
Senate President

FROM: Sen. Vic Fischer

DATE: July 20, 1981

RE: Interim Budget--Senate State Affairs Committee

SENATE STATE AFFAIRS COMMITTEE

Personal Services

Secretary	7-1-81*1-10-82	$2135/mo.(15A)	13,401	
Researcher	8-1-81*1-10-82	$2455/mo.(17A)	12,955	
Professional Asst.	8-1-81*1-10-82	$3260/mo.(21A)	17,203	
				43,559

Travel, per diem, and honoraria

Committee chairman, members, staff	18,000	
Workshop and symposium participants, consultants, etc.	30,000	
		48,000
Misc. and unanticipated expenses	5,000	
		5,000
Furniture	2,500	
		2.500
		99,059

PERSONAL OFFICE

Office Expenses, Travel, Per diem	20,000

The above is budget revision for the program set out in my previous memo dated June 5, 1981. It is based on certain contracts being funded from sources other than this budget.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

MEMORANDUM

September 14, 1981

TO: INTERIM COMMITTEES

FROM: Richard G. Berg, Director
Administrative Services

SUBJECT: Accounting Procedures

BUDGETS & EXPENDITURES

Attached are printouts covering expenditures for your committee for the months of July and August. Appropriate notes have been made on your forms to help you interpret the information. As it is the responsibility of each committee chairperson to work within the allocated budget, we suggest that you acquaint yourself with the forms and review them for accuracy.

Please note that these budgets only reflect items that hav been recorded on the books. They do not include items that are enroute to our office, therefore, it is essential to take items into account for future budget projections, i.e., outstanding travel and per diem checks, telephone bills, etc.

BILLINGS

Your committee has been assigned Account Number 026-Senate State Affairs

When transmitting items to accounting, please complete the billing in the following manner:

O.K. to Pay
John Doe
9/9/81
Account 31-92-1-xxx

We have been receiving billings with no authorization, thus necessitating the procedure of returning the billing to the committee which causes unnecessary delay to the vendor.

RGB:mm

M E M O R A N D U M

TO: Senator Jalmar Kerttula
Senate President

FROM: Senator Vic Fischer

DATE: June 3, 1981

RE: Use of Discretionary Committee Funds

Some weeks ago, you suggested that I use part of the $25,000 allocation to State Affairs Committee for purchase of equipment for the Committee's interim office in Anchorage.

It is my intention to make arrangements on June 13 during my Anchorage trip to obtain office furniture, a tape recorder, telephone answering device, and other appropriate equipment and supplies.

In addition, I would like to issue a request for proposals to provide some consultant services to the Committee in the interim. If possible, I would like to contract before June 30 and obligate any available balance for this purpose. ((I expect to use additional consultant services from the regular interim budget.)

Please indicate whether you concur with these expenditures from the Committee account.

/sq

Senator Vic Fischer

CONCUR:

Senator Jalmar Kerttula
Senate President

LAURA -------

HOW DO WE PROCEED TO RENT OFFICE SPACE IN ANCHORAGE???
TO ARRANGE FOR TELEPHONE SERVICE?
TO PURCHASE FURNITURE, OR BORROW OR STEAL IT?
TO PURCHASE TYPEWRITERS?
TYPE: SELF CORRECTING
MEMORY? TYPE?
OTHER???????

I"D LIKE TO KNOW ANSWERS BY EARLY THURS AM.

THX

OOOXXX

VVVVVVVVV

PLS KEEP ATTACHED TOGETHER AND RETURN WITH ANSWERS

AM PLANNING TO RENT SPACE AT $450/MONTH

KERTTULA HAS TOLD ME I CAN USE PART OF DISCRETIONARY 25K TO BUY TYPEWRITERS AND OTHER STUFF FOR OFFICE

STIMSON WILL SHARE OFFICE: MAINLY LICIA

5-21-81

MY LIEGE LORD AND FEARLESS COMMANDER:

RE: LOGISTICS OF SETTING UP ANCHORAGE OFFICE

As per my conversations with Leo Wheadon 5-20 and 5-21 setting up your office will be painless with assistance of the Legislative Affairs Agency.

SPACE ACQUISITION:

Have landlord send billing to Legislative Affairs Agency, Pouch Y, Juneau. Be sure billing indicates which committee account is to be debited (e.g., State Affairs). SOMEONE WILL HAVE TO SIGN A CONTRACT; have it sent down to Legislati Affairs Agency for signature.

OFFICE/HEAVY MACHINES:

Select what kinds of typewriters you would like to have in the office and we will let Leo Wheadon know; the Legislative Affairs Agency will ship them to Anchorage Air Freight.

FURNITURE:

Some furniture from past offices is stored in Anchorage. Charity Kadow and Judy Hopkins of the Anchorage Legislative Information Office presumably have the keys; I have informed Sumner of this so that he may follow up on it today.

Other furniture may be leased or purchased; Legislative Affairs Agency should be sent the billing clearly stating which committee account should be debited.

OFFICE SUNDRIES:

Yukon Office Supply will handle your every office need (maybe). Simply be sure to have invoices made out to Legislative Affairs Agency and specific committee when you pick up stuff and sign for it.

PHONE:

Call the phone company when you are two weeks from opening the office (maybe after session) and request that the phone be installed. Of course, Legislative Affairs will pick up the tab as long as you indicate which committee account should be debited.

If you have any other questions I probably don't have a ready answer but will play detective for you.

ANCHORAGE

Dear Vic —

Was pleased to have a chance to speak with you last weekend. Glad to see that you continue to patronize the Deli & thought you might appreciate the enclosed.

Also, as you know, Tony & I are trying to lease out the second floor of the 515 building. The offices are very inexpensive and might be ideal for off session use by legislators or for interim committees.

We have:

				Includes all utilities & Janitorial
Suite #2	(2 offices)	230 □'	@	$ Zero/mo
Suite #3	(3 offices)	384 □'	@	335/mo
Suite #4	(4+ offices)	915 □	@	875/mo

* Suites #2 + #3 can be combined into one suite.

If you are interested or know of any legislators who are, please let me know.

Best Wishes,

Dave Rose
4326 E 5th Ave
Anch, AK 99504

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Dick Berg
LAA--Admin. Services

FROM: Senator Fischer
Senate State Affairs Committee

DATE: June 10, 1981

RE: Purchase of supplies

This memorandum is to confirm that the Senate State Affairs Committee discretionary account, originally in the amount of $25,000 and now (for all practical intents and purposes supplemented by the recent allocation of $8,045) will be the source of funding for the purchase of certain supplies and furnishings for the Anchorage office where the State Affairs Committee will be based during the interim.

All invoices you receive for purchases of this nature will reflect that the purchaser is the Legislative Affairs Agency, and will indicate the Senate State Affairs Committee for accounting purposes. We have taken care to purchase goods subject to a competitive bid from the stores holding the appropriate award, and we will make sure that all purchases for which the payment process cannot be begun before June 30 will be protected by funds encumbered by means of a delivery order.

If there is other information about the correct procedures which we should know about, please let me know as soon as possible so that no complications arise. Thank you for your assistance with this.

/lt

cc: Leo Wheadon

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Leo Wheadon
LAA--Supply

FROM: Laura Fleming
Staffperson, Sen. Fischer's office

DATE: June 10, 1981

RE: Office machines

I have talked with both you and Miles about the procedure for having office machines sent to Anchorage for the interim. This memo will serve as a request for the equipment we would like to have shipped up, and if we can provide further details please let me know.

The office will be located at 511 West 4th Ave., Ste. 5, Anchorage, 99501. Someone should be on hand to receive things about a week after adjournment---if you like we can call you when someone is on hand (provided the things are sent Air Freight---otherwise maybe we can have them sent to the Legislative Information Office the last week of session).

1) IBM Memory 100 Typewriter, Serial # 28-0153267, State Tag #31-03554 (Located in Sen. Fischer's office, 205 Behrends)

2) Accounting Calculator/Adding Machine with tape, State Tag #31-06132 BC-1232PV Toshiba (Located in 205 Behrends)

3) IBM Mini-casette recorder, State Tag #31-04967

4) [illegible] Correcting Selectric III

5) IBM 75 Electronic Typewriter (The one in our office doesn't seem to have a State Tag # on it and I can't locate the serial number--you may want to tag it and send it along with the instruction book nearby.)

6) Dictaphone and transcriber for mini-cassette like the one currently in 205 Behrends (this one was provided by Yukon Office Supply while they worked on the mini-casette adapter belonging to the state--you may want to check on this). I'd like an identical model if I can't get this particular one.

6) Casette recorder of the type used to record committee meetings (spoke to Miles about this)

Finally, if you could see your way clear to include a few accessories when you send up the machines, I'd really appreciate it. For example, at least two non-elite typewriter balls for each of the three typewriters (one Orator ball for two of the three) and some extra ribbon cartridges and erase ribbon cartridges (the ones for the IBM 75 are very odd) and if I'm very, very lucky, maybe you'll send me an extra roll of paper for the printing calculator and some mini and regular cassettes for the tape machines. What do ya say?

If this order is just simply too tall, let me know and I'll do what I can to modify it. Otherwise, many thanks for all your help, which you have rendered so generously all along.

cc: Miles Collins

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Senator Kerttula
Senate President

FROM: Senator Fischer

DATE: June 5, 1981

RE: Interim Work Program

Attached is the proposed State Affairs Committee program for work during the interim prior to the 1982 session. The program covers legislation currently pending in the committee as well as areas of investigation that should eventually lead to legislation and legislative policy.

Legislative oversight of public assistance programs in the Department of Health and Social Services will be carried out under aegis of the State Affairs Committee with concurrence by Senators Parr and Sturgulewski. Senator Parr suggested that rather than doing the work through the HESS committee, we should do it through State Affairs, since the latter has broad oversight jurisdiction anyway. Our work, which will concentrate on policy and management issues, will be coordinated with the Legislative Budget and Audit Committee.

A rough, tentative budget is also attached for your review. I'd like to discuss it with you.

Your support and endorsement of the proposed interim work program will be greatly appreciated.

/sq

PROPOSED 1981 INTERIM WORK PROGRAM - June 5, 1981

ETHICS CODE, FINANCIAL DISCLOSURE, LEGISLATIVE REFORM, ETC.

Measures pending before State Affairs cover a proposed ethics code (SB 175, 336), revision of APOC regulations on financial disclosure (HB 154, SB 183), changes in legislative procedures (HB 155, SB 333), and proposed constitutional amendments dealing with session length and legislative terms (SJR 6, 9 and 24).

Proposed repeal of the political campaign contribution tax credit (SB 82) was also subject to several public hearings, and the committee agreed to examine alternative schemes for public financing of campaigns.

RETIREMENT

Sixteen bills dealing with PERS and TRS retirement are in committee, and more may reach us before adjournment. These range from a measure that might affect only one individual to a comprehensive housekeeping bill for both state retirement programs.

Proposals will be screened for inclusion in one or several comprehensive retirement bills. The Department of Administration, APEA, and NEA-Alaska have agreed to cooperate in this committee effort.

Bills pending before the committee are SB 121, 143, 195, 196, 197, 262, 356, 360, 361, 394, 400, 402, 471, 472, 557 and 568. There are additional miscellaneous requests for service credit and membership in PERS and TRS.

STATE CONTRACTING, BONDING, BIDDERS PREFERENCE, ETC.

Principal emphasis lies in adjusting state law so as to enhance opportunity for Alaska firms, individuals, and small and minority businesses in bidding on state contracts, construction, and employment. Bills currently before the committee are SB 45, 414, and 415; additional legislation may be considered

ECONOMIC POLICY, LONG RANGE POLICY PLANNING, ALASKA'S FUTURE

Wealth Sharing

A variety of concepts have been enacted, are pending, and are being talked about for providing means for state sharing of oil wealth with Alaskans. Specifically in State Affairs are SB 66 and 67, which provide for royalty oil premium payments to all individuals. Also before the legislature are proposals for PACE and a royalty oil trust.

We intend to review these and other proposals for state oil revenue distribution, examine alternative means of equitably sharing oil wealth with all Alaskans, and suggest criteria for accomplishing this most effectively.

State Bond Defeasance

Administration policy on retirement of outstanding state general obligation bonds has not yet been set. Committee hearings on SB 13, 296, and 297 begot general support for the concept, but we decided to pursue the issue further during the interim and prepare recommendations in the context of broader economic and expenditure policy. The work will be pursued in cooperation with the Department of Revenue and Governor's Office.

Permanent Fund

Work on the Permanent Fund will deal primarily with broad policy and long term economic aspects. Topics to be considered include long range (15-20-30 years) permanent fund goals, share of state revenues that should be included in the Fund to achieve long term targets, possible establishment of special endowments separate from the Permanent Fund, and the like. Work will be carried out in cooperation with the Budget and Audit subcommittee on the Permanent Fund, the Permanent Fund Board of Trustees, Department of Revenue, and others.

Comprehensive Approach to Alaska's Future
(Senator Terry Stimson, Subcommittee Chairman)

A series of future-oriented seminars will examine how Alaska relates to the nation and the world. Orientation will be on integrating Alaska into the national and international economic and political systems. Seminars will bring together key legislators, selected Alaskans, and nationally recognized futurists to discuss how Alaska can appropriately relate to its own future and to the national and international context in which it functions.

Alaska's Fiscal Future

This work component, to be carried out under contract, will include: (1) a detailed calculation of the asset value to the state of Prudhoe Bay revenues; (2) an analysis of potential revenues from other natural resources, including other petroleum revenues that may be available when Prudhoe Bay income is reduced; (3) calculation of how much can be spent out of assets each year to maintain certain assets level; and (4) analysis of likely timing and impacts on private and public sectors of forced reductions of expenditures and/or increases in taxes to compensate for reductions in future revenues.

tions

, examine alternatives for long range economic
g dealing with the use of Alaska's wealth,
ent, human resources, and the like. The exper-
ates will be examined in terms of applicability
ew of ongoing planning activities of state agen-
ntinued.

ive of this work component is to evolve a process
an suited to Alaska's needs. Specific attention will
be give nstitutionalizing long range economic, resources,
and develop eat planning within the executive branch, and explor-
ing the most appropriate manner in which the legislature could
deal with broad economic policy issues on a continuing basis.

ANCHORAGE STATE OFFICE COMPLEX OVERSIGHT

Continuing oversight will be provided for activities of the Depart-
ment of Administration and their consultants in planning, design,
and other actions leading to site acquisition and construction
of the Anchorage state office complex.

PUBLIC ASSISTANCE OVERSIGHT

A general oversight review of public assistance programs of the
Department of Health and Social Services will be carried out
in coordination with the Legislative Budget and Audit Committee.
Oversight will cover effectiveness of the Division of Public
Assistance in implementing programs and carrying out legislative
intent, identification of program management problems and needs,
determination of unmet needs in the area of social services, and
other topics that may assist in judging compliance with law and
need for additional legislation.

DECENTRALIZATION OF STATE GOVERNMENT

In pursuit of SB 93, a general review will be made of alternative
approaches to decentralization of state decision making to regional,
district, and local offices, and to limitation of the number of
state employees in headquarters offices in the state capital,
wherever it may be located. The work will result in proposals for
followup through legislation, administrative action, or further,
more detailed, analysis.

Planning and Institutions

We will continue to examine alternatives for long range economic and policy planning dealing with the use of Alaska's wealth, economic development, human resources, and the like. The experience of other states will be examined in terms of applicability to Alaska. Review of ongoing planning activities of state agencies will be continued.

A major objective of this work component is to evolve a process and structure suited to Alaska's needs. Specific attention will be given to institutionalizing long range economic, resources, and development planning within the executive branch, and exploring the most appropriate manner in which the legislature could deal with broad economic policy issues on a continuing basis.

ANCHORAGE STATE OFFICE COMPLEX OVERSIGHT

Continuing oversight will be provided for activities of the Department of Administration and their consultants in planning, design, and other actions leading to site acquisition and construction of the Anchorage state office complex.

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A general oversight review of public assistance programs of the Department of Health and Social Services will be carried out in coordination with the Legislative Budget and Audit Committee. Oversight will cover effectiveness of the Division of Public Assistance in implementing programs and carrying out legislative intent, identification of program management problems and needs, determination of unmet needs in the area of social services, and other topics that may assist in judging compliance with law and need for additional legislation.

DECENTRALIZATION OF STATE GOVERNMENT

In pursuit of SR 93, a general review will be made of alternative approaches to decentralization of state decision making to regional, district, and local offices, and to limitation of the number of state employees in headquarters offices in the state capital, wherever it may be located. The work will result in proposals for followup through legislation, administrative action, or further, more detailed, analysis.

PROPOSED INTERIM BUDGET
State Affairs Committee
June 5, 1981

Committee Staff and Consultants		$ 65,830
Travel		
Committee	9,000	
Staff & consultants	9,900	18,900
Per Diem		
Committee	9,200	
Staff & consultants	11,700	20,900
Contractual		
Research contracts	32,000	
Services contracts	24,000	
Computer services	25,000	
Office lease	3,150	
Telephone	2,000	
Postage	450	
Office supplies	900	
Duplicating/printing/etc	3,000	
Other services & supplies	2,000	92,500
	TOTAL	$ 198,130

PROPOSED INTERIM BUDGET
State Affairs Committee
June 5, 1981

Committee Staff and Consultants		$ 65,830
Travel		
Committee	9,000	
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Contractual		
Research contracts	32,000	
Services contracts	24,000	
Computer services	25,000	
Office lease	3,150	
Telephone	2,000	
Postage	450	
Office supplies	900	
Duplicating/printing/etc	3,000	
Other services & supplies	2,000	92,500
	TOTAL	$ 198,130

I.O.

M E M O R A N D U M

TO: Dick Berg, Director
LAA--Admin. Services

FROM: Sen. Vic Fischer

DATE: June 8, 1981

RE: Purchase of an IBM Display Writer

Although it is rather late in the session, I would like to purchase an IBM Display Writer for use by the Senate State Affairs Committee at the earliestppossible time.

If you require any additional information, or if there appears to be any problem with completing the transaction before the end of the month, please let me know.

Thank you for your assistance with this.

I.O.

NOW AVAILABLE

FOR FRUGAL LEGISLATORS

*****

DOWNTOWN ANCHORAGE

OFFICE SPACE

*****

Second Floor Opposite
OLD CITY HALL

*****

230 Sq. Ft. only - $200

384 Sq. Ft. only - $335

614 Sq. Ft. only - $525

915 Sq. Ft. only - $875

$450/mo

*****

SEVEN MONTH LEASES AVAILABLE

*****

Contact DAVE ROSE .

(Nights or Weekend)

333-6748

333-6420

incl janit., lights, etc

LANE, TED

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
Phone: 465-3852

LA-A 25
Rev. 10/77

STATE EMPLOYEE

PER DIEM AND TRANSPORTATION REIMBURSEMENT CLAIM

TRIP PURPOSE: assist in legislative drafting for Senate State Affairs Comm.
(Subcom., Task force)
(Contract, etc.)

PER DIEM:

This is to certify that I left Anchorage (city) on 3/8/82 (date) at 8:00 AM and

I overnighted in Juneau (city) on 3/8, 3/9 & 3/10 (dates)

in _____ (city) on _____ (dates)

and returned to Anchorage (city) on 3/11/82 (date) at 6 a.m. (p.m.)

TRAVEL:

(1) I used State TR No. _____.

(2) My taxi and limousine fares were $18.00. (Please attach receipts if individual tab total exceeds $6.00)

(3) Mileage claimed is between _____ and _____, a total of _____ miles.

(4) Please reimburse me for air fare in the amount of $ 296.00. (Please attach ticket stub or other receipt.)

[redacted]
Signature of Authorizer of Trip

Theodore Lane
Signature of Traveler

707 "A" Street Suite 206
Mailing Address
Anchorage, AK 99501

3/24/82
Date

For Office Use Only	
Account Code	
Advance	FW#
Per Diem	FW#
Travel	
FW#	Date

UNIVERSITY OF ALASKA
Institute of Social and Economic Research
707 "A" St., Suite 206
Anchorage, Alaska 99501
Phone (907) 278-4621

February 22, 1982

Senator Victor Fischer, Chairman
Committee on State Affairs
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Vic:

I'd be delighted to work with you, and your committee, on Senate Bill's 621, 414, 415 and related matters.

I'm spending most of the week of 2/22/82 at the Western Regional Science Association meetings, where I'm giving a paper on the relative cost effectiveness of states using employment tax credits to influence economic development (I'm enclosing a copy for your interest). The week after (3/1/82), I've committed to finishing up an RSEC on "The Demand For Labor in Alaska". I'd therefore propose I be in Juneau the week of - 3/8/82.

I hope this fits your schedule. Please let me know if the above arrangements are ok. I look forward to working with you.

Sincerely,

Ted

Theodore Lane
Professor of Economics

TL/aw

Enclosure

T.L

BUS

· PASSENGER'S RECEIPT, ~~TAXICAB~~ FARE

Date 3/8/82

Amount of Fare $____

Other Charges $____

Total . . . . $ 4.00

Driver's Name BOB

~~Cab~~ Number 78

BUS

ALASKAN HOTEL
167 South Franklin
JUNEAU, ALASKA 99801
Phone 586-1000

CUSTOMER'S ORDER NO.	PHONE	DATE
223		3/11/82

NAME Ted Lane

ADDRESS

SOLD BY	CASH	C.O.D.	CHARGE	ON ACCT.	MDSE. RET'D	PAID OUT
RLK						

QTY.	DESCRIPTION	PRICE	AMOUNT
	3/11 → 3/12 Refund		42 00
		tax	2 52
			⟨44 52⟩
		TAX	
		TOTAL	⟨44 52⟩

RECEIVED BY

All claims and returned goods MUST be accompanied by this bill

Thank You

4842 160 589 173 5830638

6/83•VISA

THEODORE LANE

THE ALASKAN
HOTEL 670006807
JUNEAU
5500101142 AK

030782

DATE	AUTH. NO.	IDENTIFICATION	CLERK	REG/DEPT.	☐ TAKE ☐ SEND
3/8/82			RLK		

QTY	CLASS	DESCRIPTION	PRICE	AMOUNT
		Room 3/8 → 3/12		168 00

The issuer of the card identified on this item is authorized to pay the amount shown as TOTAL upon proper presentation. I promise to pay such TOTAL (together with any other [illegible] thereon) subject to and in accordance with the Agreement governing the use of such card.

CUSTOMER SIGNATURE X Theodore Lane		TAX	10 08
SALES SLIP		TOTAL	178 08

Key Deposit 1 00

179.08

THIS FORM TO BE USED WITH MasterCard OR VISA

IMPORTANT: RETAIN THIS COPY FOR YOUR RECORDS

CUSTOMER COPY

ISSUED BY ALASKA AIRLINES, INC. PASSENGER TICKET AND BAGGAGE CHECK SUBJECT TO CONDITIONS OF CONTRACT ON PASSENGER'S COUPON PASSENGER'S COUPON

ENDORSEMENTS | DEPART COUNT | ORIGIN | DESTINATION | ISSUED IN EXCHANGE FOR | DATE AND PLACE OF ORIGINAL ISSUE

NAME OF PASSENGER | NOT TRANSFERABLE | DATE OF ISSUE 7 MAR 82 | TOUR CODE | CONJUNCTION TICKET(S)

AIRLINE FORM SERIAL NUMBER 027 4472 337 121

MAR 6 82

LINE/TEDMR

R/O	NOT GOOD FOR PASSAGE	CARRIER	FLIGHT	CLASS	DATE	TIME	STATUS	FARE BASIS/TKT. DESIGNATOR	NOT VALID BEFORE	NOT VALID AFTER	ALLOW
FROM	VOID	VOID									
TO	VOID	VOID									
TO	ANCHORAGE	AS	62	Y	08MAR	815A	OK	Y			
TO	JUNEAU	AS	67	Y	12MAR	540P	OK	Y			
TO	ANCHORAGE										

FARE	281.90	ANCAS JNU 148.00AS ANC	CALCULATION
TAX	14.10	148.00 $296.00	
TAX			
TOTAL	296.00		

FORM OF PAYMENT

3857 052735 0019

THEODORE LANE

70 DC US4 05/81 04/82

ROUTE CODE 027506170

Local Boundary Commission Report

Alaska State Legislature

Senate

Office of the Secretary

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

TO: Senator Vic Fischer
Chairman
State Affairs Committee

FROM: Peggy Mulligan
Secretary of the Senate

DATE: January 22, 1981

The attached report by the Local Boundary Commission pursuant to AS 29.6[illegible].010 has been referred to your committee.

Enc.

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 99811

January 21, 1981

The Honorable Jalmar Kerttula
President
Alaska Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Kerttula:

Attached hereto is the Report to the First Session of the Twelfth Legislature by the Local Boundary Commission. The report contains recommendations for changes to the boundaries of three municipalities which, pursuant to Article X, Section 12 of the State Constitution and AS 29.68.010, are to be presented to the Legislature. These recommended boundary changes become effective forty-five days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house.

Sincerely,

Lee McAnerney

Lee McAnerney
Commissioner

STATE OF ALASKA

LOCAL BOUNDARY COMMISSION

REPORT TO THE FIFST SESSION OF

THE TWELFTH LEGISLATURE

JANUARY 21, 1981

CONTENTS

SUMMARY OF ACTIVITIES OF THE LOCAL BOUNDARY COMMISSION DURING THE CALENDAR YEAR 1980	PAGE	2
RECOMMENDATION FOR THE ANNEXATION OF TERRITORY TO THE CITY OF ST. MARY'S	PAGE	8
RECOMMENDATION FOR THE ANNEXATION OF TERRITORY TO THE CITY OF KING COVE	PAGE	10
RECOMMENDATION FOR THE ANNEXATION OF TERRITORY TO THE CITY OF NOME	PAGE	12

SUMMARY OF ACTIVITIES OF THE LOCAL BOUNDARY COMMISSION
DURING THE CALENDAR YEAR 1980

During the past year, the Local Boundary Commission dealt with petitions concerning the following matters:

1. Detachment of the approximate 3,125 square mile Salcha Voting Precinct from the Fairbanks North Star Borough.

2. Annexation of approximately 0.05 square miles to the City of St. Mary's.

3. Annexation of approximately 4.20 square miles to the City of King Cove.

4. Annexation of approximately 235.65 square miles to the City of Nome.

5. Incorporation of the City of Tri Valley as a city of the second class, comprising an area of approximately 0.99 square miles.

6. Annexation of approximately 20.50 square miles to the City of Emmonak.

The action of the Local Boundary Commission with regard to items two, three and four above, requires review by the Legislature. A boundary change recommendation and individual summary of the activities associated with each of these three petitions begins on page 8 of this report. Article X, Section 12 of the State Constitution and AS 29.68.010 provide that

boundary changes recommended in this report shall become effective forty-five days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house.

A synopsis of the activities associated with the three petitions which do not require Legislative review follows immediately:

- PROPOSED DETACHMENT OF THE SALCHA VOTING PRECINCT FROM THE FAIRBANKS NORTH STAR BOROUGH - On December 12, 1979 the petition for detachment, signed by 184 qualified individuals, was submitted to the Department of Community and Regional Affairs. Eight days later, the Department determined the petition to be acceptable in form and content.

  At the time the petition was submitted, no standards had been established to judge a borough detachment proposal. Such standards were subsequently developed and were approved by the Local Boundary Commission on August 18, 1980. The Commissioner of the Department of Community and Regional Affairs adopted the standards as regulations on September 2, 1980. These standards, along with substantial

revisions to other regulations concerning Commission matters, were then submitted to the Department of Law for review and approval required by AS 44.62.060. At this date, the regulations are still under review by the Department of Law. Notwithstanding, the standards established to that degree were used to reach a decision in the Salcha matter.

On September 26, 1980 the Local Boundary Commission held, with prescribed notice, a public hearing on this matter in the Salcha Elementary School. After supplemental information was obtained, the Commission held a meeting on October 27, 1980 in the Fairbanks North Star Borough Assembly Chambers, at which time it decided to reject the petition.

While the Commission was sympathetic to certain concerns expressed by the petitioners, it was determined that the proposed action failed to meet the standards for detachment. Particularly significant in this matter was the fact that a small group of people (seven-tenths of 1% of the population of the Borough) attempted to detach a large area (40% of the Borough). In addition, the detachment would have had severe adverse financial consequences for the Borough through detachment of nearly 20% of its taxable property.

Beyond rejecting the detachment petition, in an effort to deal with the heart of this matter, the Commission has requested that the Borough develop and implement a plan to address the concerns of the Salcha area residents. Specific suggestions made by the Commission in this regard include review of existing property taxing practices and improvement of communication with, and representation of, the outlying areas of the Borough.

Since no boundary change was recommended by the Commission in this instance, Legislative review is not necessary.

PROPOSED INCORPORATION OF THE CITY OF TRI VALLEY - On March 18, 1980 the incorporation petition for this community, near Healy, was submitted containing the signatures of 29 qualified individuals. On July 22, 1980, the Department of Community and Regional Affairs determined the petition to be acceptable in form and content. On August 19, 1980 the Department held, with prescribed notice, the public informational meeting at the Tri Valley School as required by AS 29.18.070. On September 27, 1980 the five members of the Commission conducted a physical inspection of the territory proposed for incorporation and held a public hearing on the matter, with prescribed notice, in the Tri Valley School. Immediately following the public hearing,

the Commission rendered its decision to reject the petition for incorporation.

The petition was rejected as the Commission determined that the proposal failed to meet the necessary standards prescribed in AS 29.18.011. Specifically, the boundaries proposed did not include all areas necessary to provide municipal services on an efficient scale. Further, the economy of the community did not include the human and financial resources necessary to provide local services.

Legislative review is not necessary in matters of incorporation.

ANNEXATION OF APPROXIMATELY 20.50 SQUARE MILES TO THE CITY OF EMMONAK - On August 18, 1980, the City of Emmonak submitted its petition for annexation by election of residents of the territory. The petition was determined to be acceptable in form and content by the Department of Community and Regional Affairs on September 18, 1980.

On October 20, 1980 the Commission conducted a review limited to a determination that the annexation would not be inimical to the interests of the State or any municipality, and that the area of territory proposed for annexation is

not so disproportionate to the population as to warrant adjustment of the proposed boundaries or rejection of the petition.

On October 27, 1980 the Commission approved the petition. In late December the annexation proposal was put before the voters, but was rejected.

Even if the voters had approved the annexation measure, Legislative review is not required for this type of annexation.

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION

RECOMMENDATION NUMBER ONE TO THE FIRST
SESSION OF THE TWELFTH LEGISLATURE

RECOMMENDATION FOR THE ANNEXATION OF TERRITORY
TO THE CITY OF ST. MARY'S

WHEREAS, on August 9, 1979, the City of St. Mary's submitted a petition to the Local Boundary Commission (hereinafter "Commission") through the Department of Community and Regional Affairs (hereinafter "Department") pursuant to the provisions of 19 AAC 15.010 - .130 requesting the annexation of Lots 1A and 1B of Block 1 in Tract A and all of Tract B, USS #5507, Andreafsky Townsite; and

WHEREAS, on October 4, 1979, the Department determined the petition to be acceptable in form and content; and

WHEREAS, for compelling reasons, the Commission elected to exercise its authority under the provisions of 19 AAC 15.070(e) to treat the petition as a legislative review annexation proposal; and

WHEREAS the Commission conducted a physical inspection of the territory proposed for annexation and held a public hearing on the matter, with prescribed notice, in the St. Mary's City Council Chambers on November 15, 1979; and

WHEREAS a majority of the testimony presented at the hearing as well as written materials received subsequent to the hearing, including materials from representatives of the City of St. Mary's and the Andreafsky Townsite Council, indicated that the interests of the State, the City of St. Mary's and the Andreafsky Townsite would best be served through annexation of the entire Andreafsky Townsite; and

WHEREAS the Commission held, with prescribed notice, a meeting to render a decision on the petition for annexation February 29, 1980;

NOW, THEREFORE, based upon the petition of the City of St. Mary's, the investigation and report of the Department, the physical inspection of the territory by the Commission, and the information obtained from the public hearing, the Commission recommends that the following described territory be annexed to the City of St. Mary's:

> Beginning at a point which is Corner No. 2 of U.S. Survey No. 2984 in Section 27, T23N, R76W, Seward Meridian, proceed on a bearing approximately N 110° W a distance of 5,800 feet more or less to the NW Corner of N.A. No. FO31704, thence N 180° W along the west boundary of N.A. No. FO31704 and beyond to the north bank of the Andreafsky River a distance of 4,250 feet more or less, thence north and east along the Meander of the north bank of the Andreafsky River to the Meander Corner, Corner No. 1 of U.S. Survey No. 2984 a distance of 7,600 feet more or less, thence N 21° 27' W along the west boundary of U.S. Survey No. 2984 to the point beginning a distance of 2,700 feet, more or less and containing 374 acres, more or less, situated in the Second Judicial District, State of Alaska.

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION

RECOMMENDATION NUMBER TWO TO THE FIRST
SESSION OF THE TWELFTH LEGISLATURE

RECOMMENDATION FOR THE ANNEXATION OF TERRITORY
TO THE CITY OF KING COVE

WHEREAS, on August 21, 1980, the City of King Cove submitted a petition for legislative review to the Local Boundary Commission (hereinafter "Commission") through the Department of Community and Regional Affairs (hereinafter "Department") in accordance with applicable laws and regulations of the State of Alaska, requesting the annexation of approximately 4.2 square miles of territory; and

WHEREAS, on September 8, 1980, the Department determined the petition to be acceptable in form and content; and

WHEREAS, on September 28, 1980 the Commission conducted a physical inspection of the territory proposed for annexation and held a public hearing on the matter, with prescribed notice, in the King Cove School Library; and

WHEREAS, on October 27, 1980 the Commission held, with prescribed notice, a meeting to render a decision on the petition for annexation;

NOW, THEREFORE, based upon the City of King Cove's petition, the investigation and the report of the Department, the physical inspection of the territory by three members of the Commission, and the information obtained from the public hearing, the Commisson recommends that the following described territory be annexed to the City of King Cove:

Beginning at the protracted NW corner of the SE 1/4 of Section 16, T59S, R86W, Seward Meridian; thence east to the line of mean high water of King Cove Lagoon; thence meandering northeasterly along the line of mean high water of King Cove Lagoon to the point of intersection with the west boundary of Section 11, T59S, R86W, S.M.; thence north to the protracted NW corner of Section 11, T59S, R86W, S.M.; thence east to the protracted NE corner of Section 11, T59S, R86W, S.M.; thence south to the protracted SE corner of Section 26, T59S, R86W, S.M.; thence west to the protracted SW corner of the SE 1/4 of Section 26, T59S, R86W, S.M.; thence north to the line of mean high water of King Cove; thence meandering northeasterly along the line of mean high water of King Cove to the point of intersection with the north boundary of Section 28, T59S, R86W, S.M.; thence west to the protracted SW corner of the SE 1/4 of Section 21, T59S, R86W, S.M.; thence north to the protracted NW corner of the SE 1/4 of Section 16, T59S, R86W S.M., the point of beginning; excepting those lands indentified as Bureau of Land Management Serial no. AA 2612, an Indian Allotment Application, lying within protracted Sections 15 and 16, T59S, R86W, S.M.; and excepting the area now comprising the City of King Cove, which is described as follows: The area bounded by the King Cove's shoreline and latitude 55°, 03', 06" north to the south; by the King Cove Lagoon shoreline and latitude 55°, 04', 06" north to the north; by longitude 162°, 19', 48" west to the west; and by longitude 162°, 18', 06" west to the east, and commonly known as the King Cove Village Site; containing 6.5 square miles, more or less, situated in the Third Judicial District, State of Alaska.

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION

RECOMMENDATION NUMBER THREE TO THE FIRST SESSION OF THE TWELFTH LEGISLATURE

RECOMMENDATION FOR THE ANNEXATION OF TERRITORY TO THE CITY OF NOME

WHEREAS, on July 14, 1980 the City of Nome submitted a petition to the Local Boundary Commission (hereinafter "Commission") through the Department of Community and Regional Affairs (hereinafter "Department") in accordance with applicable laws and regulations of the State of Alaska, requesting the annexation of approximately 235.65 square miles; and

WHEREAS, on July 25, 1980 the Department determined the petition to be acceptable in form and content; and

WHEREAS, on November 21, 1980 the Commission conducted a physical inspection of the area proposed for annexation and held a public hearing on the matter, with prescribed notice, in the Nome City Council Chambers; and

WHEREAS, on December 11, 1980 the Commission held, with prescribed notice, a meeting to render a decision on the petition for annexation;

NOW, THEREFORE, based upon the extensive briefings of the Petitioner and the Respondents, the investigation and the report as amended by the Department, the physical inspection of the territory by two members of the Commission, and the information obtained from the public hearing, the Commission recommends that the following described territory be annexed to the City of Nome:

Beginning at the protracted NW corner of Section 11, T11S, R34W, Kateel River Meridian; thence east to the protracted NE corner of Section 7, T11S, R33W, K.R.M.; thence south to the protracted SE corner of Section 31, T11S, R33W, K.R.M.; thence continuing south along the same line to a point 4,000 feet seaward of the mean high tide line of Norton Sound; thence meandering northwesterly along a line 4,000 feet seaward of and paralleling the mean high tide line of Norton Sound to a point due south of the protracted SW corner of the SE 1/4 of the SE 1/4 of Section 28, T11S, R34W, K.R.M.; thence north to the protracted NW corner of the NE 1/4 of the NE 1/4 of Section 21, T11S, R34W, K.R.M.; thence east to the protracted SE corner of Section 15, T11S, R34W, K.R.M.; thence north to the protracted NW corner of Section 11, T11S, R34W, K.R.M., the point of beginning; excepting the area now comprising the City of Nome; containing 17.83 square miles, more or less, situated in the Second Judicial District, State of Alaska.

LONG RANGE ECONOMIC PLANNING - LOVE PROJECT

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO:

FROM: Sen. Vic Fischer

DATE: December 20, 1981

RE: Long range planning papers

Enclosed are three papers prepared in support of the Senate State Affairs Committee's interim work on economic policy and long range policy planning. The two basic papers deal with long range revenue and expenditure analysis. The third examines special aspects of the state's mortgage loan program.

I would very much appreciate your comments on these papers by January 11, 1982. Please send any comments you have to Pouch V, Juneau, Alaska 99811.

PART I

Policy Makers Guide to Revenue Forecasting

- A Look Inside the "Black Box" -

For the Senate State Affairs Committee

Senator Victor Fischer, Chair

James Packard Love
Harvard University
December 1, 1981

Contents

Introduction 10

Known North Slope Oil Resources 10

Production 11

Price 14

Digression on Real vs. Nominal Prices 16

State Share of Revenue 16

Putting It All Together 18

Cook Inlet 18

Non-Petroleum Revenue Sources 22

New Discoveries on Frontier Acreage 24

Prudhoe Bay/Trans-Canadian Gasline 28

Summary 28

Notes 32

Revenue Forecasting

Introduction

Alaska is faced with a revenue future which is unique, to put it mildly. Virtually every policy maker and nearly every citizen is fully aware that the short-ter cash flow from petroleum taxes and royalties is very large, recently pegged at approximately $10,000 per capita. Another well-known observation is that this revenue stream is tied to a non-renewable source. Important questions to ask include: just what is the shape of this revenue stream over time; will policy changes influence the timing and amount of the revenues; and what are the critical assumptions upon which the projections are based?

In order to answer these questions, major revenue sources are examined separately. First, the known North Slope oil resources are discussed. This is followed by a review of Cook Inlet oil production and non-petroleum revenue sources, including revenue from income-producing investments. Finally, a word is offered regarding speculative oil resources in frontier areas.

Known North Slope Oil Resources

Petroleum revenue forecasting seems like a formidable task to most Alaskans. One has to compute the state's receipts from a number of taxes plus royalty payments. Prices are estimated. Future production from both old and new oil fields is predicted. Estimates are constantly revised--in the past

mostly upwards, lately mostly downwards. Huge sums of money are involved.

A quick look at the Department of Revenue's quarterly revenue forecasts confirms some of these initial concerns. Weighted probabilities, high and low scenarios, and a bewildering statistical presentation confront the reader. But is revenue forecasting really a "black box" which ordinary citizens and policy makers can't fathom?

Despite impressions to the contrary, most Alaskan's can readily grasp the essential details of revenue forecasts, and little more than a pencil and paper is necessary to make useful estimates of future petroleum receipts. The problem can be broken into three parts:

1. What will the future production rates be?
2. What will the price of oil be?
3. What share of the gross revenue will the state collect through taxes and royalties?

In some cases the forecaster will have precise answers to the questions. As often as not informed guesses or helpful "rule of thumb" calculations are used. Most of the work is not overly technical or difficult, although at times it may seem tedious.

Production

The North Slope has attracted industry interest for decades, but the prospect of major oil resources was not confirmed until the 1968 discovery of Prudhoe Bay. This field is not only the largest oil field in the United States,

but it is one of the largest fields ever discovered in the world. Current production of 1.5 million barrels per day is greater than the total production from most OPEC countries.[1] Unfortunately, this bonanza will not last forever. The Legislature's Division of Finance estimates that by 1991 the field will begin to experience an 18% annual decline in production.[2]

By next year Prudhoe Bay will be joined by Kuparuk, the first new field since Prudhoe Bay to begin commercial production. Initial production from Kuparuk is estimated at 100,000 barrels per day, to be expanded to 125,000 barrels per day by 1984. There are varying estimates of how long this production rate will continue. The most optimistic scenario has the field beginning an annual decline of 8% by 1996.[3]

State officials now consider commercial production from the Lisburne formation in the Beaufort Sea a certainty at some time in the future. Estimates for the timing of development and production vary, but 200,000 barrels per day by 1991 is reasonable. According to officials of the Department of Natural Resources, production is expected to level out for six years, and then begin a 10% decline in output.[4]

The yearly production from the three fields through the year 2005 is shown in Table 1-1.

Table 1-1

Estimated Oil Production from Three North Slope Oil Fields.
1981 through 2005
(millions of barrels)

Year	Field		
	Prudhoe Bay	Kuparuk	Lisburne
1981	548		
82	548	27	
83	548	37	
84	548	46	
85	548	46	
86	548	46	
87	548	46	
88	548	46	
89	548	46	
90	548	46	
1991	449	46	73
92	368	46	73
93	302	46	73
94	248	46	73
95	203	46	73
96	166	46	73
97	136	42	66
98	112	39	59
99	92	36	53
2000	75	33	48
2001	62	30	43
2	51	28	39
3	41	25	35
4	34	23	31
5	28	22	28
TOTALS	7,847	940	840

SOURCE: Ed Phillips, Alaska State Department of Natural Resources.

Price

The price of oil has proven to be a difficult variable to predict. For example, in 1977 ISER forecast a $7 wellhead value for Prudhoe Bay.[5] In two years it was more than double that. Then, just as state economists were predicting that prices would increase 2% annually in "real" terms, declining demand and increased output from Saudi Arabia brought about a worldwide oil glut and the prospect of stable or falling real prices.

Is it possible for forecasters to anticipate the type of shocks to the oil market the world has seen in the past ten years? Probably not. No one knows for certain the future stability of the Saudi regime, the price of alternative energy sources ten or fifteen years hence, or any number of other critical factors in deterimining the long-run price trends for the oil industry. On the other hand, the petroleum market is historically much more stable than the market for other raw materials, and at least for the present OPEC appears to beholding together.

This is one area where the best that can be done is to take an informed guess. Today Prudhoe Bay oil is selling for about $22 a barrel at the wellhead. While it is certainly conceivable that the long-run price trend will be different, it is unclear whether the real price will go up or down.

In cases like this it is prudent to use a range of prices--so that the consumer of the data can see how sensitive the forecast is to changes in the uncertain variable. For example, a reasonable approach would be to use two prices, such as $20 and $25 per barrel. A more elaborate forecast might use a wider band of prices, or even variations such as steadily falling or increasing prices. Too much information is sometimes confusing, however. Since the purpose of this analysis is to introduce the reader to the forecasting process, little is to be gained from such elegant price scenarios, and the simpler two-price estimate is used.

Why pick a narrow range of prices, like $20 and $25 per barrel, rather than $15 and $30 or some other combination? The forecaster must use judgment in picking price scenarios. A wide range of prices is "safer" in some respects, because it is easier to be right! On the other hand, by using a range of prices relatively close to what the market is saying today, the forecast will give the reader a better idea of what the revenue stream will be like if the market does not experience significant changes, and for most purposes this is the most useful data to have. Of course, if major changes in state policy are evaluated on the basis of long-range revenue forecasts, it would be helpful to augment this initial choice with an analysis of more extreme price scenarios--particularly low-price scenarios, since it is usually worse for the government to guess too high than too low.

Digression on real versus nominal prices. One of the most common areas of confusion in forecasting arises when different assumptions for inflating future prices are used. A $22 barrel of oil will be worth $47 in ten years if 8% inflation is used, or $68 if 12% is used. How can policy makers evaluate future revenue forecasts unless these inflation assumptions are understood?

A much simpler approach is to use constant dollars. This will make most forecasting reports much clearer. Future revenues will be seen for what they really are in terms of purchasing power. In this analysis forecasts are presented in 1981 dollars.

State Share of Revenue

The state share of oil revenues from production is the sum of tax and royalty payments. Taxes on oil production include the severance, corporate income, and ad valorum property tax on facilities and pipelines. The severance tax is nominally 15%, although if production falls below a certain volume per well the effective tax rate drops.[6] The corporate income tax allows as deductions all other state taxes, royalties and development costs. More important, the income tax is computed according to the "unitary" method, which means that it is based on the firm's worldwide profits, with the tax liability determined by Alaska's share of the firm's property, sales, and payroll.[7]

The state share of gross production is thus a function of the rate of production from a field, the size of the

royalty, development costs, and the firm's worldwide profitability. For Prudhoe Bay it works out to around 30% of the value of production. For Kuparuk it may be a bit less, because of the lower rates of production and higher development costs, but for forecasting purposes 30% will suffice.

The Lisburne production is much more problematic. First, the ownership of the land is disputed, with the state and federal government locked in a lengthy lawsuit over the title to lands around the coastline and a string of "barrier" islands. Some of the land was leased in 1969, for a 12.5% royalty. Most of the land was leased in 1979--under two different leasing systems. About half of the acreage in the 1979 sale was leased under a sliding scale royalty system, where the royalty rate is determined by the rate of production per tract.[8] Some of the tracts were leased under a system where the state retained a 20% royalty, plus a net profit share. The amount of the profit share was determined at the auction through competitive bidding and thus is different for each tract. The best lands were sold for 70% to 93% profit shares.[9]

No one knows with certainty what the state's share of the Lisburne production will be. That will depend upon which tracts have oil and which tracts are dry. But it is clear that on state-owned lands the share will be greater than the present 30% realized from Prudhoe Bay. A reasonable estimate for the average is 50% of gross revenue from the state lands.

From these figures we can translate the production figures in Table 1 to the state's weighted share of production.* This is simply 30% of all Prudhoe Bay and Kuparuk production, plus 50% of Lisburne production, and is shown in Table 1-2.

Putting It All Together

As noted above, the revenue forecast is based on three questions: 1) How much future production? 2) What will the price be? and 3) How much of the production does the state get through taxes and royalties? Expressed as an equation, the forecasting process looks like this:

(production) x (state share) x (price) = revenue

Revenues are thus estimated for the three North Slope oil fields (Table 1-3).

Cook Inlet

Oil was first discovered in Cook Inlet on July 19, 1957, and commercial production began in 1958. By 1959 petroleum had become a major source of revenue for the state. The state share of federal royalty payments came to $4.2 million, which "seems small by today's standards, but in 1959 that represented a sizable share of the state's $31-million budget."[10] By the 1960s a number of oil and gas fields had been discovered in the Cook Inlet area, and the increased production

*For the purposes of this analysis all of Lisbourne production is assumed to be on state lands. In fact, the ownership of many of the prime Beaufort Tracts is in litigation.

Table 1-2

State of Alaska's Weighted Share of North Slope Production
(millions of barrels)

Year	30% of Prudhoe Bay and Kuparuk	50% of Lisburne	Total
1981	164		164
82	173		173
83	176		176
84	178		178
85	178		178
86	178		178
87	178		178
88	178		178
89	178		178
90	178		178
1991	149	37	186
92	124	37	161
93	104	37	141
94	88	37	125
95	75	37	112
96	64	37	101
97	53	33	86
98	45	30	75
99	38	27	65
2000	32	24	56
2001	28	22	50
2	24	20	44
3	20	18	38
4	17	16	33
5	15	14	29
TOTAL	2,635	426	3,061

Table 1-3

Projected Oil Revenue from Three North Slope Oil Fields*
under Two Different Price Assumptions
(millions of 1981 dollars)

year	State Share of Production (millions of barrels)	$20/b	$25/b
1981	164	$3,280	$4,100
82	173	3,460	4,325
83	176	3,520	4,400
84	178	3,560	4,450
85	178	3,560	4,450
86	178	3,560	4,450
87	178	3,560	4,450
88	178	3,560	4,450
89	178	3,560	4,450
90	178	3,560	4,450
1991	186	3,720	4,650
92	161	3,220	4,025
93	141	2,820	3,525
94	125	2,500	3,125
95	112	2,240	2,800
96	101	2,020	2,525
97	86	1,720	2,150
98	75	1,500	1,875
99	65	1,300	1,625
2000	56	1,120	1,400
2001	50	1,000	1,250
2	44	880	1,100
3	38	760	950
4	33	660	825
5	29	580	725
TOTALS		$61,220	$76,525

*Includes Prudhoe Bay, Kuparuk, and Lisburne fields.

plus higher state taxes combined to make petroleum an even more significant source of revenue.

Today Cook Inlet represents but a small fraction of total state oil and gas revenues. In the calendar year 1982 state tax and royalty receipts from Cook Inlet production are estimated at $175 million.[11] Over time the field will be even less of a factor in the state revenue picture. The production comes from mature reservoirs, and reserves are dwindling. Gregg Ericson estimates that Cook Inlet will experience an annual 12.2% decline in production.[12]

Because of the mechanics of the severance tax, which is adjusted downward as production approaches an "economic limit," state revenues will decline faster than production. It is estimated that by 1990 Cook Inlet fields will be exempt from the severance tax altogether.[13] Within just four years revenues may dip below $100 million, as measured by 1981 values.

Revenue forecasters soon learn when it is important to take pains to describe a revenue stream, and when it isn't. In the case of Cook Inlet, the total amount of money is not large, and a rough rule of thumb estimate is probably good enough. One way to do this is to show a constant decline in revenue which is somewhat greater than the decline in production. Fifteen percent annually is a reasonable estimate.

Non-Petroleum Revenue Sources

If Prudhoe Bay shut down tomorrow, the pipeline blew up, or the price of oil dropped to pre-OPEC levels, Alaska would have to rely upon non-petroleum revenues to finance state government. Alaska has never had a statewide sales tax. The statewide property tax is limited to oil and gas facilities. The personal income tax was repealed in 1980, and in 1981 most businesses were relieved of the obligation to pay the corporate income tax.

In the wake of these tax reductions, Alaska's non-petroleum revenue sources are limited to a handful of license and user fees, excise taxes, the remnants of the corporate income tax, and income from investments. The tax, license and user fees come to about $100 million per year.[14]

Income from investments is rapidly becoming an important source of revenue. By 1982 the nominal value of interest income from invested state funds will exceed by perhaps a three-to-one margin or more the income from all other non-petroleum revenue sources. Does this mean that the state is on the way to self-sufficiency? Unfortunately, the answer is no, or at least not at this stage in the game. Nominal returns from investments must be adjusted for inflation before they can properly be evaluated. Consider, for example, a $3 billion investment fund which earns a nominal return of 10%. $300 million of income shows up on the state's books. But what if the rate of inflation is 8%? The value

of the $3 billion in principal is depreciated by [3 billion - (3 billion/1.08)] = $240 million, in terms of future purchasing power. This leaves a net return, after inflation is considered, of only $77 million, or 2.6%.

When nominal returns are defined as income, the purchasing power of the "principal" is allowed to decline by the amount of inflation. Thus, the $300 million in "earnings" is really a combination of $77 million in investment returns, and a $222 million reduction in the size of the investment fund. If this is allowed to continue over time the investment fund will dwindle--like the Cook Inlet oil reservoirs--to an insignificant amount.

The question of investment earnings is an important variable in forecasting long-range revenues for the state. Some say it is the most important variable. It is, however, very much determined by two policy choices. First, how much money is set aside for investments. Second, will the money be invested to maximize financial returns, or will it be loaned out at subsidized interest rates for Alaskan projects which achieve explicit or implicit income distribution objectives or promote economic development?

The question of the size of the state's investment portfolio is examined in some detail in the next section, which discusses spending strategies. The question of the investment objectives has temporarily been decided in favor of maximizing financial returns. Each meeting of the legislature,

and each new governor, however, will review this decision. Powerful political support exists for shifting investments from "Wall Street" to local projects at low interest rates. The issue is far from resolved. An important policy consideration is how a subsidized loan strategy will impact the state's long-range revenue picture. If returns are consistently zero or less, in real terms, there will be no investment earnings, and only a gradual erosion of the investment principal. On the other hand, a policy of maximizing financial returns should be able to earn a real return of 2% to 5%. Over the long run a return of 3% is a reasonable estimate.[15]

New Discoveries on Frontier Acreage

So far the discussion has been limited to revenue sources which are relatively certain. What about new discoveries of oil or gas on frontier acreage? Can this be estimated too? In theory, the answer is yes. It seems obvious that some new oil discoveries will occur in the future, and to ignore them will result in an understating of the state's revenues. The forecaster might include the "expected" reserves in frontier areas. This is just a way of saying that experts guess how much oil is in a wilderness area, and then guess the probability of the first guess coming true. The first guess multiplied by the second guess is the "expected" reserves.

Expected reserves in Alaska appear to be very large. However, just how large depends upon who is doing the

expecting. For example, during the D-2 debate the congress was treated to wildly different estimates of the oil potential of the Arctic Wildlife range. The oil companies and the state "expected" a lot of oil. The environmentalists "expected" very little oil.

Not all differences in estimates of speculative reserves are a function of bias or hidden agendas. There is just not enough information available for anyone to know for certain whether wildcat acreage will produce or not--or for that matter when it will produce. There is an element of risk in these forecasts which must be reckoned with. Consider the following.

Everyone, including the oil industry, predicted vast oil discoveries in the Gulf of Alaska--but after a half billion dollars in bonus bids and millions more in exploration expenditures, this area is practically abandoned today. Other optimistic development scenarios have fallen by the wayside in recent years, and today are amusing, if not embarrassing examples of how dangerous it is to anticipate speculative oil reserves. For example, in 1977 the University of Alaska's Institute for Social Economic and Government Research (now known as ISER) predicted a "limited" development scenario of 2 million barrels of oil per day by 1980 (contrasted to actual production of about 1.65 million), increasing to 2.9 million b/d by 1985 and 3.7 million b/d by 1990. The same study offered an "accelerated" development

scenario of 4.8 million b/d by 1985, and 7.5 million b/d by 1990. The "maximum" development scenario was a mind-boggling 4.9 million b/d by 1985, and 10 million b/d by 1990.[16]

Such predictions seem absurd today. State officials are concerned with simply keeping the pipeline full past 1990, at its current capacity of 1.5 million barrels per day. But the lesson is not how stupid earlier forecasters were, but how easy it is to overestimate development prospects, and, more important, how tragic it would be if state policies were grounded on speculative development which never took place.

Yet another reason for being cautious about predicting new revenue sources for the state is the likely distribution of new discoveries with respect to land ownership. Prudhoe Bay, Kuparuk, and much if not all of the Lisburne formation are on state lands.* Most observers, however, say that the best wildcat action will be on OCS lands--which are owned by the federal government. Alaska cannot levy severance or property taxes against OCS acreage, or collect royalties. Even the ability to tax income from such development is questioned.

Moreover, of the remaining on-shore prospects, nearly all of the attractive acreage is owned by the federal government or the Native Corporations. The state will be unable to collect royalties from the native lands, and only some of the federal lands will share royalties with the state.

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*How much of the Lisburne Field is on state lands will depend, as noted earlier, on litigation.

The state of Alaska has been left with, in the words of one expert, "table scraps," and future discoveries of oil may contribute only marginally to future state revenues.

Finally, it should be noted that there is a tendency when estimating production from speculative reserves to get carried away with recent trends. When Prudhoe Bay was announced it seemed like the beginning of a new gold rush in Alaska. Yet after thirteen years of exploration the industry has announced the start-up of only one new oil field--Kuparuk--and even the high estimates of Kuparuk production peg it at less than 10 percent of Prudhoe Bay output.

Thus, it can be said that while in theory it is fine to include production from speculative acreage in revenue forecasts, it remains a difficult task. Whatever figures are included are bound to be controversial, subjective in nature, and risky. Moreover, the door is wide open for manipulation of figures by those with an ax to grind regarding state finances. Proponents of expensive projects will be tempted to shade estimates on the high side. Opponents of expensive projects will undoubtedly be accused of shading estimates of the low side.

A more conservative approach is to limit the forecast to oil fields which have been confirmed "by the drill bit" and are reasonably certain of commercial production by a given date. While this may (but not necessarily) result in an underestimation of production, it at least deals with known quantities, and consumers of the data can proceed with more confidence than would otherwise be the case.

Prudhoe Bay/Trans-Canadian Gas Line

One final potential revenue source which deserves mention is the sale of natural gas reserves from the Prudhoe Bay oil field and the property taxes from the building of a new gasline to transport the gas to the lower forty-eight via Canada. This project has been repeatedly delayed, and the price estimates constantly revised upwards. While there is little doubt that the gas reserves will eventually be marketed, the timing of the development is uncertain. Many of the state's petroleum experts now do not believe that the gasline project will fly as presently conceived. Thus, until the economic feasibility of a scheme for marketing the gas is developed, no revenue will be projected.

Summary

The major sources of projected revenue for the state are petroleum development, and income from investments. From 1982 to 2005, petroleum taxes and royalties represent more than 94% of all non-investment revenues (see Tables 1-4 and 1-5). Production from the North Slope alone is estimated to contribute 93% of revenues. About 75% of North Slope revenues are attributed to the Prudhoe Bay field.

The tax and royalty income actually realized from petroleum development can be changed by three major events. First, new discoveries may occur, or estimates of future

Table 1-4

Petroleum and Non-Petroleum Revenues Summarized
(Investment Income Excluded)
(millions of 1981 dollars)
$20/b Price of Oil

Year	Petroleum		Non-Petroleum*	Total
	North Slope	Cook Inlet		
1982	$3,460	$175	$103	$3,738
83	3,520	149	106	3,755
84	3,560	126	109	3,755
85	3,560	107	112	3,779
86	3,560	91	115	3,766
87	3,560	78	118	3,756
88	3,560	66	122	3,748
89	3,560	56	125	3,741
90	3,560	48	129	2,737
1991	3,720	41	132	3,893
92	3,220	34	136	3,390
93	2,820	29	140	2,989
94	2,500	25	144	2,669
95	2,240	21	148	2,409
96	2,020	18	152	2,190
97	1,720	15	157	1,892
98	1,500	13	161	1,674
99	1,300	11	166	1,482
2000	1,120	9	171	1,300
2001	1,000	8	175	1,183
02	880	7	180	1,063
03	760	6	186	952
04	660	5	191	856
05	580	4	196	780
TOTALS	$57,940	$1,142	$3,474	$62,556

Petroleum revenues as a percentage of total revenues: 94%

North Slope petroleum revenues as a percentage of total revenues: 93%

*Increase is the same rate as population: 2.85%.

Table 1-5

Petroleum and Non-Petroleum Revenue Summarized
(Investment Income Excluded)
(millions of 1981 dollars)
$25/b Price of Oil

Year	Petroleum		Non-Petroleum*	Total
	North Slope	Cook Inlet		
1982	$4,325	$175	$103	$4,603
83	4,400	149	106	4,655
84	4,450	126	109	4,685
85	4,450	107	112	4,669
86	4,450	91	115	4,656
87	4,450	78	118	4,646
88	4,450	66	122	4,638
89	4,450	56	125	4,631
90	4,450	48	129	4,627
1991	4,650	41	132	4,823
92	4,025	34	136	4,195
93	3,525	29	140	3,694
94	3,125	25	144	3,294
95	2,800	21	148	2,969
96	2,525	18	152	2,695
97	2,150	15	157	2,322
98	1,875	13	161	2,049
99	1,625	11	166	1,802
2000	1,400	9	171	1,580
2001	1,250	8	176	1,433
02	1,100	7	180	1,287
03	950	6	186	1,137
04	825	5	191	1,021
05	725	4	196	925
TOTALS	$72,425	$1,142	$3,474	$77,041

Petroleum revenues as a percentage of total revenues: 95%

North Slope petroleum revenues as a percentage of total revenues: 94%

*Increase is the same rate as population: 2.85%.

production from existing fields may be revised.* Second, the future price of oil may increase or decrease in real terms. Third, the state can change tax laws, and increase or decrease the state "take" from petroleum production.

The size of the state's investment earnings will likewise be a function of the same variables which determine the petroleum revenue stream, although the relationships is by no means certain or obvious.** The real guts of the investment earnings projections are two policy variables. First, how much of current petroleum revenues will be spent and how much will be saved? Second, what investment objectives will the state pursue? Until these questions are resolved, it is impossible to make meaningful predictions of future investment earnings.

Other non-petroleum revenues include taxes, license and user fees, and the sale of other natural resources. At present these activities are not significant sources of revenue. The future levels of such items as state taxes on firms and individuals may well change if spending patterns result in a rapid exhaustion of resource wealth. Just how willing future generations of Alaskans will be to reinstate the individual income tax or other taxes remains an open question.

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*One might add the firming up of marketing plans for Prudhoe Bay gas reserves.

**On the one hand, an increase of petroleum revenue will provide the means for additional savings. On the other hand, new discoveries or more favorable geological reports on existing fields may reduce anxiety about the future and thereby reduce an important incentive to save today.

Notes

[1]On a per capita basis Alaska's 1980 oil production was "nearly thrice that of Kuwait, more than four times that of Saudi Arabia, almost six times that of Libya, ten times that of Gabon, thirty times that of Venezuela, and almost four hundred times that of Indonesia." Malcolm Gillis, "The Effects of In-State Investment: Lessons from Oil-Fired Development in Other Parts of the Worlds," prepared for the Permanent Fund Trustees (October 23, 1981).

[2]Milt Barker, "General Fund and Permanent Fund Balance Projections," Memorandum to Senator Sturgulewski and Rep. Hugh Malone (June 19, 1981).

[3]Ed Phillips, personal communication (November 1981).

[4]Ibid.

[5]David T. Kresge, Thomas A. Morehouse, and George Rogers, Issues in Alaska Development (ISER, University of Washington Press, 1977).

[6]For a discussion of the Alaskan severance tax, see James Love, State Taxes on Petroleum Production, July 7, 1981.

[7]The method of computing the state income tax was changed in 1981. FCCSSB 524.

[8]For a discussion of the sliding scale royalty system as used in the Beaufort Sea area, see James Love, "Choice of Federal Sliding Scale Royalty Formula for Beaufort Sea Sale," prepared for the House Interimr Committee on Oil and Gas Leasing Policy (January 13, 1980).

[9]Oil and Gas Journal (December 17, 1979).

[10]Mike Bradner, "Historical Review of Alaska Petroleum Taxes, 1955-1978" (April 1979).

[11]Personal communication, Charles Logston (November 1981).

[12]Ibid.

[13]Ibid.

[14]Milt Barker, personal communication (November 1981).

[15]A return of 3% is reasonable, but it should not be taken for granted. The average return for both the Alaska Permanent Fund and the General Fund over the years 1977-79 was negative. James Love, "Comments on Leasing Methods," prepared for the House Interim Committee on Oil and Gas Leasing Policy (October 18, 1979).

[16]Kresge, et al., Issues in Alaska Development

PART II

Long-Range Expenditure Planning

- What to do when revenues are lumpy? -

For the Senate State Affairs Committee

Senator Victor Fischer, Chair

James Packard Love
Harvard University
Decerber 1, 1981

Contents

The Need for Planning 32

The Alaska Permanent Fund and Inflation 36

Three Different Spending Strategies 44

The Goldsmith Strategy: Save the Principal 45

Hammond Spending Strategy: Pick an Arbitrary Limit 54

The Fink Spending Strategy: Spend It Now! 69

Comparison of Three Spending Strategies 74

Notes 81

Long-Term Expenditure Planning

The Need for Planning

The most important reason to forecast revenues is to help policy makers and citizens plan expenditures over time. Alaska has a highly unusual revenue stream--very large in the next ten years, and then rapidly declining as Prudhoe Bay plays out. This revenue stream represents the "cashing out" of a non-renewable resource. It can be spent now, later, or spread between the present and the future.

There are several reasons to be concerned about "lumpy" revenue streams such as this. Perhaps the most obvious one is the question of equity between generations. But a number of other less philosophical issues are also involved. The state is under intense pressure to make investments in buildings and infrastructure and to create new programs and "entitlements." Before decisions are made to begin multi-stage capital projects, it is important to know where the money will come from to finish the development. The same can be said for major new state efforts to fund communities, education, subsidize businesses and home purchases or the novel schemes to distribute oil wealth directly to citizens. If these programs are started in 1982, can they be sustained ten or fifteen years hence? And just as important, are resources sufficiently finite so that the creation of a new program today will foreclose the option to make other investments later on?

Policy makers can evaluate different "spending strategies" by comparing projected expenditures to revenues over time. Such long-range planning can help to take some measure of the changes and shocks the state will have to cope with as it adjusts to a leaner diet of oil revenue. If shocks are to be minimized and spending "smoothed out" into the future, then money will have to be saved in the near term. Even if there is no attempt to share today's oil receipts with future citizens, it will be useful to know what the consequences of a particular level of government spending today will be. Is the government going to build facilities which it cannot afford to maintain in the future? Will the bureaucracy be so swollen that it will create an unmanageable burden for taxpayers in the 1990s?

Policy makers certainly have an intuitive feel for these questions. This is reflected in much of the colorful rhetoric surrounding the debate over oil "wealth management." Moreover, in recent years the legislature has passed two constitutional amendments, ostensibly to preserve some of the oil wealth for future generations. The first measure, the Alaska Permanent Fund, mandates that a share of oil royalties be placed into a "savings" account, and not spent. The second proposal, passed by the legislature in 1981 and awaiting voter approval in 1982, will "limit" the amount, or at least the way, the state spends.

But do these two measures really address the long-term financial planning problem. Unfortunately, the answer is no--or perhaps only in a trivial sense. Both the Permanent Fund and the proposed constitutional amendment to limit spending provide but minimum restraints on the legislature's freedom to liquidate Alaska's oil wealth. These limitations, because they are so modest, do not by themselves eliminate the need for fiscal planning. The Permanent Fund only requires that one-tenth of current oil revenues be "saved," and the fund is set up in such a way that inflation will erode the purchasing power of the principal. The spending limit is riddled with loopholes and is set so high that it will soon exceed the available revenues from oil production.

The problem remains a lack of planning. When both the Permanent Fund and the spending limit were passed by the legislature, it was clear that many policy makers and citizens were acutely concerned about the long-run consequences to today's budget policies. But most of the debate was little more than one platitude competing against another. A more rigorous, analytical, and quantitative approach is needed, and is for the most part lacking.

What do we owe future generations? How much do we need to save today to maintain an "appropriate" level of government services twenty years from now? Will the permanent fund provide enough revenue to sustain the government

when the oil is gone? What will the proposed state spending limit mean over the next decade?

As fundamental as these issues sound, they are rarely addressed in the public debate over spending policies. Is this because conventional political wisdom rejects long-run planning considerations as too esoteric to be understood by the public? Is planning simply an unpopular word in Alaska--to be avoided at all costs? Or is the problem a lack of competence on the part of policy makers, rather than cynicism or a theological aversion to planning?

For whatever reason, today's fiscal policies are only tenuously linked to the state's longer-term revenue picture. Indeed, few policy makers appear to have even a modest grasp of the state's long-term fiscal condition.

This is an urgent problem--one the state cannot deal with later as it moves along the wealth management "learning curve." Time is of the essence. The state is rushing into, and perhaps out of, the petroleum era. Day by day and year by year a greater proportion of Alaska's special oil "endowment" is ripped from the earth and brought to market. In just two years, 14% of Prudhoe Bay's estimated recoverable reserves will be gone. In six years, 42% will be exhausted. The longer the state waits to plan its future, the less of a difference planning will make. Moreover, if current expecations of spending levels are unrealistically high, it is better to change those expectations now rather than later.

The Alaska Permanent Fund and Inflation

The first serious thinking about the need to create a "savings" account for current oil revenues occurred shortly after the 1969 North Slope oil lease sale which brought $900 million into state coffers. The Brookings Institute was hired by the state to conduct a series of seminars on "The Future of Alaska."

> After the Brookings seminars, several bills were introduced in the 1970 legislative session to establish some sort of "permanent fund" with the $900 million. However, other more immediate uses for the money were judged to be more important, and no permanent fund was established.[1]

The idea endured, however, and it became a major political issue in the years immediately preceding the start-up of Prudhoe Bay production. Notable support for a "savings" fund came from younger democrats in the House of Representatives, led by Representative Hugh Malone, and Governor Jay Hammond. The young democrats and Hammond both were considered politically liberal on distributional and environmental concerns, but fiscally conservative when it came to spending levels. The immediate influx of billions of dollars in short-term revenues presented the opportunity for unprecedented waste, in their view. Moreover, supporters of the fund were motivated by a desire to share the riches of Prudhoe Bay with future generations. In 1976 the legislature finally passed and the voters approved, by a nine to one margin, a constitutional amendment which created the Alaska Permanent Fund.

The constitutional amendment provides that a minimum of 25% of the royalties from oil fields leased before 1976 and 50% of the royalties of lands leased thereafter will be deposited in the Permanent Fund. This works out to about 10% of the revenues from Prudhoe Bay and Kuparuk, and 20% of the revenues from the Lisburne field.[2] In addition to this minimum payment, the legislature may make special appropriations from the general fund to the Permanent Fund--such as the $900 million contribution in 1979 and the $1.8 million appropriation in 1981. According to the state constitution, the fund must be invested in "income producing" assets.

The ultimate size of the state's "endowment" to future generations is undecided by the mere creation of the Permanent Fund. First, the minimum contribution is considered by many political leaders to be very inadequate for the next ten years when the revenue stream will be at its peak. Secondly, an extremely important question regarding the definition of "income" will determine how "permanent" the principal of the fund is.

The first point is intuitively easy to grasp. If the state is depleting half of a special asset like Prudhoe Bay in just ten years, is 10% enough to set aside for savings? Obviously some citizens and policy makers think otherwise and will continue to press the legislature to set aside much larger amounts.

The definitional issue is less obvious and has attracted much less public attention but will have profound consequences in determining how large the fund will eventually be, and whether or not there will be a steady erosion of the principal. There are really two definitional issues. The first one is whether or not "income-producing investments" can be defined to include infrastructure investments and other capital projects which do not provide direct benefits to the treasury through interest or capital gains on securities, but rather provide <u>indirect</u> benefits through economic development. If the latter interpretation is allowed, the permanent fund will simply become just one more source for capital projects--and will be a likely candidate for precisely the type of pork barrel waste and extravagance that its proponents hope to avoid. The current directors of the permanent fund have rejected such a loose interpretation of the term "income producing." Ultimately, this question may be tested in the courts, although at the present time it does not seem to be a pressing issue.

The second definitional issue regards the problem of inflation. "Income" from the Permanent Fund is not retained. Every year it is deposited directly into the general fund, where it can be spent as the legislature desires. The question is whether income should be defined in nominal or real terms.[3]

As noted earlier, nominal returns represent a combination of the real increase in the value of the asset and a

decrease in the purchasing power of the principal. Thus, a 10% nominal return in an era of 8% inflation is only a 2% net increase in wealth.

If the goal is to create a fund which is truly "permanent" then it is necessary to retain in the fund as principal everything but the "real" income. Otherwise, the Permanent Fund will be depleted over time as inflation erodes its purchasing power. Consider the following example. If the Permanent Fund has a balance of $4 billion and is receiving an annual contribution of $350 million, is it getting bigger or smaller? The answer, it turns out, depends entirely on the rate of inflation. If the rate of inflation is zero, the fund increases by $350 million per year. If the rate of inflation is 8%, the fund balance is reduced by [$4 billion - ($4 billion/1.08)] = $296 million in terms or purchasing power and increased by the $350 million contribution. The net impact is an increase in the fund's assets of $54 million.

If, however, the rate of inflation is 10%, the fund balance is reduced by [$4 billion - ($4 billion/1.10)] = $364 million in purchasing power and increased by $350 million in new contributions. The result is a decrease in the fund's assets of $14 million.

The net change in the size of the Permanent Fund balance can be expressed by the following equation.

$$\text{(previous balance)}/(1 + r) + \text{(contribution)} = \underline{\text{new balance}}$$

where r = rate of inflation.

The equilibrium point for the fund balance can be expressed as a function of the inflation rate and the annual contribution.

$$\text{(contribution)}(1 + r)/r = \underline{\text{fund balance equilibrium}}$$

If the equilibrium is greater than the fund balance, it will continue to grow. If the equilibrium is smaller than the fund balance it will shrink in terms of purchasing power.

What does this mean in terms of the Permanent Fund? First, so long as income is defined in nominal terms, the growth of the fund will be much less than commonly expected--and indeed may well be negative. Secondly, the amount of annual contributions will be determined by a random variable outside the influence of policy makers--the rate of inflation. In other words, the minimum contributions to the Permanent Fund will be arbitrary amounts that are a function of exogenously determined inflation rates rather than legislative policy.

This is illustrated further in Table 2-1, which shows the annual contributions the Permanent Fund, from North Slope oil, net of inflation, for the years 1981 through 2000. The 1981 contribution is really just the cumulative balance

Table 2-1

Annual Contribution to Permanent Fund
Net of Inflation (minimum contribution after 1982)
(millions of 1981 dollars)

Price / Rate of Inflation	$20/b			$25/b		
	0%	5%	10%	0%	5%	10%
1981	$1,964	$1,964	$1,964	$2,005	$2,005	$2,005
82	2,146	1,966	1,803	2,223	2,147	2,069
83	352	165	10	440	242	70
84	356	161	13	445	236	68
85	356	153	11	445	225	62
86	356	146	11	445	213	57
87	356	140	9	445	204	51
88	356	132	9	445	194	47
89	356	126	8	445	185	42
90	356	120	7	445	176	39
1991	446	204	96	558	281	418
92	396	145	38	495	204	72
93	356	98	(6)	445	144	15
94	322	61	(37)	405	98	(27)
95	298	32	(60)	373	61	(56)
96	276	9	(76)	345	30	(79)
97	238	(30)	(107)	298	(19)	(118)
98	210	(56)	(126)	263	(53)	(143)
99	184	(80)	(140)	230	(83)	(163)
2000	160	(99)	(152)	200	(109)	(178)
Subtotal for years 1983-2000	$5,732	$1,427	$(492)	$7,167	$2,229	$(93)

of the fund for that year. The 1982 contribution includes the $1.8 billion appropriation made by the legislature this year. Thereafter, only the minimum contribution is assumed.*

Under the zero inflation scenario the fund increases by $5.732 million under the $20/b price assumption, and $7,167 million for the $25/b price assumption over the period from 1983 to 2000. When inflation of 5% is introduced, new contributions are reduced to $1,427 million for the $20/b price, and $2,229 for the $25/b price. When 10% inflation is introduced, net contributions to the Permanent Fund are negative for both price assumptions.

In other words, under the 10% inflation case, the size of the Permanent Fund is less in the year 2000 than its balance in 1982. This is illustrated in Table 2-2, which shows the cumulative balance in the Permanent Fund under the different price and inflation assumptions.

To put this into perspective, consider the following. Under the most favorable assumption of 5% inflation and a $25 price of oil, the fund balance by the year 2000 is $6.3 billion. Under the 10% inflation scenario and the $20 price, the balance is $ billion. This means that the Permanent Fund, if it earn real return on its investments, can expect to contribute from $98 million to $191 million in earnings by the end of the century, as measured in 1981 dollars, if future contributions are

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*Ten percent of Prudhoe Bay and Kuparuk and 20% of Lisburne revenues.

Table 5

Cumulative Balance in Permanent Fund under Different Price and Inflation Assumptions (minimum contribution after 1982)
(millions of 1981 dollars)

Price / Rate of Inflation	$20/b			$25/b		
	0%	5%	10%	0%	5%	10%
1981	$1,964	$1,964	$1,964	$2,005	$2,005	$2,005
82	4,110	3,930	3,767	4,238	4,152	4,074
83	4,462	4,095	3,777	4,678	4,394	4,144
84	4,818	4,256	3,790	5,121	4,630	4,212
85	5,174	4,409	3,801	5,568	4,855	4,274
86	5,530	4,555	3,812	6,013	5,068	4,331
87	5,886	4,695	3,821	6,458	5,272	4,382
88	6,242	4,827	3,830	6,903	5,466	4,429
89	6,598	4,953	3,838	7,348	5,651	4,471
90	6,954	5,073	3,845	7,793	5,827	4,510
1991	7,400	5,277	3,941	8,351	6,108	4,658
92	7,796	5,422	3,979	8,846	6,312	4,730
93	8,152	5,520	3,973	9,291	6,456	4,745
94	8,476	5,581	3,936	9,696	6,554	4,718
95	8,774	5,613	3,876	10,069	6,615	4,662
96	9,050	5,622	3,800	10,414	6,645	4,583
97	9,288	5,592	3,693	10,712	6,626	4,465
98	9,498	5,536	3,567	10,975	6,573	4,322
99	9,682	5,456	3,427	11,205	6,490	4,159
2000	9,842	5,357	3,275	11,405	6,381	3,981

limited to the legal minimum. Given the current rate of state spending this is trivial.

Clearly, the mere creation of the Alaska Permanent Fund has not resolved many important fiscal management issues. Because the minimum contribution is small, and because inflation can erode the purchasing power of the principal, the importance of the Permanent Fund will be determined by future rather than past acts of the legislature.

Three Different Spending Strategies

There are two major policy variables in long-range fiscal planning for the state of Alaska. First, how much of the oil money should be spent as it is received, and how much should be "saved." Second, should the state seek to maximize the "financial" rate of return on its investment portfolio, or should it provide loans to Alaskan individuals and firms at subsidized interest rates? Either issue by itself is only partly helpful in fiscal planning. Taken together, it is possible to estimate how much money will be available to spend in the future.

There are, to be sure, an infinite number of possible "spending strategies." Nonetheless, it is possible to pick a few distinctive strategies which illustrate the range of options the state can chose from. In this analysis three such strategies are analyzed.

The first would have the state save enough money over the next decade to "smooth out" the revenue stream on a

perpetual basis. The "savings would be invested to earn a high "financial" rate of return. This is referred to as the "Goldsmith" strategy, for the University of Alaska economist who has repeatedly promoted it.

Similar on the surface to the "Goldsmith" strategy is the "Hammond" strategy, named for the incumbent governor. Under this option, spending is held at the "limit" which is specified in the proposed constitutional amendment. Like the "Goldsmith" strategy, the "Hammond" spending plan would have "savings" invested to earn a high "financial" rate of return. Unlike the "Goldsmith" strategy, however, the "limit" on current spending is an arbitrary number--which has no apparent relationship to long-term revenue projections. Just how arbitrary the limit is becomes clear when it is examined over time.

Finally, there is the strategy of spending oil revenues now, as soon as possible. Contributions to the Permanent Fund are only the minimum required by law. These "savings" are invested at subsidized interest rates. This is called the "Fink" strategy, for the Anchorage gubernatorial candidate who is its most articulate and enthusiastic proponent.

The Goldsmith Strategy: Save the Principal

Scott Goldsmith is an economist with the University of Alaska's Institute for Social Economic Research (ISER). Over the past four years he has repeatedly called attention to the need to introduce longer-run fiscal planning to state

government. In 1978 he published an influential paper which compared historical growth rates of the state budget to long-run revenue forecasts and concluded the state stood a good chance going bankrupt in the 1990s.[4] In 1979 he proposed that the state change its tax laws so the oil industry could defer tax payments until some time in the future, thereby taking pressure off state government to increase its budget.[5] In October 1981 he presented the Permanent Fund Trustees with a paper which explored the question of how much of the Prudhoe Bay oil revenues to save, and how much to spend.[6]

Goldsmith underscored the point he had made many times earlier. The state of Alaska is dependent upon a source of revenue with a finite life. In his words:[7]

> In a very real sense, there is a bank on the North Slope--The First National Bank of Prudhoe Bay--and the State of Alaska has a major account there. . . . Each year the state makes a forced withdrawal from its bank account as it collects the various petroleum related revenues and royalties.

This account was going to be exhausted in the not so distant future--Goldsmith reminded the Trustees. Moreover, there was precious little evidence that other industries or resource extractions could replace it.

> Consider coal--this year's glamor resource. The current annual production of about 1 million tons directly accounts for less than four-thousandths of one percent of our revenues ($200,000, or .004 percent). If the state could get 30 cents in royalties for every ton of coal mined, 4.7 billion tons--which is just about all of our current reserves (4.8 billion tons)--would need to be extracted annually to put $1.4 billion into the treasury. So even if it were physically or technically possible to mine this much coal in one year, it only provides one year of revenues.[8]

As the state continues to make the forced withdrawals from the "First National Bank of Prudhoe Bay," it has to decide how much of the money to save for the future. In Goldsmith's view, "it is easier to deal with this question if we stand it on its head and ask how much we want to spend--not only this year but also in future years."[9] In other words, the state should specify the level of expenditures it wante to sustain in the future, and then save enough today to provide the endowment necessary to finance it.

Goldsmith then proceeded to specify not a particular level of expenditures, but a relative level. The state should "smooth out" its spending, he argued. Future expenditures should be exactly the same as today. The particular level would be just that amount which the state could sustain forever.

To sell this to the Permanent Fund Turstees, Goldsmith invoked the conservative "never spend the principal rule." The principal was the present value of oil resources. The state should endeavor to save all of this. The current level of expenditures should be limited to the "interest" on this principal. The interest was the "real" rate of return from the permanent fund. Expressed algebraically, the spending rule is as follows:

$$(\text{Present value of oil}) \times (\text{Rate of return}) = \underline{\text{Spending level}}$$

In order to make this rule work, the present value of the oil would be the projected revenue stream from future production discounted by the rate of return from investments. Thus, it can be seen that the "principal" can be much larger than the amount of savings currently in hand, and the "interest" can be many times the earnings from present savings. Moreover, both the size of the "principal" and the "rate of return" are functions of the state's investment strategy. If the state chooses a low financial return from invested assets, due to a policy of subsidizing certain borrowers, the current "spending level" will have to be much lower than would be the case if the investment objective was to maximize the financial return.

To illustrate how this spending rule would work in practice, North Slope oil resources are analyzed in Table 2-3. The present value of the future revenue stream is determined by discounting it first at zero percent, and then at five possible "real" rates of return from investments. Using the $20 and $25 price range for oil, Goldsmith's "principal" is valued at between $41 and $76 billion. The reader will note that the higher the rate of return, the higher the discount rate, and the lower the present value of the resource. However, the fact that a high rate of return results in a lower present value does not mean that the annual spending level will be lower. On the contrary, this is more than offset by the higher "interest" rate.

Table 2-3

Present Value of Oil and Annual Value of "Annuity" Income under Different "Real" Rates of Return from Investments (millions of 1981 dollars)

	Rate of Return from Investments					
	0%	1%	2%	3%	4%	5%
	Present Value of Oil					
@ $20/b	$60,874	$55,806	$51,379	$47,495	$44,072	$41,045
@ $25/b	76,179	70,190	64,656	59,804	55,523	51,739
	Annual Value of Annuity Income					
@ $20/b	-	558	1,028	1,425	1,763	2,052
@ $25/b	-	698	1,279	1,784	2,207	2,570

This is also shown in Table 2-3, where the present value of the oil, or "principal" in Goldsmith's convention, is multiplied by the "interest" rate to determine "annual value of annuity income." The "annuity income" is simply the amount of money the state can spend every year on a perpetual basis. So long as spending is limited to these sums, enough money will be socked away during the next decade or so that the savings will build an endowment large enough to sustain the spending when the oil is gone.

From this calculation it can be seen that the annual spending level is very sensitive to the rate of return from investments. At a zero rate of return, the "annuity" income is zero. At 1% the annual "annuity income" is between $558 and $698 million, depending upon price assumptions. When a 5% rate of return is considered, the state is allowed to spend from $2 to $2.5 billion every year.

Obviously the state can spend more every year if it earns a higher rate of return. Just what rate of return is reasonable to expect? While the 1% to 5% range is feasible, a more likely range is 2% to 3%, with the 3% return a good target for state money managers. To see how the state would fare at this rate of return, the "Goldsmith Strategy" is examined more closely in Tables 2-4 through 2-5. Spending in year 1981 is $3,900 million, and thereafter at the rate determined in Table 2-3. For the $20 price assumption, the annual spending level is $1,425 million. At the $25 price the annual spending level is $1,784 million.

Table 2-4

Goldsmith Spending Strategy
Save the Principal
$20/b Price of Oil
(millions of 1981 dollars)

Year	Spending	Oil Revenues	Investment Income	Surplus (Deficit)	Savings
1981	$3,900	$3,280	$ 104	$ (516)	$ 2,934
82	1,425	3,460	88	2,123	5,057
83	1,425	3,520	152	2,247	7,304
84	1,425	3,560	219	2,354	9,658
85	1,425	3,560	290	2,425	12,083
86	1,425	3,560	362	2,497	14,580
87	1,425	3,560	437	2,572	17,152
88	1,425	3,560	515	2,650	19,802
89	1,425	3,560	594	2,729	22,531
90	1,425	3,560	676	2,811	25,342
1991	1,425	3,720	760	3,055	28,397
92	1,425	3,220	852	2,647	31,044
93	1,425	2,820	931	2,326	33,371
94	1,425	2,500	1,001	2,076	35,447
95	1,425	2,240	1,063	1,878	37,325
96	1,425	2,020	1,120	1,715	39,040
97	1,425	1,720	1,171	1,466	40,506
98	1,425	1,500	1,215	1,290	41,796
99	1,425	1,300	1,254	1,129	42,925
2000	1,425	1,120	1,288	983	43,908
2001	1,425	1,000	1,317	892	44,800
02	1,425	880	1,344	799	45,599
03	1,425	760	1,368	703	46,302
04	1,425	660	1,389	624	46,926
05	1,425	580	1,408	563	47,489

Table 2-5

Goldsmith Spending Strategy
Save the Principal
$25/b Price of Oil
(millions of 1981 dollars)

Year	Spending	Oil Revenues	Investment Income	Surplus (Deficit)	Savings
1981	$3,900	$4,100	$ 104	$ 304	$ 3,754
82	1,784	4,325	113	2,654	6,408
83	1,784	4,400	192	2,808	9,216
84	1,784	4,450	276	2,942	12,158
85	1,784	4,450	365	3,031	15,189
86	1,784	4,450	456	3,122	18,311
87	1,784	4,450	549	3,215	21,526
88	1,784	4,450	646	3,312	24,838
89	1,784	4,450	745	3,411	28,249
90	1,784	4,450	847	3,513	31,762
1991	1,784	4,650	953	3,819	35,581
92	1,784	4,025	1,067	3,308	38,890
93	1,784	3,525	1,167	2,908	41,797
94	1,784	3,125	1,254	2,595	44,392
95	1,784	2,800	1,332	2,348	46,740
96	1,784	2,525	1,402	2,143	48,883
97	1,784	2,150	1,467	1,833	50,716
98	1,784	1,875	1,521	1,612	52,328
99	1,784	1,625	1,570	1,411	53,739
2000	1,784	1,400	1,612	1,228	54,967
01	1,784	1,250	1,649	1,115	56,082
02	1,784	1,100	1,682	998	57,081
03	1,784	950	1,712	878	57,959
04	1,784	825	1,739	780	58,739
05	1,784	725	1,772	703	59,442

The savings in year 1981 is the estimated sum of all state "bank accounts" including the Permanent Fund, the General Fund, and smaller special accounts.[10] For each succeeding year the savings are determined by the net surplus of oil revenues and investment income over spending. By the year 2005 the amount of "savings" is approximately equal to the "present value" of oil resources listed in Table 2-3. At this point enough savings have accumulated to sustain the spending level without any future oil revenues.

Hammond Spending Strategy: Pick an Arbitrary Limit

Since the start-up of the TAPS pipeline in 1977, the state has been awash with oil money. As the revenues have increased, so has the budget and concerns about the size of the budget. The minimum contribution to the Permanent Fund has increasingly been perceived as an inadequate measure of needed savings, or at least a negligible restraint on current spending. As huge surpluses piled up in the state treasury an avalanche of funding requests followed. The more money the state had, the greater the "needs" of the citizens, and the harder for the legislature to exercise restraint in the budgeting process.

Fiscal conservatives, including the governor, were shocked by the changes in the budgeting process. To many budget observers, David Stockman's assessment of the recent federal tax cut would seem apt: "The hogs were really feeding. The greed level, the level of opportunism, just got out of control."[11]

The legislature was ruled by a series of precariously patched together coalitions and required too much log-rolling and compromises to keep spending in check by itself. The governor regularly made threats to veto appropriations which were significantly above the administration's request level, but inevitably caved in to higher and higher spending. Faced with a chief executive who was unwilling to curb the explosion in the size of the budget, many legislators

became convinced that the state could only control spending through adoption of a constitutional limit on the size of the state budget.

Ironically, the strongest supporter of the constitutional limit idea was the governor himself. Indeed, although Hammond had little stomach for eyeballing the legislature over appropriation bills, he was completely in his element as the debate over the spending limit heated up. Hammond had a penchant for bold solutions to the issues of managing the state's wealth, particularly when he could bolster his case with his formidable rhetorical skills. Moreover, the problem could be tackled once and for all, rather than bit by bit, appropriation by appropriation. A limit on spending! Why not? Everyone knew something had to be done.

The problem confronting the governor and other supporters of a lid on state spending was the awakening of a growing constituency for spending programs. The traditional alliances on spending issues were undergoing a profound metamorphosis. In the early 1970s the big spenders were the liberals, who wanted to invest in education, social services, and promote economic prosperity during the period of recession which preceded the building of the TAPS pipeline. By 1981 social services spending had leveled off, and the fastest growing sectors of the budget were loan subsidies--primarily to local firms and homebuyers--and capital projects. The right wing of both the Republican

and the Democratic parties was promoting ever larger subsidies and capital outlays. This problem became acute when the house of representatives was reorganized during the dying days of the regular session. The new coalition of "checkbook" Democrats and Republicans piled on yet larger capital appropriations and was hostile to spending limit proposals.

The governor may have had the clout through the power of the line item budget veto to bludgeon the legislature into a lower spending level and perhaps into passage of a tight lid on spending. Instead, he characteristically chose to strike a deal. During a special session of the legislature, Hammond offered to accept almost unscathed the legislature's massive capital appropriations in return for action on a constitutional limit on state spending.

What emerged from the session was a compromise--a limit on certain types of expenditures, sort of. Specifically, the proposed amendment provides that the state budget is limited to $2.5 billion, of which one-third is reserved for loans and capital projects. The dollar amount is adjusted annually for inflation and by the amount of the growth in the population. There are several exemptions to the $2.5 billion limit, however. Debt service is not covered. Permanent Fund earnings which are distributed directly to citizens are exempt. Perhaps most important, capital appropriations may exceed the limit if placed before the voters for approval.

Critics of the spending limit proposal say that it is more symbolism than substance. According to Rep. Terry Gardiner and Ford Groh: "It contains loopholes large enough for a fleet of Brinks trucks to drive through, all carrying away the public's money."[12]

Whether or not the proposal will actually stop the growth of state spending remains to be seen. The "loopholes" are indeed rather large. Debt service in fy 1982 is about $124 million.[13] It has been argued that the limit could be totally circumvented by financing all expenditures over the limit through debt.[14] The program to distribute earnings from the permanent fund directly to citizens based on the length of residency is tied up in court, but regardless of the fate of the current litigation, the concept of some form of direct distribution remains a very real possibility in the future. One proposal for distribution would cost $500 million per year--none of which would "count" toward the limit.[15]

The "limit" on capital spending is not really a limit at all. In a sense, it is only a limit on the right of the governor and the legislature to determine spending levels. Now the voters have to be dealt in if the budget exceeds the $2.5 billion figure. This is <u>not</u> the same as limiting expenditures. Moreover, there is no clear guidance as to what expenditures are classified as "capital" expenditures, and which are "operating" expenditures. Where the line is fuzzy, there is room to fudge on both "limits."[16]

The debate over the loopholes is important, because it raises questions about effectiveness of the proposal to truly "limit" state spending. But what if the limit was actually enforceable? Does it make sense to pick $2.5 billion? Is this number too high or too low? What could we buy for $2.5 billion per year? If the limit is observed religiously and all surplus revenues are socked into the Permanent Fund, how large will the balance be? Why was $2.5 billion settled on rather than some other figure? These are reasonable questions--questions that citizens have a right to ask and a right to have answers to before the porposal is voted on next year.

Unfortunately, there is nothing in the record to suggest that any type of systematic analysis was undertaken before this particular spending level was chosen. It appears to have been an ad hoc decision, based more on political compromise than an attempt to achieve a particular policy goal or objective. The governor, it seems, thought that the $2.5 billion limit was the best that could be accomplished. Whether he was right or wrong, the question remains, what will it do?

Taken at face value, the proposal limits spending to $2.5 billion in 1981 dollars, plus an increase for the growth in population. The legislature uses 2.65% as the long-run growth rate for the population, a figure which is approximately the same as the historical growth rate over the past 20 years.[17] Thus, by 1985 the spending limit

would be $2.8 billion, in 1981 dollars. By 1990, the limit would be $3 2 billion. Put another way, over the next ten years spending will be limited to $28.5 billion. Over fifteen years the cumulative limit will be $46 billion, and over twenty years it is $6· billion.

The relationship between the spending limit and the projected oil revenues from the North Slope is shown in Tables 2-6 and 2-7. Table 2-6 gives the year-by-year totals for the spending limit and North Oil revenues. The spending limit actually surpluses the oil revenues by the year 1992 if the $20/b price is assumed, and by 1994 if the $25 price is assumed. The cumulative totals are shown in Table 2-7. Here the day of reckoning is a bit later--in 1997 in the $20/b assumption, and 2002 in the $25/b assumption.

Of course, the real question is whether or not the spending limit will force the state to save enough money in the next decade to provide a meaningful source of revenue in the future. To examine this question in detail a number of loose ends must be dealt with. First, it is recognized that state revenues include North Slope and Cook Inlet oil receipts, investment earnings, and non-petroleum revenues. Moreover, the spending limit contains many "loopholes" which suggest that allowable spending is understated by the "limit." To make the analysis simpler--Cook Inlet and non-petroleum revenues are assumed to equal

Table 2-6

Spending Limit and North Slope Oil Revenues Compared

(millions of 1981 dollars)

Year	Spending Limit*	North Slope Oil Revenue @ $20/b	North Slope Oil Revenue @ $25/b
1981	$2,500	$3,280	$4,100
82	2,571	3,460	4,325
83	2,645	3,520	4,400
84	2,720	3,560	4,450
85	2,797	3,560	4,450
86	2,877	3,560	4,450
87	2,959	3,560	4,450
88	3,043	3,560	4,450
89	3,130	3,560	4,450
90	3,219	3,560	4,450
1991	3,311	3,720	4,650
92	3,406	3,220	4,025
93	3,503	2,820	3,525
94	3,602	2,500	3,125
95	3,705	2,240	2,800
96	3,811	2,020	2,525
97	3,919	1,720	2,150
98	4,031	1,500	1,875
99	4,146	1,300	1,625
2000	4,264	1,120	1,400
01	4,386	1,000	1,250
02	4,511	880	1,100
03	4,639	760	950
04	4,771	660	825
05	4,907	580	725
TOTALS	$89,374	$61,220	$76,525

*Assumes 2.85% annual increase in population.

Table 2-7

Spendling Limit and North Slope Oil Revenues Compared
Cumulative Totals
(millions of 1981 dollars)

Year	Spending Limit	North Slope Oil Revenue @ $20/b	North Slope Oil Revenue @ $25/b
1981	$ 2,500	$ 3,280	$ 4,100
82	5,071	6,740	8,425
83	7,716	10,260	12,825
84	10,436	13,820	17,275
85	13,233	17,380	21,725
86	16,110	20.940	26,175
87	19,069	24,500	30,625
88	22,112	28,060	35,075
89	25,242	31,620	39,525
90	28,242	31,180	43,975
1991	31,772	38,900	48,625
92	35,178	42,120	52,650
93	38,681	44,940	56,175
94	42,283	47,440	59,300
95	45,988	49,680	62,100
96	49,799	51,700	64,625
97	53,719	53,420	66,775
98	57,750	54,920	68,650
99	61,896	56,220	70,275
2000	66,160	57,340	71,675
01	70,546	58,340	72,925
02	75,056	59,220	74,025
03	79,696	59,980	74,975
04	84,467	60,640	75,800
05	89,374	61,220	76,525

*Assumes 2.85% annual increase in population.

the "leakage" of the spending limit. In other words, the spending limit will be compared to the revenue from North Slope oil production,* and the investment earnings as North Slope revenues are "saved." Hammond, like Goldsmith, argues that the state should seek a high "financial" rate of return on its savings portfolio. As in the "Goldsmith" scenario examined earlier, a 3% real return is used.

Given these assumptions, it is possible to illustrate the impact of the spending limit on the amount of "savings" which are accumulated over time. First, the spending limit is compared to oil revenues and investment earnings, with no adjustment made to reflect the constraints the Permanent Fund places on the legislature in reducing the amount of accumulated savings. In other words, "savings" are simply the accumulated surpluses of revenues over spending. This is shown in Tables 2-8 and 2-9.

The size of the "savings" portfolio peaks out at $11,560 million in year 1992 for the $20/b price scenario and at $25,011 million in year 1994 for the $25/b scenario. Assuming that spending continues at the "limit" the balance is then rapidly depleted to cover deficits. The "savings" account actually runs into the red by the year 2000 in the $20/b price scenario, and by the year 2006 in the $25/b assumption.

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*Estimated to be 93% to 94% of all non-investment income.

Table 2-8

Hammond Spending Strategy
Pick an Arbitrary Limit
$20/b Price of Oil
(millions of 1981 dollars)

Year	Spending	Oil Revenues	Investment Income	Surplus (Deficit)	Savings
1981	$3,900	$3,280	$ 104	$(516)	$ 2,934
82	2,571	3,460	88	977	3,911
83	2,645	3,520	117	993	4,904
84	2,720	3,560	147	987	5,891
85	2,797	3,560	177	939	6,830
86	2,877	3,560	205	888	7,718
87	2,959	3,560	232	832	8,550
88	3,043	3,560	257	773	9,323
89	3,130	3,560	280	709	10,033
90	3,219	3,520	301	642	10,674
1991	3,311	3,720	320	729	11,403
92	3,406	3,220	342	157	11,560
93	3,503	2,820	347	(336)	11,224
94	3,602	2,500	337	(766)	10,458
95	3,705	2,240	314	(1,151)	9,307
96	3,811	2,020	279	(1,511)	7,796
97	3,919	1,720	234	(1,965)	5,830
98	4,031	1,500	175	(2,356)	3,474
99	4,146	1,300	104	(2,742)	732
2000	4,264	1,120	22	(3,122)	(2,390)

Table 2-9

Hammond Spending Strategy
Pick an Arbitrary Limit
$25/b Price of Oil

Year	Spending	Oil Revenues	Investment Income	Surplus (Deficit)	Savings
1981	$3,900	$4,100	$104	$ 304	$ 3,754
82	2,571	4,325	113	1,866	5,620
83	2,645	4,400	169	1,924	7,544
84	2,720	4,450	226	1,956	9,501
85	2,797	4,450	285	1,938	11,438
86	2,877	4,450	343	1,916	13,355
87	2,959	4,450	401	1,981	15,246
88	3,043	4,450	457	1,864	17,110
89	3,130	4,450	513	1,833	18,943
90	3,219	4,450	568	1,799	20,742
1991	3,311	4,650	622	1,961	22,703
92	3,406	4,025	681	1,301	24,003
93	3,503	3,525	720	742	24,746
94	3,602	3,125	742	265	25,011
95	3,705	2,800	750	(155)	24,856
96	3,811	2,525	746	(540)	24,316
97	3,919	2,150	729	(1,040)	23,276
98	4,031	1,875	698	(1,458)	21,819
99	4,146	1,625	655	(1,866)	19,952
2000	4,264	1,400	599	(2,265)	17,687
2001	4,386	1,250	531	(2,605)	15,082
2	4,511	1,100	452	(2,958)	12,124
3	4,639	950	364	(3,325)	8,798
4	4,771	825	264	(3,682)	5,116
5	4,907	725	153	(4,029)	1,087

The analysis can be modified further to reflect the constraints the Permanent Fund places on the legislature's ability to "dip into savings" to cover deficits. As discussed earlier, the minimum contribution to the Permanent Fund represents about 10% of Prudhoe Bay and Kuparuk and 20% of Lisborne revenues. To this the legislature can appropriate additional sums, which, once placed in the fund, receive the same protection against "spending the principal." Just how safe the Permanent Fund "principal" is depends on whether or not inflation is acknowledged when "income" is defined.

To provide an illustration of how policy choices would modify the size of the "savings" account, four separate scenarios are considered.

1. The Permanent Fund is assumed to have been repealed, and savings are afforded no protection at all.

2. The Permanent Fund exists, but only the minimum contributions are made. The principal is not protected against inflation.

3. All surplus revenues are immediately appropriated into the Permanent Fund, but the principal is not protected against inflation.

4. All surplus revenues are immediately appropriated into the Permanent Fund. The principal is protected against inflation.

The modified "savings account" balances in the year 2000 are thus shown in Table 2-10. The biggest modifications occur in the $20/b price assumption. Here the balance ranges from a low of negative $2,390 million to a high of $11,560 million. The annual income from the savings, assuming a 3%

Table 2-10

"Saving Account" Balance in Year 2000 under Different Permanent Fund Management Options*
State Spending Constrained by the Proposed Spending Limit
(millions of 1981 dollars)

	Permanent Fund Repealed	Minimum Contribution/ Principal Eroded by 10% Inflation	All Surpluses Appropriated/ Principal Eroded by 10% Inflation	All Surpluses Appropriated/ Principal Protected against Inflation
		$20/b Price Assumption		
Balance	$(2,390)	$ 3,275	$ 6,995	$11,560
Earnings @ 3%	-	98	210	347
		$25/b Price Assumption		
Balance	$17,687	$17,687	$18,441	$25,011
Earnings @ 3%	531	531	553	750

*See text for assumptions.

real return from investments, ranges from a low of zero for the negative balance, to $347 million for the scenario where all surpluses are appropriated to the Permanent Fund and the principal is protected against inflation.

To put the high figure of $347 million into perspective, it is useful to remember that it represents less than 14% of the 1981 spending limit.

The $25/b barrel scenario looks rosier. The balance ranges from $17,687 million to $25,011 million, depending on how the Permanent Fund constraints are treated. It should be noted, however, that this is simply the balance for a given year--and as time goes by the balance of the savings account will decline considerably unless the principal is protected against inflation.

The income from the $25/b price scenario ranges from $531 to $750 million. This is 21% to 30% of the 1981 spending limit.

It goes without saying that these projectsions are based on the state earning a 3% real return on investments. If the actual return is lower--say 1% to 2%, both the ending balance and the earnings will be less.

Thus it can be seen just how arbitrary the proposed spending limit is, in terms of the amount of savings that will be accumulated over the next 18 years. There is no apparent relationship between the $2.5 billion lid on spending and the state's long-run fiscal resources. Moreover, the

earlier discussion regarding the Permanent Fund and inflation is seen to be highly relevant to how the spending limit will perform.

One of the potential pitfalls of a measure such as the proposed spending limit is that it gives the appearance of solving a problem, while nearly all the substantive issues remain outstanding. To underscore just how nebulous a solution the spending limit is, consider what would happen if the Supreme Court approves the Permanent Fund dividend program, or the legislature approves a new $500 million per year direct distribution scheme? For that matter, what if the combined debt service and voter approved "capital" projects exceed the "limit" by $300 to $500 million per year? As the "leakages" from the limit grow, the surpluses shrink or vanish altogether.

Such are the dangers of picking arbitrary spending limits and simple solutions to fiscal management out of the air. The "Hammond" strategy, depending as it does on the proposed spending limit, is an arbitrary and still unpredictable way of "smoothing out" the current revenue stream. Under perhaps the most optimistic conditions the state will have, by the year 2000, an annual stream of earnings from investments equal to 30% of the 1981 spending limit. Under less favorable assumptions regarding the price of oil, or Permanent Fund management practices, the income from "savings" would be in the neighborhood of $100 to $200 million per year.

The "Fink" Strategy: Spend It Now!

Tom Fink is an Anchorage businessman who once served as the Speaker of the House. In 1978 he ran for governor, using the slogan: The One with Gumption. He lost in the Republican primary, running third in a field of three.* Encouraged by his showing, he decided to renew his quest and is now a candidate for the 1982 election. His political support has traditionally come from the heart of the business community--although in 1982 he is expected to run a somewhat populist campaign--with sharing the oil wealth serving as the centerpiece of his campaign.

Fink is nothing if not consistent. In 1970 he opposed the creation of a "Permanent Fund" for the $900 million windfall from the 1969 North Slope oil lease sale. He has since opposed the creation of the Alaska Permanent Fund and today opposes the approval of the proposed limit on state spending. He does not believe that the government should husband large surpluses. If the money is there, the state should spend it--now!

In Fink's view, the major problem with state government is simply that it cannot manage to spend money fast enough. He is particularly annoyed with the Department of Public Works for allegedly "holding up" bids on capital projects approved by the legislature. Under his direction, he

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*His opponents included the incumbent governor, Jay Hammond, and the former governor and Secretary to the Department of the Interior, Wally Hickel.

promises, the state will gear up to spend at least $2 billion in capital projects annually.

This is not to say that Fink favors just any method of spending the oil money. He is high on capital projects and generally opposed to "operating" budget items, such as funding for social services. Indeed, one of the reasons he gives for bolstering capital spending is to keep the money away for programs that will expand public payrolls or create yet more state grant programs. He is also opposed to the various plans to distribute money directly to citizens.

Fink's program is more than just bricks and concrete, however. He also wants to make low-interest loans available to Alaskans. A former banker, Fink has been a dogged proponent of usury laws. Forced by the constitution to save at least some money in the Permanent Fund, Fink will make the money available at cheap interest rates to businesses and individuals. He suggests that the state finance home mortgages at 8%.

More than any other major political figure, Fink is unabashedly fearless of the future. Undaunted by pessimistic long-term revenue forecasts, he simply says that Alaska is entering a century of development that will fill the state coffers with every increasing sums of oil revenue. Two new pipelines will cross the North Slope to handle the oil which will be discovered in the Beaufort Sea and other North Slope acreage in the next two decades, he asserts.

While Fink opposes the proposed spending limit, he does not think it will present a major obstacle to his plan to gear up capital spending. Like Gardiner and Groh, he believes the spending limit is riddled with loopholes, and he plans on exploiting them. If nothing else works, he says, he will just finance projects on short-term debt.

It is not difficult to envision the "Fink" spending strategy. Every dollar, except for the minimum contribution to the Permanent Fund, is spent as it is received. The balance in the Permanent Fund is not protected against inflation. Earnings from investments are less than the market return--as money is poured into subsidized loans to Alaskan individual and firms. For purposes of this analysis a real return of zero is assumed.

The "Fink" strategy for spending North Slope oil revenues is examined in Tables 2-11 and 2-12. As expected, expenditures conform closely to the revenue stream. Under the $20/b scenario, spending over the next decade is approximately $3.5 billion per year. For the $25/b case spending is pegged at $4.4 billion. After 1991 the state budgets begin a nose-dive. In just five years spending declines by more than 40%. Within ten years spending is but a third of the top level in 1991.

To the North Slope revenues are added Cook Inlet and non-petroleum revenues. Under the present tax laws these two sources contribute very little, estimated at $184 million

Table 2-11

Fink Spending Strategy*

Spend It Now

$20/b Price of Oil

(millions of 1981 dollars)

Year	Spending	Oil Revenue	Surplus (Deficit)	Savings
1981	$3,900	$3,280	$(620)	$2,934
82	2,627	3,460	833	3,767
83	3,510	3,520	10	3,777
84	3,547	3,560	13	3,790
85	3,549	3,560	11	3,801
86	3,549	3,560	11	3,812
87	3,551	3,560	9	3,821
88	3,551	3,560	9	3,830
89	3,553	3,560	8	3,838
90	3,554	3,560	7	3,845
1991	3,624	3,720	96	3,941
92	3,182	3,220	38	3,979
93	2,826	2,820	(6)	3,973
94	2,537	2,500	(37)	3,936
95	2,300	2,240	(60)	3,876
96	2,096	2,020	(76)	3,800
97	1,827	1,720	(107)	3,693
98	1,627	1,500	(126)	3,567
99	1,440	1,300	(140)	3,427
2000	1,272	1,120	(152)	3,275

*Minimum contribution to Permanent Fund. Investment return is 0%. Inflation at 10%.

Table 2-12

Fink Spending Strategy*

Spend It Now

$25/b Price of Oil

(millions of 1981 dollars)

Year	Spending	Oil Revenue	Surplus (Deficit)	Savings
1981	$3,900	$4,100	$ 200	$3,754
82	4,005	4,325	320	4,074
83	4,330	4,400	70	4,144
84	4,382	4,450	68	4,212
85	4,388	4,450	62	4,274
86	4,393	4,450	57	4,331
87	4,399	4,450	51	4,382
88	4,403	4,450	47	4,429
89	4,408	4,450	42	4,471
90	4,411	4,450	39	4,510
1991	4,502	4,650	148	4,658
92	3,953	4,025	72	4,730
93	3,510	3,525	15	4,745
94	3,152	3,125	(27)	4,718
95	2,856	2,800	(56)	4,662
96	2,604	2,525	(79)	4,583
97	2,268	2,150	(118)	4,465
98	2,018	1,875	(143)	4,322
99	1,788	1,625	(163)	4,159
2000	1,578	1,400	(178)	3,981

*Minimum contribution to Permanent Fund. Investment return is 0%. Inflation at 10%.

by the year 2000. Fink is not convinced that Prudhoe Bay revenues will in fact decline in the 1990s. But even if they do, he is confident that new oil discoveries will take up the slack. If he is wrong, the state will be faced with a major period of adjustment. Spending will have to be cut drastically, or taxes raised. In Fink's view, we should cross that bridge when we come to it.

Comparison of the Three Spending Strategies

The three alternative scenarios for spending Alaska's oil wealth present stark contrasts to the Alaska public (Tables 2-13 and 2-14). The selection of one approach over another stands to be the biggest public policy choice since statehood. What's important to remember is that there is a choice. Alaska is now spending roughly $10,000 per capita. This means that the state is spending the equivalent of $40,000 annually for a family of four. There is nothing to suggest such fabulous outlays are needed to meet any identified development or distributional objectives the state presently has. The level of spending has become a moving target. The numbers keep getting bigger, until now there is a certain numbness.

The speed at which we deplete our "house of antiquities" should be deliberate. To use a football phrase, the citizens of the state of Alaska should be in control of their own destiny. What criteria should be used to justify one spending strategy over another?

Table 2-13

Comparison of Different Spending Strategies
$20/b Price of Oil
(millions of 1981 dollars)

	"Goldsmith"		"Hammond"		"Fink"	
	Spending	Savings	Spending	Savings	Spending	Savings
1981	$3,900	$ 2,934	$3,900	$ 2,934	$3,900	$2,934
82	1,425	5,057	2,571	3,911	2,728	3,767
83	1,425	7,304	2,645	4,904	3,510	3,777
84	1,425	9,658	2,720	5,891	3,547	3,790
85	1,425	12,083	2,797	6,830	3,549	3,801
86	1,425	14,580	2,877	7,718	3,549	3,812
87	1,425	17,152	2,959	8,550	3,551	3,821
88	1,425	19,802	3,043	9,323	3,551	3,830
89	1,425	22,531	3,130	10,033	3,553	3,838
90	1,425	25,342	3,219	10,674	3,554	3,835
1991	1,425	28,397	3,311	11,403	3,624	3,941
92	1,425	31,044	3,406	11,560	3,182	3,979
93	1,425	33,371	3,503	11,224	2,826	3,973
94	1,425	35,447	3,602	10,458	2,537	3,936
95	1,425	37,325	3,705	9,307	2,300	3,876
96	1,425	39,040	3,811	7,796	2,096	3,800
97	1,425	40,506	3,919	5,830	1,827	3,693
98	1,425	41,796	4,031	3,474	1,627	3,567
99	1,425	42,925	4,146	732	1,440	3,427
2000	1,425	43,908	4,264	(2,390)	1,272	3,275

Table 2-14

Comparison of Different Spending Strategies
$25/b Price of Oil
(millions of 1981 dollars)

	"Goldsmith"		"Hammond"		"Fink"	
	Spending	Savings	Spending	Savings	Spending	Savings
1981	$3,900	$ 3,754	$3,900	$ 3,754	$3,900	$3,754
82	1,784	6,408	2,571	5,620	4,005	4,074
83	1,784	9,216	2,645	7,544	4,330	4,144
84	1,784	12,158	2,720	9,501	4,382	4,212
85	1,784	15,189	2,797	11,438	4,388	4,274
86	1,784	18,311	2,877	13,355	4,393	4,331
87	1,784	21,526	2,959	15,246	4,399	4,382
88	1,784	24,838	3,043	17,110	4,403	4,429
89	1,784	28,249	3,130	18,943	4,408	4,471
90	1,784	31,762	3,219	20,742	4,411	4,510
1991	1,784	35,581	3,311	22,703	4,502	4,658
92	1,784	38,890	3,406	24,003	3,953	4,730
93	1,784	41,797	3,503	24,746	3,510	4,745
94	1,784	44,392	3,602	25,011	3,152	4,718
95	1,784	46,740	3,705	24,856	2,856	4,662
96	1,784	48,883	3,811	24,316	2,604	4,583
97	1,784	50,716	3,919	23,276	2,268	4,465
98	1,784	52,328	4,031	21,819	2,018	4,322
99	1,784	53,739	4,146	19,952	1,788	4,159
2000	1,784	54,967	4,264	17,687	1,578	3,981

The economics profession would suggest at least two approaches be considered. First, there is the issue of intertemporal equity. What right, some ask, does the present generation of Alaskans have to make decisions for future generations? Can we fairly choose between present and future consumption of wealth when we are the immediate beneficiaries of a decision to consume rapidly?

The flip side of this argument is that future generations have historically been materially better off than their predecessors, due to technological progress. Why should the present generation deny themselves when the next generation is always expected to have a higher standard of living? In his remarks to the Permanent Fund Trustees, Goldsmith rejects this argument by saying that there is no evidence that the state will realize significant long-term benefits from the investments made today. In his words:

> What this suggests to me is that history will repeat itself, and Alaska will be relatively much poorer in the future when the petroleum boom has passed.

The second approach that economists would recommend is to look at the "marginal benefit" from the "marginal dollar of expenditure" and compare this to the benefits of waiting to spend the money. How do policy makers compare present and future benefits? This, of course, is a formidable task. There are two key ingredients. First, the state needs to develop methods of quantifying the net benefits of various spending programs. The word for this is cost benefit analysis.

Everyone knows what it means. It isn't easy to do for some state programs--one thinks of emergency health care services or support for the humanities--but there are few if any substitutes.*

The next step is to put a price on the passage of time. Clearly, citizens today are not oblivious to benefits which occur in the future. But just as clearly, most people would rather have the benefits now rather than later. The key question is, how much greater would the future benefit have to be before the individual became indifferent between the present and the future benefit? Would you rather have $1 today or $2 in two years? Would you rather have one poor family housed today, or two families housed in two years?

The price on the passage of time for an entire community is the "social rate of discount." It is not quoted in the financial pages of the evening paper. Nor is the social rate of discount a non-controversial concept. A plethora of techniques for deriving it abound.[18] But as an explicit or implicit value, few argue that it does not or should not exist.

There are two primary reasons that today's citizens might prefer to delay expenditures. First, as the state gets better at managing huge budgets, it should become more efficient. As we learn to spend wisely, there will be "more bang for the buck." Like many of the regional Native Corporations,

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*Indeed, even for the most difficult programs to quantify, it is possible to establish some threshold over which it is difficult to justify an additional dollar of expenditure.

we are learning the wisdom of being more selective about which projects to invest in and which to ignore. One hopes we can learn as fast as the Natives have, but in any event, it is hard to remain ignorant.

Secondly, if the state "saves" money today, it can invest those dollars and earn more. Thus, a decision to delay spending today will mean that there will be more to spend tomorrow. That is why, for example, the "Hammond" strategy results in more spending over the next twenty years than the "Fink" strategy. Fink eschews positive investment returns, but even if he wanted to earn a high financial return, he does not save enough to make any money.

For some policy makers the issue of intertemporal equity is the most important one. Certainly this is the case for Scott Goldsmith. Judging from public statements (as opposed to public actions), one would also guess that Hammond is primarily concerned with looking after future generations. If the state does indeed want to "smooth out" the spending of the oil wealth, the "Goldsmith" strategy is clearly the best.

If, on the other hand, the issue is decided on the basis of how best to accommodate the present generation, it is much more difficult to recommend a particular level of spending. Indeed, everything depends upon how the money is spent. In essence, policy makers should attempt to determine the point at which the "rate of return" from an additional dollar of

expenditure dips below the "social rate of discount."

Of course, the usefulness of this approach depends upon how well the state can carry out cost-benefit studies. While in principle the concept is relatively straighforward, in practice it can present very difficult theoretical and empirical problems, and it also requires a trained corps of analysts who may or may not be available for employment.

Ultimately the decision on how much to spend and how much to save is a political one. The question before policy makers is not whether analysts or consultants should replace popular will in making that choice--but rather how best to "inform" the debate. Is it really better to throw one's hands up when the issues seem complicated or just toss darts against a wall to pick an expenditure level? Or do policy makers have an obligation to provide at least some evaluation of the long-term consequences of different spending strategies?

Notes

[1]1980 Annual Report, Alaska Permanent Fund Corporation.

[2]For Prudhoe Bay and Kuparuk, 25% of the 12.5% royalty equals 3.125% of the gross revenue from production. The state's total share of production amounts to about 30%. For the Beaufort proportion of the Lisburne formation, the average royalty is estimated at 20%. Fifty percent of the 20% royalty is 10% of the gross value of production. The state share of production is estimated at 50%.

[3]On this point the author is indebted to Herman Leonard, and the case he developed titled "Inflation and the Alaska Permanent Fund."

[4]Oliver S. Goldsmith, "Alaska's Revenue Forecasts and Expenditure Options," Alaska Review of Social and Economic Conditions (July 1978).

[5]Goldsmith, "Petroleum Tax Policy to Achieve Smooth Economic Growth in Alaska," The Journal of Energy and Development (Fall 1979).

[6]Goldsmith, "The Three Basic Policy Questions Concerning the Permanent Fund," Remarks Made before the Board of Trustees of the Alaska Permanent Fund (October 22, 1978).

[7]Ibid.

[8]Ibid.

[9]Ibid.

[10]Includes such items as the "rainy day" account & "illiquid" assets.

[11]William Greider, "The Education of David Stockman," The Atlantic (December 1981).

[12]Representative Terry Gardiner and Ford Groh, "Alaska's Rainbow of Opportunity."

[13]Milt Barker, "General Funds Available for FY 83--Current and Previous Statutes," Memorandum to Senator Vic Fischer (September 9, 1981), Table II.

[14]Tom Fink made this point to the author recently.

[15]Gardiner and Groh favor such a program in "Alaska's Rainbow."

[16]One example of a "fuzzy" item is general revenue sharing to municipalities. Will this be classified as an operating budget item, or will it find its way into the capital budget? In August the administration was undecided.

[17]From 1960 to 1980 the compound rate of population growth was 2.9%. From 1970 to 1980 the growth rate was 2.85%.

[18]One argument is that the rate should equal the pretax return earned by capital in the private sector. See Jack Hirshleifer, James C. DeHaven, and Jerome W. Milliam, Water Supply: Economics, Technology, and Policy (University of Chicago Press, 1960).

Another group proposes that the net after tax rate on savings be used. See Richard A. Musgrave and Peggy B. Musgrave, Public Finance in Theory and Practice, 3rd Edition, pp. 186-188.

A further modification of this is to make an adjustment to "reflect the fact that foregone private investment has a higher social return than social consumption." See Partha Dasgupta, Amartya Sen and Stephen Marglin, Guidelines for Project Evaluation (United Nations Industrial Development Organizations, 1972); Stephen Marglin, "The Social Rate of Discount and the Optimal Rate of Investment," Quarterly Journal of Economics (February 1963), pp. 95-111; and Martin Feldstein, "The Social Preference Discount Rate in Cost-Benefit Analysis," Economic Journal (June 1964), cited in Glenn P. Jenkins, "Economic and Social Analysis of Public Investment Projects" (August 1979).

Arnold Harberger argues that the discount rate should be a weighted average of the pre-tax return of private capital and the after tax return on savings. See Arnold C. Harberger, "On Measuring the Social Opportunity Cost of Public Funds," Project Evaluation (University of Chicago Press, 1972), pp. 94-122.

Others suggest that intergenerational equity is served by a low discount rate, thereby placing a higher value on benefits for future generations. See Talbot Page, Conservation and Economic Efficiency, An Approach to Materials Policy (The Johns Hopkins University Press, 1977), part 3.

Most of these proposals address the rate to be used when evaluating public expenditure programs, when the resources for the projects come from a closed economy. For a local or state government which both invests and borrows funds in national and international markets, it is recommended that the discount rate be tied to either borrowing costs, or the expected return on government investments in securities. See Musgrave and Musgrave, Public Finance in Theory and Practice, p. 193.

PART III

ANALYSIS AND BUDGET REFORM

For the Senate State Affairs Committee

Senator Victor Fischer, Chair

James Packard Love

Harvard University

February 1, 1981

CONTENTS

Introduction 1

The Role of Analysis in Policy Making 3

Analysis and Budget Reform in Alaska 6

How much should we spend, how much should we save? . . . 7

What to spend the money on? 10

Summary 16

Notes 19

Appendix, The Budget Process - 1981 . . . . . A1

ANALYSIS AND BUDGET REFORM

Introduction

The State of Alaska's budget decisions are made in a unique environment. Citizens do not pay taxes. Oil production, mostly from just one oil field--Prudhoe Bay--provides the government with a fabulous source of money. Revenues are not set to match expenditures, but rather are taken as given (the major variable in longer range revenue forecasting is the investment return from savings of current revenues).[1]

Money is spent on programs that would never be seriously considered in the pre-Prudhoe Bay era. Capital plums, like new sports and cultural facilities, road and street improvements, docks, boat harbors, and other infrastructure projects are showered on communities like pennies from heaven. Virtually every non-profit civic group is hustling the legislature for grants. The business community is demanding, and receiving, low-interest loan programs, subsidizing hotel builders, miners, farmers, fishermen, fish processors, timber companies, and just about everyone else who can find a place at the trough. Homebuyers are receiving interest subsidies which total four times the state expenditures for Aid to Families with Dependent Children.

Concern over the explosion of state spending is widespread. Appropriations are seen as wasteful and extravagant. Looking at the capital budget, former Commissioner of Revenue Eric Wolforth said, "I'm terribly afraid this state is building infrastructure or going to build infrastructure, that number one, really isn't what people had in mind, and secondly, will be terribly costly to operate and really inappropriate to the population level . . . [when these things] will be on stream."[2]

People complain about spending money on "frivolous" projects, while "basic needs" are ignored.[3] There is a major debate over how much wealth should be saved for future generations.[4] Serious questions about distributional equity are emerging. Some observors say the oil money is fundamentally changing the social fabric of the state. According to Groh and Gardiner:

> Government is creating sharp divisions in our society between those lucky enough to get state loans, state jobs, or state contracts, and those who are not so fortunate. The lobbyist is replacing the prospector, the trapper and the fisherman as the symbol of the Last Frontier.[5]

At least three approaches to "budget reform" have gained a following. First, there is broad-based (although not unanimous) support for some type of a constitutional limit on state spending. Secondly, there has been periodic interest in various schemes to "privatize" Alaska's oil wealth (taking it away from the government and putting it directly in the hands of citizens). Third, there are muted, but growing, calls for better planning, wider use of cost benefit evaluation, and other administrative reforms.

The 1981 proposal for a constitutional limit on state spending puts a $2.5 billion cap on state spending, subject to: the requirement that one third of the limit be devoted to capital projects; adjustments for inflation and population changes; and several "exemptions," or as critics say, "loopholes." The "limit" was adopted by the legislature after a long and acrimonious debate and represents a compromise between those who want to spend the state's wealth now on large capital projects and loan subsidies, and those who want to save a large share of today's oil revenues for future generations of Alaskans. The "cap" is large, more than $6,000 per capita, and the exemptions are so extensive, that one wonders how important the "limit" will be in practice.[6]

The "privatization" schemes are numerous. In 1980 the legislature adopted Governor Hammond's plan to distribute to citizens half of the annual earnings from the Alaska Permanent Fund. The money was allocated on the basis of residence (one "share" for every year of residency since statehood), a provision which predictably led to a legal challenge. Before and after the Permanent Fund Dividend program have been proposals to establish the Alaska General Stock Ownership Plan (AGSOC), the Portfolio of Alaska Citizen Enterprise (PACE), royalty trusts, and distribution of the proceeds from the sale of royalty oil. So far none of the direct distribution plans have gotten off the ground, due in no small part to the difficulty of defining the beneficiaries, coping with tax problems, and avoiding a reduction in social welfare benefits for poor people. Direct distribution of some sort or another remains an intriguing and important option, however, and will continue to receive serious attention.[7]

This paper will not discuss in detail either of the first two "reforms," but rather will explore the third--namely, how can the state of Alaska improve its priority setting process through administrative reforms. That is, what contributions can be made through better planning, cost benefit evaluation, and other methods of analysis, and under what circumstances are these contributions likely to flourish?

The Role of Analysis in Policy Making

Planning, cost benefit analysis, post hoc evaluation, forecasting, and any number of other analytical methods are part of an effort to use the tools of "science" to improve the policy-making process. The degree that such efforts are successful is determined by a multitude of factors, including the competence of the practitioners, the resource devoted to the analysis, the availability and reliability of data imputs, the validity, relevance and limitations of theoretical models, the credibility

given to outputs by decision makers, and the political environment in which the analysis is undertaken and presented.

Given the nature of the ingredients which determine the usefulness of analysis, it is not surprising that many government decisions are made with little or none of the formal types of "systematic" analysis which the social sciences have developed over the years. Indeed, as Lindbloom and others have argued, there should be no a priori assumption that analytical efforts will necessarily improve a given decision-making process. Coin flipping, drawing straws, bargaining, voting, or other non-analytical methods of making choices may be preferred.[8] Lindbloom and Cohen use, as an example, the dilemma faced by a group of people, who, having decided to dine together, have trouble choosing a restaurant.

> They can shortcut or bypass an analysis of the available restaurants and of their own prererences simply; by the act of delegation to one among them. . . . That simple method of interaction will achieve a decision. . . . The delegated person can make a choice, if he wishes, impulsively, according to his own preferences, as arbitrarily as he pleases. He may, of course, turn to analysis, just as he may turn to a toss of a coin. In any case, the group solved its problem with the act of delegation.[9]

Government officials use many such alternatives to make policy choices. Detailed "systematic" analysis of a particular problem can be costly and time consuming, and the benefits may not justify the effort. It is also widely recognized that there are many policy problems which cannot be resolved by analysis alone. The debate over the proper benefit level for Aid to Families with Dependent Children, the optional services to be provided under the state medicaid program, and the special health and housing benefits provided to veterans are decisions which involve value judgments about income dsitribution. Although economists and other social scientists have recommended techniques for deriving "social welfare functions," it is fair to say that these proposals remain little

more than academic exercises--without a demonstrated record of usefulness in the real world.[10]

This is not to say that analysis has nothing to offer when income distribution or other such issues are considered. Indeed, some of the most impressive examples of the contribution of "policy analysis" can be found in the ambitious experiments in Seattle, New Jersey, and elsewhere on the proposed negative income tax.[11] Recent research by the Rand Corporation on the impact of copayments and other changes in the Medicaid program will undoubtedly be weighed in debates about the future of that program. It's simply that analysis is just one of many imputs to a policy decision.

For example, with regard to the AFDC issue, policy makers will be interested in the analyst's prediction of the impact of a change in the benefit scheme on migration, work incentives, or even on family structures. But these considerations will be weighted against a number of other factors, such as the political power of the recipients, competing demands on the public purse, and cultural or even religious values about charity.[12]

The decision of when and how much to invest in analysis is an important one, and one that is not answered by simply avoiding problems that seem too "political," or fraught with value judgments. Indeed, it is often precisely such instances where analytical tools can sharpen the debate. Moreover, it is not necessary for the analysis to be represented by "neutral" technicians. Partisan use of analysis, as a weapon in a debate, is neither an unimportant or improper use.[13] The question is not whether or not the tools of analysis can be manipulated. Obviously they can. But should controversial issues be decided without making attempts

to challenge the assertions and assumptions advanced by any party in the debate?

Ultimately, the decision to invest in analysis is one that is decided by many factors, including those alluded to above, such as the cost and the likelihood of obtaining a "useful" output. There are also a number of reasons to suppress analysis. The immediate beneficiaries of an inefficient development project might oppose a cost benefit study out of fear that the conclusion will undermine political support for future funding. Legislators who want few budget constraints over the short term may find it inconvenient to have the state institutionalize long-range fiscal planning. Certain real estate interests may not be happy with studies which examine the distributional equity of state housing programs.

Analysis and Budget Reform in Alaska

Given that analysis is neither a substitute for or even necessarily an essential element of the political decision-making process, what can be said about its contribution to improving the budget process in Alaska? That is, what can budget reformers realistically expect from analysis?

On a general level, this question has been partly answered already. Under favorable circumstances, research can sort out fact from fiction, and narrow the debate by focusing less on "what is" and more on "what should be." The techniques of analysis can also be used to help policy makers identify program ends and distinguish the ends from the means. By paying more attention to the importance of outputs, analysis provides a framework for comparing alternative strategies (imputs) to meet the same goals. Planning can help policy makers keep track of the longer run consequences of decisions made today. Cost benefit evaluation can help to identify inefficient programs and perhaps just as important, provide

a powerful rationale to end them. Analysis can also help to illuminate the distributional consequences of state spending.

To apply these principles to specific budget issues, two important policy questions are examined below.

1. How much should we spend, and how much should we save?

Alaska's revenue stream is "lumpy." For the next seven to ten years revenues will be very large, declining rapidly thereafter. Policy makers can spend the revenue as rapidly as it comes in or save some for the future. The question is, just how much should be saved?

I have argued elsewhere that the state of Alaska needs to develop better long-term revenue and expenditure planning.[14] The state currently makes long-term revenue projections. It has also analyzed trends in spending, although not in any systematic fashion. The primary shortcoming of the revenue forecasting models is the failure to incorporate the importance of spending on future revenues. That is, to make explicit the impact that a particular spending strategy has on future revenues. There are two important aspects of this problem.

First, it is argued that certain state-funded projects will create economic development, provide a broader tax base, and when needed, a further source of tax revenue for the government. While there is no doubt that there is some merit to this argument, in the qualitative sense, the interesting question is a quantitative one. Planners should make some effort to place parameters around the relationship. It is not necessarily important that planners make accurate estimates. Some range of sensitivity analysis alone is likely to make an enormous contribution to the debate. Policy makers will then have some idea of the rate of return from state investments which would be necessary to replace a given amount of oil

revenues. This information in turn is useful in project evaluation.

The second issue is the size of the state's "savings" portfolio and the rate of return earned on its investments. Today current oil revenues represent about 95% or all state revenues. But over time, an important source of new revenue could be the earnings from "savings." A particular spending strategy today will determine the amount of "savings" available to earning interest on in the future. Therefore, it is impossible to forecast future state revenues without making assumptions about spending trends. The spending trends, however, are a policy variable. The state can modify its spending levels as it suits. Long-term revenue forecasts should include scenarios which are based on different state spending strategies, so that policy makers have a more concrete idea of the trade-off between current and future spending.

Remarkable as it seems, the State of Alaska has made no systematic attempt to incorporate either of these two features into its long-term revenue forecasting models. There can be no doubt that to do so would add a powerful dimension to the debate over current spending levels.

But while the improved revenue forecasting efforts are an important planning tool, there is still no obvious answer to the original question--how much to save and how much to spend? Economists might suggest that analysis identify the return on the marginal dollar of state expenditure and compare it to a "social discount rate," which represents the society's preference for current over future benefits.

Logical and rational as this prescription is, it is unlikely to be a useful decision rule, for a number of reasons. First, such an approach assumes that analysts can accurately measure the rate of return on state expenditures. As we shall see later, this is easier said than done. Second, there is little consensus as to how to derive the "social

discount rate."[15] Moreover, a single "social" discount rate obscures the heterogeneous nature of individual discount rates. Wealthy people, for example, are likely to have lower discount rates than poor people. There is even an argument that tody'as citizens do not have an ethical right to make consumption choices that will affect future generations of citizens, and a counter argument that the welfare of future generations is less important since they can expect to be better off due to technological progress. Finally, even if the measurement of benefits and discount rates could be estimated within reasonable ranges, there is the complication of current citizens who want to migrate. As stated by Matthew Berman:

> The discussions of a "social rate of discount" leaves out one basic point that lies at the root of [the] long-range planning problem. A substantial fraction of the population see the state's revenues as a mechanism [indirect, of course] for the creation of private wealth. The problem with locking it away in an untouchable fund [savings] is that they may want to leave the state at some time in the future and will not be able to take their share with them. Or, alternatively, if the wealth is not privatized, citizens will not have the ability to bequeath the benefits to heirs not living in Alaska. Such a desire for mobility may have a strong influence over the politics of the Permanent Fund, even if it never becomes explicit. The challenge with long-range planning is to come to grips with this problem rather than continuing to pretend that it doesn't exist.[16]

Berman's comment reveals a great deal about the nature of the controversy. The dispute is largely distributional, and how one feels about the size of the budget is in part determined by how much one expects to gain from a rapid rate of state spending. Moreover, expected tenure in Alaska is only one consideration. In a sense, the "marginal" dollar of state expenditure is found in the capital budget (see Appendix, The Budget Process), and in particular, in public works and loan subsidies. Cutting the budget means cutting back on these programs and, therefore, taking more away from some citizens than

others. Some amount of polarization is expected, regardless of the amount or quality of analysis.

The ultimate decision on spending will thus be influenced, but not decided, on the basis of analysis. The most useful role of analysis is providing long-term revenue forecasts which illustrate the impact of different spending strategies. Attempts to compare the return on the marginal state expenditure to the "social discount rate" are more problematic but still helpful, if for no other reason than to make a point of the efficiency considerations. The distributional issue obviously matters to decision makers. Analysts can contribute to the debate by focusing on the distributional issue in more detail. Partisans who want to save wealth for future generations would be wise to use all three elements of the analysis as ammunition in the debate. Partisans who want to spend the state's oil revenues as rapidly as possible have an interest in suppressing such analysis.

2. What to spend the money on?

Sorting out spending priorities is undeniably a political process. Just as undeniable, planning, cost benefit evaluation, and other methods of analysis have a contribution to make. To better understand the role of analysis, we examine the changes in the process brought about by analysis.

One of the most avoidable spending problems is "back of the postcard" budgeting. The governor sends down a budget. A legislator decides that the budget isn't big enough, or at least, the appropriations for her district aren't large enough. The governor loses the battle over spending constraints, and dozens or hundreds of new projects get dumped into the budget at the last minute. Many are "back of the postcard" projects. That is, they are projects which constituents lobbied the

legislator for, chosen on an ad hoc basis, often with little or no back-up on need, feasibility, or effectiveness.

This system has evolved for a number of reasons. When the dam breaks and the money is suddenly available, legislators may have few alternatives. The legislator may also prefer a system which gives her great discretionary (patronage) power.

The obvious shortcomings of "back of the postcard" budgeting can be overcome through planning. The administration should have available a much greater list for projects than those for which funding is requested. If the budget is to grow, projects of a lower priority can be included. Dave Rose argues that the state should carry out a needs assessment, and through "good" budgerary review, put together a laundry list of projects that deserve funding at some point over the next five years.

> As a politician, this is gonna be good for me . . . we're gonna build the project, we're gonna build the bridge from South Naknak. Now the political question is when do we build it. Is the out year 87, or do we move it up to 82? But at least it's a focused type of project where everyone agrees that yes, it's necessary. The only disagreement is on timing.[17]

Economists don't like the concept of needs assessment, because they find "need" a slippery item which defies objective analysis. Without some appreciation of the scarcity of resources, it is impossible to make distinctions between "needs" and "wants."[18] But if one thinks about needs assessment as a process, it may very well help to identify "opportunity costs." A systematic attempt to indentify the state's "needs" over the next five or ten years would put many of today's spending requests into perspective by drawing attention to the multitude of spending requests the state will face over time. It will be harder to disregard the argument that funding an additional project today will mean one less project can be funded tomorrow.

In addition to driving home the notion of "opportunity cost," a well-designed needs assessment can open up the priority setting proces to wider participation by local government officials and citizens. Legislators from single member districts will find that constituents take a greater role in the priority setting process, and the worst patronage abuses may be reined in.

Being more systematic about how funding requests are assembled can help to get a handle on the demand for public funds, but decision makers must still make choices between the many competing demands. One of the most powerful tools for reforming the priority setting process is cost benefit analysis. However, like other analytical tools, it has limitations. It uses resources itself, and as Budget Director Ron Lehr observes, "it's necessary to make a cost benefit analysis of cost benefit analysis."[19] The resource constraint is more than money. Trained personnel are also in short supply.

Moreover, cost benefit analysis is only useful if you can measur the costs and benefits. The task is easy enough when the costs can be measured in dollars, and the benefits are housing units built, or kilowatts of electricity. But how about when the costs of a road includ the penetration of a pristine environment, or the destruction of a subsistence way of life? Or how does one measure the benefits of emergency health services, education, or police protection?

In fact, economists have designed a number of ingenious ways to quantify such items. It's hard to ignore, however, the biases and implicit values which are built into such efforts. First, if it's hard to quantify, the odds of being left out of the analysis is that much greater. Second, a great deal of emphasis is put on an individual' ability to pay, or earning capacity. For example, the value of a human

life is typically measured by the future earnings foregone. Using this standard, saving a man's life yields more benefits than saving a woman's life. Whites are more valuable than blacks, and young people more valuable than the elderly. A retired person might be worth nothing, or even have a negative value. While earnings foregone provide a convenient yardstick, it's hardly a value-free standard.[20]

The benefits of education are also frequently measured by future earnings. Education is assumed to influence labor productivity. Wages are assumed to equal the marginal product of labor. If more education leads to higher income, the difference in earnings is the economic benefit from education. But a theory that seemed relatively straightforward twenty years ago has seen a number of serious challenges, and researchers today can't agree what difference, if any, education makes in productivity or wages. Do people get ahead because they are more productive, or is social class or luck more important? Does education provide training, or is it simply a screening device for employers? Do wages reflect the marginal product of labor, or is the job market segmented into a competitive and a "protected" sector, where job rationing determines earnings?[21]

Moreover, what does this theory tell us about the benefits of educating the handicapped? Should we restructure our curriculum to reduce emphasis on those subjects, like philosophy, music, or ethics, which are unlikely to lead to high-paying jobs? And what about the external benefits to society from a better educated citizenry; should they be ignored because they can't be measured?[22]

One way to overcome some of the measurement problems is to present the benefits as the program outputs, rather than attempt to convert everything to dollars. Lives saved are the benefit measure,

to be compared against the costs of a program. For example, a study of a health program might show that it costs $30,000 to save a life through an extension of emergency health services, but only $1,500 for a program of screening and preventative health. People might still prefer to spend the $30,000 on the emergency health program rather than the $1,500 on the preventative health program, but the cost benefit study will have deepened our understanding about the problem of providing efficient health care services.[23]

Other examples of output measures might include achievement scores for education benefits, families raised from poverty, or changes in some form of "social indicators" index.[24] William Gorham argues that efforts to compress all benefits from social programs into monetary terms causes "a great deal of violence . . . to their inherent heterogeneity, and useful information is suppressed."[25] The use of output measures provides "trading terms" for devoting resources to different purposes. "The decision maker will be better off because he will be comparing not imputs but rather alternative outcomes of resources added to education, to health, or to other social programs."[26]

Another thorny problem for cost benefit analysis is income distribution. Typically, projects provide both public and private benefits, and in some cases, entirely private benefits. Cost benefit analysis, in its most common application, measures net gains for the society as a whole. In Aaron Wildavsky's words, "this means that the costs to whomever may incur them should be less than the benefits to whomever may receive them."[27] But if income distribution matters to policy makers, and who would argue that it doesn't, this simple wealth-creating criterion is not sufficient. That is, analysts should pay

attention to whether society as a whole gains or loses, and also how the gains and losses are distributed.

By introducing another objective, the task of the analyst is made much more difficult. Should a project which yields positive net benefits be disqualified because of the distributional consequences? Or conversely, should a project which has an overall negative net benefit yield be allowed to qualify on the basis of distributional considerations? Should benefits or costs to different groups be weighted to reflect distributional values? Should income distributional considerations be treated as constraints, and, if so, what "shadow price" are we willing to pay for a given change in income distribution?

While it is relatively simple to argue in the abstract that distribuitonal considerations are important, the task of providing practical criteria or standards for use in cost benefit analysis is very hard. Most of the models for doing so are still experimental and controversial.[29] Is the absence of satisfactory analytical tools for plugging distributional objectives into the cost benefit equation reason enough to ignore them? Maybe the answer would be yes, if this were the only option available. But there are ample opportunities for distribution to be "counted" in the budget making process--so long as the distributional consequences of programs are known. That is, it may be less important for the analyst to estimate or predict how the distributional weights would be applied by policy makers than to spell out just who the winners and losers are.

The distributional issue is by its very nature political. Analysts can attempt to derive social welfare functions which say who should win, but this effort is unlikely to be as valuable as better estimates of who does win. Not only does the analysis give policy makers

better information upon which to make choices given their own values, but it also serves as an important weapon in the budget debate by challenging the legitimacy of claimants.

Summary

In general, planning and cost benefit techniques have a role to play in allocating state resources between competing projects, but that role is constrained both by the practical dictates of political forces and the real limitations of the analytical models. The political constraints are important, and planners and analysts who lack a sensitivity to both the pitfalls and the opportunities presented in the political process will be ineffective in exploiting the best contributions that analysis can make. This much is well known already.

Less understood are the limitations of the analytical techniques and the degree to which "what is" and "what should be" are melted together in the "scientific" process. Value judgments are made in the explicit ways discussed above, such as the attempt to measure the loss of a human life through earnings foregone, and also in more subtle ways. The most important normative role for the policy maker or the analyst is to frame the question itself. As stated by Quade, "the difficulties lie in deciding what ought to be done--not simply how to do it--and honors go to people who . . . find out what the problem is."[29] Does the state want to create jobs? Does it want to create jobs for residents? Does it want to create high-paying jobs with good career prospects? Are jobs a means of raising incomes, an essential training opportunity, an ordeal necessary to qualify for sharing in oil wealth, or an end in themselves? Depending upon the chosen objective, a given state employment program will look good or bad. The answers are determined as much by

the questions as the data. Moreover, the process of defining objectives is a dynamic one which is modified by the results of the analysis. In Wildavsky's words, "most people do not know what they want, when what they want is compared to what they can get."[30]

Because it is so hard to eliminate the role of values it is essential for policy makers to become both better consumers and better managers of analytical imputs to the decision-making process. Those who make the effort to gain a deeper understanding of planning, cost benefit, and other techniques will be rewarded by access to powerful tools. Despite many caveats presented above, rigorous analytical evaluation of budget priorities is a useful but woefully underused weapon for budget reformers. Cost benefit evaluation is well suited for those infrastructure projects like dams and roads which are designed to provide purely economic benefits. Quantification of the costs for achieving less quantifiable benefits is still a major leap forward. For all its rough edges, cost benefit analysis is relatively helpful in identifying the worst "dogs" among projects, and when the right questions are asked, identifying how state spending priorities change the distribution of income. "Needs assessment," long-term revenue forecasting, and otherplanning techniques are useful both in helping policy makers understand the inevitable trade-offs between intertemporal spending decisions, and opening the priority setting process up for borader public participation.

Where analysis can provide limited assistance, policy makers are better off relying upon subjective judgements, cultural norms, rules of thumb, comparisons to other government entities, guesses, luck, arbitrary choices, or common sense. The trick is to know when an investment in analysis is worthwhile, and when it's just a waste of time. As a final note, it is important to remember there are at least two dangers. First,

that investments in analysis will be chosen indiscriminately, with little sophistication as to how questions are framed, the implicit value judgements hidden in the assumptions, and how useful outputs will ultimately be. Second, that the role of analysis will be ignored and underutilized. Given the recent explosion of state spending, and the ad hoc method of choosing spending priorities, Alaska should be most concerned with the second point.

Notes

[1]See James Love, A Policy Makers Guide to Revenue Forecasting: A Look Inside the Black Box (Report to Senate State Affairs Committee, December 1, 1981).

[2]Personal communication.

[3]Ford Groh and Terry Gardiner, "Alaska's Rainbow of Opportunity" (1981).

[4]See James Love, Long Range Expenditure Planning: What To Do When Revenues Are Lumpy (Report to Senate State Affairs Committee, December 1, 1981).

[5]Groh and Gardiner, "Alaska's Rainbow."

[6]An evaluation of the proposed constitutional limit is provided by James Love, Long Range Expenditure Planning.

[7]A discussion of various privatization schemes is found in: Joe McKinnon,"Distribution of Oil Wealth," forthcoming; Policy Analysis Paper No. 81-24, "Option 1," Discussion Paper, Permanent Fund Alternatives, October 12, 1981, State of Alaska, Office of the Governor, Division of Policy Development and Planning; Richard B. Coffman, "Capital Shortgage, Public vs. Private Allocation of Capital, and Alternative Ownership Systems for Alaska's Oil Wealth" (Paper submitted to the Alaska Permanent Fund Trustees, August 20, 1981); Donald F. Gordon, "The Problem of Wealth" (Remarks before the Alaska Permanent Fund Board of Trustees and the Joint Legislative Budget and Audit Committee, May 8, 1981).

[8]Lindblom has made a number of contributions in this area. Among them are: Charles E. Lindblom, "The Science of 'Muddling Through,'" Public Administration Review, Vol. XIX, No. 2 (Spring 1959), pp. 79-88; "Decision-Making in Taxation and Expenditures," in National Bureau of Economic Research, Public Finances: Needs, Sources, and Utilization (Princeton University Press for NBER, 1961); David Braybrooke and Charles Lindblom, A Strategy for Decision: Policy Evaluation as a Social Process (Macmillan, 1963); Charles Lindblom, The Intelligence of Democracy (Macmillan, 1965); Charles E. Lindblom, Politics and Markets (Basic Books, 1977); Charles E. Lindblom and David K. Cohen, Usable Knowledge: Social Science and Social Problem Solving (Yale University Press, 1979); Charles E. Lindblom, The Policy-Making Process (Prentice-Hall, 1980), 2nd Edition.

[9]Lindblom and Cohen, Usable Knowledge.

[10]See for example, Burton A. Weisbrod, "Income Redistribution Effects and Cost-Benefit Analysis," in Chase (ed.), Problems in Public Expenditure Analysis (Washington, D.C.: The Brookings Institution, 1968); or Partha Dasgupta, Amartya Sen, and Stephen Marglin, Guidelines for Project Evaluation, chapters 7, 12, and 18.

[11]U.S. Department of Health, Education, and Welfare, Summary Report: New Jersey Graduated Work Incentive Experiment (Washington, D.C.: Department of Health, Education, and Welfare, 1973); Laurence E. Lynn, Jr., "A Decade of Policy Developments in the Income-Maintenance System, included in Haveman (ed.), A Decade of Federal Antipoverty Programs (Academic Press, 1977).

[12]This point is made succinctly by Lester C. Thurow, discussing Laurence Lynn's review of the development of income-maintenance programs. Included in A Decade of Federal Antipoverty Programs, chapter 2.

[13]Making this point is Carol H. Weiss, "Improving the Linkage between Social Research and Public Policy," included in Laurence E. Lynn, Jr. (ed.), Knowledge and Polic, The Uncertain Connection (Washington, D.C.: National Academy of Sciences, 1978), pp. 23-81. See also, Lindblom, The Policy Making Process, chapter 4.

[14]Love, Long-Range Expenditure Planning.

[15]I provide a review of the major approaches in Long-Range Expenditure Planning, footnote 18.

[16]Matthew D. Berman, "Letter to Senator Victor Fischer," commenting on my earlier paper, Long-Range Expenditure Planning.

[17]Personal communication.

[18]Wayne A. Kimmel, Needs Assessment: A Critical Perspective (Washington, D.C.: Office of Program Systems, Office of the Assistant Secretary for Planning and Evaluation, Department of Health, Education, and Welfare, December 1977).

[19]Personal communication.

[20]Examples of this approach can be found in Burton A. Weisbrod, Economics of Public Health: Measuring the Economic Impact of Diseases (Philadelphia: University of Pennsylvania Press, 1960); Selma J. Mushkin, "Health as an Investment," Journal of Political Economy, Vol. LXX (Supplement), October 1962; and E. J. Mishan, Cost-Benefit Analysis (Praeger, 1976).

[21]A few of the important contributions in this field include: Gary Becker, Human Capital: A Theoretical and Empirical Analysis, with Special Reference to Education (New York, National Bureau of Economic Research, 1975), 2nd edition; Christopher Jencks, et al., Inequality (New York: Basic Books, 1972); Michael Spence, Market Signaling (Cambridge: Harvard University Press, 1974); Christopher Jencks, Who Gets Ahead? (New York: Basic Books, 1979); Lester Thurow, Generating Inequality (New York: Basic Books, 1975); and Samuel Bowles and Herbert Ginits, Schooling in Capitalist America: Educational Reform and the Contradictions of Economic Life (New York: Basic Books, 1976). A readable survey of developments in the field is provided by Henry J. Aaron, Politics and the Professors: The Great Society in Perspective (Washington, D.C.: The Brookings Institution, 1978), chapter 3.

[22]Alice Rivlin acknowledges the shortcomings of earnings as a measure of benefits, but notes "Once we leave the fairly firm ground of income we move into a kind of never-never land where we must set values on self-reliance, freedom from fear, the joys of outdoor recreation, the pleasures of clean air, and so forth. The result may not be worth the effort." Systematic Thinking for Social Action (Washington, D.C.: The Brookings Institution, 1971).

[23]An interesting discussion of early cost benefit studies on health is provided by Elizabeth B. Drew, "HEW Grapples with PPBS," included in The Public Interest (Summer, 1967).

[24]The concept of a "social indicators" alternative to GNP measures of welfare is an intringuing one, and deserves more study. For a discussion of early efforts at the U.S. Department of H.E.W. to create such an index, see Daniel Bell, "The Idea of a Social Report," and Mancur Olson, Jr., "The Purpose and Plan of a Social Report," both included in The Public Interest (Spring, 1969).

[25]William Gorham, "PPBS: Notes of a Practitioner," The Public Interest (Summer, 1967).

[26]Ibid.

[27]Aaron Wildavsky, "The Political Economy of Efficiency," The Public Interest (Summer, 1967).

[28]See, for example, Dasgupta, Sen and Marglin, Guidelines for Project Evaluation; Lyn Squire and Herman G. van der Tak, Economic Analysis of Projects (Baltimore: The Johns Hopkins University Press, 1975); and Arnold. C. Harberger, "On the Use of Distributional Weights in Social Cost-Benefit Analysis," Journal of Political Economy (April, 1968).

[29]Quoted by Wildavsky, "The Political Economy of Efficiency."

[30]Wildavsky, ibid.

Appendix

The Budgeting Process - 1981

The following is a brief description of the budget process as it has evolved in the past several years. The discussion is broken into three parts, each distinguished by the nature and character of decision making. They include the operating budget, the cost of new legislation, and the capital budget.

The Operating Budget

The basic system for organizing and presenting the operating budget was developed in 1971 by the MAC Corporation, headed by Graeme Taylor--a well-known national figure in the promotion of systems analysis and Planning, Programming, and Budgeting Systems (PPBS). In recent years the administration has introduced modifications to the system, including an Alaskan version of zero-based budgeting.

It is a program budget, presented in nine basic categories. Each budget category covers a broad area of government services and may include budget requests for several state agencies, including those in different departments of state government. Categories are broken down into 45 "programs," which are in turn disaggregated into 275 "subprograms," also known as "budget review units," or "BRUs"." Finally, BRUs are broken down further to 600 "components." The idea is to bring together various agencies and programs which deal with a common problem, so that the priority setting process deals

with the parts in a comprehensive, rather than piecemeal way. The process is supposed to put emphasis on the program objectives, or "outputs" and asks the questions--"is this the best strategy to meet our objectives?" Analytical techniques, such as cost benefit, or cost effectiveness analysis are, in theory, introduced. Supporters of the program budgeting concept argue that it provides a rational framework to review state spending, because it considers simultaneously all government activities which affect a particular state policy objective.

In recent years there have been changes in the timing and organization of the budgeting process. In 1979 the governor introduced the "Policy Budget," as a preliminary priority setting step before the "Detail Budget" was prepared. In 1981 Department heads were asked to provide an initial "Major Items" memorandum prior to the submission of either the "Policy" or the "Detail" budget.

The "major items" memos are due by July 1 and are designed to provide the governor with "feedback" on big ticket items "at an early stage in the process." In his instructions to the cabinet, the governor said:[1]

> If you intend to request either significant new programs, or major program expansions, please send a memo to me summarizing what your request is, and why you believe it is important. After reviewing these memos, I will meet with each Cabinet member to discuss the proposal and make a decision whether the item(s) should be included as departmental requests in the . . . Policy Budget. . . . [This] does not guarantee inclusion in my . . . budget, but instead will indicate that I would like to review the proposal in more complete form in the . . . Policy Budget.

The Policy Budget is the next step. Agencies must submit paperwork by August 10 to the Division of Budget and Management. Broad spending priorities are shaken down in this stage. Agencies are expected to detail the program outputs, in measurable terms, and relate these to a series of "Policy Themes." In 1983 these "Policy Themes" included such broad topics as:[2]

- To enhance and protect the quality of life of Alaskans and to enable Alaskans to achieve their full potential.
- To enhance the safety and security of Alaska's population.
- To encourage economic development which offers long-term net benefits to Alaskans.

The policy budget is evaluated by the governor's budget advisors, and priorities are set among programs so that the total budget does not exceed the amount authorized by the Governor. Decisions are finalized by September 18.

This is followed by the "Detailed Budget"--a document which fleshes out the program and dollar amounts in the Policy Budget. Whereas the Policy Budget only breaks down budget requests to the BRU level, the Detail Budget goes the one step further to the "component" level and provides more specific information about agency activities and budget outlays. The Detail Budget is again reviewed by the governor's budget advisors, and final adjustments are made in spending priorities.

In January the governor's budget is finalized and formally submitted to the legislature. By this time a massive amount

of information has been assembled. The complete 1983 operating and capital budget included some 30,000 pages of numbers, forms, exhibits, and narrative, and was bound in 63 binders.[3] At least one administration official believes that it contains "too bloody much information." Most legislators only review summaries of the budget.

The legislature goes over the governor's budget methodically, relying to a large degree on a system of subcommittees for the nine different budget categories. In general, however, only small changes are made in the governor's version, with the majority of disputes involving those programs where a particular legislator has an interest, or where some political advantage is perceived by temporarily cutting one of the governor's pet programs, thereby increasing negotiating power with the governor over budget vetoes.

Critics of the program budget approach allege that it provides the administration with too many opportunities to manipulate the budget process and "hide" appropriations. In 1981 the legislature passed, but the governor vetoed, a bill which would require the state to return to line item agency budgeting, which was last used during the Miller administration.[4] Most argument over the program versus agency approach to budgeting stems from some legislators' desire to gain greater control over the budgets of specific agencies (as opposed to programs). It has not had much to do with the merits of the analytical work which is the basis

for the program budget approach. Indeed, the legislature has given scant attention to the quality of the analysis of budget objectives and alternatives. In the eyes of administration budget officials, certain legislators want to "jerk people around," and see the line item budget as a better way to find "the short hairs." Despite the governor's veto, the issue is still very much alive. On July 31, 1981 the Chairman of the House and Senate Finance Committees jointly signed a letter asking the Director of the Legislative Finance Division to obtain whatever information they could to rearrange the governor's program budget into a budget which is "arranged by agency for review by the standing finance committees during the 1982 legislative session."[5]

The amount of the operating budget has ballooned in recent years. In fy 1980 the legislature appropriated $952.5 million in operating funds. The fy 1982 governor's budget request was $1,776.5 million--an increase of $824 million in two years. The 1981 proposal for a constitutional limit on state spending would limit the operating budget to two-thirds of $2.5 billion, with future increases limited to inflation and population increases. For 1981 the limit, had it been in effect, would have amounted to $1.67 billion. Although the limit would have required about $100 million in spending cuts, it still allows a staggering amount of spending, equal to about $4,128 per capita.

New Legislation

From year to year the legislature creates new programs with significant fiscal impact. In the past these would include "entitlements" such as the longevity bonus, Medicaid, or AFDC, plus major new programs, such as the system of grants for energy. Future programs might include the proposed state health care subsidies for moderate-income families. Generally such programs receive considerable attention by legislators and the public. In most cases legislation receives at least one committee referral in addition to the Finance Committee, and several public hearings are held. Major programs are often discussed in party caucuses before floor votes and reported extensively in the news media. The administration, if not the initiator of the program, is no less a key player with the power of the veto, and usually well represented in the process. In 1981 the fiscal note for new legislation was $43 million--equal to about 2.5 percent of the operating budget.

The Capital Budget

The capital budget can include almost any item, including those which are not capital expenditures by any strict meaning of the word. Grants to a local 4-H club, a trip to Europe for a handful of village children for cultural enrichment, a statewide tour of the symphony or repertory theater or a promotional effort to host a world's fair in Alaska all might end up in the capital budget. To the more

esoteric budget items discussed above are added hundreds of park acquisitions, street and road improvements, new schools, swimming pools, and gymnasiums, weather stations, books for libraries, and almost anything which can catch the attention of a friendly legislator.

The capital budget has always been a catch-all for legislative goodies--although in recent years the size of the capital budget has grown at an astronomical rate--and the required "back up" or rationalization for projects has rapidly deteriorated.

In the pre-bonanza budget days, the governor would submit a modest budget including your garden variety capital projections, most of which were road or other infrastructure projects. The governor would generally pick items off a six-year capital improvement plan, with some attention to the geographic allocation of projects. Individual lawmakers would then make some changes. The more influential legislators, including the members of the Finance Committees, would usually get more than others, although it was rare to be overlooked entirely. The capital budget also played a political role, as it was the primary tool for enforcing party discipline and buying votes. Despite its acknowledged role in providing the grease to keep the machine running smoothly, however, most legislators were expected to make a case for their specific projects.

In 1979 the system was modified in an important way, when Representative Russ Meekins, at the urging of Legislative

Finance Director Jay Hogan, initiated a quota for members of the House Majority. In that year, the first following the Iran crisis price increases, each member was given about $750,000 to add to the capital budget. Members submitted lists, frequently as one page memos only listing the names of projects and the dollar amount. The rationalization for making the political nature of the capital budget more explcit was that it would be "fairer" than the past practice--as each member of the caucus, and hence their constituents, were treated equally. Minority members either had to work with their Senate counterparts or "sell votes" to get items in.

In 1980 the new system was used again, only by now the limit had been raised to about $2.5 million per member. Again, little back-up was required from members.

As the legislature increased the dollar amounts in the capital budget, it became transformed from a modest but essential method of maintaining party discipline to a major expression of state policy. By 1982 the capital budget totaled $2.27 billion--a half billion more than the total operating budget and equal to about $5,400 per capita.

The governor portrayed himself as a fiscal conservative but did little to discourage the growth of the capital budget, choosing instead to use his line item veto power as leverage to achieve his major legislative priorities. The larger the size of the capital budget, the more individual

legislators had at stake, and the greater the governor's ability to gather votes for major policy initiatives. Hammond preferred to trade huge capital budgets for longer run objectives, such as the permanent fund dividend program or the proposed constitutional limit on state spending.

Notes

[1]Governor Jay S. Hammond, "Memorandum to the Cabinet," June 15, 1981.

[2]The Governor's "Policy Themes" are stated in the Policy Budget Instructions as follows:

1. To achieve a sustainable level of necessary public facilities and services which in the long term can be financially maintained by Alaska's citizens.

2. To enhance and protect the quality of life of Alaskans and to enable Alaskans to achieve their full potential.

3. To establish and maintain a tax system which equitably distributes the responsibility for funding government services.

4. To select those public services which are genuinely needed by Alaskans and which cannot be provided by the private sector, and to provide them in an effective and efficient manner.

5. To enhance the safety and security of Alaska's population.

6. To encourage economic development which offers long-term net benefits to Alaskans.

7. To foster the growth of a self-sustaining private economic base in rural communities, wherever practicable.

8. To improve the ability of the private market system to provide needed goods and services.

9. To perpetuate and to distribute equitably to all Alaskans the benefits from Alaska's publicly owned resource wealth.

10. To promote the rational development and maintenance of fish and wildlife for the long-term economic and social benefits of all citizens of Alaska.

11. To achieve long-term energy self-sufficiency.

12. To develop and support viable local government units.

[3]Jim Stay, personal communication.

[4]SB 17.

[5]Senator Dankworth, Senator Bennett, and Representative Adams, "Letter to Mr. Jay Hogan," July 31, 1981.

The Alaska Special Mortgage Loan Purchase Program

- Is the goal redistributing income to the wealthy? -

For the Senate State Affairs Committee

Senator Victor Fischer, Chair

James Packard Love*
Harvard University
December 1, 1981

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*The author would like to acknowledge the contribution of Dr. Matt Berman of the Institute for Social Economic Research, who originally raised the issues discussed in the paper.

Introduction

In the past four years the State of Alaska has experienced a dramatic influx of revenue from production of oil in the prolific Prudhoe Bay oil field. As a direct result of this change in financial fortunes many government programs and services have been expanded, including programs which provide subsidies for housing. The lion's share of all state housing investments now go to a program which provides low interest loans for homebuyers.[1] This memorandum explores the distributional consequences of the allocation of housing subsidies, plus the impact of the program on housing and land prices and on the quality and quantity of housing stock.

Income Distribution

The Alaska Special Mortgage Loan Purchase Program is Alaska's largest individual grant or subsidy program. By next year some $200 million in state funding is anticipated--approximately four times the amount currently budgeted for AFDC payments.[2] The exact amount of the subsidy per household is determined exogenously by financial markets--as the State sells housing bonds and then subsidizes the difference between the bond price and a base rate which is set by the legislature.[3] In recent months the state rate has approached 11%, while the "cost of funds" has exceeded 19%.[4] The cost of the subsidy, of course, is also determined by the amount of the loan. (There is no limit on the size of the loan, but the homeowner must pay the market interest rate on the proportion of the loan which exceeds $90,000.) An estimate of the subsidy per household can be determined by comparing the state's rate of approximently 11 percent to a hypothetical market rate of 17 percent.

SUBSIDY PER HOUSEHOLD*

Price of Home	$50,000	$60,000	$70,000	$80,000	$90,000
Subsidy: 1. monthly	237	284	331	379	426
2. annual	2,840	3,408	3,976	4,544	5,112
3. over 30 year life of mortgage	85,203	102,244	119,285	136,325	153,336

*Assumes market rate of 17% and state rate of 11%.

A rough rule of thumb suggests that combined mortgage, insurance and property taxes will amount to 12% of the purchase price of a home, if financed at the 11% state loan rate. Assuming that the homebuyer must earn at least 3 and one half times the annual mortgage payment - the minimum income which qualifies for a loan is about 42% of the price of the home. For a given housing unit this would amount to the following.

Minimum income required to qualify for home purchase.

Price of Home	$50,000	$60,000	$70,000	$80,000	$90,000
Required Annual Income	21,000	25,200	29,400	33,600	37,800

Housing prices vary across the state. In Anchorage where half of the population lives, it is difficult to find any condominium or house for less than $70,000. This suggests that the minimum household income required to participate in the program is just under $30,000 per year.

The most recent available data on state income distribution are the 1978 income tax filings. In that year more than 73 percent of all tax returns reported earnings of less than $25,000.[5] This includes returns from

part time and seasonal employees, and may therefore understate earnings. Another useful comparison is the average wage and salary earnings per worker, estimated to be $26,500 in 1981.[6] The latter figure suggests that a household with one breadwinner earning an average wage would be a marginal proposition to purchase a home under the state subsidy program.

The basic thrust of the home mortgage program is to provide subsidies to those in higher income brackets. This is not necessarily intended--but it is an unavoidable consequence so long as the subsidy is tied irrevocable to the act of homebuying. Low and moderate income households are simply unable to participate in the program because they lack the means to purchase a home even at the state interest rate of 11%. Thus, the program not only rewards those who buy larger houses with larger subsidies, but there is an effective income threshold which excludes many wage earners from participating in the program at all.[7]

Impact on the Price, Quantity and Quality of Housing Stock

One important feature of the mortgage subsidy program is the impact on housing prices. The state program has now replaced the conventional mortgage market for most homebuyers. Housing prices, which have seen a sharp dip in the rest of the country, has remained firm during the past year, and the real estate and construction industries, if not booming, are experiencing healthy growth. In essence, the program helps both sellers and buyers of homes. The increased demand for home purchases which is caused by the subsidized interest rate causes a corresponding increase in the price of the available housing stock.

The price of housing is a function of the cost of construction and the

price of land. The construction industry will experience some price inflation over the short run if demand is sharply increased, but it tends to respond rapidly to changing market conditions, and over time it can adjust output without changes in cost. This "constant cost" nature of the construction sector suggests that the greatest proportion of the increase in housing prices is really an increase in the price of land for housing use. The benefits of the subsidy program are thus partly captured by landowners. The significance of this characteristic of the program is that land is generally distributed more unequally than income--and the tendency of the program to help the rich more than the poor is reinforced.

The degree to which the subsidy increases prices of housing in general and land in particular is a complex empirical question and requires estimates of demand and supply elasticities for housing, new construction and land. Interviews with local economists, homeowners and sellers, real estate agents and bank officers suggests that the shift of the benefits to sellers and landowners are substantial--although it remains a largely unexamined area of public policy.[8]

The program also provides incentives for homebuyers to improve the quality of housing stock, but only marginally so. In general, the subsidized mortgage rate gives rise to both an income effect (more money in the household budget which can be spent on housing or other items) and a substitution effect. The substitution effect is the result of the subsidy changing the relative price of housing when compared to other goods and services. The substitution effect, however, is only important if the homebuyer would purchase a home below $90,000 without the program--because there is no subsidy on the marginal increase in housing stock over that price.

Moreover, both the income and the substitution effect are reduced by the amount of the subsidy which is shifted forward to home sellers and land owners in the form of higher prices.

The net impact of the program is that there will be some increase in the quality of housing stock--although this cannot be considered the primary objective of the program. Indeed, a much better way to improve the quantity or quality of the housing stock would be to target the subsidy to new construction, home improvements, or both. This would have a much different impact on both the availability and quality of housing, and the price of housing. The net increases to the housing stock would tend to drive housing prices down--rather than up. Moreover, this deflationary impact would not depend upon the continuation of the subsidies over time, as the subsidized mortgage rate does, because there would be a permanent improvement in the housing stock itself, and this would provide benefits to the consumer over a much longer period of time.[9]

The program of targeted subsidies to new construction or home improvements would also provide a much different distribution of benefits. All new homebuyers would benefit because the increase in the supply of housing would tend to bring housing prices down. The building sector would continue to receive benefits through wages from construction. Existing owners of residential properties could receive benefits by rehabilitating older housing stock. Sellers of existing homes would, however, be worse-off, because the competition from new construction would mean lower prices.

Policy Recommendations

In its present form, the State of Alaska's program for subsidizing mortgage rates tends to redistribute wealth to the wealthy and does not significantly improve the quantity or quality of housing stock. If this is the primary goal of the legislature then the program is a success. On the other hand, if the goal is to raise incomes equally; to make income distribution more equal; or to improve the quality of housing stock people live in, the program should be restructured. Moreover, the policy recommendations will depend upon which of the alternative goals are chosen.

Consider first the question of raising incomes. If, as many lawmakers suggest, the goal of the program is to give citizens some tangible stake or benefit from the oil revenues, then a program of housing subsidies has great appeal. There are political, tax and legal advantages to disguising cash transfers as inkind benefits - particularily if this can be accomplished at a level which does not require the issuance of checks or vouchers to individuals.[10] A low interest loan - available regardless of means - does not carry the same symbolic value as a check from the government, although the effect is essentially the same. Moreover, housing is something that almost everyone uses - and thus there is the potential for broad distribution of the subsidies.

The opportunity for broad distribution is not realized, however, when the subsidy is tied to mortgage rates. As noted above, people who buy bigger homes get more, and people who don't buy at all get nothing. A more equal distribution of the benefits would require that the nature of the payment be more explicit. It would require that the subsidy, rather than the interest rate, be specified. Moreover, the elgibility would not be tied to the ability

to buy a home.

There are a number of ways this could be done. The simplest approach is to just mail out checks to each household or citizen - perhaps with some nominal paperwork or other nuance which maintains the necessary references to housing (necessary for political, cultural, legal, or public relations purposes).

If the government check is impractical for metaphysical reasons, the government could disguise the benefits in other ways. For example, it could offer home mortgages where the interest rate was adjusted to reflect a subbidy of a certain dollar amount per homebuyer. In other words, lower each monthly payment by a fixed dollar amount - changing the yield on the mortgage, while treating all homebuyers equally. This in fact is precisely the approach recommended by the Hammond Adminstration in 1980.[11] For individuals who can't afford to buy a home - the State could put the equivalent of their subsidy in an escrow account which could be used later as a down payment on a home. The future homebuyer could even be given the opportunity to borrow against this escrow.

Of course, if the purpose of the program is to help people with low or modest incomes, the subsidy could be limited to, or larger for, people with less money. That programs of this type receive only a small fraction of the funding currently budgeted for the Alaska Special Mortgage Loan Program (ASMLP) is instructive, but perhaps not conclusive. In any event, just making the subsidies equal among households or individuals would tend to make income distribution more equal than is the case under the present system, and for that matter, than would be the case if there were no subsidies at all.[12]

Finally, there is the goal of increasing the quantity and improving the quality of housing stock. As discussed earlier, a program of targeting subsidies to new construction or home improvements would be a more efficient method of accomplishing this goal. There is no reason why this program need be limited to condominium or single family residences. If rental properties were elgible, some of the benefits would be realized by tenants. Moreover, the program of subsidies could be limited to a fixed amount per dwelling unit - thereby insuring that more expensive homes did not capture a larger share of the subsidies. Indeed, the subsidies could be targeted further - limited to, for example, housing units in a given price range.

NOTES

1. Other state housing programs include public housing projects, "non conforming" housing loans for rural areas, and a program to provide assistance to low income households.

2. The estimate for the fy 1982 budget provided by Milt Barker, Division of Finance, Alaska State Legislature, personal communication.

3. Under the current act the state rate is adjusted as the market rate changes.

4. Interview with officals of the Alaska Housing Finance Corporation (AHFC), which administers the program. October 1981.

5. Alaska State Department of Revenue.

6. Alaska Economic Information and Reporting System, Quarterly Report. October 198

7. As noted in the first memorandum, there is a small program to provide loans at interest rates as low as 6% to low and moderate income families - but it has not been funded to any significant degree and is not widely available.

8. One economist who has explored this topic is Matt Berman of the University of Alaska, but to date there is no published analysis of the incidence of benefits between consumers and sellers.

9. One way of thinking about the two approaches is that the subsidized interest rate approach encourages current consumption, while the subsidized construction option provides incentives to invest in capital stock.

10. One important legal question is whether the subsidy would be considered taxable income by the IRS. Many inkind transfers excape federal taxation, which explains their popularity is some quarters. On the other hand, subsidized mortgage rates directly reduce the homebuyer's deduction for interest payments, and thus are largely taxed indirectly.

11. An illustration of this approach is shown below. Three homes, priced at $60, $75 and $90 thousand are compared. First, the mortgage payment is figured at a hypothetical market rate of 17%. Then, a fixed subsidy of $300 per month is deducted from the payments, and a new yield is computed. The higher the price of the home, the higher the yield. The subsidy per household, however, is equal.

HAMMOND ADMINSTRATION PROPOSAL FOR MORTGAGE SUBSIDIES

price of home	$60,000	$75,000	$90,000
monthly payment @17%	855	1,069	1,283
less subsidy	300	300	300
adjusted payment	555	769	983
adjusted yield	10.64%	11.96%	12.82%

12. A subsidy of an equal amount will not change the absolute differences in income or wealth, but the same amount of money will increase the low income person's income by a larger percentage, and reduce the ratio of earnings between high and low income individuals.

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO:

FROM: Sen. Vic Fischer

DATE: December 20, 1981

RE: Long range planning papers

Enclosed are three papers prepared in support of the Senate State Affairs Committee's interim work on economic policy and long range policy planning. The two basic papers deal with long range revenue and expenditure analysis. The third examines special aspects of the state's mortgage loan program.

I would very much appreciate your comments on these papers by January 11, 1982. Please send any comments you have to Pouch V, Juneau, Alaska 99811.

Draft
Incomplete
1/c
FYI
John

The Budgeting Process

The following is a brief description of the budget process as it has evolved in the past several years. The discussion is broken into three parts, each distinguished by the nature and character of decision making. They include the operating budget, the cost of new legislation, and the capital budget.

The Operating Budget

The basic system for organizing and presenting the operating budget was developed in 1971 by the MAC Corporation, headed by Grahm Taylor--a well-known national figure in the promotion of systems analysis and Planning, Programming, and Budgeting Systems (PPBS). In recent years the administration has introduced modifications to the system, including an Alaskan version of zero-based budgeting.

It is a program budget, presented in nine basic categories. Each budget category covers a broad area of government services and may include budget requests for several state agencies, including those in different departments of state government. Categories are broken down into 45 "programs," which are in turn disaggregated into 275 "subprograms," also known as "budget review units," or "BRUs"." Finally, BRUs are broken down further to 600 "components." The idea is to bring together various agencies and programs which deal with a common problem, so that the priority setting process deals

with the parts in a comprehensive, rather than piecemeal way. The process is supposed to put emphasis on the program objectives, or "outputs" and asks the questions--"is this the best strategy to meet our objectives?" Analytical techniques, such as cost benefit, or cost effectiveness analysis are, in theory, introduced. Supporters of the program budgeting concept argue that it provides a rational framework to review state spending, because it considers simultaneously all government activities which affect a particular state policy objective.

In recent years there have been changes in the timing and organization of the budgeting process. In 1979 the governor introduced the "Policy Budget," as a preliminary priority setting step before the "Detail Budget" was prepared. In 1981 Department heads were asked to provide an initial "Major Items" memorandum prior to the submission of either the "Policy" or the "Detail" budget.

The "major items" memos are due by July 1 and are designed to provide the governor with "feedback" on big ticket items "at an early stage in the process." In his instructions to the cabinet, the governor said:[1]

> If you intend to request either significant new programs, or major program expansions, please send a memo to me summarizing what your request is, and why you believe it is important. After reviewing these memos, I will meet with each Cabinet member to discuss the proposal and make a decision whether the item(s) should be included as departmental requests in the . . . Policy Budget. . . . [This] does not guarantee inclusion in my . . . budget, but instead will indicate that I would like to review the proposal in more complete form in the . . . Policy Budget.

The Policy Budget is the next step. Agencies must submit paperwork by August 10 to the Division of Budget and Management. Broad spending priorities are shaken down in this stage. Agencies are expected to detail the program outputs, in measurable terms, and relate these to a series of "Policy Themes." In 1983 these "Policy Themes" included such broad topics as:[2]

- To enhance and protect the quality of life of Alaskans and to enable Alaskans to achieve their full potential.
- To enhance the safety and security of Alaska's population.
- To encourage economic development which offers long-term net benefits to Alaskans.

The policy budget is evaluated by the governor's budget advisors, and priorities are set among programs so that the total budget does not exceed the amount authorized by the Governor. Decisions are finalized by September 18.

This is followed by the "Detailed Budget"--a document which fleshes out the program and dollar amounts in the Policy Budget. Whereas the Policy Budget only breaks down budget requests to the BRU level, the Detail Budget goes the one step further to the "component" level and provides more specific information about agency activities and budget outlays. The Detail Budget is again reviewed by the governor's budget advisors, and final adjustments are made in spending priorities.

In January the governor's budget is finalized and formally submitted to the legislature. By this time a massive amount

of information has been assembled. The complete 1983 operating and capital budget included some 30,000 pages of numbers, forms, exhibits, and narrative, and was bound in 63 binders.[3] At least one administration official believes that it contains "too bloody much information." Most legislators only review summaries of the budget.

The legislature goes over the gove or's budget methodically, relying to a large degree n a system of subcommittees for the nine different budget categories. In general, however, only small changes are made in the governor's version, with the majority of disputes involving those programs where a particular legislator has an interest, or where some political advantage is perceived by temporarily cutting one of the governor's pet programs, thereby increasing negotiating power with the governor over budget vetoes.

Critics of the program budget approach alle that it provides the administration with too many opport ties to manipulate the budget process and "hide" appropriations. In 1981 the legislature passed, but the governor vetoed, a bill which would require the state to return to line item agency budgeting, which was last used during the Miller administration.[4] Most argument over the program versus agency approach to budgeting stems from some legislators' desire to gain greater control over the budgets of specific agencies (as opposed to programs). It has not had much to do with the merits of the analytical work which is the b. is

for the program budget approach. Indeed, the legislature has given scant attention to the quality of the analysis of budget objectives and alternatives. In the eyes of administration budget officials, certain legislators want to "jerk people around," and see the line item budget as a better way to find "the short hairs." Despite the governor's veto, the issue is still very much alive. On July 31, 1981 the Chairman of the House and Senate Finance Committees jointly signed a letter asking the Director of the Legislative Finance Division to obtain whatever information they could to rearrange the governor's program budget into a budget which is "arranged by agency for review by the standing finance committees during the 1982 legislative session."[5]

The amount of the operating budget has ballooned in recent years. In fy 1980 the legislature appropriated $952.5 million in operating funds. The fy 1982 governor's budget request was $1,776.5 million--an increase of $824 million in two years. The 1981 proposal for a constitutional limit on state spending would limit the operating budget to two-thirds of $2.5 billion, with future increases limited to inflation and population increases. For 1981 the limit, had it been in effect, would have amounted to $1.67 billion. Although the limit would have required about $100 million in spending cuts, it still allows a staggering amount of spending, equal to about $4,128 per capita.

New Legislation

From year to year the legislature creates new programs with significant fiscal impact. In the past these would include "entitlements" such as the longevity bonus, Medicaid, or AFDC, plus major new programs, such as the system of grants for energy. Future programs might include the proposed state health care subsidies for moderate-income families. Generally such programs receive considerable attention by legislators and the public. In most cases legislation receives at least one committee referral in addition to the Finance Committee, and several public hearings are held. Major programs are often discussed in party caucuses before floor votes and reported extensively in the news media. The administration, if not the initiator of the program, is nonetheless a key player with the power of the veto, and usually well represented in the process. In 1981 the fiscal note for new legislation was $43 million--equal to about 2.5 percent of the operating budget.

The Capital Budget

The capital budget can include almost any item, including those which are not capital expenditures by any strict meaning of the word. Grants to a local 4-H club, a trip to Europe for a handful of village children for cultural enrichment, a statewide tour of the symphony or repertory theater or a promotional effort to host a world's fair in Alaska all might end up in the capital budget. To the more

esoteric budget items discussed above are added hundreds of park acquisitions, street and road improvements, new schools, swimming pools, and gymnasiums, weather stations, books for libraries, and almost anything which can catch the attention of a friendly legislator.

The capital budget has always been a catch-all for legislative goodies--although in recent years the size of the capital budget has grown at an astronomical rate--and the required "back up" or rationalization for projects has rapidly deteriorated.

In the pre-bonanza budget days, the governor would submit a modest budget including your garden variety capital projections, most of which were road or other infrastructure projects. The governor would generally pick items off a six-year capital improvement plan, with some attention to the geographic allocation of projects. Individual lawmakers would then make some changes. The more influential legislators, including the members of the Finance Committees, would usually get more than others, although it was rare to be overlooked entirely. The capital budget also played a political role, as it was the primary tool for enforcing party discipline and buying votes. Despite its acknowledged role in providing the grease to keep the machine running smoothly, however, most legislators were expected to make a case for their specific projects.

In 1979 the system was modified in an important way, when Representative Russ Meekins, at the urging of Legislative

Finance Director Jay Hogan, initiated a quota for members of the House Majority. In that year, the first following the Iran crisis price increases, each member was given about $750,000 to add to the capital budget. Members submitted lists. frequently as one page memos only listing the names of projects and the dollar amount. The rationalization for making the political nature of the capital budget more explcit was that it would be "fairer" than the past practice--as each member of the caucus, and hence their constituents, were treated equally. Minority members either had to work with their Senate counterparts or "sell votes" to get items in.

In 1980 the new system was used again, only by now the limit had been raised to about $2.5 million per member. Again, little back-up was required from members.

As the legislature increased the dollar amounts in the capital budget, it became transformed from a modest but essential method of maintaining party discipline to a major expression of state policy. By 1982 the capital budget totaled $2.27 billion--a half billion more than the total operating budget and equal to about $5,400 per capita.

The governor portrayed himself as a fiscal conservative but did little to discourage the growth of the capital budget, choosing instead to use his line item veto power as leverage to achieve his major legislative priorities. The larger the size of the capital budget, the more individual

legislators had at stake, and the greater the governor's ability to gather votes for major policy initiatives. Hammond preferred to trade huge capital budgets for longer run objectives, such as the permanent fund dividend program or the proposed constitutional limit on state spending.

FOR YOUR INFORMATION ONLY

AMENDMENT NO. 1

CONTRACT BETWEEN
STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY

AND

JAMES PACKARD LOVE

IT IS MUTUALLY AGREED THAT THE CONTRACT BETWEEN THE ABOVE PARTIES DATED AUGUST 19, 1981, IS HEREBY AMENDED AS FOLLOWS:

CLAUSE II, Paragraph (A), page 2 is amended to read:

(A) The work under this contract shall be performed beginning July 15, 1981, and will be concluded by November 30, 1981.

IN WITNESS WHEREOF, the parties have executed this amendment to this agreement on the dates indicated below.

CONSULTANT

10-5-81
JAMES PACKARD LOVE — Date
SSN# 538-[illegible]-1030

Accepted:

11/6/81
SENATOR VICTOR FISCHER — Date
PROJECT DIRECTOR

LEGISLATIVE AFFAIRS AGENCY

10/13/81
M. R. CHARNEY — Date
EXECUTIVE DIRECTOR

Approved as to form:

Oct 21 1981
BILLY G. BERRIER — Date
AGENCY LEGAL COUNSEL

MEMORANDUM

TO: SENATOR VICTOR FISCHER

FROM: JAMIE LOVE

REGARDING: TRAVEL TO JUNEAU

DATE: AUGUST 7, 1981

On monday August 10, 1981 I will be in Juneau for a period of three to five days in to interview state budget and planning officals and to review budget and planning documents and reports. ~~Particular attention will be given to matters dealing with the administration and legislative decision making regarding the spending of funds~~ I expect to meet with officals of the Division of Budget and Management and the Division of Policy Development and Planning , both in the Office of the Governor. In addition, I will meet with officals from several other agencies, including those of the Department of Revenue and Community and Regional Affairs. With respect to the Legislature, I plan to meet with officals of the Budget and Audit Committee, and the Division of Legislative Finance, and the Divsion of Legislative Audit, and the House Researach Agency.

M E M O R A N D U M

TO: SEN. VIC FISCHER

FROM: JAMES LOVE

RE: PROJECT PROGRESS REPORT

DATE: 8-15-81

Over the past three and one half weeks I have reviewed a good deal of literature on development planning, cost benefit analysis, budgeting, and welfare economics as applied to national and international settings, as well as in Alaska. In addition, I have conducted a number of interviews with Alaskan legislators, legislative staff, budget and planning staff in the administration, municipal officials, employees of non-profit corporations, lobbyists, reporters and other knowledgeable individuals about state budget and planning policies.

BILLING

TO: SENATE STATE AFFAIRS COMMITTEE

DATE 8/19/81

FROM: JAMES LOVE

Research

120 Hours @ $25 $3,000.00

Per Diem

4 days @ $65 260.00

TOTAL 3,260.00

Approved

M E M O R A N D U M

TO: SEN. VIC FISCHER

FROM: JAMES LOVE

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INVOICE

TO: Senator Victor Fischer, Chair, Senate Committee On State Affairs
From: James Packard Love
Date: December 4, 1981

Labor

9/1/81 through 11/30/81 120 hrs X $25 = $3,000

Typing

Invoice dated December 4, 1981 from Joanne Klys $195.00

Total $3,195.00

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Invoice dated December 4, 1981 from Joanne Klys $195.00

Total $3,195.00

Approved
$ 1454.00
only

December 4, 1981

TO: James Packard Love
287 Harvard Street
Apt. 54
Cambridge, MA

FROM: Joanne Klys
10 Concord Avenue
Cambridge, MA 02138

For typing of three memorandums for Senator Fischer:

$195.00

Joanne Klys

HARVARD UNIVERSITY
JOHN F. KENNEDY SCHOOL OF GOVERNMENT
79 BOYLSTON STREET
CAMBRIDGE, MASSACHUSETTS 02138

WILLIAM E. TRUEHEART
Assistant Dean and Director
of the Lucius N. Littauer Master in
Public Administration Program

Telephone: (617) 495-1353

January 12, 1982

Mr. Victor Fischer
Pouch V
Juneau, Alaska 99811

Dear Vic:

Jamie Love dropped by and asked that we send you a copy of the letter of recommendation that you wrote when he applied to the Kennedy School which I am pleased to enclose.

Bill is away on recruitment travel, but I am sure he would want me to send his regards to you and Jane.

Best wishes.

Sincerely,

Marilyn Shea

Marilyn Shea
Assistant Director

MS:cae
Enclosure

UNIVERSITY OF ALASKA
Institute of Social and Economic Research
707 "A" St., Suite 206
Anchorage, Alaska 99501
Phone (907) 278-4621

July 2, 1980

Professor Thomas Schelling
Dean of the Faculty
Kennedy School of Government
Harvard University
79 Boylston Street
Cambridge, MA 02138

Dear Professor Schelling:

I am writing in behalf of James P. Love, who has applied for admission to the MPA program of the Kennedy School. I have known Jamie Love for six years and am familiar with the MPA program from participating in it as a Littauer Fellow in 1961-62 and knowing many of its graduates.

Although not employed in public service, Jamie Love has had tremendous effect on policies and decisions in the public sector. As director of the Alaska Public Interest Research Group, he has fought many battles and has won most. I have personally watched Jamie tackle all sorts of tasks: establishing a community development corporation, fighting utility rate increases, obtaining renegotiation of a sweetheart land lease deal between the state and the Teamsters, promoting fair treatment of the poor by government and financial institutions, reducing oil pipeline tariffs, getting liberals to run for public office and assisting their election, etc. In these and other efforts, he has proved himself not only an effective advocate but also an increasingly respected representative of the public interest. He has thus earned direct access to the governor, legislators, and top echelons of business.

Aside from general familiarity with Jamie Love and his work, I have, over the past year, worked closely with him and been able to observe the qualities important to your consideration of Jamie as a candidate for the MPA program. During this recent period, Jamie performed three research projects for the Alaska Center of Policy Studies, an independent, nonprofit research group, of which I am vice-chairman. The first involved a study of Alaska's state oil and gas leasing policies, with Jamie serving as the project's principal investigator. The project resulted in several memoranda on technical and policy aspects of alternative leasing practices, all of them, in my opinion, of the highest research caliber. Analyses were presented in quantitative terms, using a sophisticated computer model utilized by the oil industry to determine bids under different royalty, profit share, and taxation scenarios.

Jamie evaluated alternatives by comparison of the present value of oil resources to the state under different leasing methods. By using a range of scenarios, he illustrated the sensitivity of leasing systems to subtle changes in risk or timing of development decisions. He prepared an enormously persuasive case for "contingency bid" methods of leasing, as opposed to the conventional methods which collected rents up front as a cash bonus. He critiqued the sliding scale royalty system developed by the U.S. Department of the Interior by showing that the logarithmic curve chosen by the DOI was inappropriate for use in Alaska, where fields are larger, and at a time when prices had changed due to world events.

As part of his overall analysis, Jamie presented a logical measurement of an Alaska "social discount rate" and compared this to the discount rate used by the industry and the federal government. In all, the leasing study featured exactly the type of analytical quantitative analysis that is used by professional economists with far greater educational background than Jamie's. Although study results were subjected to rigorous review by industry groups, critics were unable to refute the major conclusions of the report. The resultant findings and recommendations of the Center's study were largely adopted as state policy.

I also worked with Jamie Love on a study of energy alternatives for the Alaska railbelt area, where three-fourths of Alaska's populations lives. I served as the principal investigator for this study. Jamie Love addressed the economics of energy conservation and solar energy, and supervised the preparation of recommendations for changes in state policy. He presented two different methods of measuring the price or cost of energy conservation and solar energy, including the net present value method. Two separate computer models were utilized to simulate costs and benefits of active and passive solar systems.

At present, Jamie is preparing work plans and recruiting economists and other experts for ten additional Center research projects. He was chosen for this role because of his analytical abilities.

In addition to his work with the Center, it is worth mentioning some of the skills Jamie has developed elsewhere. As a participant in several utility tariff proceedings, he has become a very competent rate of return expert, able to evaluate a utility's overall capital structure and required rate of return. He has analyzed the consolidated tax returns of several large corporations, including RCA and ARCO, to determine the proper effective rate of federal income taxes to be used for the purpose of setting tariffs for regulated telephone and pipeline utilities.

In the area of housing policy, Jamie has proposed systems of financing housing that meet the needs of the largest numbers of low and moderate income persons in the most cost-effective manner. He has presented this information through analysis of the life-cycle cost of various low-income housing subsidy programs. In arguing for changes in housing

policy, he has demonstrated the unfairness of present housing subsidies contained in the tax law, which give the largest subsidies to home buyers with the highest incomes. He proposed a package of new programs that incorporate "alternative mortgage instruments" with front-end government subsidies.

More recently, Jamie has analyzed oil taxation policies, again using computer simulations to show industry profits under different taxation scenarios. Here, as elsewhere, he demonstrated an ability to use the discounted cash flow rate of return methods of economic analysis often used by the petroleum industry.

I have recited at length Jamie's work and performance in order to demonstrate his qualifications for the MPA program. Though lacking an undergraduate degree, he has all the requisites for graduate work. Referring to the rating matrix of your regular recommendation form (of which I don't have a blank copy), I rate Jamie Love "superior" on every item except promise as manager in government, as his orientation is to pursue government programs from outside government itself.

I see Jamie as a serious and responsible student at the Kennedy School. He is a tireless worker and devotes total energy to whatever task he tackles, bringing to all efforts an alive, inquisitive, and constructive mind.

At this point, Jamie is essentially self-taught, though his growth has come about with the help of some top national economists with whom he's had an opportunity to work. The MPA program can be of extreme value to him by providing further exposure to disciplined economic theory and expanding his present analytic capability. As I've discussed with him at length, I believe that Harvard can now give him an opportunity to put in context everything he has learned and provide the foundation for a yet more effective effort in behalf of the public interest.

Conversely, admission of Jamie Love to your program will prove of benefit to Kennedy School. He will challenge and stimulate fellow students, making a better experience for all. And the faculty, too, will find him the kind of student who makes it all worth while.

In conclusion, I strongly urge Jamie's admission to the Kennedy School. Don't let his lack of an undergraduate degree stand in the way. Based on ten years as director of this institute, I would rank Jamie's intellectual, research, and communications skills ahead of all individuals we've ever had with Master's degrees, and ahead of many with Ph.D.s (and during my tenure as director, we employed around 300 people, many of the highest caliber).

I'll be glad to provide any additional information on Jamie Love, if that's needed to facilitate his admission.

Best wishes to old friends.

Sincerely,

Prof. Victor Fischer

P.S. Enclosed are a couple of pertin nt clippings I happened to have lying around.

Alaska State Legislature

Senator Vic Fischer • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

M E M O R A N D U M

TO: Sen. Ed Dankworth

FROM: Sen. Vic Fischer

DATE: January 15, 1982

RE: Revenue and expenditures study, ISER

Attached for your concurrence is a copy of a proposed contract with ISER in the amount of $20,000 to provide a long-range perspective on the state's revenue and expenditures patterns. The work will include: a detailed calculation of the asset value to the state of future Prudhoe Bay revenues; an analysis of potential revenues from other natural resources, including other petroleum revenues that may be available when Prudhoe Bay income is reduced; calculation of the level of state expenditures that could be made and still maintain certain asset levels; analysis of likely timing and impacts on private and public sectors of forced reductions of expenditures and/or increases in taxes to compensate for reductions in future revenues; and similar issues.

A report on this project will be published by ISER for the legislature and the general public. Dr. Scott Goldsmith will be project director under this proposed grant.

I believe this is a most worthwhile project and worth the expenditure. Since no state agency is in a position to fund it and ISER does not have the money to do so directly, I think expenditure of available senate contracting funds would be justified.

Thanks for your consideration.

CONTRACT BETWEEN

STATE OF ALASKA

LEGISLATIVE AFFAIRS AGENCY

AND

THE INSTITUTE OF SOCIAL AND ECONOMIC RESEARCH

The parties to this agreement are the LEGISLATIVE AFFAIRS AGENCY, on behalf of the Legislative Council's Senate State Affairs Committee, hereinafter referred to as the "AGENCY," and the Institute of Social and Economic Research, hereinafter referred to as the "Consultant."

THE PURPOSE OF THIS AGREEMENT is to provide the Senate State Affairs Committee with projections of the State of Alaska's long term fiscal condition under varying policy choices pertaining to the disposition of projected state revenues.

IT IS THEREFORE MUTUALLY AGREED THAT:

CLAUSE I. - STATEMENT OF WORK

(A) The Consultant shall produce a concise report containing the projections, analyses, and findings of the State of Alaska's long term fiscal condition.

(B) In conducting its analysis, the consultant shall construct discrete sets of policy choices pertaining to the use and disposition of projected state revenues and discrete sets of state revenue projections.

CLAUSE II. - PERIOD AND DATES OF PERFORMANCE

(A) The work under this contract shall be performed by March 30, 1981.

(B) This contract may be terminated by either party upon written notice to the other.

(C) Unless extended by written agreement, this contract expires on March 30, 1981.

CLAUSE III. - PROJECT DIRECTOR

The Project Director shall be Senator Victor Fischer, acting on behalf of Senate State Affairs Committee.

CLAUSE IV. - COMPENSATION AND METHOD OF PAYMENT

(A) For the work specified in this contract, the Consultant shall be compensated at the fixed price of $20,000.

(B) The Consultant shall be reimbursed for travel and other expenses authorized in advance by the Project Director, except that per diem shall be paid at prevailing State rates, and all air travel shall be reimbursed on the basis of coach class fares.

(C) Billings may be submitted by the Contractor monthly, and should note thereon progress made to date.

(D) Total payments under this contract, including expenses, shall not exceed $20,000.

CLAUSE V. - OFFICE SPACE, EQUIPMENT, CLERICAL SUPPORT, TRAVEL

Office space, equipment and clerical support, and the expenses of authorized travel of the Consultant that will be necessary to carry out his obligations under this contract shall be supplied by the Institute of Social and Economic Research at no cost to the Senate State Affairs Committee.

CLAUSE VI. - RECORDS, DOCUMENTS, AUDIT

The Consultant shall maintain accurate records, including detailed time records, as may be required by the Project Director. The records are subject to inspection by the Agency or the Project Director at all reasonable times. All documents, reports and writings generated as a consequence of work done under this contract shall become the property of the State of Alaska and, on completion of the work or at the termination of this contract, shall be delivered to the Project Director.

CLAUSE VII. - REPORTS

The Consultant shall keep the Project Director informed as to the progress of the work performed under this agreement and shall provide progress reports as specified by the Project Director.

CLAUSE VIII. - ALL WRITINGS CONTAINED HEREIN

This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind either of the parties of this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement on the dates indicated.

INSTITUTE



Institute of Social and Economic Research
University of Alaska

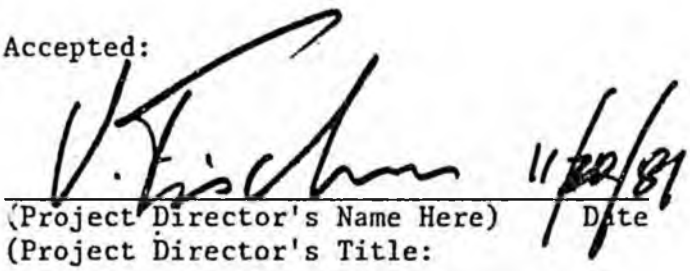
Date

LEGISLATIVE AFFAIRS AGENCY

M. R. CHARNEY
Executive Director

Date

Accepted:



(Project Director's Name Here)
(Project Director's Title:
Chairman, Co-Chairman, etc.)
CHAIR, SENATE STATE AFFAIRS COMMITTEE

Date

Approved as to form:

Billy G. Berrier
AGENCY LEGAL COUNSEL

Date

PATRICK RODEY
ANCHORAGE

315

601 W. 5TH AVE. SUITE 420
ANCHORAGE, ALASKA 99501

DURING SESSION

POUCH V
JUNEAU, ALASKA 99811

Alaska State Senate

JUNEAU, ALASKA 99811

MEMORANDUM

DATE: December 2, 1981

TO: Senator Fischer

FROM: Senator Rodey PMR

RE: Contract approval request

I have received your request for approval of the contracts with ISER and will be happy to sign off on them.

I have not been contacted by Jay concerning this however, so unless you already have authorization, I would follow up with his office on this matter.

PMR/ds

Interim office: 511 West 4th Avenue, Suite 5, Anchorage,
Alaska 99501 phone: 278-3654

MEMORANDUM

TO: Senators Jalmar Kerttula
Don Bennett
Ed Dankworth
Tim Kelly
Pat Rodey

FROM: Senator Vic Fischer

DATE: November 16, 1981

RE: Contract approvals

I would appreciate your concurrence, when polled, in the following two contracts with the Institute of Social and Economic Research.

Therfirst is $15,000 for publication of the Citizens Guide to Alaska's Constitution. The Guide has already been written under a previous contract funded by the Legislative Joint Committee on the Constitutional Convention. Since the Joint Committee was not extended, no funds were allocated to publish and distribute the Guide.

In 1982, Alaska voters will be faced with thecritical question of whether or not to hold another constitutional convention. Several other states have found that public understanding of the constitution is a basic element of their action.on revisingthe document. That is why therjoint committee commissioned preparation of the Citizen's Guide. Since nothing else is being done to prepare for the 1982 referendum, I believe it critical to get out the Citizens Guide to Alaska's Constitution, and suggest that $15,000 be allocated through the State Affairs Committee. Publication would be through the Institute of Social and Economic Research, which can readily integrate this into other projects and publications that they manage. The $15,000 amount would include editing, graphics, photos, and publication and distribution of 5,000 copies.

The second proposed contract with ISER is in the amount of $00,000, and will provide a long-range perspective on the state's revenue and expenditures patterns. The work will include: a detailed calculation of the asset value to the state of future Prudhoe Bay revenues; an analysis of potential revenues from other natural resources, including other petroleum revenues that may be available when Prudhoe Bay income is reduced; calculation of the level of

state expenditures that could be made and still maintain certain asset levels; analysis of likely timing and impacts on private and public sectors of forced reductions of expenditures and/or increases in taxes to compensate for reductions in future revenues; and similar issues.

A report on this project will be published by ISER for the legislature and the general public.

Dr. Scott Goldsmith will be project director under this proposed grant.

I hope all of you will concur in approval of these two contracts when you are polled by Senator Kerttula's office. (Jay has already okayed bbeh.)

Thanks, and best personal regards,

/lf

LRE:LP

FOR YOUR INFORMATION ONLY

CONTRACT BETWEEN

STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY
Pouch Y
Juneau, Alaska 99811

AND

JAMES PACKARD LOVE

The parties to this agreement are the LEGISLATIVE AFFAIRS AGENCY, on behalf of the Senate State Affairs Committee, hereinafter referred to as the "Agency", and JAMES PACKARD LOVE, hereinafter referred to as the "Consultant".

THE PURPOSE OF THIS AGREEMENT is to provide the Senate State Affairs Committee with professional research services in support of its interim work on economic policy and long-range policy planning.

IT IS THEREFORE MUTUALLY AGREED THAT:

CLAUSE I - STATEMENT OF WORK

(A) The Consultant shall examine alternatives for long-range economic and policy planning dealing with the use of Alaska's wealth, economic development, natural and human resources, etc. Experience of other states and foreign countries will be examined in terms of applicability to Alaska. Pertinent literature will be evaluated.

(B) The Consultant shall provide a draft report to the Project Director covering work to be carried out under (A). The Consultant shall include appropriate conclusions and may include recommendations for action by the State of Alaska, particularly dealing with institutionalizing appropriate processes within the executive branch and establishing means whereby the legislature can deal with broad economic policy issues on a continuing basis.

(C) The Consultant shall provide the Project Director with a final report after approval of the draft report under (B) by the Project Director.

CLAUSE II - PERIOD AND DATES OF PERFORMANCE

(A) The work under this contract shall be performed beginning July 15, 1981, and will be concluded by September 30, 1981.

(B) This contract may be terminated by either party upon written notice to the other.

(C) Unless extended by written agreement, this contract expires on December 31, 1981.

CLAUSE III - PROJECT DIRECTOR

The Project Director shall be Senator Victor Fischer, acting on behalf of the Senate State Affairs Committee.

CLAUSE IV - COMPENSATION AND METHOD OF PAYMENT

(A) For the work specified in this contract, the Consultant shall be compensated at the rate of $25.00 (Twenty-five Dollars) per hour, with total compensation for this work not to exceed $6,000.00 (Six Thousand Dollars).

(B) The Consultant shall be reimbursed for travel and other expenses authorized in advance by the Project Director, except that per diem shall be paid at prevailing State rates, and all air travel shall be reimbursed on the basis of coach class fares.

(C) The Consultant may submit monthly billings to the Project Director. All billings should be accompanied by a statement and description of the work accomplished to the date of the billing.

(D) Payment of $1,000.00 (One Thousand Dollars) will be made to the Consultant upon execution of this contract.

(E) Total payments under this contract, including expenses shall not exceed $6,000 (Six Thousand Dollars).

CLAUSE V - OFFICE SPACE, EQUIPMENT AND CLERICAL SUPPORT

Office space, equipment and clerical support of the Consultant that will be necessary to carry out his obligations under this contract shall be supplied by the Agency.

CLAUSE VI - RECORDS, DOCUMENTS, AUDIT

The Consultant shall maintain accurate records, including detailed time records, as may be required by the Project Director. The records are subject to inspection by the Agency or the Project Director at all reasonable times. All documents, reports and writings generated as a consequence of work done under this contract shall become the property of the State of Alaska and, on completion of the work or at the termination of this contract, shall be delivered to the Project Director and the Agency.

CLAUSE VII - REPORTS

The Consultant shall keep the Project Director informed as to the progress of the work performed under this agreement and shall provide progress reports as specified by the Project Director.

CLAUSE VIII - ALL WRITINGS CONTAINED HEREIN

This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind either of the parties of this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement on the dates indicated below.

CONSULTANT

JAMES PACKARD LOVE — Date
SSN# 538-50-1030

Accepted:

SENATOR VICTOR FISCHER — Date
PROJECT DIRECTOR

LEGISLATIVE AFFAIRS AGENCY

M. R. CHARNEY — Date
EXECUTIVE DIRECTOR

Approved as to form:

BILLY G. BERRIER — Date
AGENCY LEGAL COUNSEL

M E M O R A N D U M

TOL Richard Berg, Director
Administrative Services
Legislative Affairs Agency

FROM: Sen. Vic Fischer

DATE: July 22, 1981

RE: Interim Contracts

Here is the contract whichwhichwas spoken of when I met with you and Senator Kerttula during the special session. I look forward to it being executedeas soon as possible and know that you will contact me if any obstacles arise as I attempt to get initial payment to Joe McKinnon, Jamie Love, and William Salamenta, all of whom hoè on contract this summer. If there is anything my office can do to expediae these things, please give my secretary, Laura Fleming, a call at 278-3654.

THank you and best regards,

LAURA re: LOVE'S CONTRACT

TOTAL - 6,000 00
(ALREADY PAID)
world travel 286
per Diem 260
ADVANCE 1,000 (Aug-20)
WARRENTS 3,000 (8-19)

Balance $1454.00
(MAIMUM) Thy can PAY

Need 3 typewriters - Our 3 are not working - 2 of them were screwed up before the move.

- Xerox 4th Floor
Please fix

OIL REVENUE DISTRIBUTION/ WEALTH SHARING: McKINNON PROJECT

TO: Senate State Affairs Committee

FROM: Joe McKinnon

FINAL BILLING Sept. 12 to Dec. 12, 1981

120 hours @ $25	3,000
Less Advance	-1,000
	2,000

Work performed during period included research and preparation of draft and final report.

Ok

Fischer

INTRODUCTION

Ever since completion of the pipeline when large amounts of oil revenue began flowing into the state treasury, Alaskan policymakers have been faced with the dilemma of determining the most equitable way of sharing the state's natural resource wealth.

One attempt at wealth sharing resulted in the enactment of the Permanent Fund Dividend Program in 1980. The program would annually distribute one-half of the earnings of the Permanent Fund directly to Alaskans. The fact that the distribution is based on length of residency, however, has resulted in a legal challenge to its constitutionality which has delayed its implementation.

Numerous other proposals have also been offered. Some are put forth as options to be considered if the dividend program is invalidated. Others are intended to supplement it. And still others are entirely independent approaches to the wealth sharing objective.

This paper discusses several of the principal alternative proposals for the sharing of state wealth. Included are various forms of direct cash distribution, annuities, royalty trusts, the Portfolio of Alaskan Citizen Enterprise, grants to municipalities, and public endowments. Also suggested are several criteria which need to be evaluated in the design of any form of distribution program.

Annual Per Capita Cash Distribution

The simplest change to the current Permanent Fund Dividend program would be an annual per capita cash distribution plan, as discussed in the Govenor's Report --- "Policy Analysis Paper No. 81-24."[1] Money in the Permanent Fund dividend account, a special account within the General Fund would be divided up equally and distributed to eligible "state residents." Under current law, 50% of the earnings from the Permanent Fund principle go directly to the account. If the Legislature decided to increase annual dividends, additional monies could be appropriated from the general fund.

Appropriations to supplement dividend payments would no doubt be required at first, because Permanent Fund earnings are not yet sufficient to pay any sizable dividends. Any appropriation must be payed back according to AS 43.23.050, because the program would not be intended to distribute General Fund or Permanent Fund principle. At present the Permanent Fund dividend account contains only $27 million.[2]

An annual per capita cash distribution plan would be the easiest way to repair the current Permanent Fund dividend program if it is struck down by the U.S. Supreme Court. Each Alaska resident would receive an equal share. The major legislative change would be amending the durational residency provision. Hopefully, ~~the Supreme Court~~ an adverse decision ~~will~~ would at least provide guidelines on a constitutionally acceptable definition ~~for~~ of residency.

---

[1]Policy Analysis Paper No. 81-24 "Option 1," Discussion Paper Permanent Fund Dividend Alternatives, October 12, 1981, State of Alaska, Office of the Govenor, Division of Policy Development and Planning.

[2]Contributions to the Permanent Fund dividend account are made on a "cash basis" and averaged in with prior year's contributions. This keeps down contributions to the account during the first few years, thereby, protecting the Permanent Fund principle.

Under this program, Permanent fund earnings could be distributed to State residents, thereby establishing a link between the size of the Permanent Fund and individual personal incomes. An annual per capita cash distribution might not encourage long-term state residency as the current plan attempts. In fact, it may encourage short-term residency if the residency provision is of relatively short duration. This plan also has two other policy implications; first, the dividend would be fully subject to Federal Income taxation; and second, distributing cash may effect the eligibility of individuals receiving public assistance.

Federal Income Tax. A permanent fund cash dividend would be considered taxable income by the Internal Revenue Service (IRS). Currently the average marginal tax rate in Alaska is 35%. This means at least 35% of the Permanent Fund earnings paid out in dividends will end up in the Federal treasury. In fact, a cash distribution may actually bump up the average marginal tax rate, by moving some individuals into a higher tax bracket. Many people won't care, and will still prefer cash. However, Alaskans with a marginal tax rate above 50% might want to defer this extra income.

The current dividend plan attempted to get around this problem by allowing residents to defer receipt of the dividend. Unfortunately, the IRS issued a ruling that the permanent fund dividend was subject to "constructive receipt." Constructive receipt requires payment of taxes on the dividend even if you don't elect to receive it. The IRS has allowed State employees the option to defer a portion of their wages, thereby, sheltering the amount deferred from Federal Income Tax. However, regarding the Permanent Fund dividend the IRS reasoned:

> "Dividend payments are available to all applicants who meet the age and residency requirements, and who file timely applications. Since Act dividends are not paid as compensation for services, the rationale and conclusions stated in Rules 6-31 and 69-50 do not apply..."

And further,

> "We conclude that an individual reporting on the cash receipts and disbursement method of accounting who elects to defer the dividend by

selection of either the postponed payment method or the twelve monthly installment method will be required to include the amount of such dividend in gross income for the taxable year in which the dividend would have been received..."[3]

This ruling is not final and does not necessarily mean that it is impossible to shelter the Permanent Fund dividend. The IRS letter also states:

"However, income is not constructively received if the taxpayers control of its receipt is subject to substantial limitations."

The term "substantial limitation" is not defined, at least in the letter, and its meaning would no doubt be decided upon by the IRS on a case by case basis. To take advantage of this "loophole" the state could require that all the dividends be placed into a retirement account. In this way a person would not be able to receive it until some time in the future. This might work. If a person has the right to take the cash upon issuance of the dividend it becomes more difficult to get around constructive receipt, however, it may be possible. At any rate, it will take a lot of work to develop a suitable tax shelter.

Public Assistance. Another adverse effect of distributing a cash dividend is the effect of increasing the resources or income of residents eligible for Public Assistance. The current Permanent Fund dividend plan exempts dividends up to a maximum of $1,500 from inclusion as income for certain State public assistance programs.[4] However, for many of the programs subject to Federal rules and guidelines, cash dividends will simply replace Federal dollars with State monies.

[3]Letter dated February 27, 1981 from the U.S. Department of Treasury, Internal Revenue Service to the State of Alaska, Department of Revenue. The ruling is directed only to the requestor, and may not be used or cited as precedent.

[4]See: AS 43.23.080.

Public Assistance Another adverse effect of annual direct distribution is that for many of the state's poor the plan amounts to almost a hoax. While it is often cited as a means of improving the living conditions of the poor, the reality of the situation is that for most of the state's truly needy, the plan may result in no perceptible benefit.

The problem arises from the fact that the dividends would be classified as a financial resource or income under those Public Assistance programs which are subject to Federal rules and guidelines. The effect is that money received from the State will simply disqualify a public assistance recipient from receiving Federal aid on a dollar-for-dollar basis. The result is that the recipient shows no net gain from having received the dividend.

For example, a permanent fund dividend could make a recipient under the state/federal program - Aid to Families With Dependent Children (AFADC) - ineligible for benefits. Currently, if a parent or guardian's "gross income" exceeds $762/mo., or their "net income" exceeds $508/mo., the family is not eligible. If the family received a permanent fund dividend of $1,200 as a lump sum, the payment would count as "excess" income. According to regulations, the money would have to be averaged over a certain period by dividing the dividend received by the limit for "net income." With a $1,200 dividend, the family would become ineligible for assistance for 2.36 months ($1,200/$508). An additional negative impact is that the child would be made ineligible for Medicaid as well. If the dividend were paid in monthly installments, it might make the family ineligible all together. And even if it didn't, the monthly dividend would be subtracted from the benefits due.

It appears that the only possible way for the poor to benefit from a dividend program would be to take the payment in a lump sum and spend it immediately. Under Federal regulations the funds would not be counted against the recipient's resource limit in the month during which they were received. However, any of the dividend which remained at the end of the month would be counted against the recipient's resource limit for the following month. This incentive for the poor to spend their dividend as fast as possible is hardly something which should be encouraged, but it may represent the only practical manner by which they may participate in the system.

The current Permanent Fund Dividend plan attempts to deal with the problem by exempting dividends up to a maximum of $1,5000 from inclusion as income for certain State public assistance programs.[4] But the number of programs financed without assistance from the Federal Government is extremely small, consisting primarily of General Relief and General Relief Medical. The bulk of the State's public assistance recipients, however, receive their payments through a federally financed program.

It seems ironic that the Permanent Fund Dividend could actually hurt the poor rather than help. This problem may have a solution, but it will require a careful study of all state/federal public assistance programs to devise appropriate exemptions.

For example, a permanent fund dividend could make a recipient under the state/federal program - Aid to Families With Dependent Children (AFADC) - ineligible for benefits. Currently, if a parent or guardian's "gross income" exceeds $762/mo., or their "net income" exceeds $508/mo., the family is not eligible. If the family received a permanent fund dividend of $1,200 as a lump sum, the payment would count as "excess" income. According to regulations, the money would have to be averaged over a certain period by dividing the dividend received by the limit for "net income." With a $1,200 dividend, the family would become ineligible for assistance for 2.36 months ($1,200/$508). An additional negative impact is that the child would be made ineligible for Medicaid as well.

If the dividend were paid in monthly installments, it might make the family ineligible all together. And even if it didn't, the monthly dividend would be subtracted from the benefits due. This would have the effect of backing out Federal aid dollars with Permanent Fund dividends. It seems ironic that the Permanent Fund dividend could actually hurt the poor rather than help. This problem may have a solution, but it will require a careful study of all state/federal public assistance programs to devise appropriate exemptions.

Royalty Oil Premiums Payments

A program similar to the annual cash distribution system was proposed during the Twelfth Legislature. Governor Hammond introduced, and later withdrew, House Bill 67, an act relating to royalty oil payments. The bill would have distributed equally to each state resident a share of the "premium," the amount the State received above the "in value" price, from the December 1980 royalty auction. The auction netted the State $77 million more than the in value price -- about $193 for each Alaska resident.

Governor Hammond's transmittal letter stated that the purposes of HB 67 were twofold:

> "By distributing the premium obtained over current in-value prices directly to residents of the state, residents will gain an increased awareness that the state's natural resources belong to them..."

And further;

> "A second purpose of the distribution is to fulfill to some degree the expectations raised be enactment of the permanent fund dividend program, implementation of which continues to be delayed by litigation..."[4]

While these goals sound reasonable, it is clear from the Legislative Purpose and Finiings Section of HB 67, the royalty premium payment was definitely not Governor Hammond's first choice. Those findings state in part:

> "Unlike the permanent fund dividend program, however, this per capita distribution does not provide an incentive for long-term residency in the state; it does not help assure that the state will benefit in the future from a stable population; it does not encourage a long-term interest in prudent managment of the Alaska Permanent Fund and the state's natural resources; and it does not recognize the many contributions, both tangible and intangible, that individuals have made to the Alaska community during their previous periods of residence in the state. Thus, the method of distribution provided in this Act is not the method preferred by the legislature.[5]

It seems unlikely the Governor or the Legislature will revive HB 67. However, the royalty oil auction coupled with distribution of the proceeds raises some interesting points. First, the royalty oil auction was the first time Prudhoe Bay oil was sold in a competitive auction, and it netted the state a sizable premium a premium above what the state normally receives for its oil. Second, the Administration was at least willing to consider distributing the premium, even though it arguably represents principal rather than investment earnings.

Despite HB 67's almost apologetic legislative purpose section and a generally negative response, distributing the premium would establish a direct link between personal incomes and the price the state receives for its royalty oil.

As an alternative, the Legislature may wish to consider appropriating the premium from the December 1980 royalty oil auction and premiums from any future

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[5]See: House Journal, February 4, 1981, pp. 146-147.

auctions directly to the Permanent Fund dividend account. This would tend to increase the awareness of state residents to the price received for royalty oil.

Portfolio of Alaskan Citizen Enterprise

An Act establishing the Portfolio of Alaska Citizen Enterprise, House Bill 1006, was introduced during the second session of the Eleventh Legislature. The proposal became commonly known as PACE and was a system by which income producing assets could be distributed or sold to Alaskan residents. "Portfolio Plans," as these investments were called, could be state investment funds, business enterprises acquired by the State, energy resource trusts, real estate investment trustrs, and GSOCs.

PACE. The idea of a PACE came from British Columbia's experience in "privatization." Privatization was a means of transferring assets held by the public sector to private individuals. In 1977 at the urging of Premier Bennett, the British Columbia legislature created the British Columbia Resource Investment Corporation (BCRIC), and handed over the following government owned assets:

Oil and gas exploration rights to some 2.3 million acres of crown land in British Columbia.

81 percent of the common shares of Canadian Cellulose Limited, a large scale forest products firm, 100 percent of the common shares of Kootenay Forest Products Limited, a medium sized lumber and plywood manufacturer,

100 percent of the common shares of Plateau Mills Limited, a mid-sized lumber producer.

About 10 percent of the share of Westcoast Transmission Company, which operates a major pipeline in B.C. and is also a partner in the Alaska Highway gas pipeline project.

After passage and transferene of these assets to BCRIC, eighty percent of

the stock in BCRIC, or 12 million shares, was transferred to the public. Each resident received five shares. The B.C. government retained 20% of the stock, but did not become involved in management of the corporation. While political pundits [redacted] and financial experts viewed the program askance, BCRIC became immensely popular among B.C. residents.

BCRIC and PACE bear a striking resemblance to the Alaska General Stock Ownership Plan, or AGSOC as it was popularly refered to. In fact, in many respects they are identical. Ownership of shares is limited to avoid concentration, distributions are limited to residents, board members are elected by the shareholders, etc. AGSOC and PACE are not, however, exactly alike.

AGSOC and PACE. One of the motivations behind PACE was to void the initiative petition to create AGSOC. AGSOC, as most will remember, was the Kelso-Gravel plan to distribute wealth from Alaska investments. Whether PACE would have voided the petition is moot, since PACE did not pass the Legislature and the AGSOC initiative was defeated by the voters.

While the purpose of AGSOC and PACE are similar, to distribute wealth to Alaska residents, there is a fundamental difference in their make-up. PACE can own income producing assets. AGSOC, on the other hand, must acquire investments with 100% debt financing. After servicing the debt, the income left over must be distributed, if there is any. AGSOC is a conduit for funneling income to Alaskan residents. In exchange, AGSOC is exempt from corporate income tax. PACE can actually own the assets, although this does raise some difficult tax questions.

Under the draft legislation creating PACE, the Department of Revenue was required to present at least one and not more than three "Portfolio Plans" specifying which assets were to be transferred to PACE. Some shares would be distributed free and some would be sold. Before the assets could become part of PACE, however, approval from the Legislature was necessary - another significant difference between PACE and AGSOC. The first "portfolio plan" to be considered for PACE was a royalty trust.

Royalty Trust. The royalty trust would be a trust or trusts to which the royalty income from specific state leases would be pledged. The trust would then act as a conduit funneling royalty oil income to the trust beneficiaries, who in this case would be state residents.

The PACE royalty trust would be similar to some publicly held royalty trusts like the North European Oil Royalty Trust, the Mesa Trust and the Tidelands trust. The value of the income from a royalty trust is, of course, tied to oil prices.

Since royalties are taken off the top, trust beneficiaries bear none of the development risks. Also, royalty trusts receive special tax consideration by the IRS. As long as the trust remains "passive" (bears no risk) and pays out all of the earnings, the trust is not subject to Federal income tax. Trust beneficiaries can also claim a depletion deduction which reduces an individuals tax liability. While the concept of a royalty trust appears attractive, its implementation raises a host of difficult legal questions.

Dedication of Revenues. One legal obstacle appears to be Article IX, § 7 of the Alaska Constitution. Article IX, § 7 of the state's constitution prohibits the dedication of "taxes, licenses and fees." A literal reading of Article IX might be interpreted to exclude royalties, because they are not specifically a tax, license or fee. However, this is a pretty weak argument and was not tried with the Permanent Fund. The Permanent Fund receives 25% of the state's royalty income pursuant to a constitutional amendment.

The PACE legislation attempted to get around this problem by structuring the transference of royalty trust shares as a sale. The money received by those purchasing the shares at a conservatively apraised value would then go to the general fund. This might work, but it makes the royalty trust more like an investment than a means of distributing the state's oil wealth.

Statehood Act. Another problem is section 6(i) of the Statehood Act which requires the state to retain all minerals in lands conveyed to the state by the Federal government. If the state attempts to convey the mineral estate, the Attorney General of the United States may bring an action for the forfeiture of the lands affected by the purported conveyance.

Whether a royalty trust is a conveyance in violation of section 6(i) is subject to legal debate. The PACE legislation attempted to remedy this problem by expressly requiring the Commissioner of Natural Resources to retain the mineral estate. It was not clear, however, whether this provision was sufficient. One clear means of avoiding a problem is to convey the royalty interest to a trust from lands obtained under the Submerged Lands Act of 1953. These lands are not subject to forfeiture and hence would allow the creation of, for example, a Beaufort Sea royalty trust.

Windfall Profits Tax. Another problem appeared to be the Federal windfall profit tax (WPT). Under provisions of the WPT Act, producers must pay an effective marginal tax rate of 30% on Prudhoe Bay oil. State royalty oil is, however, exempt. It was not clear at the time the legislature was deliberating over PACE whether this exemption applied to royalty oil transferred to a trust.

The WPT problem may have been resolved, however, because of certain amendments to the Act. The Economic Recovery Tax Act of 1981 provides certain exemptions for payment of the WPT. The conference agreement provided a $2,500 credit against WPTs paid in 1981. Between 1982-1984 royalty owners could exempt 2 bpd of production from the tax, and 4 bpd thereafter. If the royalty trust consisted of a royalty trust for each beneficiary (state resident), this exemption might be sufficient.

The idea of a royalty oil trust deserves some further consideration. It would clearly create a constituency concerned with prudent fiscal management of the state's oil and gas resources. One suggestion would be to deal with a royalty trust separate from PACE. On its own, royalty trust would be a very complicated piece of legislation.

Direct Wealth Distribution

Recent proposals have advocated a radically different approach to state spending and wealth distribution. These plans propose a direct distribution of Alaska's wealth. Where the Permanent Fund Dividend Porgram distributes interest earnings, direct distribution would give away revenues which now accrue to the general fund.

Proponents of direct distribution argue that Alaska can build a more productive economy and better provide for its citizens by allowing them to decide how State wealth should be spent. Under these proposals, state government would provide only essential services and remaining revenues would be distributed through various mechanisms directly to the people.

The simplicity of this approach is appealing. Alaska's FY 1982 budget totaled approximately $6 billion dollars. Proponents of direct distribution point out that when divided equally, $6 billion comes out to about $15,000 per person. Accordingly, a family of four could have a very comfortable income of $60,000 a year. Even after allowing for the funds necessary to provide essential governmental services, there would still be a distribution of substantial amounts of money to Alaskans.

While this approach may sound far-fetched, direct distribution has been advocated by several prominent economists, among them Professor Donald F. Gordon of the Center for the Study of Business and Government, City University of New York. In his paper, The Problems of Wealth, submitted to the Board of Trustees of the Alaska Permanent Fund, Dr. Gordon iterates "Option 1" called "Give it to the People." He states:

> "The first option is stunningly simple in principle and by a great margin the most desirable in terms of our criterion. It answers the question what can be done wth it ? by another question: Why not give it to the people ?[6]

Dr. Gordon's criterion is that the wealth of this state "morally" belongs to the people. He suggests Alaska create a corporation and pledge all future oil and gas revenues to it. The state could issue 100 shares to each and every Alaskan and send them out in the mail immediately.

The Board of Trustees for the Alaska Permanent Fund has begun to study the effect of the influx of oil dollars into the Alaskan economy and has commissioned several papers. All of them conclude that a political system of revenue allocation which results in subsidized loan programs and that attempts

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[6] The Problems of Wealth, p. 6.

to spur industrial development by buying infrastructure for marginally economic projects will result in waste of the state's resources.

Richard B. Coffman, author of Capital Shortage, Public vs. Private Allocation of Capital and Alternative Ownership Systems for Alaska's Oil Wealth, one of the papers prepared for the Permanent Fund Board of Trustees, states unequivocally "all state loan programs should be abolished" and "all usury and interest rate ceilings should be removed." In other words, the capital markets should be deregulated. Dr. Coffman also recommends redistribution of some part of the oil revenues as cash grants. Taken together, the arguments present a fairly strong case for private allocation of the state's wealth as opposed to a political/bureaucratic system of allocation.

Dr. Malcolm Gillis, professor at Harvard University and author of the paper, The Effects of In-State Investment: Lessons from Oil-Fired Development in Other Parts of the World, warns of dangers in stimulating industrial development based on criteria other than "good economics." He cites the Krakatau steel project, a $3 billion "boondoggle" intended to free Indonesia from having to import steel. "This freedom," Dr. Gillis states, "will cost that society nearly $80 million annually for another decade (in addition to the $1.5 billion already invested)."

Dr. Gillis also remarks that crash programs to expand infrastructure have often involved substantial waste, by creating facilities that have been "grossly" underutilized. Funding infrastructure is, however, politically attractive as Dr. Gillis points out by quoting a campaign speech by Mr. Velasco Ibarra, President of Ecuador off and on during the 1960s:

> "And finally, when I am elected again, we will build the biggest bridge in Ecuador, right here in Dos Gatos.
> 'But Senor Presidente, there is no river in Dos Gatos.'
> 'Then we will also build the biggest river in Ecuador, right here in Dos Gatos.'"

No doubt implementation of direct distribution poses numerous political, legal and technical hurdles. However, the Legislature may wish to retain a nationally recognized accounting firm to examine the idea.

CAPITAL PROJECTS

Another proposal which has received considerable support in the Legislature is the concept of expanding Alaska's economic infrastructure through the construction of capital projects such as roads, ports, airstrips, and hydroelectric facilities. Not only has the idea received substantial support, it has received a certain degree of implementation through record capital appropriations in each of the past two years. Proponents of increased capital spending argue that the creation of this economic infrastructure will promote increased economic development which will provide an improved standard of living for all Alaskans.

But Dr. Malcolm Gillis, a professor at Harvard University and author of the paper, The Effects of In-State Investment: Lessons from Oil-Fired Development in Other Parts of the World, warns that crash programs to expand infrastructure often involve substantial waste by creating facilities that are grossly under-utilized. He cites Indonesia's Krakatau steel project as an example of the dangers involved in stimulating industrial development based on criteria other than "good economics". The $3 billion project was intended to free Indonesia from having to import steel. "This freedom", Dr. Gillis states, "will cost that society nearly $80 million annually for another decade (in addition to the $1.5 billion already invested)".

Some capital projects, such as Krakatau, can generate an emotional or political appeal that results in their being funded regardless of their economic justification. Dr. Gillis points out the political attractiveness of funding capital projects by quoting the campaign speech of a presidential candidate campaigning in Dos Gatos, Ecuador. After promising to build Ecuador's biggest bridge in Dos Gatos, he was reminded by someone in the crowd that the city had no river. The candidate solved the problem by promptly responding with an additional promise to build Ecuador's biggest river in Dos Gatos.

While this may seem like an extreme example, it does provide a certain insight into the degree to which political commitments to needless or unfeasible capital projects can generate spending far beyond the mere cost of construction. That danger exists in Alaska too. Capital spending may require commitments of the state's wealth far in excess of the initial construction costs. Life cycle costing reveals that maintenance costs for many projects often soon exceed the project's original cost. And construction of one capital project may lead to the construction of other capital projects needed as support facilities.

Capital projects already authorized may represent a hidden commitment of Alaska's wealth of tremendous magnitude. Last legislative session a record $1.38 billion was appropriated for capital projects. That was in addition to the $707.4 million

combined total of 1980's FY81 budget and HB 60. And on top of that is the $289.7 million in general obligation bonds for capital projects approved by the voters in 1980. Capital appropriations of this size may be approaching the limit of state government's ability to administer and the private sector's ability to construct in a cost-efficient manner. Already there are indications of an inflationary trend in construction costs which will exceed the estimates used in determining costs for all those projects included in the above appropriations. The result will be substantial cost overruns.

No certain plans can be made for the distribution of the state's wealth until the Legislature has an understanding of the extent to which our wealth has already been committed. The Legislature should undertake a systematic appraisal of all capital projects authorized during the last three years. This review should not be a simple status report but should include projections of anticipated cost overruns and expected annual operating costs for each project.

PROPERTY TAX REDUCTION

Proposals have been made by several legislators to use state revenues to reduce or eliminate property taxes levied by local municipalities. These proposals reflect the recent national trend towards reducing the tax burden imposed by local governments. This "taxpayers' revolt" has resulted in initiative drives in several states to reduce the level of property taxes. Proposition 13 in California and Proposition 2½ in Massachusetts are probably the most well-known.

The argument in support of these proposals is relatively straightforward-- Alaskans should not pay property taxes while there are revenue surpluses coming into the state treasury. Critics base their opposition on the inequities of the resulting distribution of the state's wealth. The reason for their concern is demonstrated by the distribution among Californians of the tax savings resulting from Proposition 13. Several generalizations can be made. First, the rich benefitted more than the middle class in terms of the total taxes saved per household. Secondly, renters received little or no benefit because property tax reductions were generally pocketed by landlords rather than being passed on in the form of lower rents. Finally, residents of rural areas benefitted much less than urban residents because of the lower level of services provided and the corresponding lower level of property taxes.[7] Unless some of these problems are

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[7] Property Tax Relief, Steven Gold, D.C. Heath and Co., Lexington, Massachusetts, 1979.

addressed, serious inequities may result in distribution of wealth through property tax relief.

Sales Tax Legislation aimed at relieving the local tax burden must also take into consideration the fact that in many cases the local burden consists of a sales tax instead of, or in addition to, a property tax. Seven of eleven boroughs levy a sales tax. Over one-third of the Fairbanks North Star Borough's revenues and more than 50% of the Ketchikan Borough's revenues are derived from the sales tax. In addition there are dozens of smaller municipalities which use only the sales tax to raise revenues.[8] Providing only property tax relief will penalize those communities which levy a sales tax in place of the property tax. An equitable distribution of tax relief can only be achieved if the legislation includes comparable benefits for those who have chosen to finance local services by means of a sales tax.

Renters Renters pay a substantial portion of the property taxes collected in many communities. Property taxes are a cost of doing business for the owner of rental property and, like any other cost of doing business, is included in the amount of rent to be charged the tenant. But most tax relief formulas proposed so far have overlooked this fact. As indicated above, renters received little of the benefits associated with the tax savings resulting from Proposition 13.

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[8] Alaska Payable 1990, January 1991, State of Alaska, Department of Community and Regional Affairs, Division of Local Government Assistance.

The most effective way of assuring equity for renters in any tax relief scheme would be to enact it in the form of a tax refund program. Property owners would be eligible to apply for a refund of a portion of the taxes paid on the unit which they occupy. Renters would be entitled to a refund for a similar portion of that part of the rent which represents the tax on the unit which they occupy. The program could be easily adapted from the tax breaks now provided for senior citizens under AS _____.

The least effective way of providing tax relief for renters would be to give the money directly to municipalities which in turn would provide a general property tax reduction. First, a general millage rate reduction would spread available revenues over all forms of property, including commercial property and vacant land, rather than targeting residential property. Secondly, under such a system, particularly in times of low rental vacancy rates, it is unlikely that much tax relief would be passed on to renters in the form of lower rents.

Restrictions on Municipalities In 1970 the Legislature passed the state revenue sharing program, AS ____, and began the flow of state oil revenues to local governments. Sponsors of the program declared that these funds would be used by municipalities to reduce taxes so that Alaskans could benefit in a direct fashion from the state's oil wealth. In many cases, however, the

result was not lower taxes, but increased government programs which quickly ate up the new source of revenue.

Because of the inequitable effect on renters, channeling property tax relief directly to municipalities should be avoided. But if that system is chosen, then provisions should be included in the legislation to insure that funds sent to local governments are actually used for tax relief. Finance Committee Substitute for House Bill 4 takes one approach to the problem by limiting municipalities receiving state aid to increases in taxes of no more than 2% plus the increase in the consumer price index for the previous year. Another approach is that advocated in House Bill 22. Under HB 22 municipalities would receive an annual entitlement from the State in place of levying a property tax and that entitlement would be reduced by the amount of increases in any other municipal taxes.

Supplemental Benefit System

Another option for distributing income from the Permanent Fund is to establish for all Alaskans a program of benefits similar to the Supplemental Benefits System (SBS) for state employees. SBS replaced Social Security when state employees opted out of the system in 1980. It is a very sophisticated system offering employees a combination of insurance benefits and a retirement annuity. The system is unique and is well administered given its complexity.

Under SBS, 12.26% of an employees wages goes into the system, up to the social security maximum wage base, which is $29,700 for 1981. Hence, up to $3,641.22 could be contributed. One-half of the contribution (6.13%) is wage reduction, the rest is contributed by the state. The concept may be applicable to Permanent Fund dividend distribution whether it be done on a longevity, equal amount per capita, or some other basis.

Annuity. The annuity is a retirement account. All or part of the 12.26% of a state employees contribution to the SBS can go into the annuity account, but at least 6.13% must go in to retain the special tax treatment afforded the system. Special tax treatment by the IRS is perhaps the most attractive feature of the SBS. Contributions are not taxed, nor is the interest earned. The annuitant is able to defer taxes until he begins to draw on the annuity, after age 55. The annuity can be withdrawn in a lump sum or installments. Presumably, the tax rate for retirees will be lower than for those earning a regular salary.

The idea of structuring a retirement annuity funded by a Permanent Fund dividend may be attractive for some Alaskans, particularly those in higher tax brackets. However, structuring a program to shelter dividends and their earnings from the Federal Income Tax will not be easy to do. The current Permanent Fund Dividend program contains provisions for the deferment of dividends; but even if the program had not been tied up in a court challenge, its unlikely they would have been approved by the IRS. Amendments to the IRS code liberalizing the doctrine of "constructive receipt," however, were contained in the Economic Recovery Tax Act of 1981. It may be worth exploring this concept further.

Benefits. The other parts of SBS are benefits. These benefits include survivor, disability, death, and health insurance. Because of the fact that one-half of the contribution comes from the State, only one-half (6.13%) of an employee's contribution can be chosen by a beneficiary and still remain tax free.

The idea of providing benefits, particularly health insurance, is discussed as "Option 2" in the Governor's Policy Analysis Paper No. 81-24, combined with an option of taking cash. A recent report by Battelle Research showed that 11% of Alaskans have no health care coverage at all. The idea of giving a person the choice of taking cash or health insurance may be an acceptable approach. There are potential problems with allowing a choice between the two, though they may not be insurmountable. The Governor's "Option 2" made health insurance mandatory if a person was not already covered. This may encourage employers to stop carrying health insurance for their employees. Secondly, if a person has the option of taking cash but doesn't, there may be "constructive receipt" which might make health care benefits taxable. This area should be reviewed in more detail as part of an examination of the tax implications of various distribution plans.

Municipal Assistance

Another suggest approach to state wealth distribution is to distribute Permanent Fund earnings to communities. This program was recently endorsed by the Hammond Administration as an option to consider. The plan would be similar to FCCSSB 236, "an Act relating to assistance to municipalities." FCCSSB 236 passed during the first session of the Twelfth Legislature.

The provisions of FCCSSB 236 allow for payment of an "entitlement" to each "municipality" or "unincorporated community." The entitlement would be $1,000 times the number of people residing within the boundaries of the community, subject to the limits of the appropriation. The sum received as an entitlement could be used only for social services, capital projects, or operating expenses of capital projects.

Under Governor Hammond's new proposal, communities would have more flexibility in the use of the funds. The Division of Policy Development and

Planning suggests the following uses; (1) capital projects, (2) tax reduction, (3) establishment of a mini permanent fund (note: Valdez has one), (4) power production assistance, (5) operational expenditures, (6) direct cash distribution, and (7) and others.

The response to this program from municipal officials was understandably quite positive.

Public Endowments

One concept which has been discussed by state officials is the creation of public endowments. An endowment would be similar to the Permanent Fund in that it would involve the dedication of a percentage of revenues to a fund separate from the General Fund. The earnings would be used to fund education, public works, or other specified state programs. The creation of an educational endowment was proposed last sesseion and is currently under review by an interim study group which will report its findings to the Legislature during the 1982 session.

To actually dedicate part of the state's revenues to a fund for a specific public use so that it could be used for no other purpose would require a constitutional amendment. It is possible, however, to create a statutory endowment. The Legislature could establish a separate fund and each year appropriate to it the "dedicated" percentage of revenues.

Creation of such endowments, however, would be no different than creating another of the special funds which have proliferated in recent years. One example which has been previously discussed is the minicipal assistance fund under AS 43.20.016, Subsection (a) states that:

> "The Legislature <u>may</u> appropriate to the fund during each fiscal yuear an amount equal to or greater than 10% of the income tax received under AS 43.20.011(e) and AS 43.21. (emphasis added)

Creation of a stuatutory fund, however, does not guarantee that it will actually function as conceived. The Legislature can appropriate 100%, 50% or

.0% of the formula amount. The Legislature can even appropriate money out of the fund for non-dedicated purposes. Or, ultimately, it can abolish the fund. Thus, AS 43.20.016(a) carries no real legal weight and is little more than a target figure.

Special funds, however, do create political constituencies which work to see that the Legislature appropriates the full level of funding. In the case of the minicipal assistance fund, public officials from every community in the state will argue that their municipalities are entitled to this money. And perhaps they are. But the reality of the situation is that the constituencies of these special funds are just one more "special interest group" competing for available revenues.

If the Legislature feels that there is a particular public purpose which is of such priority that it wishes to create a public endowment, it should do so constitutionally with the consent of the voters.

Conclusion

This discussion of wealth distribution alternatives analyzes only some of the principal proposals which have been made to date. The wide range of alternatives demonstrates the fact that there is no consensus on the direction to take if the legal challenge to the Permanent Fund Dividend Program is sustained or if the Legislature wishes to provide some form of additional or alternative wealth distribution.

State policymakers must begin to narrow their options so that detailed considerations can be given to likely proposals. That way the legal, technical, and political problems can be addressed in an orderly manner.

If cash distribution is to be a priority, through either continuation of the Permanent Fund Dividend Program or establishment of some other mechanism, there are two fiscal matters that must be dealt with. First, a relatively low annual cash distribution of, for example, $1,000 may actually hurt low income Alaskans by making them ineligible for state/federal public assistance

programs. Secondly, of Permanent Fund earings distributed as dividends, at least 35% will be taxed away by the federal government unless the State can devise a tax shelter acceptable to the Internal Revenue Service. Consequently, cash distribution can have the perverse fiscal impact of making indigent Alaskans worse off and taxing away benefits from those in high marginal tax brackets. If the Legislature wishes to consider these problems, it should undertake these specific tasks:

Task 1. Review all state and federal public assistance programs to determine if and how Permanent Fund Dividends can be exempted from "income" and "resource" guidelines for each and;

Task 2. Retain tax counsel, possibly through the Department of Revenue or the Attorney General, to advise on the preliminary design of a tax shelter mechanism, probably a trust or annuity, acceptale to the IRS.

This work should begin as soon as possible. If the Permanent Fund Dividend Program is invalidated, the Legislature will be under great pressure to provide an alternative. Even if it is sustained, these problems will still have to be dealt with to assure that Alaskans achieve the maximum benefit possible from the sharing of the state's natural resources wealth.

~~Executive Summary~~ INTRODUCTION

The conclusion of this report, which discusses some Permanent Fund Dividend Alternatives and income distribution in general, is that there are too many proposals this late in the game. If the current dividend program is thrown out, the Legislature will probably have to deal with a new program this session.

The Adminsitration is discussing ~~Cash~~ Distribution, Health Insurance, ~~Guaranteed Minimum Wage~~, Public Endowments, Cash Grants to Municipalities and a ~~lot~~ of others. In the past the Legislature has dealt with the Portfolio of Alaska Citizens's Enterprise, AGSOC, a royalty trust, permanent fund dividends, state health insurance, cash grants to municipalities, a royalty premium payment ..., and ~~a lot of~~ other ideas, some of which passed, some of which didn't, and some of which are still being talked about. ~~There are so many ideas the~~ problem is narrowing them all down.

If everyone agrees that cash distribution is the answer, there are two fiscal matters state policymakers may wish to deal with. Number one, a dividend of say $1,000 may actually cause financial distress to Alaskans on public assistance by making them ineligible. Number two, and on the other side of the coin, a lot of the dividends will be taxed away from well to do Alaskans by the U.S. Department of the Treasury unless a suitable tax shelter can be devised. There may be ways around these problems, and we refer you to the appendix.

If state policymakers choose a different approach, let's find out what it is. That way the legal, technical and political bugs can be worked out beforehand. There is a real danger that more problems, like the one's facing the existing Permanent Fund dividend program, will undermine the public support and respect for the Permanent Fund itself.

Annual Per Capita Cash Distribution

The simplest change to the current Permanent Fund Dividend program would be an annual per capita cash distribution plan, as discussed in the Govenor's Report --- "Policy Analysis Paper No. 81-24."[1] Money in the Permanent Fund dividend account, a special account within the General Fund would be divided up equally and distributed to eligible "state residents". Under current law, 50% of the earnings from the Permanent Fund principle go directly to the account. If the Legislature decided to increase annual dividends, additional monies could be appropriated from the general fund.

Appropriations to supplement dividend payments would no doubt be required at first, because Permanent Fund earnings are not yet sufficient to pay any sizable dividends. Any appropriation must be payed back according to AS 43.23.050, because the program would not be intended to distribute General Fund or Permanent Fund principle. At present the Permanent Fund dividend account contains only $27 million.[2]

An annual per capita cash distribution plan would be the easiest way to repair the current Permanent Fund dividend program if it is struck down by the U.S. Supreme Court.

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[1] Policy Analysis Paper No. 81-24 "Option 1", Discussion Paper Permanent Fund Dividend Alternatives, October 12, 1981, State of Alaska, Office of the Govenor, Division of Policy Development and Planning.

[2] Contributions to the Pemanent Fund dividend account are made on a "cash basis" and averaged in with prior year's contributions. This keeps down contributions to the account during the first few years, thereby, protecting the Permanent Fund principle.

Each Alaska resident would receive an equal share. The major legislative change would be amending the durational residency provision. Hopefully, the Supreme Court decision will provide guidelines on a constitutionally acceptable definition for residency

Under this program, Permanent fund earnings could be distributed to State residents, thereby, establishing a link between the size of the Permanent Fund and individual personal incomes. An annual per capita cash distribution might not encourage long-term state residency as the current plan attempts. In fact, it may encourage short-term residency if the residency provision is, say, only 30 days. This plan also has two other policy implications; first, the dividend would be subject to the full brunt of Federal Income taxation; and second, distributing cash may effect the eligibility of individuals receiving public assistance.

Federal Income Tax. A permanent fund cash dividend would be considered taxable income by the Internal Revenue Service (IRS). Currently the average marginal tax rate in Alaska is 35%. This means at least 35% of the Permanent Fund earnings paid out in dividends will end up in the Federal treasury. In fact, a cash distribution may actually bump up the average marginal tax rate, by moving some individuals into a higher tax bracket. Many people won't care, and will still prefer cash. However, Alaskans with a marginal tax rate above 50% might want to defer this extra income.

The current dividend plan attempted to get around this problem by allowing residents to defer receipt of the dividend. Unfortunately, the IRS issued a ruling that the permanent fund dividend was subject to "constructive receipt". Constructive receipt means you have to pay taxes on the dividend even if

you don't elect to receive it. The IRS has allowed State employees the option to defer a portion of their wages, thereby, sheltering the amount deferred from Federal Income Tax. However, regarding the Permanent Fund dividend the IRS reasoned: Colon - Lee v. Eisenhare

> "Dividend payments are available to all applicants who meet the age and residency requirement, and who file timely applications. Since Act dividends are not paid as compensation for services, the rationale and conclusions stated in Rules 60-31 and 69-50 do not apply..."

And further,

> "We conclude that an individual reporting on the cash receipts and disbursement method of accounting who elects to defer the dividend be selction of either the postponed payment method or the twelve monthly installment method will be required to include the amount of such dividend in gross income for the taxable year in which the dividend would have been received..."[3]

This ruling is not the final word, and does not necessarily mean that is is impossible to shelter the Permanent Fund dividend. The IRS letter also states;

> "However, income is not constructively received if the taxpayers control of its receipt is subject to substantial limitations"

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[3] Letter dated February 27, 1981 from the U.S. Department of Treasury, Internal Revenue Service to the State of Alaska, Department of Revenue. The ruling is directed only to the requestor, and may not be used or cited as precedent.

The term "substantial limitation" is not defined, at least in the letter, and its meaning would no doubt be decided upon by the IRS on a case by case basis. To take advantage of this "loophole" the state could require that all the dividends be placed into a retirement account. In this way a person would not be able to recieve it until some time in the future. This might work. If a person has the right to take the cash upon issuance of the dividend it becomes more difficult to get around constructive reciept, however, it may be possible. At any rate, it will take a lot of work to figure out a suitable tax shelter.

Public Assistance Another adverse effect of distributing a cash dividend is the effect of increasing the resources or income of residents eligible for Public Assistance. The current Permanent Fund dividend plan exempts dividends up to a maximum of $1,500 from inclusion as income for certain State public assistance programs.[4] However, for many of the programs subject to Federal rules and guidelines, cash dividends can either cause hardship or simply replace Federal dollars avaialble for assistance with State monies.

For example, a permanent fund dividend could make a recipient under the state/federal program - Aid to Families With Dependent Children (AFDC)- ineligible for benefits. Currently, if a parent or guardian's "gross income" exceeds $762/mo., or their "net income" exceeds $508/mo., the family is not eligible. If the family recieved a permanent fund dividend of $1,200 as a lump sum, the payment would count as "excess" income. According to regulations, the money would

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[4] See: AS 43.23.080.

have to averaged over a certain period by dividing the dividend received by the limit for "net income". With a $1,200 dividend, the family would become ineligible for assistance for 2.36 months ($1,200/$508). Maybe this doesn't seem to bad, except the child would also be made ineligible for Medicaid as well.

If the dividend were paid in monthly installments, it might make the family ineligible all together. And even if it didn't, the montly dividend would be subtracted from the benefits due. This would have the effect of backing out Federal aid dollars with Permanent Fund dividends. It seems ironic that the Permanent Fund dividend could actually hurt the poor rather than help. This problem may have a solution, but it will require a careful study of all the state/federal public assitance programs and their regulation to devise appropriate exemptions.

Royalty Oil Premium Payments

A program similar to the annual cash distribution system was ~~tried~~ during the Twelfth Legislature. Govenor Hammond introduced HB 67, an act relating to royalty oil premium payments, ~~HB 67~~ which would have distributed the "premium", or the amount of the State received above the "in value" price from a royalty oil auction held in December 1980, equally to each state resident. The royalty auction netted the state an extra $77 million, about $193 for each Alaska resident.

In Govenor's Hammond's transmittal letter he stated the purposes of HB 67 were twofold:

> "By distributing the premium obtained over current in-value prices directly to residents of the state, residents will gain and increased awareness that the state's natural resources belong to them..."

and further;

> "A second purpose of the distribution is to fulfill to some degree the expectations raised be enactment of the permanent fund dividend program, implementation of which continues to be delayed by litigation..." [4]

While these goals sound reasonable, it is clear from the Legislative Purpose and Findings Section of HB 67, the royalty premium payment was definitely not Govenor Hammond's first choice. Those findings state in part;

> "Unlike the permanent fund dividend program, however, this per capita distribution does not provide an incentive for long-term residency in the state; it does not help assure that the state will benefit in the future from a stable population; it does not encourage a long-term interest in prudent management of the Alaska Permanent Fund and the state's natural resources; and it does not recognize the many contributions, both tangible and intangible, that individuals have made to the Alaska community during their previous periods of residence in the state. Thus, the method of distribution provided in this Act is not the method preferred by the legislature.[5]

It seems unlikely the Govenor or the Legislature will revive HB 67. However, the royalty oil auction coupled with distribution of the proceeds raises some interesting points. First, the royalty oil auction was the first time Prudhoe Bay oil was sold in a competitive auction, and it netted the state a sizable premium, a premium above what the state normally receives for its oil. Second, the Administration was at

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[5] See: House Journal, February 4, 1981, pp. 146-147.

least willing to consider distributing the premium, even though it arguably represents principal rather than investment earnings.

While the Legislative Purpose Section of HB 67 views the program somewhat negatively, distributing the premium ~~will~~ would establish a direct link between personal incomes and the price the state recieves for its royalty oil. ~~Perhaps~~ As an alternative, the Legislature may wish to consider appropriating the premium from the December 1980 royalty oil auction and premiums from future auctions, if there are any, directly to the Permanent Fund dividend account. This would tend to increase the awareness of state residents to the price received for royalty oil.

Portfolio of Alaskan Citizen Enterpise

During the second session of the Eleventh Legislature, HB 1006 was introduced, "an Act establishing the Portfolio of Alaska Citizen Enterprise", or as it became commonly known PACE. PACE was a system whereby income producing assets or investments could be distributed or sold to Alaska residents. "Portfolio Plans" as these investments were called could be state investment funds, business enterpises acquired by the state, energy resource trusts, real estate investment trusts, and GSOCs.

PACE. The idea of a PACE came from British Columbia's experience in "privatization". Privatization was a means of transferring assets held by the public sector to private individuals. In 1977 at the urging of Premier Bennett, the British Columbia legislature created the British Columbia

RIGHT!

Resource Investment Corporation (BCRIC), and handed over the following government owned assets:

Oil and gas exploration rights to some 2.3 million acres of crown land in British Columbia,

81 percent of the common shares of Canadian Cellulose Limited, a large scale forest products firm,
100 percent of the common shares of Kootenay Forest Products Limited, a medium sized lumber and plywood manufacturer,

100 percent of the common shares of Plateau Mills Limited, a mid-sized lumber producer,

About 10 percent of the share of Westcoast Transmission Company, which operates a major pipeline in B.C. and is also a partner in the Alaska Highway gas pipeline project.

After passage and transference of these assets to BCRIC, eighty percent of the stock in BCRIC, or 12 million shares, was transfered to the public. Each resident received five shares. The B.C. government retained 20% of the stock, but did not become involved in management of the corporation. While political wise men and financial experts viewed the program askance, BCRIC became immensely popular amongst B.C. residents after its passage.

Sweet?

As you may have surmised, BCRIC and PACE bear a striking resemblance to the Alaska General Stock Ownership Plan, or AGSOC as it was popularly referred to. In fact, in many respects they are identical. Ownership of shares is limited

to avoid concentration, distributions are limited to residents, board members are elected by the shareholders, etc. AGSOC and PACE are not, however, exactly alike.

AGSOC and PACE. One of the motivations behind PACE was to void the initiative petition to create AGSOC. AGSOC, as most will remember, was the Kelso-Gravel plan to distribute wealth from Alaska investments. Whether PACE would have voided the petition is moot, since PACE did not pass the Legislature and AGSOC went down in defeat before the voters.

While the purpose of AGSOC and PACE are similar, to distribute wealth to Alaska residents, there is a fundamental difference in their make-up. PACE can own income producing assets. AGSOC, on the other hand, must acquire investments with 100% debt financing. After servicing the debt, the income left over must be distributed, if there is any. AGSOC is a conduit for funneling income to Alaskan residents. In exchange, AGSOC is exempt from corporate income tax. PACE can actually own the assets, although this does raise some difficult tax questions.

Under the draft legislation creating PACE, the Department of Revenue was required to present at least one and not more than three "Portfolio Plans" specifying which assets were to be transfered to PACE. Some shares would be distributed free and some would be sold. However, before the assets could become part of PACE approval from the Legislature was necessary. This is another significant difference between PACE and AGSOC. The first "portfolio plan" to considered for PACE was a royalty trust.

Royalty Trust. The royalty trust would be a trust or trusts to which the royalty income from specific state leases would be pledged. The trust would then act as a conduit funneling royalty oil income to the trust beneficiaries, who in this case would be state residents.

The PACE royalty trust would be similar to some publically held royalty trusts like the North European Oil Royalty Trust, the Mesa Trust and the Tidelands trust. The value of the income from a royalty trust is, of course, tied to oil prices.

Since royalties are taken off the top, trust beneficiaries bear none of the development risks. Also, royalty trusts receive special tax consideration by the IRS. As long as the trust remains "passive" (bears no risk) and pays out all of the earnings, the trust is not subject to Federal income tax. Trust beneficiaries can also claim a depletion deduction which reduces an individuals tax liability. While the concept of a royalty trust appears attractive, its implementation raises a host of difficult legal questions.

Dedication of Revenues. One legal obstacle appears to be Article IX § 7 of the Alaska Constitution. Article IX § 7 of the state's constitution prohibits the dedication of "taxes liscences and fees". A literal reading of Article IX might be interpreted to exclude royalties, because they are not specifically a tax, liscence or fee. However, this is a pretty weak case, and was not tried with the Permanent Fund. The Permanent Fund recieves 25% of the state's royalty income pursuant to a constitutional amendment.

The PACE legislation attempted to get around this problem by structuring the transference of royalty trust shares as a

sale. The money recieved by those purchasing the shares at a conservatively appraised value would then go the the general fund. This might work, but it makes the royalty trust more like an investment than a means of distributing the state's oil wealth.

Statehood Act. Another problem is section 6(i) of the Statehood Act. Section 6(i) requires the state to retain all minerals in lands conveyed to the state by the Federal government. If the state attempts to convey the mineral estate, the Attorney General of the United States may bring an action for the forfeiture of the lands affected by the purported conveyance.

Whether a royalty trust is a conveyance in violation of section 6(i) is an open legal debate. The PACE legislation attempted to remedy this problem by expressly requiring the Commissioner of Natural Resources to retain the mineral estate. It was not clear, however, whether this provision was sufficient. One clear means of avoiding a problem with section 6(i) is to convey the royalty interest to a trust from lands obtained under the Submerged Lands Act of 1953. These lands are not subject to forfeiture and hence would allow the creation of, say, a Beaufort Sea royalty trust.

Windfall Profits Tax. Another problem appeared to be the Federal windfall profit tax (WPT). Under provisions of the WPT Act, producers must pay an effective marginal tax rate of 30% on Prudhoe Bay oil. State royalty oil is, however, exempt. It was not clear at the time the legislature was deliberating over PACE whether this exemption applied to royalty oil transferred to a trust.

The WPT problem may have been resolved, however, because of certain amendments to the Act. The Economic Recovery Tax

Act of 1981 provides certain exemptions for payment of the WPT. The conference agreement provided a $2,500 credit against WPTs paid in 1981. Between 1982-1984 royalty owners could exempt 2 bpd of production from the tax, and 4 bpd thereafter. If the royalty trust consisted of a royalty trust for each beneficiary (state resident), this exemption might be sufficient.

The idea of a royalty oil trust, perhaps, deserves some further consideration. It would clearly create a constituency concerned with prudent fiscal management of the state's oil and gas resources. One suggestion would be to deal with a royalty trust seperate from PACE. On its own, a royalty trust would be a very complicated piece of legislation.

Direct Distribution

A recent report entitled Alaska's Rainbow of Opportunity by Rep. Terry Gardiner and legislative analyst Ford Groh advocates a radically different approach to state spending and wealth distribution. Their plan proposes a direct distribution of Alaska's wealth. Whereas the permanent fund dividend program envisions distributing interest earnings from the Permanent Fund, direct distribution would distribute income which now accrues to the state general fund.

During the first session of the Twelfth Legislature, about $6 billion was appropriated for expenditures during fiscal year 1982. None of this money went directly to Alaskans. While the Legislature freely appropriated money for pet pork barrel projects, one of which was a $5 million appropriation for an airport/harbor facility and a hydroelectric project on uninhabited La Touche Island, the plans which would have distributed money directly to all Alaskans, like the royalty premium or PACE, were nixed.

When divided up, $6 billion comes to about $15,000/person. Hence, a family of four could have a very comfortable income of $60,000/year. Consider further if a persons share of the State income coud be used to establish a line of credit at a bank. Depending on the oil price inflator used to estimate future revenues, this could be a very large sum of money. Direct distribution could eliminate poverty in this state.

While this approach sounds far-fetched, direct distribution has been advocated by prominent economis, among them Professor Donald F. Gordon of the Center for the Study of Business and Government, University of New York. In his paper entitled The Problems of Wealth submitted to the Board of Trustees of the Alaska Permanent Fund, Dr. Gordon iterates "Option 1" called "Give it to the People". He states:

> "The first option is stunningly simple in principle and by a great margin the most desirable in terms of our criterion. It answers the question what can be done with it ? by another question: Why not give it to the people ? [6]

Dr. Gordon's criterion is that the wealth of this state "morally" belongs to the state. He suggests Alaska create a corporation and pledge all future oil and gas revenues to it. The state would issue say, 100 shares to each and every Alaskan and then send them out in the mail immediately.

The Board of Trustees for the Alaska Permanent Fund has begun to study the effect of the influx of oil dollars into the Alaskan economy and commissioned numerous reports. All reports conclude that a political system of revenue allocation which results in subsidized loan programs and attempts to spur industrial development by buying infrastructure

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[6] The Problems of Wealth, p.6.

for marginally economic projects will result in waste of the state's resources.

Richard B. Coffman, author of Capital Shortage, Public vs. Private Allocation of Capital and Alternative Ownership Systems for Alaska's Oil Wealth, one of the papers prepared for the Permanent Fund Board of Trstees, states unequivoacably "all state loan programs should be abolished" and "all usury and interest rate ceilings should be removed". In other words, the capital markets should be deregulated. Dr. Coffman also recommends redistribution of some part of the oil revenues as cash grants. Taken together, Dr. Coffman presents a fairly strong case for private allocation of the state's wealth as opposed to a political/bureaucratic system of allocation.

Dr. Malcolm Gillis, professor at Harvard University and author of the paper, The Effects of In-state Investment: Lessons from Oil-Fired Development In Other Parts of the World warns of dangers in stimulating industrial development based on criteria other than "good economics". He cites the Krakatau steel project, a $3 billion "boondoggle" intended to free Indonesia from having to import steel. "This freedom, Dr. Gillis states, "will cost that society nearly $80 million annualy for another decade (in addition to the $1.5 billion already invested)".

Dr. Gillis also remarks that crash programs to expand infrastructure have often involved substantial waste, by creating facilities that have been "grossly" underutilized. Funding infrastructure is, however, politically attrative as Dr. Gillis points out by quoting a campaign speech by Mr. Velasco Ibarra, President of Ecuador off and on during the 1960s;

(Bob - consistency: sometimes you capitalize Permanent Fund, other times not

"And finally, when I am elected again, we will build the biggest bridge in Ecuador, right here in Dos Gatos.

But Senor Presidente, there is no river in Dos Gatos.

Then we will also build the biggest river in Ecuador, right here in Dos Gatos."

However, the Leg may wish to

No doubt, implementation of direct distribution poses numerous political, legal and technical hurdles. ~~Mr. Gregg Erickson, economist and principal of Erickson & Associates, recommended to the Permanent Fund Board of Trustees that they~~ retain a nationally recognized accounting firm to ~~take a look~~ examine at the idea. ~~This would be the most practical step at this time.~~

DON'T INCLUDE NAMES

Supplemental Benefit System

Another option for distributing income from the Permanent Fund is to establish for all Alaskans a program ~~to model a system~~ of benefits like the Supplemental Benefits System (SBS) for state employees. ~~The~~ SBS replaced Social Security when state employees opted out of the system in 1980. It is a very sophisticated system offering employees a combination of insurance benefits and a retirement annuity. The system is one of a kind, and is administered very well given its complexity.

Under SBS, 12.26% of an employees wages goes (?) into the system, up to the social security maximum wage base, which is $29,700 for 1981. Hence, up to $3,641.22 could be contributed. One-half of the contribution (6.13%) is wage reduction, the rest is contributed by the state. ~~It may also be possible to structure such a system with the Permanent Fund dividends.~~

The concept may be applied to Permanent Fund dividend distributions, whether these be on a longevity, equal amount per capita, or other basis.

Annuity. The annuity is a retirement account. All or part of the 12.26% of a state employees contribution to the SBS can go into the annuity account, but at least 6.13% must go in to retain the special tax treatment afforded the system. Speical tax treatment by the IRS is perhaps the most attractive feature of the SBS. Contributions are not taxed, nor is the interest earned. The annuitant is able to defer taxes until he begins to draw on the annuity, after age 55. The annuity can be withdrawn in a lump sum or installments. Presumably, the tax rate for retirees will be lower than for those earning a regular salary.

The idea of structuring a retirement annuity funded by a permanent fund dividend may be attractive for some Alaskans, particularly those in higher tax brackets. However, structuring the program to shelter dividends and their earnings from Federal Income Tax may be easier said than done. The state tried it once, and even if the current dividend program had not gotten tangled up in Court it probably wouldn't have made it by the IRS, as we have already noted. However, amendments to the IRS code liberalizing the doctrine of "costructive receipt" were contained in the Economic Recovery Tax Act - 1981. It may be worth taking a look at.

Benefits. The other parts of SBS are benefits. These benefits include survivor, disability, death, and health insurance. Under SBS, only one-half (6.13%) of an employees contribution can be chosen by a beneficiary and still remain tax free. I'm not sure exactly why this is the case, but it relates to the fact that only one-half the contribution comes from the state.

The idea of providing benefits, particulary health insurance, is discussed as "Option 2" in the Govenor's

Policy Analysis Paper No. 81-24, combined with the option of taking cash. A recent report be Battelle Research showed that 11% of Alaskans have no health care coverage at all. The idea of giving a person the choice of taking cash or health insurance might not be too bad; however, the Govenor's "Option 2" made health insurance mandatory if a person was not already covered. There are, however, two potential problems with allowing a choice between the two, ~~but~~ though they may not be insurmountable. First, employers may stop carrying health insurance for their employees. Second, if a person has the option of taking cash, but doesn't, is this "constructive receipt" and are the health care benefits taxable? ~~I don't know~~ The Govenor's approach would get around problem #2, but it is does impinge on a person's right to free choice.

YOU ARE OUR EXPERT! NEVER ADMIT THAT!

TIE IN HERE

Municipal Assistance

Another approach is to distribute Permanent Fund earnings to communities. This program was ~~also~~ recently endorsed by the Hammond Administration as an option to consider. The plan would be similar to FCCSSB 236, "an Act relating to assistance to municipalities". FCCSSB 236 passed during the first session of the Twelfth Legislature.

The provisions of FCCSSB 236 allow for payment of an "entitlement" to each "municipality" or "unincorporated community". The entitlement would be $1,000 times the number of people residing within the boundaries of the community, subject to the limits of the appropriation. The sum received as an entitlement could be used only for social services, capital projects, or operating expenses of capital projects, according to FCCSSB 236.

Bob — not clear whether you ~~the~~ talking only of legislative funds, or constit. as well. Latter have also been proposed. ✓

Under Govenor's Hammonds new proposal, communities would have more flexibility in the use of the funds. The Division of Policy Development and Planning suggests the folowing uses (1) capital projects, (2) tax reduction, (3) establishment of a mini permanent fund (note: Valdez has one), (4) power production assistance, (5) operational expenditures, (6) direct cash distribution, and (7) and others.

The repsonse to this program from municipal officials was understandbly ~~enthusiastic~~ quite positive,

Public Endowments

One concept which has been discussed by state officials is the creation of a public endowment. An endowment would in essence be another permanent fund, the earnings from which could be used to fund say education, public works or other state programs. The creation of an education endowment was proposed by ~~Lee Gorsuch~~, director of the Institute of Social and Economic Research. The Legislature considered the proposal, but did not take any action.

The creation of an endowment poses some real questions. To actually "dedicate" part of the state's revenues to a fund for a specific public purpose would probably require a constitutional amendment. There is another way to do it. The Legislature could create the fund (The Public Endowment Fund), leaving contributions to the fund and allocations of the fund's earnings subject to appropriation. ~~The perfect~~ A vehicle might be the Public School Fund under AS 37.14. There is no guarantee money will ever be appropriated to the fund, nor that the earnings will ever be used for the stated public purpose.

Unclear is this so if not in constit?

I think there is a group currently studying it — suggest you call Lee

Special funds create another problem for the Legislature. In recent years there has been a proliferation of funds like the Public School Fund, or what might be termed pseudo dedicated funds. Another example, and one we just discussed, is the municipal assistance fund under AS 43.20.016. It states under sub-section (a);

"The Legislature may appropriate to the fund during each fiscal year an amount equal to or greater than 10% of the income tax received under AS 43.20.011(e) and AS 43.21"

This statute is meaningless. The Legislature can appropriate 10%, 20%, or 0%. The Legislature can even appropriate money out of this fund if it wants. AS 43.20.016(a) carries absolutely no legal weight. However, it carries political weight. Special funds create constituencies who believe they are entitled to this money. The constituency for AS 43.20.016(a) is every community in the state. Conceivably one could create enough of these funds so that the entire general fund was accounted for before the Legislature ever convened; and try repealing one.

If the Legislature wishes to create a "Public Endowment", it should probably do so constitutionally, and with the consent of the voters.

Wrige would as a conclusion

Appendix

A brief analysis of Permanent Fund dividend alternatives has led to two preliminary conclusions.

Conclusion 1. A Permanent Fund Dividend of say, $1,000 may actually hurt low income Alaskans by making them uneligible for state/federal public assistance programs.

Conclusion 2. Of Permanent Fund earnings distributed as dividends, at least 35% will be taxed away by the federal government unless the state can devise a tax shelter suitable to the Internal Revenue Service (IRS).

Consequently, a Permanent Fund dividend program can have the perverse fiscal impact of making indigent Alaskans worse off and taxing away benefits to those in high marginal tax brackets. If the Legislature wishes to look into these problems, we would recommend these specific Tasks:

Task 1. Review all state and federal public assistance programs to determine if and how Permanent Fund dividends can be exempted from "income" and "resource" guidelines for each and;

determine how much additional state funding, if any, will be necessary to insure public assistance recipients can participate to their advantage in a Permanent Fund dividend plan.

Task 2. Retain tax counsel to advise on the preliminary design of a tax shelter mechanism, probably a trust or an annuity, suitable to the IRS.

We would envision Task 1 could be completed by a consultant or staff prior to the next legislative session, if the work commenced fairly soon. Only the preliminary work could be completed on Task 2 prior to the legislative session. It is likely the Legislature may wish to retain tax counsel through the session as well for public hearings and to co-ordinate communication between the IRS and the State.

possibly via Atty Gen'l or Dept of Rev.

make this pertinent to a report that will be read in January

Chapter 6

AN ACT

Making supplemental appropriations to the Department of Community and Regional Affairs and the Department of Revenue for programs which provide state financial assistance to municipalities and other recipients; and providing for an effective date."

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* Section 1. The sum of $18,400,000 is appropriated from the general fund to th Department of Community and Regional Affairs for the tax equalization account (AS 29.88.035), the miscellaneous services account (AS 29.89.080), and the hospital construction assistance account (AS 29.90.020) for distribution to municipalities and other recipients for the fiscal year ending June 30, 1981.

* Sec. 2. The sum of $45,100,000 is appropriated from the general fund to the Department of Revenue for the municipal assistance fund (AS 43.20.016(a)) for distribution to organized boroughs and cities for the fiscal year ending June 30, 1981.

* Sec. 3. The sum of $780,000 is appropriated from the general fund to the Department of Community and Regional Affairs for distribution in equal shares to each Native village government entitled to state aid under AS 29.89.050.

* Sec. 4. The sum of $20,000 is appropriated from the general fund to the Department of Community and Regional Affairs for administrative costs associated with financial assistance to municipalities and other recipients.

* Sec. 5. The unencumbered and unobligated portions of the appropriations

AN ENDOWMENT FUND

FOR PUBLIC SCHOOLS IN ALASKA

By

Lee Gorsuch
c/o Anchorage School District
4600 DeBarr Road
Anchorage, Alaska 99503

December 30, 1980

AN ENDOWMENT FUND FOR PUBLIC SCHOOLS IN ALASKA

Alaska has a unique need and opportunity to develop the financial means to sustain public education in Alaska well beyond the balance of this century. Interest in building such a sustaining source of revenues has been growing in recent months, not only among school districts and municipalities but also among state legislators. The concept being advanced under the rubric of an endowment for public schools is neither new nor complex. Simply stated, it proposes that the state set aside a portion of its surplus revenues in an investment fund, the earnings of which would be appropriated by the legislature to support public schools. The size of the fund and its investment performance would determine the proportion of public school expenditures the endowment could support. The earnings and how they are to be distributed would remain subject to the normal appropriation and legislative powers of the State Legislature.

Investing surplus revenues to support future governmental functions or specific public purposes is also not new to Alaska. The Alaska Permanent Fund, the Alaska Renewable Resources Corporation, and numerous other enterprise and special revenue funds all lay a claim of one sort or another on public revenues. Although these various state investment funds differ in important ways, they nonetheless represent ample precedent for the practice of investing public funds to support public purposes.

Indeed, the vehicle necessary to implement the public school endowment concept may already exist in Title 37.14 of the Alaska Statutes. That statute, entitled the Public School Fund, mandates that one-half of one percent of total receipts derived from the management of state land, including royalties and bonuses, be transferred to the fund. The principal of the fund is retained for investment, and the earnings of the fund may only be appropriated for the support of education. The Commissioner of Revenue manages the Public School Fund, subject to the oversight of a five-member advisory committee. Although current contributions to the fund are nominal (less than three million dollars has accumulated to date), the fund and the authorizing legislation may provide the framework for building a long-term financial base for public education.

Numerous questions about the need for and wisdom of creating a large education endowment have already been raised, and many others are likely to follow. Among the more frequently raised issues are:

1. Is not Financing Education a Local Responsibility?

Unlike many public services, education is a constitutional obligation of the state. Much to its credit, Alaska is in the forefront of most states in affording each school-age child an equal opportunity to secure a basic public education. The Alaska School Foundation Program ensures that every school district in Alaska will receive sufficient funds to offer its children a basic education, regardless of the district's relative wealth or poverty.

Currently, the state pays 100 percent of the expenses of twenty-one rural school districts (REAAs) and 78 percent of the costs of thirty-one local school districts (including Anchorage). The remaining 22 percent of revenues for the local school districts comes largely from local property taxes. This year, in an effort to provide relief for property tax payers, the Legislature may enact legislation to reimburse communities for their local taxes and thereby finance 100 percent of all public school expenses in Alaska.

Numerous states which have relied heavily in the past upon local sources of revenue, mainly local property taxes, to support public education have been successfully challenged in the courts, for example California in Serrano v. Priest, 1971, and New Jersey in Robertson v. Cahill, 1973. These states are now required by their respective state supreme courts to find alternative means of equitably financing public education.

For states facing fiscal deficits, court mandates to reorganize the financing of public education pose a most serious problem; for Alaska, the possibility of such mandates reinforces the wisdom of using today's surplus revenues to build a sustaining source of future revenues for funding public education in the years ahead. Furthermore, an endowment for public schools would ensure that local property taxes would not be required to bear the major burden of financing public education should oil revenues begin to diminish in the 1990s, as presently forecast.

2. Does Alaska Really Need an Endowment Fund?

If further substantial discoveries of oil are made on state lands before the end of this decade, the answer may be no, not for another ten years; however, until such discoveries are made, the answer is unequivocally yes.

Last year the state appropriated approximately 400 million dollars to support the operation of our public schools. This amounts to over twice the value of the repealed personal income taxes. Even if we were to combine all personal, business, sales, and property taxes of state and local governments last year (excluding oil-related income), we could not have financed last year's education budget, not to mention other essential state and local governmental services. These conventional sources of revenue simply cannot support today's level of operation, much less sustain public education in future years. By 1990, inflation and growth of the student population will push state aid for public education to one billion dollars; by the year 2000, state aid will total approximately 2.5 billion dollars. Furthermore, any expansion of public education services, such as vocational education, is likely to push the required revenue estimates higher still. Clearly, some means of generating revenues other than through conventional taxes will be required if Alaska is to continue to meet its constitutional mandate and provide a quality education for its school-age children.

3. How Much Money Would Have to Go into such a Fund to Sustain a Significant Portion of Public Schools' Expenses?

Petroleum revenues now comprise approximately 95 percent of this year's total state revenues. Current estimates of contributions to the Alaska Permanent Fund, at the mandatory rate of 25 percent, report an accumulation of approximately 17.6 billion dollars by 1995. Assuming an investment return of 10 percent, the Fund would yield an estimated 1.75 billion dollars in 1995, about 105 percent of the projected total public school's budget for that year. Thus, a 20-percent rate of contribution to the endowment fund (computed on the same basis as the Permanent Fund) would ensure the availability of approximately 94 percent of public schools' revenue requirements in 1995.

4. Does not the Permanent Fund Accomplish the Purpose of the Endowment?

No, unlike the Permanent Fund, the earnings from the endowment could only be used to support education, not to make cash distributions to citizens or to support governmental operations in general.

Inasmuch as public education comprises almost a third of the state's budget and is clearly a constitutional responsibility of the state, it seems both prudent and timely to pursue a means of securing long-term financial security for our public schools. Furthermore, as illustrated above, the projected earnings of the Permanent Fund at current rates of contribution are insufficient to cover both future public education costs and a reasonable portion of other governmental operations.

One alternative to the endowment that is frequently advanced is simply to increase the rate of contribution to the Permanent Fund. This alternative neither appears to enjoy broad legislative or public support nor does it clearly establish the high financial priority that the state has historically given public education. Unlike additional contributions to the Permanent Fund, which are likely to be the subject of much debate and disagreement, safeguarding the financial future of public education is a public goal which enjoys broad popular support. In short, the endowment is the more likely and certain means of securing a long-term financial future for public education in Alaska.

5. Would not the Legislature be Losing Control of the State's Budget by Creating the Endowment?

No, under the endowment fund concept, public schools would remain subject to the appropriation powers of the Alaska Legislature and to other powers granted to organized local governments. Both the amount of the earnings to be used for public schooling and the distribution of the earnings among school districts would be determinations made by the Alaska Legislature, much as they are today. Presumably, the Alaska School Foundation Program would continue to serve as the formula for computing how much money each school district would receive, and the

legislative process would fix the total amount of earnings to be appropriated each year. Thus, under the endowment proposal, the process of funding public schools would remain similar to what it is today; only the source of revenues would be altered.

In summary, the endowment fund is a sound and opportune proposal. It would secure the future of public education in Alaska and ensure that all children of our state will have an opportunity of getting a good education.

Official Business

Alaska State Legislature

Senate

Office of the President

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

TO : DICK BERG, DIRECTOR
ADMINISTRATIVE SERVICES, LAA

FROM : SENATOR JAY KERTTULA
SENATE PRESIDENT

DATE : AUGUST 18, 1981

SUBJECT: SENATE STATE AFFAIRS COMMITTEE

Senator Vic Fischer, Chairman of the Senate State Affairs Committee, has informed me that he has received approval from Senators Rodey (Majority Leader) and Dankworth (Finance Co-Chairman) to contract with Joseph McKinnon for the purpose of providing the State Affairs Committee with professional consulting services on the Committee's interim work dealing with state wealth sharing.

Expenses for this contract shall not exceed $7,500, and are to come from the $99,059 budgeted to the State Affairs Committee.

APPROVED:

Senator Jay Kerttula
Senate President
BY: Autumn Jackinsky
Legislative Coordinator

JK/aj

Attachment

Please sign

AMENDMENT NO. 1

CONTRACT BETWEEN
STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY

AND

JOSEPH H. McKINNON

IT IS MUTUALLY AGREED THAT THE CONTRACT BETWEEN THE ABOVE PARTIES DATED SEPTEMBER 1, 1981, IS HEREBY AMENDED AS FOLLOWS:

CLAUSE I, Paragraph (B), page 1 is amended to read:

(B) The Consultant shall provide the Project Director with a draft report on work under (A) by November 11, 1981.

CLAUSE I, Paragraph (C), page 1 is amended to read:

(C) The Consultant shall provide the Project Director with a final report no later than 30 days after the Project Director's approval of a draft report under (B) (December 12, 1981).

CLAUSE II, Paragraph (A), page 1 and Paragraph (C), page 2 is amended to read:

(A) The work under this contract shall be performed beginning, July 20 1981, and be completed by December 12, 1981.

(C) Unless extended by written agreement, this contract expires on December 12, 1981.

IN WITNESS WHEREOF, the parties have executed this amendment to this agreement on the dates indicated below.

CONSULTANT

Joseph McKinnon 10/2/81
JOSEPH H. McKINNON Date
SS# 574-18-2678

Accepted:

SENATOR VICTOR FISCHER Date
SENATE STATE AFFAIRS COMMITTEE

LEGISLATIVE AFFAIRS AGENCY

M. R. CHARNEY Date
EXECUTIVE DIRECTOR

Approved as to form:

Billy G. Berrier Sept 22 1981
BILLY G. BERRIER Date
AGENCY LEGAL COUNSEL

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

MEMORANDUM August 19, 1981

SUBJECT: Consulting contract -- Joseph H. McKinnon

TO: M. R. Charney
Executive Director
Legislative Affairs Agency

FROM: David T. Walker DTW
Agency Legal Counsel

I have a few suggested comments

I have several observations regarding this contract.

1. How long does the project director have to approve the draft report submitted under Clause I(B)? I assume 10 days -- because the consultant is given 30 days following approval and must complete by October 31st. This vagueness should be clarified. no

2. The consultant will bill us on a monthly basis and is required to complete his work by October 31, 1981. With all work done and the consultant paid, I do not understand why the contract expires December 31, 1981 (Clause II(C)). Nothing remains to be done under the contract. Perhaps this date was intended to be October 31, 1981. ok

3. The language ", with total compensation for this work not to exceed $7,500" should be deleted from Clause IV(A). It is incorrect since total compensation is not to exceed an amount equal to $7,500 minus expenses (see Clause IV(B)). ok

4. Is the consultant to receive the per diem paid legislators? The per diem paid members of boards and commissions? The per diem paid state employees? I do not know what this means. If it means treated like a state employee then the clause should be redrafted to read:

> (B) The Consultant shall be reimburs[illegible] for travel and other expenses authorized in advance b[illegible] the Project

Director. Air travel shall be reimbursed on the basis of coach class fares. The Consultant shall be allowed the same per diem allowance allowed a state employee under AS 39.20.110 instead of actual expenses.

5. Clause IV(D) should be redrafted to read:

(D) Total payments under this contract, including compensation, travel and per diem expenses may not exceed $7,500.

6. I believe that under Clause VI reports and writings should be delivered to the Agency, not the project director.

DTW:ljb

Enclosure

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907 465-3800

MEMORANDUM August 21, 1981

SUBJECT: Consulting contract -- Joseph H. McKinnon

TO: M. R Charney
Executive Director
Legislative Affairs Agency

FROM: David T. Walker
Agency Legal Counsel

1. This draft does not address the point I raised in the first paragraph of my memo of August 19th. As you know, the consultant will be attending school out-of-state during the period of performance; it seems probable that approval of the draft report will be delayed. Further, if the work is the consultant's what is there for the project director to approve. There are no standards proposed by the contract for the consultant to measure up to. You need to eliminate Clause I(C) or modify the rest of the contract so that the project director will not be able to force the consultant into breach of contract. This would happen if for any reason the project director did not approve the consultant's draft report within 10 days. I just do not understand this. Perhaps all you mean by Clause I(C) is "the project director shall provide any suggestions or opinions concerning the draft report to the consultant within 10 days following receipt of the draft report under (B)".

2. Clause IV(A) omits the words "per hour" at the end of the sentence.

3. I think Clause VI could be improved by adding "for disposition under Rule 23(f)(3) of the Uniform Rules of the Alaska State Legislature" to the end of the last sentence.

DTW:ljb

BILLING: 8/19/81

TO: SENATE STATE AFFAIRS COMMITTEE

FROM: JOE MCKINNON JM.

100 HOURS @ $25	$2,500
Per Diem - Juneau 2 days @ $65	$ 130
TOTAL	$2,630

Approved V. Finkelstein

MEMO

TO: SEN. VICTOR FISCHER

FROM: JOE MCKINNON

RE: BILLING ON CONTRACT

DATE: SEPTEMBER 19, 1981

Please send in this billing so that I can be paid for that period.

110 hours at $25 = $2,750

2 days per diem at $65 = $130

total due is $2,880

Progress report for July 15 through August 20

I met with adminstration and legislative officals and staff, carried out legal and policy research, and outlined the report required by the contract.

To: Sharon Sturrock

9-21

Dear Sharon: Original billing statement was never submitted as it was not accompanied by "Progress Report". Sorry for the confusion!

Thanks, Laura

MEMO

TO: SEN. VICTOR FISCHER

FROM: JOE MCKINNON

RE: BILLING ON CONTRACT

DATE: SEPTEMBER 19, 1981

Please send in this billing so that I can be paid for that period.

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Progress report for July 15 through August 20

I met with adminstration and legislative officals and staff, carried out legal and policy research, and outlined the report required by the contract.

To: Sharon Stu rock

9-21

Dear Sharon: Original billing statement was never submitted as it was not accompanied by "Progress Report". Sorry for the confusion!

Thanks, Laura

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

To: Lana Fleming

9/25/81

From: Sharon Stakebeck

Subject: McKinnon contract

Lana, we need the following items to complete Joe McKinnons file to date:

1. Original billing totalling $2,880.00 Sent to 9-29-81
2. Itemization of what location he is claiming 2 days per diem - ie - what city Sept 23 memo - handled
3. List of TR's he has used Sept 23 memo-handled
4. Original bill from Wien for his ticket Lorraine sent to you. Sept 23 memo - handled. Thanks

MEMO

TO: REP. VICTOR FISCHER

FROM: JOE MCKINNON

RE: BILLING ON CONTRACT

DATE: SEPTEMBER 19, 1981

Please send in this billing so that I can be paid for that period.

110 hours at $25 = $2,750

2 days per diem at $65 = $130

total due is $2,880 ✓

Progress report for July 15 through August 20

I met with administration and legislative officials and staff, carried out legal and policy research, and outlined the report required by the contract.

FW # 248953
AMOUNT 1000.00
DATE 9-24-81
CHARGE TO:
31-92-1- 026-389

FW # 248954
AMOUNT 1000.00
DATE 9-24-81
CHARGE TO:
31-92-1- 026-389

FW # 248955
AMOUNT 880.00
DATE 9-25-81
CHARGE TO:
31-92-1- 026-389

JOM253

TO: Senate State Affairs Committee

FROM: Joe McKinnon

FINAL BILLING Sept. 12 to Dec. 12, 1981

120 hours @ $25	3,000
Less Advance	-1,000
	2,000

Work performed during period included research and preparation of draft and final report.

ok

V Fischer

ORD

FOR YOUR INFORMATION ONLY

CONTRACT BETWEEN

STATE OF ALASKA

LEGISLATIVE AFFAIRS AGENCY
Pouch Y
Juneau, Alaska 99811

AND

JOSEPH H. McKINNON

The parties to this agreement are the LEGISLATIVE AFFAIRS AGENCY, on behalf of the Legislative Council's Senate State Affairs Committee, hereinafter referred to as the "AGENCY," and JOSEPH H. McKINNON, hereinafter referred to as the "CONSULTANT."

THE PURPOSE OF THIS AGREEMENT is to provide the Senate State Affairs Committee with professional consulting services on its interim work dealing with state wealth sharing.

IT IS THEREFORE MUTUALLY AGREED THAT:

CLAUSE I - STATEMENT OF WORK

(A) The Consultant shall provide a review of proposals for state oil revenue distribution, examine alternative means of equitably sharing oil wealth with all Alaskans, and suggest criteria and means for accomplishing this most effectively.

(B) The Consultant shall provide the Project Director with a draft report on work under (A) by September 21, 1981.

(C) The Consultant shall provide the Project Director with a final report no later than 30 days after the Project Director's approval of a draft report under (B)

CLAUSE II - PERIOD AND DATES OF PERFORMANCE

(A) The work under this contract shall be performed beginning July 20, 1981, and be completed by October 31, 1981.

(B) This contract may be terminated by either party upon written notice to the other.

(C) Unless extended by written agreement, this contract expires on October 31, 1981.

CLAUSE III - PROJECT DIRECTOR

The Project Director shall be Victor Fischer, Senate State Affairs Committee Chairman, acting on behalf of Senate State Affairs Committee.

CLAUSE IV - COMPENSATION AND METHOD OF PAYMENT

(A) For the work specified in this contract, the Consultant shall be compensated at the rate of $25.00 per hour.

(B) The Consultant shall be reimbursed for travel and other expenses authorized in advance by the Project Director. Air travel shall be reimbursed on the basis of coach class fares. The Consultant shall be allowed the same per diem allowance allowed a state employee under AS 39.20.110 instead of actual expenses.

(C) Billings may be submitted by the Consultant monthly, and shall indicate work accomplished during the billing period.

(D) Total payments under this contract, including compensation, travel and per diem expenses may not exceed $7,500.

(E) The Consultant shall receive an advance payment of $1,000 upon execution of this contract.

CLAUSE V - OFFICE SPACE, EQUIPMENT, CLERICAL SUPPORT

Office space, equipment and clerical support of the Consultant that will be necessary to carry out his obligations under this contract be supplied by the Agency.

CLAUSE VI - RECORDS, DOCUMENTS, AUDIT

The Consultant shall maintain accurate records, including detailed time records, as may be required by the Project Director. The records are subject to inspection by the Agency or the Project Director at all reasonable times. All documents, reports and writings generated as a consequence of work done under this contract shall become the property of the State of Alaska and, on completion of the work or at the termination of this contract, shall be delivered to the Project Director, for disposition under Rule 23(f)(3) of the Uniform Rules of the Alaska State Legislature.

CLAUSE VII - REPORTS

The Consultant shall keep the Project Director informed as to the progress of the work performed under this agreement and shall provide progress reports as specified by the Project Director.

CLAUSE VIII - ALL WRITINGS CONTAINED HEREIN

This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind either of the parties of this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement on the dates indicated.

CONSULTANT

Joseph H. McKinnon DATE
SS No. #574-18-3678

LEGISLATIVE AFFAIRS AGENCY

H. R. Charney DATE
Executive Director

Accepted:

Victor Fischer, Chairman DATE
Senate State Affairs Committee

Approved as to Form:

Billy G. Berrier DATE
AGENCY LEGAL COUNSEL

MEMO

Sent 9-29

TO: SEN. VICTOR FISCHER

FROM: JOE MCKINNON

RE: BILLING ONCCONTRACT

DATE: SEPTEMBER 19, 1981

Please send in this billing so that I can be paid for that period.

110 hours at $25 = $2,750

2 days per diem at $65 = $130

total due is $2,880

Progress report for July 15 through August 20

I met with adminstration and legislative officials and staff, carried out legal and policy research, and outlined the report required by the contract.

M E M O R A N D U M

TO: Lorraine Hurley
Sharon Sturrock
LAA--Accounting

FROM: Sen. Vic Fischer

DATE: September, 23, 1981

Enclosed please find TR #315241 made out to Wein for Joseph McKinnon. Joe was authorized to travel to Juneau in conjunction with contract work with the Senate State Affairs Committee. Please excuse my delay in providing you with this TR and with written authorizations.

In addition to Joe's travel being authorized, Jamie Love was authorized to travel to Juneau in conjuncting with his contract work for the State Affairs Committee. Enclosed is the Invoice from World of Travel, Ltd., which you sent to our office. It is my understanding that both of these TRs will be processed for payment against the Senate State Affairs account.

Your August 14 memo states that the TR for Jamie Love will "be deducted from his contract amount of $6,000.00" and in the next paragraph states that the TR will be processed for payment against the Senate State Affairs account. It sounds as if this would entail two charges: one to Jamie and one to the Senate State Affairs Committee. If the committee funds are incurring the cost of Jamie's (and Joe's) travel, why should it then also be deducted from their contract amounts? If you would contact me (278-3654) to clarify this point I would be most grateful.

Thanks for your assistance. Your office has been a continuous help to me and to my staff during the interim, and I appreciate it.

Called Joe 12-5-81

Will have final in Anchorage by Dec 15

As per call Williams not working further on paper - just did research & summarized it in draft paper form to meet demands of contract (draft in by 11-12-81).

Joe will do final.

PRESS RELEASES

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954
Interim office: 511 West 4th Ave., Suite 5,
Anchorage, Alaska 99501 phone: 278-3654

Official Business

M E M O R A N D U M

TO: Legislators

FROM: Sen. Vic Fischer

DATE: Nov. 6, 1981

RE: Limiting length of legislative sessions

The Senate State Affairs Committee is holding a statewide teleconference/public hearing November 17 to consider amending Alaska's constitution to limit session length. Before the committee is Senate Joint Resolution No. 6, which would require adjournment no later than 120 days after a regular session begins. Alternatives are also under consideration.

This year's 165 day session is providing a major impetus to efforts to limit session length. Although I had long been opposed to a constitutional limit on philosophical and theoretical grounds, my own experience in the Senate during the past session has convinced me that establishing a constitutional limit is the only practical way we can bring the legislative session to an end without an awful waste of time, money and energy, to say nothing of taxing the public's patience.

We would appreciate your giving us your comments on the various aspects of the session limitation question:

--should a constitutional limit be established or not? Why?

--if a limit is established, what should regular session length be: 90, 100, 120 days, or what other period?

--should provision be made for extending a regular session? If so, by simple majority or by two-thirds vote of the legislature? In increments of 10 or 30 days or some other period?

--what other things should the legislature consider in acting on the issue?

The hearing will be Tuesday, November 17, from 9:30 a.m. to noon and 5:00 to 8:00 p.m. (AST) at the Anchorage Legislative Information Office, 1024 West Sixth Avenue. A statewide teleconference hookup will provide access from communities throughout Alaska.

Your contribution to this hearing will be greatly appreciated. You can provide testimony in person or by written statement.

If you wish to testify orally in Anchorage or elsewhere, please call my office (278-3654) and tell us what time would be most convenient for you. We will try to schedule you accordingly. Should you so prefer, you may without prior arrangement come to the hearing in Anchorage or speak from one of the other communities.

We will also receive written testimony. Any statements received in time will be read during the hearing for everyone's information, unless the writer prefers we not do so.

I do hope you will provide us with oral or written testimony on the session limit issue.

--what other things should the legislature consider in acting on the issue?

The hearing will be Tuesday, November 17, from 9:30 a.m. to noon and 5:00 to 8:00 p.m. (AST) at the Anchorage Legislative Information Office, 1024 West Sixth Avenue. A statewide teleconference hookup will provide access from communities throughout Alaska.

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We will also receive written testimony. Any statements received in time will be read during the hearing for everyone's information, unless the writer prefers we not do so.

I do hope you will provide us with oral or written testimony on the session limit issue.

Thanks, and best personal regards,

Sen. Vic Fischer

/lf

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954
511 West 4th Ave., Suite 5, Anchorage, Ak. 99501
Official Business Interim phone: 278-3654

1 October 1981

FROM: SENATE STATE AFFAIRS
SENATOR VIC FISCHER, CHAIR

RE: TELECONFERENCE ON SESSION LIMITATION (SJR6)

CONTACT: NANCY GROSZEK, AIDE
278-3654

Limiting the length of legislative sessions (SJR 6) will be the topic of a statewide teleconference/public hearing before the Senate State Affairs Committee, chaired by Senator Vic Fischer. The hearing will be held on Tuesday, November 17th from 9:30 a.m. to Noon (AST) and from 5:00 p.m. to 8:00 p.m. (AST) at the Anchorage Legislative Information Office, 1024 West 6th Avenue.

Position statements and suggestions on session limitation are welcome. Written comments may be sent to Senator Vic Fischer, Senate State Affairs Committee, 511 West 4th Avenue, Suite 5, Anchorage, Alaska 99501. For further information or copies of SJR 6, contact your local Legislative Information Office or Nancy Groszek, Committee Aide, at 278-3654.

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954
511 West 4th Ave., Suite 5, Anchorage, Ak. 99501
Official Business Interim phone: 278-3654/3655

1 October 1981

FROM: SENATE STATE AFFAIRS COMMITTEE
SENATOR VIC FISCHER, CHAIR

RE: STATEWIDE TELECONFERENCE ON ETHICS LEGISLATION

CONTACT: NANCY GROSZEK, COMMITTEE AIDE
278-3654

Ethical standards for public employees and elected officials along with comments on pending ethics legislation (SB 336 and SSSB 175) will be the topic of a statewide teleconference/public hearing before the Senate State Affairs Committee, Chaired by Senator Vic Fischer. The hearing will take place at the Anchorage Legislative Information Office, 1024 West 6th Avenue, from 3:00 p.m. to 5:00 p.m. and from 6:00 p.m. to 8:00 p.m. on Tuesday, October 27th.

Written comments are welcome and can be sent to Senator Vic Fischer, Chair, Senate State Affairs Committee, 511 West 4th Avenue, Suite 5, Anchorage, Alaska 99501. For further information contact your local Legislative Information Office or Nancy Groszek, Committee Aide, at 278-3654.

Copies of SSSB 175 and SB 336 can be obtained from your local Information Office.

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954
511 West 4th Ave., Suite 5, Anchorage, Ak. 99501
Interim phone: 278-3654/3655

Official Business

1 October 1981

FROM: SENATOR VIC FISCHER, CHAIR
SENATE STATE AFFAIRS COMMITTEE

RE: PUBLIC MEETING AND TELECONFERENCE
ON STATE PUBLIC ASSISTANCE PROGRAMS

CONTACT: NANCY GROSZEK, AIDE
278-3654

Recipients of state-administered Public Assistance Programs are invited to attend a public meeting at the Willow Park Housing Project in the Community Building, 535 East 9th, Anchorage, from 2:00 p.m. to 5:00 p.m. and from 6:00 p.m. to 9:00 p.m. on Friday, November 6th, 1981. The Public Meeting is sponsored by the Senate State Affairs Committee, chaired by Senator Vic Fischer.

An all-sites Teleconference will be held on Monday, November 9th, from 4:00 p.m. to 8:00 p.m. (AST) to take state-wide testimony. The teleconference will be broadcast from the Anchorage Legislative Information Office, 1024 West 6th Avenue, Anchorage, Alaska.

The purpose of the hearing is to take testimony from recipients of state public assistance programs regarding the quality and quantity of services available through state agencies. Of particular concern are ideas and suggestions regarding methods to improve current programs, information about the impact of the recent federal budget cuts in social programs, and suggestions, information or complaints regarding the current policies and regulations within state agencies.

Written comments are welcome and can be sent to the State Affairs Committee, Senator Vic Fischer, 511 West 4th Avenue, Suite 5, Anchorage, Alaska 99501. For further information contact Nancy Groszek, Committee Aide, at 278-3654 or your local Legislative Information Office.

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

PRESS RELEASE PRESS RELEASE PRESS RELEASE

TELECONFERENCE TELECONFERENCE

April 9, 1981

Juneau--Legislation proposing local and minority bidders' preference and the establishment of a bonding corporation for small contractors will be discussed at an all sites audio teleconference Tuesday, April 16, from 1PM to 3PM PST.

Senator Vic Fischer, Chairman of the Senate State Affairs Committee announced the teleconference to discuss the two issues for potential legislation. Discussion on the bonding issue will center on the establishment of a state-operated small contractor surety bond corporation and the preference issue revolves around providing for an Alaskan bidders' preference and a minority bidders' preference in state contracting and procurement.

For further information: Contact the nearest Legislative Information Office or contact Sen. Fischer's office in Juneau (465-4954).

Public Assistance Hearings

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF PUBLIC ASSISTANCE

JAY S. HAMMOND, GOVERNOR

POUCH H-07
JUNEAU, ALASKA 99811
PHONE:

August 28, 1981

Dear Concerned Citizen:

There are some major changes coming in both the Aid to Families with Dependent Children Program and the Food Stamp Program. These changes were very recently passed by Congress and must be implemented by October 1, 1981 in Alaska.

This short notice does not give us much time to prepare for the impact of these major changes.

Because of these changes, some people who have been receiving AFDC and/or food stamps will either receive less benefits or will no longer be eligible. To lessen the impact of these changes we want to inform other helping agencies that they may have more demand for their resources in November.

In addition to changes in eligibility conditions, there is a separate change that both you and we can help recipients to understand. The new AFDC rules require mandatory monthly reporting, (MMR) for all recipients. What this means is that every month we will send each AFDC recipient both a report form and a stamped, self-addressed envelope. An example of the form is attached. As you can see, the recipient must tell us any changes that have occured in his household and sign the form. Each recipient must return this form to the public assistance office by the tenth of the month. They must return the completed signed form even if they have no changes to report. If they fail to return the form by the tenth, or if the form is unsigned or incomplete, they will not receive their next AFDC check. Then they will have to reapply before they can receive any more checks. This means that they will lose at least one month's benefits. This MMR requirement was added to the AFDC Program because the failure of recipients to report changes in their household and income have historically been the major cause of errors and program losses.

The first MMR forms are being sent to AFDC recipients in late September. Each recipient must return their monthly report by October 10 to ensure receiving their November check.

We are trying to alert recipients about this change. We are sending two check stuffers--one in September and one in October--to each recipient in addition to a letter of explanation with the report form package. However, we are very concerned that some people will not understand the importance of completing and returning their first reports by October 10. We are asking you to ensure that your staff is aware of this important change so that they can help us in alerting AFDC recipients of the urgency of completing and returning their reports on time.

If you have any questions about mandatory monthly reporting for AFDC recipients, please call Mrs. Busch at 465-3360.

Sincerely,

Rod Betit
Director

RB/sp

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF PUBLIC ASSISTANCE

JAY S. HAMMOND, GOVERNOR

POUCH H-07
JUNEAU, ALASKA 99811
PHONE: (907) 465-3355

September 24, 1981

Dear Legislator:

Several major changes are imminent in both the Aid to Families With Dependent Children and the Food Stamp programs. These changes are the result of the Omnibus Reconciliation Act passed by Congress in August 1981.

The purpose of most of the changes is to cut costs in these federal programs by 1) eliminating some recipients, 2) decreasing the benefits of others and 3) requiring more intensive case management. The changes in AFDC must be implemented by October 1, 1981 and the Food Stamp changes have to go into effect no later than November 1, 1981.

For your information we have prepared the attached synopsis of the major changes in both programs. If you have any questions, please contact either myself or Kimberly Busch, Information Officer, Division of Public Assistance, Pouch H-07, Juneau, Alaska 99811, 465-3360.

Sincerely,

Rod Betit
Director

Enclosures

NEW FEDERAL WELFARE REGULATIONS

Several major cost reducing changes in regulations have resulted from recent federal legislation. Public Assistance programs affected by these new regulations include AFDC (Aid to Families with Dependent Children) and FSP (Food Stamp Program). The following is a summary of the major changes for each of the programs:

AFDC Program - Effective October 1, 1981

* Households will have to meet the test of the 150% Income Limit. (If total income of a family exceeds 150% of the State need standard there will be no eligibility).

* Lump sum income received will be used to meet the current as well as future needs of the family. Example; recipient received one-time payment for an insurance claim, the amount they received would be divided by their AFDC need standard and they would be ineligible for each month that the insurance payment met their AFDC need standard.

* Earnings disregard - A flat $75 per month deduction for work expenses with no further deductions for mandatory taxes or transportation. This is reduced to a $40 deduction for recipients who work less than full-time.

* Resources of a family shall not exceed $1000. The value of a motor vehicle will be limited (the equity value of a vehicle that is in excess of $1500 will be counted toward the resource limit).

* Earned Income Tax Credit will be considered as an available resource.

* Stepparent income will be considered in determining benefits of a family in which a stepparent is living with a dependent child.

* Recoupment will be made for all overpayments.

* Monthly Reporting will be required of all households in order for eligibility to continue. The Division of Public Assistance will supply all recipients with report forms which they must complete and submit before the 10th of each month.

* The Budget Process will be determined on a "prior month"

method on all cases (Retrospective budgeting). Example; a household's August income will determine their October benefits.

Food Stamp Program - Effective November 1, 1981

* Gross Income at 130% of poverty level will be used for determining eligibility of households not containing a person age 60 or over, or receiving SSI or SSA disability. Net income will be used to compute allotment amount. (Note: Net income will still be used to determine eligibility for households containing a person age 60 or over, or receiving SSI or SSA disability).

* Outreach - no more federal funding, however 50% federal match will be available for nutrition education, information to clients regarding their rights and responsibilities, and answering inquiries about the program. There will be no more soliciting and recruiting of clients.

* Proration of initial month food stamp allotment. The allotment will be prorated on a daily basis instead of the "eligible one day, eligible all month" method. Example; if a household applied on the 25th of the month they could only receive benefits for the days remaining in the month.

* Household definition changes so that parents and children living together shall be considered one household. The only exception being a parent age 60 or older may be a separate household.

* Boarders and Strikers will no longer be eligible for food stamps.

* Food Stamp allotment adjustments will be made April 1982, July 1983, October 1984, and each October thereafter.

OVERVIEW
DEPT. /HSS
JANUARY 1981

DIVISION OF PUBLIC ASSISTANCE

Rod Betit
Director
Alaska Office Building, Room 318
Pouch H-07
Juneau, Alaska 99811
(907) 465-3355

The Division of Public Assistance provides financial aid, food purchasing assistance, home heating assistance, and medical coverage to those who meet state and federal standards of need.

Every Alaskan has the right to apply for any program administered by the Division. Applications and assistance are available through 19 field offices and about 170 fee agents appointed in 160 communities throughout Alaska.

The following assistance programs are administered by the Division of Public Assistance:

Energy Assistance

The Energy Assistance program is available to low income households who are having difficulty meeting the high costs of fuel, gas and electricity. Eligible households can receive a grant once each year to help in paying their home heating costs. Payments are made to the household's vendor for the household's overdue bills or as a credit for upcoming winter bills. The average grant ranges from $250-$750 depending upon the region in which they reside, their actual home heating costs, and their gross monthly income.

Aid to Families with Dependent Children (AFDC)

This program provides cash assistance for meeting the basic necessities of children who are deprived of one or both of their natural parents, thereby making it possible for the children to remain with either their remaining parent or with a relative.

The current maximum monthly payment for a parent and one child is $457, with $57 added for each additional child. This payment is reduced if the family has other income. Although the program is heavily regulated by the U.S. Department of Health and Human Services, the Alaska Legislature has the power to review and raise payment levels each year.

Cost of the program is equally divided between state and federal funds.

Adult Public Assistance (APA)

Cash assistance is provided to needy adults through Aid to the Blind, Aid to the Disabled, and Old Age Assistance.

Maximum payment is now $473 for a single individual and $695 for two persons. This payment is reduced if the recipient has other income. The Adult Public Assistance programs are automatically adjusted for a cost-of-living increase each July. The program is funded and administered entirely by the state.

Medicaid

Medicaid pays for medical care provided to persons who are eligible to receive Adult Public Assistance or Aid to Families with Dependent Children. Some other special coverage categories also exist.

Payment goes directly to providers of medical care, with expenses equally divided between state and federal funds. The state administers the program according to federal law and regulations, but it retains some freedoms to tailor Medicaid to fit the needs of the state.

Food Stamps

This program, designed to improve nutrition in low-income households, is based on the assumption that more spending power will result in better diets. To be eligible for food stamp assistance a household's income and resources must be under certain maximums. Food stamp allotment sizes are determined on a sliding scale based on the household's size and income.

The U.S. Department of Agriculture supplies food stamps at no cost to the state. However, program administration costs are equally divided between the state and federal governments.

General Relief (GR)

This program provides payment for subsistence items for families or individuals who are temporarily without other personal, private or public resources and who do not qualify for any other assistance program.

The maximum monthly payment, $80 per person, has not been raised by the Legislature since it established the program in 1957. Increased cost-of-living has greatly eroded the ability of this program to help Alaskans in need, and it may be time for a re-examination of General Relief by the Legislature.

Payments are generally made to a vendor for such necessities as rent, utilities, and other necessities. The program is entirely funded and administered by the state.

General Relief Medical (GRM)

This program provides for medical care for individuals who are not eligible for Medicaid and do not have their own medical resources or insurance. There are income limits which determine eligibility. Payment is made directly to providers of medical care.

The GRM program also provides payment for pharmaceuticals, prosthetic devices, physical and occupational therapy, and emergency dental care to Medicaid beneficiaries, because these services are not generally covered by the Alaska Medicaid program.

General Relief Medical is funded and administered entirely by the state.

Catastrophic Illness Program

The State-funded Catastrophic Illness program is designed to provide medical assistance to individuals who have suffered a catastrophic illness or injury and who do not have health insurance or other financial resources available to meet their expenses.

The program is administered in Juneau, with coverage determined by a three-member Catastrophic Illness Committee appointed by the Governor.

Advisory Boards

Catastrophic Illness Committee

Program Coordinator
200 Hospital Drive, Suite 101
Juneau, Alaska 99801
(907) 586-1716

Medical Care Advisory Committee

Dr. J. Ray Langdon
Chairman
3401 East 42nd Avenue
Anchorage, Alaska 99504
(907) 279-0461

Energy Advisory Board

Judie Walker, Chairperson
Division of Public Assistance
Pouch H-07
Juneau, Alaska 99811
(907) 465-3347

Regional Offices

Southeast Regional Office
Division of Public Assistance
419 Sixth Street, Room 119
Juneau, Alaska 99801
(907) 465-3551

Southwest Regional Office
Division of Public Assistance
P.O. Box 365
Bethel, Alaska 99559
(907) 543-2686

Northwest Regional Office
Division of Public Assistance
Box 41
Kotzebue, Alaska 99752
(907) 442-3451

Southcentral Regional Office
Division of Public Assistance
400 Gambell Street
Anchorage, Alaska 99501
(907) 274-6524

Northern Regional Office
Division of Public Assistance
Section J
675 Seventh Street
Fairbanks, Alaska 99701
(907) 452-3606

Feeling the Squeeze?



December 11, 1981

Senator Vic Fischer
511 West Fourth, Suite 5
Anchorage, Alaska 99501

Dear Senator Fischer:

Thank you for the opportunity to offer you the opinions and experiences of the beneficiaries of the Welfare system. We appreciate your concern for and solicitation of the recipients' view of the problems within the Department of Public Assistance. The dilemmas and recommendations in this testimony are based upon our study of the regulations and actual difficulties experienced by the members of the Welfare Rights Organization.

In this testimony we will offer you some general comments regarding the new federal regulations which went into effect on October 1, 1981. We realize that these are federal regulations and that in most instances the State of Alaska has chosen the "least client-hostile" option. However, it is important that you understand the effect of these changes on the clients.

Secondly, we will explain specifically how the new regulations force recipients who wish to work into a despair filled predicament. Thirdly, we will detail some other specific annoyances which our membership has repeatedly had to confront. Most of these relate to the administration within the Anchorage office. It is therefore within the State's power to rectify these problems, often without significant additional appropriations.

Finally, we will take advantage of this opportunity to offer you some suggestions as to how we think the State could improve its system of public benefits, especially as it relates to those single parents, predominantly women, who are struggling to economically and emotionally support their families in terms of their delivery and their ability to meet the needs of clients.

Welfare Rights Organization

204 East 5th Avenue Suite 201
Anchorage, Alaska 99501

I. The New Federal Regulations

The changes in the federal regulations have had a dramatic effect on the welfare system. Even though Alaska has usually chosen the options which were least hostile to clients, the mandatory changes make it almost impossible for the average client to become anything more than a "welfare recipient." They have little hope or opportunity for a better life.

Specifically, parents who wish to go to school lose their WIN-exempt status (even though they go to school only two or three hours a day), their school loans are counted as income (minus tuition) and the costs of child care are not fully covered. Recipients who have skills fitting them for only dead end jobs have lost the opportunity to improve themselves.

Regarding the new mandatory monthly reporting system, its initial implementation was as efficient as could be hoped. However, it is dependent on the premise that recipients can read well and write and that they are proficient with English.

II. Working Recipients

Under the new regulations, the welfare recipient who works outside the home has probably been the hardest hit. Supposedly, these changes are designed to encourage people to work. In fact, they do the opposite. The working mother of two is allowed only $160 child care allowance per month per child, when actual expenses would more realistically be $250 per child. There is a flat deduction of $75 per month for work related expenses such as payroll deductions and travel to and from work. The actual expenses for a monthly salary of $1000 for the mother of two would be closer to $67.00--FICA, $129.60--federal tax, $7.00--ESC, $30.00--gas (or $1.00 per day for bus), and an additional possible deduction for union dues.

In addition, the former provision which allowed recipients to disregard $30.00 and one third of their income will now be discontinued after four months use. This provision was a valid incentive for recipients to leave their children for four to eight hours a day as it allowed them some extra income. It is no longer available after the four month time period.

The tables below will illustrate exactly how reasonable it is to expect or hope that a recipient will work unless he or she could get a very lucrative job.

III. Specific and Recurring Problems

1. The Application Process:

All application must be picked up at the WIN office. This causes an unnecessary hassle.

2. Telephones.

A. There are not enough lines. It is very difficult to get through, especially during the hours of 1:00-3:00 p.m. on Monday, Wednesday and Friday when recipients are allowed to talk with their eligibility workers.

B. Workers are supposed to be available during the above hours. Sometimes they aren't and they do not always return calls.

3. Eligibility Workers

A. Some are courteous, friendly and helpful. They seem concerned about the situations the recipients are in.

B. Some are rude and patronizing. They treat recipients as if they are stupid, lazy and unethical.

C. Eligibility workers do not always know all the regulations. This is somewhat understandable, since there are so many of them and they are changing so fast. According to Jan Hansen, all of them do not even have complete manuals.

D. Eligibility workers do not always inform clients of their options. For example, they do not tell clients about the Catastrophic Illness Program, or of the option to take themselves off the grant and go on "Adult Not Included" status. Clients are usually in desperate or impoverished situations and knowing more fully what all their options are would help them considerably.

4. Lost Papers

A. We have had many (up to 15 in the last three months) reports of lost paperwork. There are undoubtedly many more which we don't hear about. The result of this is

that clients do not get their benefits on time, when they need them. It is clients who bear the cost of agency error, and they are not subsequently compensated.

B. We discussed this problem with Jan Hansen who feels it's not a major problem and declined to set up a system to deal with lost papers, one that wouldn't penalize the clients. The clients who have been hurt have learned to ask for receipts. Others don't know to do so.

5. Mandatory Monthly Reporting

A. On the instruction sheet it says this form "will be sent to you on the 1st of the month." Yet DPA sends three at a time and then none the next two months. Some clients complain that this assumes they have a safe place to put it and that they'll remember to fill it out. They would like a new form to be sent every month.

B. Some clients felt the form had a very hostile tone. It threatens the client with case closure and possible prosecution for fraud. It asks some questions which don't relate to your benefit level (i.e., regarding visiting guests, etc.)

6. Changes

A. According to AFDC regulation 3401.1(b) action on a change must be taken within 10 days. Reports from recipients indicate that changes are almost never made within that time period. A simple change of address often takes one to four months which means that the recipient has to go down to the office, wait in line (for an average time of one hour) and pick up her check. It may not seem important, but it is a hassle to the client who again ends up bearing the cost of an error which is not her fault.

7. Medicaid

A. It is still somewhat difficult to find a doctor who will accept a Medicaid client, even in an emergency.

B. Medicaid doesn't pay bills on time.

C. Medicaid doesn't always pay the same fee, especially in hospitals, that other patients pay.

D. At the emergency room, the recipient is supposed to give each department (X-ray, E.R., etc.) a coupon. Some recipients don't know this and some of the hospital personnel don't know this. The recipient will be sent a bill if she does not give a coupon to each department. If the bill is sent too late the recipient can be held liable for the cost.

E. Six to nine months ago there was a change. It used to be that one could get extra Medicaid coupons at the office the sa me day they were requested between 8:30 and 11:00 a.m. Now, you have to go the day before to ask to get them the next day. This requires two trips by car or bus with children. Extra expense and extra hassle for the mother who is either sick herself or has sick children.

8. Food Stamps

A. There is a new system such that the Food Stamps are sent directly to the recipients home. Many recipients like this. Some, who live in high crime areas, and don't have secure mail boxes, do not. It would be nice if there was a way recipients who requested could have ATP's instead of Food Stamps sent to them.

B. There's a public image problem such that recipients get harrassed and embarrassed at the grocery stores. I doubt there is a legislative or administrative solution to this problem, but it is important to us since it is one more negative issue which recipients must confront.

9. Manual

According to the AFDC Manual regulation 3009.1 a manual must be available to recipients. At our September 30 meeting with Jan Hansen we requested that she do so and post a notice indicating that the manual is available. This has not been done. Especially when workers sometimes do not know the regulations (Section III.3.C of this testimony) recipients need to be aware that the manual is available to them.

TABLE I, Sample Budgets for Three Person AFDC Household

Division of Public Assistance
Budget with 30 + 1/3 Disregard

$ 616	Gross Income from minimum wage--$3.85/40 hr. week
- 320	Childcare deduction
296	
- 75	Flat work expenses Deduction
221	
- 30	
191	
- 62	1/3 disregard
129	Net earned income
$ 571	Maximum AFDC allotment
- 129	Net earned income
$ 442	Amount of AFDC check

Actual Expenses
With 30 + 1/3 Disregard

$ 616	Gross Income
+ 442	AFDC Check
1,058**	
- 50	Federal Tax deduction
1,008	
- 41	FICA deduction
967	
4	ESC
963	
- 500	Childcare
463	
- 30	Travel
433	
- 350	Rent
83	Disposable Income*

Actual Expenses Without
30 + 1/3 Disregard

$ 571	Maximum AFDC Allotment
- 221	Net earned income
350	AFDC Check
616	Gross earned income
+ 350	AFDC check
966	**
- 95	Payroll deductions
871	
- 30	Travel
841	
- 500	Daycare
341	
- 350	Rent
-11	Disposable income*

* Disposable income will be used to buy food, clothes, house and laundry cleaning supplies, car work, etc.

** This family will not be eligible for Food Stamps. They do not meet the Gross (earned & unearned) income test of $959/month.

TABLE II

Divisi - of Public Assistance
Budget with 30 + 1/3 Disregard

$ 1,000	Gross income based on $6.25/hour
- 320	Child Care deduction
680	
- 75	Flat work expense deduction
605	
- 30	
575	
- 190	1/3 disregard
385	

$ 571	Maximum AFDC allotment
- 385	Net earned income
$ 186	AFDC check

Actual Expenses
With 30 + 1/3 Disregard

$ 1,000	Gross Income
- 203	Payroll deductions
797	
- 350	Rent
447	
- 500	Childcare
-53	

Unmet expenses: food, clothing, gas, cleaning products, medical expenses, etc.

Without 30 + 1/3 Disregard

$ 571	Maximum AFDC allotment
- 605	Net earned income
?	

Benefits of Staying Home

$ 571	AFDC
- 350	Rent
221	Disposable Income

$ 283 Maximum Food Stamp Allotment for family of 3

+ Medicaid coverage

Our figures are all based on a family with one parent and two children in which there is no one in the household over 60 years or who receives SSI or SSA Disability. They indicate a rent of $350 which is very low for a 2-bedroom apartment in Anchorage. They indicate $500 a month child care which is a very realistic rate to pay for two children in full time day care.

The person who earnes $1000 a month, has two children in childcare, can literally not afford to work. She will get no AFDC for two reasons: 1) $1000 is over the 150% (of the Need Standard) Gross Income Eligibility Test--which is $857 and 2) her income after allowed deductions is $605, which is over the $571 need standard. Ignoring reason #1 (which is a federal regulation), this person could be eligible for a $186 AFDC grant for the four months when she $30 + 1/3 disregard would be in effect. After four months, the $30 + 1/3 disregard is no longer in effect and she would be cut off.

Unless employers pay health insurance, there is no reason for welfare recipients to work unless they command a very high salary.

In our final section, we will make our recommendations for what could be done, at the State level, to alleviate some of the hardship faced by those who do not have high earning potential.

IV. Recommendations

If the Welfare System cannot offer people both a decent standard of living and some possibility for hope and self improvement, we suggest that the State consider some supplementary programs. These programs would not all be for just welfare recipients or indigents and therefore they would carry less stigma.

Before giving our recommendations, we feel it important to point out one other issue. That is that welfare is a Women's Issue. Two people had those children that are currently receiving AFDC benefits. Where are the fathers? Are they paying child support? Is there any incentive for them to do so? And what happens to the women, the mothers of these children whose fathers are usually not around at all? They are severely stigmatized which can often have a psychological effect on the woman which destroys whatever self confidence she may have. Without confidence it's more difficult to nurture your children, more difficult to consider getting training or education and very difficult to go job hunting.

It is abhorrent that in this society we cast such categorical aspersions on a whole group of people. It is important to consider that by doing so, we are often blaming the victim. As one Welfare mother put it "single parents are just a broken leg away from Social Services." She was a woman who had fallen, hurt her back and was trying to get on Public Assistance. The office lost her applications. She could not easily get around and it was a painful hardship for her to reapply. She wants to work and has skills. When she gets well, I'm sure she'll work again. Yet she was treated very rudely at DPA and no allowance was made for the fact that they lost her applications. They would not do a phone interview even though that is provided for in the regulations. And once again, where is the father of her child while she suffers and struggles?

Child Support Enforcement doesn't seem to do an effective job. Most of the women in the Welfare Rights Organization say that their previous partners aren't paying and can't be located. Those fathers that do pay know that the mother sees no extra benefit from their payment. And so there's little incentive for the man to pay into the child support fund. In the end, the woman stays home with her welfare check, social blame and her dwindling self-confidence. If child support were paid to the mother as well as the other supplements we detail below, some women would be able to get off welfare.

1. Health Care

We support passage of what was HB 41, a Comprehensive Health Care Plan for all Alaskans. If the medical bills were provided for, more women would be able to take those entry level jobs.

In addition, there are some optional programs under Medicaid which the State of Alaska doesn't cover. For example, it seems that the Medically Needy Program would be beneficial. Further research into what it covers is necessary though before we would be certain to support it. Also, the Adult Dental Coverage would be an improvement of Alaska's Medicaid Program.

2. Housing

There are currently 1300 subsidized rental units statewide. HUD's recommendation is for an additional 100 units this year; 150 less than last year. We are sure you realize what the rental market is like in Anchorage, Juneau and elsewhere. It's extremely expensive to rent. We would support most legislation which would increase the supply of rental units, give rebates to renters or subsidize the rent of low income people. The majority of welfare recipients do not get Section 8 Housing Assistance (through ASHA). So they are left to pay rents of $350 and up out of their AFDC check. This leaves them little disposable income.

3. Day Care Assistance

As illustrated in the attached Tables we've provided, next to rent, day care is one of the largest costs that the working mother must cover. The Anchorage Municipal Day Care Assistance Program is an excellent one. However, they apparently ran out of money this last fall.

4. Increase the Standard of Need

We understand that the need standard was set permanently at the 1980 level and that cost of living raises for AFDC are now tied permanently to cost of living for social security. It is good to have the cost of living allowances fixed in such a way. However, we question the base year figure for the need standard and the amount it is set at. The market and the welfare system have changed drastically in the last year. Rents are probably 20% higher. The decreased in allowed deductions in AFDC (especially the elimination of the $30 + 1/3 disregard) reduces

the number of people who are eligible for AFDC under the current standard of need. Raising the standard of need could be done in such a way that recipients wouldn't necessarily take home more money, but it would allow some working parents to get some assistance and medicaid. Alaska curently has a lower standard of need than several other states in the country.

In closing, we thank you again for the opportunity to tell you what we think the problems are in the welfare system. You will see that some of the problems are within your jurisdiction and possible power to solve. In some cases you can make recommendations about how to improve certain areas. Some of the problems we've told you mainly to give you a clearer understanding of the issues within the system. We certainly appreciate your concern and your solicitation of these comments. If you have any questions, general or specific, please let us know. We will do our best to get you any information that you need. We can be reached at: Karin, 276-0522 and Joanie, 276-7788 or 274-9056.

Sincerely,

Karin S. Gustafson

Joanie Cleary

Joanie Cleary

PERSONAL TESTIMONY OF ONE RECIPIENT

WELFARE PROBLEMS:

1. Telephone--A continual problem--almost impossible odds. Sometimes took me 2 weeks to finally get through on "the scheduled times" of Monday, Wednesday or Friday from 1:00-3:00 p.m. A very proposition for someone who's working.

   Suggestions:

   A. More lines--at least a total of 4 or 5.
   B. Perhaps another line--or specific phone numbers for specific problems, i.e., AFDC, Food Stamps, etc.

2. Supplemental Checks

   A joke! Even with knowledge (over many appointments) my worker never even hinted they existed. It took Alaska Legal Services help before I was granted one, even then it was too late in processing to save our rental home.

   Suggestions:

   A. Make AFDC manuals (more than one) available to recipients
   B. Change attitudes of workers from this Cat and Mouse game to simply Social Worker-Recipient. Peopl respond to respect, especially when they are struggling just to survive. Every ne asking for assistance is not trying to "Rob the taxpayers"--many are taxpayers and paying taxpaying babysitters. We exist as humans too!

3. Child Support Enforcement Agency

   At original application I signed over all child support payments due me to this agency.

   Problems:

   A. When child support payments were over amount granted on AFDC I never received any additional money. Where did it go?

   B. I've been off AFDC for November and December but have not received any child support paid into this agency during that time. Why?

4. Formulas--

They don't work! Nobody lives in formulas--they live life the best they can with existing facts. If the rent is high now--the amount of rent is high! If babysitters cost so much--they cost so much--not some government regimented amount.

Suggestions: Look at life as it is. Formulas are OK with exceptions in some cases.

5. Loans--especially for medical costs

A. Loans are counted as income on AFDC. They are not. They are borrowed money to be paid back as stipulated plus interest. The reason for the loan should count as something!

6. Socialism!

Working recipients walk a line when it comes to raises. If they do a good job and are rewarded with a raise they are slapped back down. All incentive is lost. The spiral down starts here. Why work?

Suggestions: If working recipients are given an incentive of even $25.00 more a month they will continue to work. Non-working recipients would seek employment and keep it.

STATE OF ALASKA
DIVISION OF PUBLIC ASSISTANCE
AFDC PROGRAM

150% ELIGIBILITY TEST - AI/ANI NEED STANDARD

Eligible Unit	ANI Adult not included		AI Adult included	
Size	Need Standard	150%	Need Standard	150%
1	222	333	286	429
2	445	668	508	762
3	508	762	571	857
4	571	857	634	951
5	634	951	697	1046
6	697	1046	760	1140
7	760	1140	823	1235
8	823	1235	886	1329

EFFECTIVE 10/1/81 "new & more restrictive"

Attachment A

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

MEMORANDUM

TO: Senate HESS Committee Members and State Affairs Committee members

FROM: Senator Vic Fischer

RE: Public Assistance Programs of the Department of Health and Social Services

DATE: December 16, 1981

As chair of Senate State Affairs, I have held a public hearing, an all sites teleconference, and have talked with numerous people on how the public assistance programs can better meet the needs of Alaskans who are experiencing hardships in their personal lives. Below is a list of recommendations that may be implemented to improve the various programs.

1.) Increase General Relief monthly allotment from $80 per person to an amount that can provide a "reasonable subsistence".

Comment: This $80 monthly allotment has not been increased since 1957. State law mandates that this monthly allotment provide a "reasonable subsistence" for needy persons. See A.S. 47.25.230.

2.) Insist the Department of Health and Social Services comply with existing state law A.S. 47.05.010(14) which provides that the department hold a public meeting each February to review, study, and propose the necessary levels of care and the rates it will pay to public assistance recipients. Before final adoption of the standards of needs by the department, these standards must be reviewed annually by the legislature while in session.

Comment: If a meeting was held in February to review the standard, the public was not informed nor invited. The standard of need for the various programs are not uniform. These standards should be revised in order to be uniform and to conform to a realistic standard of living.

3.) Request the federal government to consider Alaska's higher cost of living in establishing various deductions for the AFDC program.

Comment: The federal government has adopted uniform deductions that apply to all states without considering Alaska's higher cost of living. The federal government in the past has considered this and raised the deductions for Alaska. Example: $160 flat deduction for child care nationwide. Professional child care in Alaska cannot be obtained for less than $230 per month.

4.) Insist that the Department of Health and Social Services implement state regulations for the AFDC program that are consistent with the federal regulations and adopt these regulations pursuant to the Administrative Procedure Act.

Comment: Certain of the proposed state regulations such as the monthly reporting requirement cause an unreasonable hardship on bush residents, the disabled, and those who do not read, write and speak fluent English. Federal regulations allow exemptions for certain categories of these recipients. The state must be sensitive to Alaskans with special needs when it implements its regulations. Also there is a danger that recipients due process rights will be violated if the regulations are implemented as proposed. Our office has also received complaints that interested groups have not recieved notice of the proposed regulations as mandated by the state's Administrative Procedure Act in order that they may comment.

5.) Insist that the Department of Health and Social Services adopt regulations for the Aid to the Permanently and Totally Disabled Program.

Comment: This program has been in existence since 1962. No regulations have been adopted as mandated by state law.

6.) Make program manuals available to the public.

Comment: Program manuals are public information. State law and state regulations mandate that these manuals be accessible to the public.

cc: Sen. Jalmar Kerttula, President of the Senate
Rep. Joe Hayes, Speaker of the House
Governor Jay Hammond
Helen Beirne, Commissioner, Dept. of Health and Social Services
Wilson Condon, Attorney General
members of the Senate

RECRUITING PROFESSIONALS

2/4

Lawra

Bill Hodson
Mike Miller
Bill Ray
Ken Kafeen
W. Charney

have been contacted about the State Affairs meeting today.

Enclosed is a revision of the Memo

Bruce

GORDON HARRISON & ASSOCIATES
social and economic research
3284 Fritz Cove Rd.
Juneau, Alaska
99801
(907) 789-4878

MEMORANDUM

Revised 2/5/82

TO: Senator Terry Stimson

FROM: Gordon Harrison

DATE January 26, 1982

SUBJECT: Recruiting Professionals from Administrative Agencies for Temporary Legislative Staff Assignments

Introduction

You requested that I inquire into the possibility of legislators recruiting temporary professional staff from the ranks of permanent administrative agency personnel, including University of Alaska faculty. If this were possible, it would greatly increase the pool from which legislators could seek staff with specific professional expertise.

Current state personnel rules permit this type of temporary staff reassignment by means of a leave of absence. Thus, it seems that a formal legislative professional staff loan program within state government could be implemented with little more than publicity. Some kind of legislative action or amendment to the personnel rules would be required if the legislature wanted to fashion a program that does not fit entirely within the present rules.

Concept of a Legislative Professional Staff Loan Program

The purpose of this program would be to expand the pool of people from which legislators might seek professional staff for a specified, limited period of time. Presumably, the person hired would be given special assignments within the area of his or her expertise.

Leaves of absence would have to be negotiated on a case-by-case basis. The supervisor of someone who is interested in working temporarily with the legislature and who has a job offer may decide that the person cannot be spared from his or her present position. In cases where a leave is feasible, however, there are potential benefits to both the

Revised

agency and the legislature: employees of the former may gain perspective on the legislative process and legislators may acquire professional assistance as well as perspective on the administrative dimension of the laws they enact.

Leave of Absence

Personnel rule 10 07.0 states:

> Leave of Absence to Accept an Exempt or Partially Exempt Appointment
>
> An appointing authority may grant a leave of absence without pay to a permanent employee in the classified service to permit the employee to accept an appointive position in the exempt or partially exempt service. Such leaves shall be deemed to be in effect unless both the employee and the Director of Personnel receive written notice to the contrary prior to the employee leaving his classified position. If such authorized leave may be expected to have a duration in excess of six months, the vacancy created may be filled by a substitute appointment under Rule 5 05.0.

This rule was apparently intended to make it possible for administrators to accept positions within an administration (e.g. commissioner) without losing claim to their former jobs when the political appointment ends.

The person taking leave does so without pay and receives the pay and benefits of the new job.

Cost Implications

There are no cost implications of the proposed program because the legislature would pay the "loaned" person the existing scale for legislative staff work. No additional staff positions would need to be authorized.

Revised

Precedents for this Program

I do not know of instances of people taking leave from agency positions for work with the legislature, although there may well be some. (I did not research the question.) Certainly it does not appear to be a common occurrence, and I doubt that many legislators or state employees are aware of the opportunity created by the personnel rules.

According to Ms. Cindy Simmon, an expert on state legislative staffing with the National Council of State Legislatures, no other state has a formal program like the one proposed here.

I think the idea represents a significant legislative innovation, and if the program is adopted in some form I recommend that it be evaluated (frequency of use, areas of expertise involved, assessment of the value of the program by participants, etc.) so other states can benefit from Alaska's experience.

Alaska State Legislature

NANCY

BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT

Senator Bill Ray, Chairman

Pouch YG
Mail Stop 3123
Juneau, Alaska 99811
(907) 465-4442

JUNEAU, ALASKA

February 8, 1982

TO: Senator Bill Ray, Chairman

FROM: Teresa B. Cramer
Administrative Assistant

SUBJECT: Recruiting Professionals from the Executive Branch and the University for Legislative Assignments

The proposal is for a system to permit legislators to hire temporary professional staff from the Executive Branch and from the University of Alaska, particularly focused on persons with specific professional expertise. I spoke with the Personnel Officer for the University of Alaska, Juneau, and with the Director of the Division of Personnel for the Executive Branch. Both systems now permit employees to request leaves of absence for placements of this sort. No change in laws or regulations are needed before implementing this idea.

There are questions to be resolved before an employee of either system takes a leave of absence for a position with the Legislature. These are best resolved on a case-by-case basis. The questions involve the structuring of the relationship between the employee, his present employer, and the Legislature.

The first possibility is for individuals to remain employees of their current employer, retaining the salary, insurance coverage, retirement and leave benefits of their present position and accepting a temporary reassignment to the Legislature for the duration of the project. The Legislature would reimburse the employing agency for all the personnel costs during the reassignment period.

The second possibility is for the individual to take leave without pay from his or her present position and become a legislative employee, with the salary and benefits of that position. It might also be possible to blend these two alternatives so that an individual would accept the salary and leave benefits of legislative employment but retain employee status with the original employer for retirement and insurance purposes, for example. Each individual

should consider what arrangement best provides for his or her own needs. This flexibility is desirable for the Legislature since by avoiding problems for the individuals, it may increase the pool of persons available to it.

Both agencies pointed out that it could be difficult for individuals to take leave from their current responsibilities during the legislative session. For the University, classroom assignments could preclude accepting short-term employment, although it is possible to hire substitute teachers if someone with the necessary skills is available. Since most of the University faculty members are on nine-month appointments, this problem would arise much less frequently if the proposal were for work during the summer. For the Executive Branch, persons with specific expertise may well be those people on whom the department and the Governor are relying to explain programs and proposals to the Legislature, making their replacement during the session much more difficult for the original employer. These difficulties would have to be addressed on a case-by-case basis.

Alaska State Legislature

Room 103

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Senate State Affairs Committee Members

FROM: Sen. Vic Fischer VF

DATE: Feb. 3, 1982

RE: State Affairs Meeting Feb. 4

In lieu of the work session on SSSB 175 which was scheduled for Thursday, Feb. 4, we will take up recruiting professionals from administrative agencies for temporary legislative staff assignments as set out in the attached memo from Gordon Harrison to Sen. Terry Stimson.

Sen. Ray:

Your comments on this concept would be appreciated

GORDON HARRISON & ASSOCIATES
social and economic research
3284 Fritz Cove Rd.
Juneau, Alaska
99801
(907) 789-4878

MEMORANDUM

TO: Senator Terry Stimson

FROM: Gordon Harrison

DATE January 26, 1982

SUBJECT: Recruiting Professionals from Administrative Agencies for Temporary Legislative Staff Assignments

Introduction

You requested that I inquire into the possibility of legislators recruiting temporary professional staff from the ranks or permanent administrative agency personnel, including University of Alaska faculty. If this were possible, it would greatly increase the pool from which legislators could seek staff with specific professional expertise.

Current state personnel rules permit this type of temporary staff reassignment by means of a leave of absence. Thus, it seems that a formal legislative professional staff loan program within state government could be implemented with little more than publicity. Some kind of legislative action or amendment to the personnel rules would be required if the legislature wanted to fashion a program that does not fit entirely within the present rules.

Concept of a Legislative Professional Staff Loan Program

The purpose of this program would be to expand the pool of people from which legislators might seek professional staff for a specified, limited period of time. Presumably, the person hired would be given special assignments within the area of his or her expertise.

Leaves of absence would have to be negotiated on a case-by-case basis. The supervisor of someone who is interested in working temporarily with the legislature and who has a job offer may decide that the person cannot be spared from his or her present position. In cases where a leave is feasible, however, there are potential benefits to both the

agency and the legislature: th. former would gain perspective on the legislative process and the latter would acquire professional assistance as well as perspective on the administrative dimension of laws it enacts

Leave of Absence

Personnel rule 1C 07.0 states:

> Leave of Absence to Accept an Exempt or Partially Exempt Appointmen
>
> An appointing authority may grant a leave of absence without pay to a permanent employee in the classified se.vice to permit the employee to accept an appointive position in the exempt or partiall exempt service. Such leaves shall be deemed to be in effect unless both the employee and the Director of Personnel receive a written notice to the contrary prior to the employee leaving his classified position. If such authorized leave may be expected to have a duration in excess of six months, the vacancy created may be filled by a substitute appointment under Rule 5 05.0.

This rule was apparently intended to make it possible for administrators to accept exempt or partially exempt positions within an administration (e.g. commissioner, deputy commissioner) without losing claim to their former jobs when the political appointment ends.

The person taking leave does so without pay and receives the pay and benefits of the new job.

Cost Implications

There are no cost implications of the proposed program if the legislatur pays the "loaned" person the existing scale for legislative staff work. The question is whether professional agency personnel making a significantly higher amount would be willing to take a cut in pay, even for a 3- or 6-month period. Since the purpose of this program is to make the broadest range of state expertise available to the legislature, I think it would be wise to consider a means of paying higher level people a salary equivalent to the one they would be leaving. This could be done by a reimbursable services contract with the agency loaning the person, who would continue on the payroll of the agency, or by authorizing higher paying staff positions within the Legislative Affairs Agency. The first alternative may have a cost implication,

depending on the average salary of the people who take advantage of the program. The second alternative would require a larger appropriation to LAA by the amount and number of the higher salaries authorized.

Precedents for this Program

I do not know of instances of people taking leave from agency positions for work with the legislature, although there may well be some. (I did not research the question.) Certainly it does not appear to be a common occurrence and I doubt that many legislators or state employees are aware of the opportunity created by the personnel rules.

According to Ms. Cindy Simmon, an expert on state legislative staffing with the National Council of State Legislatures, no other state has a formal program like the one proposed here.

I think the idea represents a significant legislative innovation, and if a program is implemented I recommend that it be evaluated (frequency of use, areas of expertise utilized, assessment of the value of the program by participants, etc.) so other states can benefit from Alaska's experience.

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Senate State Affairs Committee Members

FROM: Sen. Vic Fischer Vic

DATE: Feb. 3, 1982

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& ASSOCIATES

social and economic research

3284 Fritz Cove Rd.
Juneau, Alaska
99801
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SCI-TECH

HEARINGS

1981

Major Issues Raised at the Hearings on
The Role and Status of Science and Technology in Alaska

1. Due to the proposed federal budget cuts, the State may soon be faced with the question of whether to increase its funding of scientific research.

   - The full impact of the budget cuts is not yet clear, but it appears they will seriously reduce current research programs in Alaska. Apparently, the Reagan administration expects the energy-producing states like Alaska to bear a greater share of the financial burden for obtaining basic scientific and resource information.

   - Particularly hard hit by the budget cuts will be research programs in alternative energy (geothermal, solar, wind, and possibly fossil fuels), environmental health, transportation technology, and recreation. In addition, the National Science Foundation's budget for arctic research will probably be cut by 50 percent.

2. The possibility of increased state funding raises the questions of research priorities and coordination.

   - Most people agree that research priorities should reflect the needs of Alaska. However, some scientists stated that these needs are currently being determined primarily by politics rather than through a balance of the scientific and political viewpoints.

   - The relative values of basic vs. applied research are controversial. Representative Abood and Gordon Zerbetz of the Alaskan Energy Center stressed the need for practical results with immediate positive effects. Representative Rogers and others emphasized the necessity for a continuum of basic and applied research.

   - Scientists stressed that the development of new knowledge is a necessity, not a luxury. Neil Davis pointed out that the actual money spent on development of new knowledge is far less than compilations of research and development expenditures suggest, since much of the science conducted within government agencies is procedural or a rehashing of known information.

   - Dave Hickok stressed the need for an arctic science policy to coordinate research, highlight problem areas, and establish partnerships between government entities, industry, and the science community. Congress and the Alaska legislature were deemed the only forums which could create and establish such policies.

   - Due to the lack of an arctic science policy on both the state and national levels research has, in many cases, been uncoordinated both between and within agencies. Because of this, surprising gaps have occurred in necessary basic data including hydrological data (e.g., snow surveys), soil information (e.g., permafrost), ice information and research, climatological information, and natural hazards (e.g., seismic).

   - University, industry, and government representatives seem to agree that there are appropriate areas of research for each sector. According to this consensus, the public sector should be responsible for research related to basic environmental understanding and the private sector for site and project specific knowledge as well as technological innovations.

3. The role of the Alaska Council on Science and Technology (ACST) was examined in discussing research priorities and policy.

   - At this point the purpose of and necessity for the ACST is unclear to some. Representative Abood questioned why "another layer of bureaucracy" was necessary to determine research needs. Abood queried why university scientists, for example, could not determine their research priorities without the ACST. ACST supporters countered that it was desirable to have an external source coordinate the research priorities of the state and the university. Senator Fischer requested that the ACST write a paper on its purpose (see attached).

   - Most of the scientists present lauded the ACST's efforts to prioritize statewide research. Fran Ulmer recommended that the ACST produce a 3 to 5 year plan for research.

   - State government representatives and scientists stressed the importance for the ACST to provide a two-way information exchange between the science community and decision makers.

4. Representatives from the news media stressed the need for scientists to communicate effectively and the public's hunger for factual, issue-oriented information.

   - Joe LaRocca pointed out that unless scientists could learn to communicate they were destined to be ignored, shunted aside, underfunded, and forgotten.

   - Doug McConnell suggested that commercial broadcasters do not have the resources to present complex, issue-oriented programming. In light of this, the responsibility of the State to provide factual unbiased information questioned.

5. The importance of continuity, evaluation, and feedback in the legislative process was underlined.

   - Lee Gorsuch suggested that a small percentage of a program's cost should be spent to objectively evaluate whether the legislation was fulfilling its original intent. Social scientists could provide this analysis and feed the resulting information back to the legislature.

   - Gorsuch also stressed the importance of continuity in research and suggested the possibility of multiple year funding.

Annotated Agenda from the Hearings on
The Role and Status of Science and Technology
Senate and House State Affairs Committees
April 11, 1981, Juneau, Alaska

Overview of Alaska Science and Technology

"Alaska and U.S. Arctic Science Policy" — David Hickok, Alaska Division of the American Society for the Advancement of Science. Director of the Arctic Environmental Information and Data Center, University of Alaska.

To exploit desperately needed resources, conduct military operations, understand arctic health problems, and represent its other interests in the Arctic on an international basis, the U.S. must have a substantial and well-coordinated research program in Alaska and the Arctic generally. Congress and the Alaska legislature need to establish legislatively the partnerships between industry, state and federal government, the science community, and indigenous peoples which will be necessary to achieve a cohesive and long-term commitment to increasing our knowledge of the Arctic.

"Characteristics of Current Research in Alaska" — Dr. Larry Underwood, Arctic Environmental Information and Data Center, University of Alaska.

The Current Research Profile is an annotated listing of research projects which has been compiled and published by the University of Alaska for the past 7 years. The profile shows that some 1,674 research projects costing approximately $183 million were completed, continued, or initiated in 1979. The federal government was the primary supporter ($146 million), aided by the State ($30 million), and others ($7 million) of projects in the physical ($68 million), biological ($62 million), and social ($52 million) sciences.

"Status and Direction of Federal Science in Alaska" — Walter Parker, Special Counsel to the Alaska Council on Science and Technology.

Federal programs have a "massive impact" on the success of state and private ventures through funding of basic research and the expertise which has been built up in federal agencies. The proposed federal budget cuts will severely reduce federal science programs in Alaska including cancellation of the National Oceanic Satellite System; reduction in LANDSAT programs; cancellation of programs in environmental health, transportation technology, parks and recreation, and alternative energy; reduction in monies available for fossil fuel research; and approximately 50 percent cuts in grants for arctic research by the National Science Foundation.

"Priority Needs and Other Alaska Science Issues" — Dr. T. Neil Davis, Chairman, Alaska Council on Science and Technology. Professor at the Geophysical Institute, University of Alaska.

Alaska can best ensure a viable economy and desirable quality of life in the future by investing in knowledge and people. We must commit a larger percentage of the "gross Alaska product" to research, and we must establish a science policy and research priorities which are based on the needs of Alaska as determined by a balance of the political and scientific viewpoints.

Public Interest in Science and Technology in Alaska

Joe LaRocca, Newsman.

Scientists must learn to communicate effectively with the general public, both directly and through the popular press, if they are to build broad support for, and understanding of, their goals. This means training scientists not to speak in the incomprehensible jargon of specialists. It also requires a significant budgetary commitment for professional public information dissemination.

Doug McConnell, Electronic Media Specialist.

The public is hungry for well-produced programs about Alaska and the multitude of issues which face us. Few commercial broadcasters have the time or resources to produce factual, unbiased programs, and federal sources of funding appear to be shrinking with the Reagan budget cuts. The State should consider funding informative, issue-oriented programs.

Science and Technology Needs and Priorities as seen by
Government, Industry and Public Witnesses

Fran Ulmer, Director, Division of Policy Development and Planning, Office of the Governor.

One of the key dilemmas before us is bridging the timing and communications gap so that scientific research can assist public decision makers. The Alaska Council on Science and Technology has a significant role to play in that effort by (1) continuing to identify research priorities, (2) building a 3-5 year research agenda, and (3) evaluating the proposed federal budget cuts and making recommendations for subsequent funding. Technological innovation is crucial to our economic growth, and we should be forging new partnerships between the public and private sectors to meet this challenge.

Rich Shafer, Manager, Environment/Safety/Security, Sohio Alaska Petroleum Company.

Industry accepts the responsibility to do research which will provide safe and efficient technology for oil exploration and production. Government should continue to provide long-term basic research including: mapping, satellite remote sensing, collection of weather and climate data, hydrologic data, oceanographic data, and broad geological and geohazard information, particularly as the industry moves into more difficult areas like the Beaufort and Bering Seas.

George West, Acting Vice President for Academic Affairs and Institutional Planning, University of Alaska.

The University of Alaska may lose a total of $14.3 million ($9 million in organized research) if the proposed federal budget cuts are passed. The devastating short-term impacts of this would include the loss of 96 professional appointments, 70 technical appointments, and 20 secretarial and administrative appointments. A reduction in qualified staff of this magnitude would impair the already modest ability of the university to conduct research in the physical, marine, agricultural, mineral, ecological and environmental, social, and economical sciences including Alaska issues and problems.

Wayne Meyers, Executive Director of the WAMI program (Washington, Alaska, Montana, Idaho health program).

Federal funding for health programs in Alaska has been continually reduced since the 1960's leaving not only substantial research gaps but little expertise available in the state. To counter this decline and confront the many health problems common to the Arctic will take a substantial financial commitment.

Lee Gorsuch, Director of the Institute for Social and Economic Research.

Legislators should consider allocating a small percentage of a program's cost to evaluate whether a particular piece of legislation is fulfilling its original intent. Legislators should also consider multiple year funding to provide continuity to long-term research projects.

Charles Logsdon, Agriculture Consultant.

To meet the Alaska Agricultural Action Council's goal of 500,000 acres in production by 1990 will require an increase in state employment of agricultural scientists from our current level of 16 to a minimum of 58. To coordinate and accomplish agricultural research efficiently, I recommend that the state fund the University as the prime research agency.

Phil Holdsworth, Placer Annex representing the Alaska Coal Industry.

Most of the research on coal will be done by the private sector on a project specific basis. The industry believes, however, that state involvement is important and appropriate in the following areas.

- *Compilation of oil well drilling data and geologic mapping to define major coal basins.*
- *Expansion of the university's Mineral Industry Research Laboratory sampling program.*
- *Expansion of the state aerial mapping and photo interpretation project.*
- *Continuation of the North Slope experimental surface mine.*

Tom Crafford, Geologist, Anaconda Copper Company.

Hard rock mining can, and should, be a vital part of Alaska's economy. To promote the industry the state should continue or expand its research in the following areas.

- *Mapping and field work by the state geological survey.*
- *Low level color aerial photography.*
- *Methods to decrease turbidity downstream from placer operations.*
- *Support of an outstanding program in arctic engineering at the University of Alaska.*

Gordon Zerbetz, Executive Director, Alaska Energy Center.

Research should be based on needs, rather than on the generation of information and knowledge for its own sake. Furthermore, properly structured and managed research programs can, and should, provide an economic return for users.

Steve Pennoyer, Commercial Fisheries Division, Alaska Department of Fish and Game.

The fisheries industry including commercial, sport, and subsistence efforts is the largest industry in Alaska. To manage this complex resource effectively will require a great deal of additional knowledge about the stocks and how to protect, enhance, and develop them.

April 13, 1981

THE ALASKA COUNCIL ON SCIENCE AND TECHNOLOGY AND ITS ROLE

The three primary purposes of the Alaska Council on Science and Technology are:

1. To provide an academy-like forum for the science and technology community to provide impartial advice to state government and assist in the development of science policy for the state;

2. To provide a mechanism to review state-funded activities in science and technology, to provide advice to state government on those activities and to provide a two-way channel of communication between state government and the science and technology community;

3. To award and administer monies appropriated for research and technology, and to promote and enhance the standards for research activities.

A major ongoing activity of ACST--one that relates to the first two purposes listed--is evaluation of the status of knowledge and current activities in each of the various fields of science and technology in Alaska, and determination of priorities for research in each of these fields. For this purpose the Council has used its authority to convene committees comprised of knowledgeable persons drawn from the academic community, state and federal agencies, industry and the public. Each ad hoc committee is asked to assess priorities from the viewpoint of what will most benefit Alaska. As each committee completes its work, the

results are transmitted in a short report to the legislature, executive branch agencies and other cognizant organizations and individuals. The current emphasis of this activity is upon setting immediate priorities, but as this need becomes better met the emphasis will shift more in the direction of long-range planning and assistance to the state in development of science policy.

For the purpose of developing policy, the Council is participating with the National Academy of Science's Polar Research Board in an ongoing effort to develop a more cohesive federal policy for Arctic and Alaskan science. Also for same purpose and for the purpose of assisting in the development of state policy, the Council is actively working with the Alaska Division of the American Association for the Advancement of Science, a group which traditionally has represented the scientific community in Alaska.

In the role of providing advice and assistance to state agencies, the Council has responded to requests from various agencies to assist in review of specific science-related proposals or in the establishment of procedures to solicit and evaluate proposals. These agencies or organizations include the Division of Policy Development and Planning, the Department of Commerce and Economic Development, Alaska Renewable Resources Corporation, University of Alaska, the Department of Public Safety, and the Department of Transportation and Public Facilities. As mandated by law, the Council has met with and coordinated with the Alaska Energy Center and the Alaska Renewable Resources Corporation. Currently, the Council administers for the Department of Public Safety research projects on the use of smoke detectors in rural residences and methods of obtaining water for fighting fire in winter.

The Council's role in the award and administration of monies appropriated by the Legislature is currently being carried out through the conduct of two grant programs. One, the Northern Technology Grants program is intended to help develop and encourage the use of low-cost and small-scale technologies appropriate to Alaska. The intent is to provide funds to persons with innovative ideas to assist in the development of those ideas into technologies useful to Alaskans. Areas involved are food production, waste disposal, recycling, transportation, building design, energy generation, and any residential or industrial enterprise which may be more efficient, less costly and less energy-intensive than methods now in use. Individual grants are limited to $5,000; the total being awarded during FY 1981 is approximately $260,000.

The second grant program provides funds for research on geophysical hazards and other areas of research determined by the Council. During FY 1981, approximately $300,000 is being awarded on a competitive proposal basis for research in areas that include Alaskan natural hazards, Alaskan seismology, Alaskan minerals, Alaskan transportation, human life and health, and Alaskan rural primary and secondary education. As this is a new program this year, its establishment has required the Council to develop proposal review and research administration procedures that will be helpful in future to other agencies as well as being useful for the Council's purpose.

The FY 1981 operating budget for the Council is approximately $250,000. With these funds the Council maintains a two-person staff and office in Juneau and conducts its activities using limited contractual and substantial volunteer labor.

Alaska State Legislature

Senate

Committee on State Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

2-26-81

SUGGESTED APPROACH

Hearings on the Role and Status of Science and Technology in Alaska before the Senate and House State Affairs Committees

A. Overview of Alaska Science and Technology: A Panel Presentation (45 minutes)

-Alaska and U. S. Arctic Science Policy - D. M. Hickok, AAAS, Alaska

-Who is Involved in Alaska Science; Areas of Greatest Emphasis - L. Underwood, University of Alaska

-Findings of Alaska Council on Science and Technology Hearings on the Status and Direction of Federal Science in Alaska- W. Parker, ACST

-Priority Needs and Other Issues connected with Science in Alaska - T. Neil Davis, ACST

(NOTE: The full text of reports on the above will be available; presentations will be summaries)

Questions and Dialogue between Legislative Members and the Panel (30 minutes)

B. Public Interest in Science and Technology in Alaska: A Panel Presentation of newspaper, radio, and television individuals (45 minutes)

Questions and Dialogue between Legislative Members and the Panel (30 minutes)

C. Science and Technology Needs and Priorities (3 hours total)

- 10 minute presentations by each Government, Industry, and Public witness (with filed statements)

- 10 minute committee dialogue for each witness

(9 Witnesses)

State of Alaska	-F. Ulmer, Office of the Governor, DPDP (or possibly Lt. Gov. Miller)
Oil and Gas Industry	-AOGA Representative or NPC Study Representative
University of Alaska	-J. Barton, President
Sealaska Corporation	-B. Mallot, President
Health and Medicine Community	-W. Meyers, WAMI
Resource Economics	-_____
Fisheries Industry	-_____
Agriculture Industry	-_____
Coal and Mineral Industry	-C. Hawley or C. Herbert

SYNTHESIS: George Rogers

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

April 1, 1981

Copy

Mr. Max Beazley
Alaska Oil & Gas Association
3201 C Street, Suite 270
Anchorage, AK 99503

Dear Mr. Beazley:

Last week I sent you an invitation to speak at hearings on the role and status of scientific research and development in Alaska. These hearings are being held by the House and Senate State Affairs Committees in Juneau on April 11, 1981 from 9:00 a.m. to 1:00 p.m.

Enclosed please find a preliminary time schedule for the hearings. Please contact Nancy Groszek or Sumner Putnam at my office (465-4954) regarding your participation.

Understanding the significance of scientific research is important to the legislature, and I hope you will be able to participate in the hearings.

Sincerely,

Vic Fischer

NM:VF/pb

Enclosure

- see back for list of the letters sent to

Mr. T. Neil Davis
Alaska Council on Science & Tech
Pouch AV
Juneau,

Mr. W. Parker
same as above

Mr. Larry Underwood
Arctic Environmental Info.
and Data Center
707 A St.
Anch.

Mr. David M. Hickok
same as above

Mr. Dave Heatwole
Dist. Geologist
Anaconda Copper Co.
2550 Denali, Suite 1000
Anch.

Mr. Coe McFarland
Vice President
Placer/Annex
1 Calif. Bldg, Suite 2500
San Francisco, CA 94111

Dr. Charles Logdson
Agresources
Box 387
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Steve Pennoyer
ADF&G
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Lee Gorsuch, Dir.
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Economic Research
707 A St.
Anch.

Wayne Meyers, WAMI
Med. Ed. Prog.
103 Arctic Health Research Ctr
U. of A.
Fairbanks

Byron Mallott
Board of Directors
Sealaska Heritage Found.
1675 C St
Anch.

President Jay Barton
U of A
101 Bunnell
Fairbanks

Office of Gov.
Juneau

Gordon Zerbetz
Energy Ctr
619 11th Av
Fairbanks

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

Relating to a call for Congressional hearings on Arctic Science and Technology

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

WHEREAS the Arctic contains resources including petroleum, strategic minerals, and fish which are of vital importance to the nation; and

WHEREAS the Arctic has national strategic importance due to its location and whereas defense-related activities are particularly difficult in the Arctic environment; and

WHEREAS the Arctic environment poses unique health problems and effects which are not adequately understood; and

WHEREAS in many cases the scientific and industrial communities lack the site-specific information base to exploit Arctic resources, conduct military operations, or understand arctic health problems; and

WHEREAS the nation presently has only very limited scientific and technological expertise in arctic subjects; and

WHEREAS only a long-term, well-coordinated research program can develop this Arctic expertise; and

WHEREAS such a research program would require partnerships between government, industry, the science community, and others which do not presently exist;

BE IT RESOLVED by the Alaska State Legislature that Congress convene hearings on Arctic science and technology, policy and research coordination.

Copies of this resolution will be sent to President Reagan, the Secretaries of Defense, Energy and Interior, and the Alaskan Congressional delegation.

Testimony of Joe La Rocca
for the
Hearings on the Role and Status of Science and Technology in Alaska
before the
Senate and House State Affairs Committees

April 11, 1981

Your co-chairman has asked me to speak for the press on the public interest in science and technology, and to discuss my thoughts on methods of increasing communication between the scientific community and the general public.

Before I get into that, let me offer one small disclaimer. While I'm pleased to speak as a member of the press, I won't presume to speak for the press. Ask most of my colleagues, and they'll tell you that I'm more in the habit of speaking against them, than for them.

Newsfolk, in fact, are alot like scientists in at least one respect. When we're not talking to ourselves, we talk mostly to each other.

That's how we, like scientists, rationalize our assumptions; legitimize our biases; objectify our prejudices; reinforce our agruments; confirm our conclusions; fortify our egos; and secure our professional reputations.

Seriously though, I've long been persuaded that the scientific community in Alaska suffers from a chronic crisis of confidence. If I were critiquing a speech by someone who used that grossly alliterative phrase - "chronic crisis of confidence" - I'd probably accuse him or her of stating a contradiction in terms. How, I would rhetorically ask, my voice dripping with scorn, can a crisis be chronic? But in this case, I think the phrase is apt. The scientific community is, to a large extent, caught up in a critical phase which is both enduring and pervasive. If it weren't, we probably wouldn't be here today.

I suspect that each of us addressing you today thinks that his or her orientation in this context is the most compelling one. I do; at any rate.

I'm convinced that if scientists were able to communicate effectively with the general public both directly and through the popular press, they suffer none of the indignities which have long plagued them which is to be ignored, shunted aside, de-prioritized, unfunded, unheard, unheeded, and sometimes reviled by the community-at-large.

Unfortunately, the role of communications within almost any public institution whose principal function is not the delivery of information tends to be relegated to last place. The premise seems to be that if there are any funds left in the budget after everyone's administrative

research, travel, per diem, equipment and personal needs are taken care of, the remainder can be thrown at the public information or communcations section. And institutions of science tend to be the foremost purveyors of that syndrome. Indeed, scientists seem to take an almost masochistic delight in spruning public understanding and acceptance and cultivating public apathy.

If scientists want to reverse that almost universal perception, they must make a real commitment to communicating with the public-at-large; and rather than toss budgetary leftovers at the public information section, give it a substantial percentage of the budget right off the top - even if the budget is very tight - and elevate it to the same status as the department's principal role.

Because when an institution is as dependent upon gratuitous public funding as research and scientific institutions are, the medium is as important as the message.

By suggesting that the communications function should be upgraded, I don't mean that scientists or the institutions with which they are associated should create propaganda mills designed to beautify the institutional carcass, which is what far too many public information sections tend to do.

What I do mean is that they should engage professional technicians trained in the art of translating scientific literature into plain but appealing English who also know how to utilize the full mix of media to convey it to John and Jane Doe in a meaningful and relevant context.

One of the most effective barrers to communication between scientists and the general public is scientific jargon, the effect - if not the intent of which - is to obfuscate rather than illuminate. I suspect that many scientists feel that the only way they can preserve their mystique is to cloak their dialogue in mysterious cadences and arcane phraseology. I would seriously suggest that the science curricula at both the undergraduate and graduate level include mandatory courses on non-scientific writing and speaking so that scientists can articulate their work and results in terms that non-scientists can fathom.

I think it's generally true that most scientific inquiries ultimately have some application to some definable end goal which is relevant to some public constituency. If the inquiry, the goal and the constituency can be linked together in a chain of symbiotic interaction through effective communications tool, then both science and the constituency will be mutually well-served. I don't mean to imply that scientists should try to be all things to all people; only that virtually every constituency should be able to extract something which is relevant to its interests from the endeavors of science.

And I think that building that broad constituency and fashioning that link through effective communication with the community at-large is the only way that the scientific community can hope to elicit the

support it needs to achieve the goals and satisfy the needs that some of those who preceded me have discussed. If scientists would stop talking to themselves and start talking to lay persons in terms they can comprehend about matters that are relevant to them, I think they can create a large and powerful advocate for science outside their own ranks which will give them considerable political clout. If only half the constituents who call or write their legislators to ask them where the hell their auto registrations or their tax rebate checks are would, for example, add a postscript or a footnote asking them to support funding for state takeover of the Naval Arctic Research Lab, the lab could not only be kept open, but probably substantially expended as well.

Let me give you one example of the kind of thing I'm talking about. I have here the Current Research Profile for 1979, published by Dave Hickok's shop, the Arctic Environmental Information and Data Center, which was loaned to me by Chris Noah. This edition lists and briefly outlines 1,674 research projects which were completed, continued or initiated during 1979.

As I browsed through it cursorily, I found scores of project descriptions, which even in bare outline, instantly piqued my interest, and made me wish I had before me the full report to read or the investigator to interview. If every investigator who submits a project resume to be published in the profile were to take just one hour or less of his time to write a full but concise narrative account of his or her research project along with an explanation of its implications, in clear understandable prose, then send or take it to one or more members of the press around the state, I suspect that a large number of them would be used as a basis for news or feature stories which would attract a large and interested audience. If for example, the authors of all of the 1,674 projects listed in the 1979 profile were to submit synopses of their projects, the 1979 scientific and research effort in Alaska would have earned a tremendous audience with little or no additional expense or work on the part of the investigators. At the same time, they would gain wide exposure for their efforts, and inform literally thousands of interested Alaskans about the results of their work, which could in some cases, lead to implementation or application of the results.

But more importantly, it would be one means of building that broad constituency which the scientific community so sorely needs to win the political support required to pursue the short and long-term policies and goals that are being addressed at these joint hearings.

One excellent, but all too rare example is the weekly scientific column that Neil Davis writes for publication in a number of newspapers around the state. They are interesting and often fascinating. I'm tempted to refer to Neil as Alaska's Carl Sagan, except that Sagan's material sometimes falls to the level of psuedo-scientific drivel, whereas Neil's never does, and he would suffer from the analogue.

Several years ago I wrote a piece which was somewhat critical of that year's Alaska Science Conference at the University of Alaska, Fairbanks, because of the failure of its organizers to make a concerted effort to attract political figures to the conference. It was yet another case of scientists talking to scientists. I suggested at the time if science were going to gain any ground in Alaska, it was going to have to become agressively involved in the political brawl. While this gathering signifies a step in that direction, there's still a long way to go. It doesn't do the scientific community a hell of a lot of good, frankly, to make its pitch to the Brian Rogers and the Vic Fishers. They're already advocates of science. It's more important to work on those who aren't.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

SUBPORT BUILDING
JUNEAU, ALASKA 99801

April 21, 1981

The Honorable Vic Fischer
Alaska State Senate
Pouch V, State Capitol
Juneau, AK 99811

Dear Senator Fischer:

I appreciated your invitation to participate in last Saturday's panel and was sorry to have missed the opportunity to present information to your committee. Enclosed is written testimony which should provide your committee the information you requested. If you have any questions please let me know.

Sincerely,

Steven Pennoyer, Director
Division of Commercial Fisheries
(907) 465-4210

Enclosure

11-K11LH

SCIENCE AND TECHNOLOGY NEEDS OF THE FISHERIES INDUSTRY IN ALASKA

Steven Pennoyer
Alaska Department of Fish and Game
Commercial Fisheries Division

The fisheries industry in Alaska, including commercial, sport, and subsistence, is the largest industry in the state, employing some 40 thousand commercial fishermen, ten to 15 thousand processing plant employees, nearly a thousand commercial processing operators, numerous professional sport fish guides, and with at least 10 thousand participants in the salmon subsistence fishery alone, plus some 200,000 licensed recreational anglers. The commercial fishery in 1980 was worth some $500 million to individual fishermen and about a billion dollars in first wholesale value to the processors. The value of the subsistence salmon harvest is difficult to calculate in terms of replacement value, but it must be in the order of 25 to 30 million dollars. Recreational harvest also provides nutrient values to the participants. Recreational fishery values have not been adequately addressed, since an actual sale or transaction does not take place. Various studies have inadequately assessed the impact on the economy through tourism and consumer sales of goods, but the direct expenditure by anglers is about 14 million dollars per year. The value of the commercial, subsistence, and recreational fishery, of course, is multiplied throughout the economy beyond the direct value to the individual participant. The commercial fishery alone through direct taxes and licenses provides some 20 to 25 million dollars in annual revenue to the state.

These industries are based on a renewable resource which, with proper fostering, can be maintained and extended for future generations of Alaskans. There is no indication that the demand for fisheries products in the United States or worldwide will decrease. Rather, the reverse is likely. Whether this future will be in relatively scarce, high value luxury products as much of it is today, trend toward more volume at a lower price to satisfy protein requirements or, as is more likely, some variable mix of the two, is not completely forecastable at this time. Development of major protein fisheries such as groundfish is market-dependent and includes questions of international politics.

The continued health and growth of this industry is dependent on a number of factors, some dealing with the resource itself and the regulation of harvest on it, others with the marketing and harvesting technology, and still others with institutional factors such as government regulation, tax, and financial assistance. I will address the first two, both of which require research, monitoring, and implementation programs to be effective.

Industry, of course, is dependent on the resource itself and the abundance and availability of that resource. The major areas of concern are the (1) maintenance of reproductive success for major resources; (2) maintenance of existing fisheries; (3) optimization of biological and economic yield in these fisheries through the accurate identification of available annual surpluses for harvest and regulation of the fisheries to make those surpluses available in as economic a fashion as possible; and (4) the extension and development of both new and existing fisheries. A fifth category might be the nonreproductive requirements of the resource to sustain itself at a high yield--particularly habitat concerns.

Resource Knowledge--Management

This category generally covers the first three items mentioned above concerning brood stock, maintenance of fisheries, and optimization of yield. It basically includes all of the data gaps regarding the resource itself as they affect our ability to perpetuate the harvest of that resource consistent with our objectives. These data gaps include insufficient knowledge about the magnitude of the resource, its basic biology, its reproductive characteristics and requirements, its relation to the ecosystem of which it is a part, particularly the relationship of the harvest of it or other species on each other. Desirable outputs include definition and forecast of harvestable surplus by major reproductive stock; inseason management by identifiable stock units; and harvest management strategies that can be advanced to various user groups in deciding on allocative problems.

a. Reproductive requirements: Obviously we must safeguard reproductive brood stock of important commercial and recreational species. Generally this consists of defining numbers, characteristics, and distribution of breeding populations and regulating harvest to achieve them. When information on these requirements is lacking or ability to measure the actual brood stock is poor, management is necessarily conservative with potential loss of available harvest. In some cases these losses may be substantial. There are fisheries resources around the state that, despite management efforts, continue in a depressed state or are actually declining. In many cases this is a result of our inability to either refine the reproductive requirements or to obtain them. In certain mixed stock fisheries such as in Southeastern Alaska it resulted in less productive species being overharvested. The level of depression has often been in direct proportion to the complexity of the stock mixture, interacting fisheries, the number of stocks involved, and the lack of a good data base. Certainly further research is required on reproductive requirements, including studies of population abundance fluctuations as related to brood stock levels versus other environmental factors.

b. Maintenance of existing fisheries: In the context of science and technology needs I do not think I'll spend very much time on this category. Certainly the maintenance of existing fisheries requires annual projects to monitor the abundance of the resource and allocate harvest appropriately. Most of these resources fluctuate dramatically on an annual basis and the harvest must be tailored to these fluctuations. Even where the techniques are known sometimes very sophisticated resource assessment and monitoring programs must be carried out to support this activity.

c. Optimizing yield from existing fisheries: In many cases we have fisheries that are well managed from a stock status standpoint. We manage to preserve the basic reproductive quality of the resource and harvests are held at a relatively long term consistent level within the limits of natural fluctuations. This does not mean that we are realizing the maximum benefits available from these resources. Often improved ability to manage individual stock units with their differing levels of productivity will increase the annual surplus available in these various fisheries. Much of the work needed in this arena is not new or exciting in terms of technique, but rather an expansion of existing, relatively similar techniques to a broader number of stocks and fisheries. This area includes such things as inseason abundance estimators, stock separation, improved forecasts, better definition of brood stock requirements. We need an improved knowledge of the basic biology of the species and how it relates to associated species.

Aside from the more biological aspects of appropriate harvest levels by stock, we have also heard a great deal about industry preparation and quality of product. Obviously from a marketing standpoint, industry and fishermen need a better forecast to prepare for each season often in the face of resources demonstrating rather wide natural fluctuations. The longer in advance a forecast of some accuracy is made available, the better use that can be made of surpluses. Forecasts of a general nature can be made years ahead of time, refined further a year in advance of the season, and then updated as the season progresses. We have also heard a lot about fish quality and it is quite obvious that manageability and fish quality go hand and hand. For example, the better our forecasts and inseason run assessment by stock, the more latitude we can allow in terms of harvest of resources farther from their point of origin in the case of migratory species. This allows processing over a longer time period, prevents gluts, and often allows the harvest of a higher quality product.

Extension and Development of Fisheries

a. Developing fisheries: In this category marketing and economic information comes strongly into play. Nevertheless, there are also major questions about resource status, abundance, distribution, and the effects of harvest of that particular resource on other species either due to stock interactions or because of impacts of the gear use on associated fisheries. Generally agencies are not funded to carry on this type of work very well, since there is no established constituency clamoring that the work be done. However, a number of people are usually interested in getting into this type of operation. It requires an investment against a potential future return, not necessarily supported by any existing tax structure. In this arena from the state perspective, research on domestic groundfish fisheries, and perhaps particularly those around communities and inshore areas where small Alaskan boats are most likely to get involved, would have a high priority. Some herring fisheries are still expanding against a woefully inadequate data base, and there are opportunities in some of the bivalve fisheries, particularly if problems associated with paralytic shellfish poisoning are brought under control.

b. Extension of fisheries: Fisheries extension can be accomplished in some cases through supplemental production technology, particularly in the case of hatchery production of salmonids. This area shows real promise for contribution to the fisheries industry in Alaska, especially in areas of depressed fisheries. Development of brood stocks, precautionary measures to avoid disease problems, development of harvest management strategies to prevent overharvest of natural stocks dictate that the commitment to enhancement and rehabilitation must be long term, although significant short term gains are being made. Keep in mind, too, that Alaska is going to lose salmon habitat to logging, mining, industrial development, and population growth. Now is the time to develop and perfect rehabilitation and enhancement techniques.

Aside from the specific biological resource/management research considerations discussed above, there are a few other areas that perhaps should be highlighted.

Socioeconomic Characteristics of the Fishing Industry

There is a need for a comprehensive survey of the value of fish and wildlife resources to the state, to specific geographic areas, and to various communities. This survey should cover recreational, commercial, and subsistence values and include indirect benefits as well as direct benefits such as price paid to fishermen for their harvest. This should not be a one shot study which, while important as a data base, would be of limited usefulness as a predictor or continuing assessor of these parameters in a rapidly changing situation. Looking at world fisheries and marketing and what's happening in Alaska today demonstrate that these questions are going to be with us for a long time and the information should really be available to form the basis for annual planning. The recent dramatic changes in resource availability in such things as bottomfish, recovered salmon runs, the questions raised this year and last by Bristol Bay processing capacity, and exercise of legislation and regulations to respond to the question engendered by too many fish, show the dynamic nature of the problems we face. The state, or somebody, needs some ongoing centralized entity to look into fisheries marketing and economics. The needed study should include an updating mechanism whereby the information generation and maintenance of a model of fisheries economics in the state is an integral part of the study recommendations.

Habitat Related Fisheries Questions

There are two primary priorities requiring more study and attention. First might be the effects of logging on fisheries. In Southeastern Alaska this has been a recurring question. There still exists uncertainty as to what the total impact of logging to date has been on the resource and an inability to quantify relative resource damage. We have some ideas of how to minimize damage, mostly based on inferential or commonsense parameters, but there are some really pressing questions to be answered regarding leave strips, the effect of canopy (or lack of it) on stream temperatures, log dumps, and other forms of estuarine disturbance.

The second priority habitat research concerns instream flow and hydroelectric development. Generally, we need to better understand the relationship between the volume of flow and fluctuations in flow and water temperature to production of fish in our various river systems.

Ecosystem Analysis

Resource management operates along a continuum from management of single species by themselves to management of a total ecosystem. Given the complexities of most ecosystems, it may never be possible to totally achieve something called ecosystem management. Nevertheless, we certainly cannot manage for single species with no regard to the effect on other species. Effects may be in terms of incidental harvest of associated species or the effects on the ecosystem as a whole of the removal of a large volume of fish. Our understanding of predator-prey relationships and impacts on stock reproduction are primary concerns.

Fisheries Technology

Another aspect of optimizing yield for fisheries includes research into fisheries technology. Particularly at current energy costs, if we can discover cheaper ways to harvest and process fish, coupled with improved quality and marketing of the product, both fishermen and industry would be the beneficiaries.

I have not suggested the priorities or given specific project proposals. I have tried to emphasize that the fishing industry requires a great deal of additional knowledge about the resource upon which it depends and means by which that resource can be protected, enhanced, and/or developed.

It was requested that we mention something on the effects of Federal budget cuts. Federal dollars in direct grants in aid to the states support a substantial part of our research on fisheries in Alaska.

Over $700,000 in Federal funds is spent in cooperatively funded research programs on salmon forecasting, logging-habitat studies, shellfish indexing programs, salmon inseason abundance estimates and similar projects. Funding for these programs will probably be terminated in FY 82.

Potentially as damaging to the acquisition of needed fisheries knowledge may be reductions within the Federal program itself. We depend heavily on certain Federal research and resource monitoring projects dealing with stock assessment on groundfish and shellfish, Outer Continental Shelf oil and gas leasing impacts, high seas salmon interceptions, effects of logging and other development and various resources' population dynamics. Most of these programs are within the National Marine Fisheries Service. We do not yet know which specific projects may be dropped or even the magnitude of budget reductions overall affecting Alaska.

102 Capitol

Hearings on the Role and Status of Science and Technology
in Alaska before the Senate and House
State Affairs Committees

A. Overview of Alaska Science and Technology: A Panel Presentation

9:00 a.m. ✓ Alaska and U.S. Arctic Science Policy - D.M. Hickok, AAAS, Alaska

9:10 a.m. ✓ Who is Involved in Alaska Science; Areas of Greatest Emphasis - L. Underwood, University of Alaska AEIDC

9:20 a.m. ✓ Findings of Alaska Council on Science and Technology Hearings on the Status and Direction of Federal Science in Alaska - W. Parker, ACST

9:30 a.m. ✓ Priority Needs and Other Issues connected with Science in Alaska - T. Neil Davis, ACST

(NOTE: The full text of reports on the above will be available: presentations will be summaries)

9:40 a.m. ✓ Questions and Dialogue between Legislative Members and the Panel

10:00 a.m. ✓ Break

B. Public Interest in Science and Technology in Alaska — Link between Public & Science

10:15 a.m. ✓ Statement from the Press Joe LaRocca, Doug McConnell - bridging gap

10:35 a.m. ✓ Questions and Dialogue between Legislative Members and the Press Representative

C. Science and Technology Needs and Priorities: 10 Minute Presentations by Government, Industry, and Public Witnesses (with filed statements). There will be 5 minutes for committee dialogue with each witness.

10:45 a.m. ✓ State of Alaska - Governor's Office Fran Ulmer

11:00 a.m. ✓ Oil and Gas Industry - AOGA Representative Rick Shafer

11:15 a.m. ✓ University of Alaska - J. Barton, President George West

11:30 a.m. X Sealaska Corporation - B. Mallot, President

11:45 a.m. ✓ Health and Medicine Community - Wayne Meyers, WAMI

12:00 a.m. ✓ Resource Economics - Lee Gorsuch, Director ISER

12:15 p.m. ✓ Fisheries Industry - Steve Pennoyer, ADF&G ~~[illegible]~~ → ill, submit in writing

12:30 p.m. 1 PM Agriculture Industry - Charles Logsdon, Agresources - land, listing, career

12:45 p.m. 1:12-20 Coal Industry - Cole McFarland, Placer Annex Phil Holdsworth

1:00 p.m. 1:23-30 Mineral Industry - Dave Heatwole, Anaconda Tom Crafford.

1:15 p.m. 1:30-37 Energy Center - Gordon Zerbetz, Director

OUTLINE OF COMMENTS BEFORE JOINT STATE AFFAIRS COMMITTEE
ON THE ROLE OF RESEARCH AND ON
THE ALASKA COUNCIL OF SCIENCE AND TECHNOLOGY

By:
Frances A. Ulmer

General comments about original purpose of Governor's support for ACST.

Identify several areas which Council should concentrate on.

I Research is an important tool for management. Good decision depends on good information in both public and private sector.

- need to build the research capacity to provide us with the information we need to make good decisions;

- need to educate ongoing managers to use it, to ask for it; and

- need to continually strive to improve communications between research committee and decision makers.

Recognition of lack of confidence that research can be relevant, timely, actually impact decisions.

Build confidence and develop broad consenses on what's most important (among all sectors and the public) develop 3 to 5 year research agenda.

II Federal cutbacks in funding for research:

- need to analyze the proposed cuts;

- evaluate which are the most serious;

- identify those which State should lobby Congress to keep; and

- identify those which State should fund if feds don't.

NOAA OCSCEAP cuts $20 million to $16 million to $8.6 million, how to make decisions without this information? Which decisions most imminent; which research most needed, first?

III Partnership between public needs and private needs for research.

Technological innovation economic growth for the 80's.

The U.S.A. has experienced serious productivity declines; Science and Technology can help. We need to contribute to this effort.

NGA efforts committee work on technological innovation:

California private sector bridge:

"Investment in Economic Strength" program.

Natl Govs Assn Mtg Feb Wash DC. 1980

Technological Innovation: Economic Growth in the 80's
Columbia A, Lower Level

California Gov. Edmund Brown, Jr., vice chairman of the association's Committee on Transportation, Commerce and Technology, will serve as moderator for the day-long meeting. The conference will examine the potential of technological innovation for helping to solve such key national and state problems as unemployment and inflation.

The conference's overall purpose is to lay the framework for a policy on technological innovation to be drafted over the next 6 months by the NGA's Committee on Transportation, Commerce and Technology.

The conference will focus special attention on the potential of knowledge processing and resource-efficient technologies. At the same time, the conference will highlight the need for a better working relationship among business, labor and government to meet the challenges of heightened international competition and domestic resource and energy constraints.

A National Science Foundation study released last year found that state and local governments have moved in recent years to replace declining federal research and development support with their own funds. The NSF study found that in fiscal 1977 (the most recent year for which there was complete data) state and local governments provided about one-half of the funds expended on their R&D programs, with federal agencies accounting for most of the remainder.

NSF also found that, beginning in the mid-1960s, states began to develop policies for the use of science and for incorporation of R&D activity into program operations and into state planning at the highest levels.

In the past few years, the steady deterioration in the nation's economy and world trade posture has contributed to interest in high technology industries. California, for example, is proposing a $15 million package of state incentives aimed at protecting and stimulating high technology industries in the state. A recent study indicates that nearly one of every four new manufacturing jobs in the state are in high technology industries. Other states also are looking at ways to stimulate similar industries: North Carolina last year committed $1.8 million in state funds for a new microelectronics research center; Minnesota legislators are considering financing the expansion of a similar facility at the University of Minnesota; and Ohio has set up a $5 million fund to make direct loans to high technology industries.

In Maryland, Gov. Harry Hughes worked for establishment of the Maryland Ocean Thermal Energy Conversion Corporation, which promotes commercialization of ocean thermal energy technologies as a means to spur employment in the state. Engineering plans and

designs for the technology were developed at Johns Hopkins University.

New Jersey Gov. Brendan Byrne, in his 1981 state of the state message, indicated that the state will undertake a major effort to attract new high technology industry, especially technology linking computers and communications.

Michigan Gov. William Milliken has proposed establishment of a technology-based innovation fund in the state Department of Management and Budget to fund developing research and technology and application projects.

In Colorado, 86,000 new residents are expected by 1990 as a result of technological advances that contribute to energy development of the state's natural resources. In Massachusetts, many economists attribute the relatively strong showing of the commonwealth's economy to successful efforts to attract high technology industries.

The panel discussions at the conference will investigate what the private sector, labor and government can do to spur technological innovation.

The first panel is expected to stress the importance of technological innovation for economic growth, jobs, and lower inflation and will include an evaluation on the expected directions of the American economy in the 1980s. The panel will emphasize the potential of information processing technologies for increasing productivity and relatively resource efficient economic growth.

The luncheon speaker, David Kearns, president and chief operating officer of the Xerox Corporation, will discuss the role American corporations need to play in the 1980s to promote technological innovation, both internally within the corporation and externally in working partnerships with other sectors of the economy.

The second panel will present a series of views on the role of labor in contributing to economic growth. Such questions as worker involvement at the workplace, worker purchase of stock, and the potential of labor pension fund investment for promoting technological innovation will be discussed.

The third panel will discuss the role of federal, state and local government in promoting technological innovation. The role of government in capital formation, research and development, working with universities, and increasing its own productivity through technology is expected to be discussed.

The final panel will stress such questions as the importance of increasing efficiency and productivity in the use of energy and resources and will introduce the technology exhibits that will be on display in conjunction with the conference.

PARTICIPANTS

GAR ALPEROVITZ

Gar Alperovitz is Co-Director of the National Center for Economic Alternatives, a Washington-based organization which conducts research and develops proposals for economic policy.

Dr. Alperovitz is Chief Economic Adviser to C.O.I.N. (Consumers Opposed to Inflation in the Necessities), a coalition of national consumer, labor, minority and religious groups. He has offered testimony before a number of House and Senate Committees, and served as legislative Director in the U.S. House and Senate. He and his Co-Director, Geoffrey Faux, are currently completing a book entitled Rebuilding America.

Dr. Alperovitz earned his B.S. degree from the Univeristy of Wisconsin, a M.S. degree from the Univeristy of California at Berkeley, and a Ph.D. in Political Economy from the University of Cambridge.

LES AUCOIN - Chairman, Industrial Innovation Task Force, U.S. House of Representatives

Les AuCoin is a United States Representative from Oregon and is Chairman of the Task Force on Industrial Innovation.

Congressman AuCoin has worked as a newspaper editor and journalist, and was elected to the Oregon State House of Representatives, where he served until his election to the U.S. Congress in 1975. Since his election he has served on various committees, including the Appropriations Committee and the Committee on Banking, Finance, and Urban Affairs. He was made chairman of the Task Force on Home Ownership in 1978.

Congressman AuCoin is a native of Oregon.

EDMUND G. BROWN, JR.

Edmund G. Brown, Jr. of California was first elected Governor in 1974 and re[illegible]ted in 1978.

He served as Secretary of State from 1971 through 1975.

He worked as a research attorney for the State Supreme Court and for a Los Angeles law firm. In 1969 he was elected to the Los Angeles Community College Board of Trustees.

Governor Brown is a graduate of the University of California and received his law degree from Yale University.

GEORGE E. BROWN, JR.

George Brown was first elected to the United States House of Representatives in 1962. He served for eight years, sought the U.S. Senate seat in 1970, and returned to Congress in 1972 as representative of the Riverside-San Bernardino area of California. He is a senior member of the Science and Technology Committee where he serves on the Subcommittees on Science, Research and Technology; Natural Resources, Agricultural Research and Environment; and Space Science and Applications.

Congressman Brown is a native of California. He graduated from the University of California at Los Agneles with a degree in Industrial Physics.

SOLOMON J. BUCHSBAUM

Solomon Buchsbaum is Executive Vice President, Customer Systems at Bell Laboratories. He is responsible for customer services, processor and common software systems, computing technology, design engineering, and military systems.

Dr. Buchsbaum joined Bell Laboratories in 1958, and became Director of the Electronics Research Laboratory in 1965. In 1968, he became Vice President in charge of research at the Sandia Laboratories. He returned to Bell Laboratories in 1971.

Dr. Buchsbaum received his B.S. and M.S. degrees from McGill University and his Ph.D. from Massachusetts Institute of Technology. He is a native of Poland.

BRENDAN T. BYRNE

Brendan Byrne is in his second term as Governor of New Jersey.

Governor Byrne served his legal clerkship with Judge Joseph Weintraub, who later became Chief Justice of New Jersey. He was made Essex County prosecutor in 1959, and served in that position until 1968 when he was appointed to the Public Utilties Commission. In 1970 he was appointed to the Superior Court, where he remained until his election to the Governorship.

Governor Byrne is a native of New Jersey and graduated from Princeton University School of Public and International Affairs. He received his law degree from Harvard University.

DONALD F. EPHLIN

Donald Ephlin is Vice President of the United Auto Workers Union.

From 1968 until 1977, Mr. Ephlin served as Administrative Assistant to Leonard Woodcock, who was director of UAW GM Department, and later became President of the United Auto Workers. In 1977, Mr. Ephlin was elected Director of UAW Region 9A which covers 50,000 UAW members in the northeastern United States.

Since 1971, Mr. Ephlin has been active in the development of union programs to increase employee participation and improve the quality of worklife. He served on the GM national Committee which initiated the quality of worklife.

Mr. Ephlin was born in Massachussetts. He currently resides in Michigan.

ROBERT C. HALL

Robert Hall is President of Satellite Business Systems, a position he has held since 1979.

Mr. Hall was employed by Control Data Corporation from 1961 to 1972, when he became first President, Chairman, and Chief Executive Officer of Securities Industries Associations Corporations. Before assuming his present position, Mr. Hall was Executive Vice President of the New York Stock Exchange.

Mr. Hall earned a B.S. in Mechanical Engineering from the Unviersity of Iowa. He is a native of Iowa.

HARRY HUGHES

Harry Hughes won election as Governor of Maryland in 1978.

Governor Hughes was elected to the Maryland Senate in 1958 and served until 1970. He won Senate Majority Floor Leader and Chairman of the Senate Finance Committee from 1965 until 1970. In 1971, Governor Hughes was appointed first Secretary, Maryland Department of Transportation, a position he retained until 1977.

Governor Hughes is a native of Maryland. He received his B.S. degree from the University of Maryland, and his LL.B. from George Washington University.

JAMES B. HUNT

James B. Hunt, Jr. is Governor of North Carolina. He was first elected in 1976, and reelected in 1980.

Governor Hunt served as an economic advisor to Nepal from 1964 to 1966. Upon returning to the United States, he practiced law in Wilson, North Carolina. As Assistant State Democratic Party Chairman, he supervised the reorganization of the party structure to allow greater participation by women, minorities, and young people. Hunt was elected Lieutenant Governor in 1972.

Governor Hunt was born in North Carolina. He earned his B.S. and M.S. at North Carolina University, and received a J.D. from the University of North Carlina School of Law.

DAVID T. KEARNS

David Kearns is President and Chief Operating Officer of Xerox Corporation. He is Director of Rank Xerox Limited and Fuji Xerox Company Limited.

Mr. Kearns was a Vice President in the data processing division of International Business Machines Corporation. In 1971, he became Corporate Vice President at Xerox. He has held various other positions at Xerox, including Vice President in charge of marketing, Vice President in charge of international operations, and Executive Vice President.

Mr. Kearns was born in Rochester, New York, and graduated from the University of Rochester with a degree in business administration.

FRANCIS KELLY

Francis Kelly is Executive Vice President in IDS Advisory, a division of Investors Diversified Services, Inc. The Advisory is responsible for the management of pension funds.

Mr. Kelly worked for eighteen years on Wall Street as an Investment Analyst, Economist, and Director of Research. He joined the Investors Diversified Services Advisory as a Senior Vice President-Portfolio Manager in January, 1980.

Mr. Kelly is a native of Scotland, where he studied philosophy, political science, and political economy. He holds an advance degree in Political Economy from the University of Edinburgh.

RICHARD D. LAMM

Richard D. Lamm is in his second term as Governor of Colorado.

Governor Lamm was an attorney for the Colorado Anti-discrimination Commission from 1962 until 1963. From 1963 until 1974 he practiced law in Denver, and served as a Professor of Law at the University of Denver from 1969 until 1974. In 1966 he was elected to the Colorado House of Representatives, where he served as Assistant Minority Leader from 1971 until 1974.

Governor Lamm is a native of Wisconsin. He earned his B.A. from the University of Wisconsin, and his L.L.B. from the University of California.

DELMAR L. LANDEN, JR.

D.L. "Dutch" Landen is director of Organizational Research and Development (ORD) for General Motors, a position he has held since January 1966. ORD coordinates quality of worklife activities throughout General Motors.

Dr. Landen is an Adjunct Professor of Management and Psychology at Wayne State University, and serves on the board of directors of the American Quality of Work Life Center. He is also a member of the Human Resource Advisory Committee of the American Productivity Center.

Dr. Landen obtained his B.A. and his M.A. in Experimental/Theoretical Psychology. He earned his Ph.D. in Industrial/Organizational Psychology from Ohio State University.

A.C. MARKKULA

A.C. (Mike) Markkula is Executive Vice President and Chairman of the Board of Apple Computer.

Mr. Markkula worked for four years as Marketing Manager at Intel Corporation. He also held key marketing positions at Fairchild Semiconductor Corporations, and Hughes Aircraft Corporation. He joined Apple Computer as Vice President, Marketing, in May 1977.

Mr. Markkula received his B.S. and M.S. degrees in electrical engineering from the University of Southern California.

WILLIAM G. MILLIKEN

William G. Milliken is in his third full term as Governor of Michigan.

Governor Milliken served as a State Senator from 1960 to 1964, and as Lieutenant Governor under Governor George Romney for four years. In 1964, Governor Romney became U.S. Secretary of Housing and Urban Development, and William Milliken assumed the Governorship. He was elected to a full term as Governor in 1970.

Governor Milliken served as Chairman of the National Governors' Association from 1977 to 1978. He is a graduate of Yale University.

WILLIAM C. NORRIS - Chairman, Chief Executive Officer, Control Data Corporation

William Norris is Chairman and Chief Executive Officer of Control Data Corporation. Mr. Norris founded Control Data in 1957.

Mr. Norris participated in the founding of Engineering Research Associations, a company that contributed to the development of digital computer technology. ERA merged into Sperry Rand Corporation, where Mr. Norris worked through mid 1957.

Mr. Norris has authored a series of booklets addressing the use of technology to solve society's problems. He assisted in the founding of City Venture and Rural Venture, organizations which plan and manage programs for redevelopemnt in low-income areas.

Mr. Norris is a native of Nebraska, and a graduate of the University of Nebraska, where he received a degree in Electrical Engineering.

ROBERT N. NOYCE

Robert Noyce is a founder and Vice Chairman of Intel Corporation. He served as President until 1975, and Chairman until 1979.

Dr. Noyce worked in the Research Division of Philco Corporation from 1953 until 1956, when he joined the Shockley Semiconductor Laboratory of Beckmann Instruments. In 1957, Dr. Noyce became one of the founders of Fairchild Semiconductors. In 1968, Dr. Noyce joined with others to found Intel Corporation.

Dr. Noyce is a native of Iowa. He received his B.A. degree from Grinnell College, and his Ph.D. degree in Physical Electronics at Massachusetts Institute of Technology.

THOMAS O. PAINE

Thomas Paine is President and a Director of Northrup Corporation.

Dr. Paine was appointed Deputy Administrator of the National Aeronautics and Space Administration (NASA) by President Johnson in 1968. He was appointed Administrator of NASA in 1969 by President Nixon. Dr. Paine directed NASA during the first Apollo Missions, including the first landing on the moon. In 1970, Dr. Paine returned to General Electric as a Vice President and Group Executive. In 1973 he was appointed Senior Vice President of GE for Science and Technology.

THOMAS O. PAINE - Continued

A native of Berkeley, California, Dr. Paine received an A.B. degree from Brown University. He earned an M.S. and Ph.D in Physical Metallurgy from Stanford University.

MARKLEY ROBERTS

Markley Roberts is a member of the AFL-CIO Department of Economic Research, where he has served sense 1971.

Dr. Roberts was employed by the Washington Star from 1952 to 1957, when he took a position in Senator Hubert Humphrey's office. In 1961 he became a member of the AFL-CIO Department of Legislation, where he remained until 1971.

Dr. Roberts earned a B.A. at Princeton University, an M.A. and a Ph.D. in Economics from American Univeristy in Washington. Dr. Roberts' parents were missionaries residing in Shanghai, China at the time of his birth.

ROGER SANT

Roger Sant is director of the Energy Productivity Center of the Carnegie Mellon Institute where he has served since the summer of 1977.

Mr. Sant was assistant administrator of the Federal Energy Administration, Conservation Activities from 1974 until 1976. He has also been a Professor of Business at the Stanford School of Business.

Mr. Sant is the author of Least Cost Energy Strategy, published by the Mellon Institute in September, 1979.

Mr. Sant earned a B.S. from Brighham Young Institute, and a M.B.A. from Harvard Business School.

JOHN B. SLAUGHTER

John Slaughter is Director of the National Science Foundation.

Dr. Slaughter became Director of the Applied Physics Laboratory and Professor of the Department of Electrical Engineering at the University of Washington for Astronomical, Atmospheric, Earth and Ocean Sciences. He then served as Vice President and Provost of Washington State University at Pullman, where he remained until his appointment to NSF.

Dr. Slaughter earned a B.S. degree in electrical engineering, and a M.S. degree at the University of California, Los Angeles He is a native of Kansas.

DOUG WALGREN

Doug Walgren of Pennsylvania was elected to Congress in 1976. He was made Chairman of the Subcommittee on Science and Technology in February, 1981.

DOUG WALGREN - Continued

Before his election to the House of Representatives, Congressman Walgren practiced law in Pittsburg. From 1973 to 1975 he was Corporate Council for Behavioral Research Laboratories, Inc.

Congressman Walgren earned a B.A. at Dartmouth and LL.B. from Stanford University. He is a native of Pennsylvania.

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Legislators

FROM: Senator Vic Fischer VF and Representative Mike Miller

DATE: April 27, 1981

RE: Role and Status of Science and Technology in Alaska

Science in Alaska is big business. Nearly $200 million are spent each year in the state on scientific research involving hundreds of projects. The results of such research may well provide a key to our future.

The House and Senate State Affairs Committees recently held hearings on the status of scientific research in Alaska. The most significant issues discussed were the impact of proposed federal budget cuts, the controversy over research priorities and coordination, the importance of providing scientific information to the public and decision makers, and the future role of the Alaska Council on Science and Technology in light of these issues. A summary of the major issues, brief excerpts of the presentations, recommendations, and a statement from the ACST on its role are attached.

Full proceedings are available in the Office of the Governor, Senate President, Speaker of the House, Senator Fischer, and Representative Mike Miller.

I urge your careful consideration of science issues and look forward to your comments.

/sq

Recommendations

1. The Alaska state legislature should transmit a resolution to Congress citing the importance of Arctic science in resource development, defense, and environmental health and requesting the Congress to convene hearings on arctic science policy.

2. The Alaska Council on Science and Technology should take all steps possible to communicate Alaskan interests in arctic science policy to the federal committee on Arctic policy established by section 1007 of the National Interest Lands Act.

3. The Alaska Council on Science and Technology should promote cooperative science programs between government and industry for resource developments.

4. The Alaska Council on Science and Technology should develop a program for information exchange between the science community, decision makers, and the general public.

Things to Remember

- Ask people to state name + affiliation for the record
- Be sure to get all written statements assembled.
- Limit testimony to 10 minutes

Members present - Vic + Mike

(1)

4-11-81 Small House State Affairs Sci. Tech

0027 Vic opens meeting + outlines agenda

0031 Mike Miller makes opening statement "Get Sci-Tech on Record"

0047 Thanks Chris Nash

0061 Panel members pull up to table
Hitchcock, Underwood, Parker, Davis (?)

0070 - Requests they watch the clock.

- Vic explains "legislative participation limited"

0083 Dave Hitchcock - Present highlights of paper on need for support for technology in U.S. + Arctic — need for Arctic Policy to be built in U.S. (beginning w/ E.L. Bob Bartlett's efforts → ! → LBJ - died with him)
Nat'l Sec. Advisor Kissinger → "no discussion of Arctic science"
Paper outlines needs in areas of Nat'l Resources, Environmental change, Climatic Change, Health + welfare of people + Nat'l Security

0129 Barriers to development of science policy
- Industries lack basic knowledge needed.

page 2

9:17 — Efforts in polar science → Antarctica

0144 — People in Arctic - deserves some attention

Conduct of science in gov't (Fed + state) is procedural rather than oriented toward developing in view knowledge.

0168 (Hickock still) — Difference made by indigenous people + their participation — their sense of values.

If U.S. is to meet energy, mineral + defense needs there can be partnerships — state - Fed govt, industry + science — must be done soon

Arctic dilemma must be solved.

0199 — Vic asks for each panel member to give name

0214 — Underwood, Outlines CRP paper

physical, biological, social

page 3

Underwood

0228 Outlines breakdown by discipline – research being done in biological sciences, geology, oceanography, social sciences etc.

9:[illegible]-6

Trends (comparative) → Gradual increase (34% 1976-7) in amount of research (1978-79 decrease 3%) – effect of tightening economy –

Where / Location projects regional → South central at top of list...

Where Home residence of scientists – more in South central

0278 Who conducts projects – Feds, state (U of A) Governmental agency 1/2, state 1/2, academia 1/3

defense Forest NAS, NPS

0298 – Vic – Did you make any comparison of $ amounts

0301 Yes – project supports Fed (60%) State (27%?)

– $ support – Fed (80%) state (16%)

Misleading as a lot of state $ is Fed matching – Fed about actual 90%

200 Million > Total ~~output~~ Cost – ≈ 180 Million Fed

0326 – Has downward trend of 79 continued – What is impact of Fed impact

on process of knowledge accumulation + on sciences.

0335 - Walt Parker -

Substantial reduction in Federal monies - we will lose expertise @ Federal level.

(9:30)

Gaps in agency response - hydrology, soils info., ice information, climatology

NOAH Fleet reduction → areas difficult to replace - specialized research

Life sciences: environmental health - programs have been largely eliminated. State + private interests have not picked up slack

Transportation - Increase in G.C. surveillance but not much new technology.

0440 Parks + Rec., Wildlife Research
- Effect of Federal cuts continues -

Cancel all research + devt in alternate energy or fossil fuel research.

0453 Upsurge in private sector - Fed programs either

(5) Jack Fuller + Mitch Abood show

stationary or in decline

0462 Walt - continue
Impact on support services
Emphasis taken off environmental + energy programs -

0480 Neil Davis - ACST
— Alaska's current investment in research + development too small (½ That of Canada in relation to GNP)
AIST in past two years has been examining research priorities — Developed by 13 ad hoc committees of scientists -

0533 Even after identifying areas to be emphasized
Management of programs + procedures must be developed. Systems in place - operating on a low level.

0566 — End Neil —

Introduction Mitch + Jack

0570 — Mike amazed by small amount of private investment. - Is it all petroleum related?

0578 Dave Hickok — Largely, yes. AOGA involvement

page 6

0596 Vic "How do you define "Alaska Science"?

0601 Dave H. → Interface Arctic — Alaska Science

Vic → Underwood - you were talking about all Alaska

0621 Dave Hickok - our primary concern - future of research.
20-30 million need

0641 Mitch Abood - Your comparisons are of Alaska to other countries (Russia, Sweden, Canada) - we are merely a state - can't U.S. pick up 20-30 million.

D.H. of course - partnership of State + Feds

0655 Fuller - how much shared info. is there between U.S. + other countries

0661 - W. Parker - Not much - no formal mechanism - even w/ Canada ~~the~~ only individual relationship

D.H. - Some exchange of data base w/ AIDC + Calgary

0698 N. Davis borealis - Atmospheric, space, aurora

0656 - Fuller - how much farther ahead ~~Canada~~ Russia is in winter construction, ice technology

0698 W. Parker - Not any vigorous exchange /

0700 Russia advanced Soil science, permafrost, etc. - Russia much farther along. - N. Davis

0715 Abood - Private companies have volumes on perma-frost (pipeline) if we can't apply that information what good does it do to repeat studies.

0740 Vic - To what extent is ACST going to come up w/ priorities

0744 - N. Davis - ongoing process rather than a point in time

Re: oil companies research - they do not know enough about basic physics of soil. Much is proprietary into which must be bought

0762 Vic - partnership of industry + public sector necessary

0776 D.H. > do not have answers to how to bury pipeline — security of it. Partnership between getting ahead of pipeline

(responsibility of public sector to learn certain facts

10:05

0953 - VF " How is ACST working out? To what extent are exec. + legis. agencies showing an interest / being affected in their activities.

0802 Neil Davis
- More interest from legis than exec. — limited in what we can do — We have had to rely on much volunteer labor. Increasing

0812 communication - 2 way — would like to see it improve.

Size of operating budget. —

0824 VF How is grant money holding out (Northern Technology)?
Chris Noah - leveling out in Northern Tech — # needed in / research grant funds

0830 D.H. : — larger question (ACST as a state Science Foundation — Natl Hazard Problems) not adequately funded

(8)

0839 — VF will you be coming to the Legislature + responding to priorities emerging from studies.

0844 N. Davis — ~~

0849 D. H. — ACST doesn't really care who gets money

0853 Mitch Abbod — I do!
What about ice fog!!? as an example
Freight, aircraft

0875 VF — Jumps to Ben Franklin's defense

Mitch has practical interest in agriculture + transportation

10:15
0887 Neil Davis — There may be no solution to ice fog! By putting money into a project like that we still hit on answers. What is use of building RR that collapses in 5 years.

0902 Mitch — doesn't object to Sci-Tech —
I'd go to Federal gov't, someone who's built a rail road!!...

0903 — VF — As someone who has been part of scientific community I would not avoid ice fog problem — Solutions are emerging +

9

0912 we can find ways to protect people. I hope council pursues bringing us answers.

0918 - Break.
10:15

Miller left.

0921 - B. Public Interest in Science & Technology
10:35

0930 Doug McConnell - working in Ak since 1973 - connect public w/ issues - T.U. Pgms - Alaskan Advocates - Public TU & radio focus
Past decade & years ahead - internally stretch swamped w/ issues & resources etc. Choices must be made - little non-advocacy info provided. We lag behind in creating informed population "the bedrock of democracy."
- Disparities - millions spent on public TU system - little support for public programming for information

0958 - Linkage between SCI TECH & reporters & public! for purpose of application

0964 Doug quotes Howard Weaver - difficulty of journalist in doing technical writing.
There is interest in media for info.
Pete Carran KAKM said → Journalists required to deal w/ scope of issues - wants to call someone & get non-advocacy info. - We deal w/ advocates

(10)

Doug cont.

0984 Public is hungry for info about Alaska if well-produced.

0991 - Nat'l Science Foundation grant (format for broad dissemination) - 60 second slots for scientific tidbits - (Has been going on for 6 or 7 mos.)

1003 (1045) Economics dictate against broadcasters working up their own material. We can provide this there is a need. Funding usually comes from outside. Question state must ask -

1028 End Doug

1030 Joe Le Rocco - speak for press & public interest of Sci-Tech.

- Disclaimer - planned to speak as member of press but will not speak for press -

Newsmen like scientists - talking to ourselves or to each other!! Scientific community suffers from "chronic crisis of confidence" - caught up in critical phase

If scientists could communicate directly w/ public or press it would alleviate this problem.

Public Info last priority esp. for science

1062 community.

Scientists must make commitment to public at large - take public info off top of budget

(11) Joe

1070 especially in light of their sustenance from donations.

— Professional technicians must be engaged for technical writing/media orchestration

1077 Science curricula should include a class in this skill.

Definable goals + constituency should be linked together. Building that constituency + fashioning that link will enable scientific community to achieve their goals — a large advocacy group can be developed w/ clout (political sort)

1106 Inclusion of brief narrative account for media dissemination by those developing project proposals for profile.

— Example — Neil Davis' column — Alaska's Carl Sagan — except Carl's material sometimes sinks to scientific drivel.

1120 — Doesn't aid scientific community to work on Vic Fischer + Brian Rogers — they are already advocates

1142 Abood to Doug —

How much info for the 60 second sets came from ACST.

(12)

Doug - A lot from ACST, Info at University
1150 other sources
1100 Doug agrees to bring some - were running em last night wind blew them off the air.
(Brian Rogers shows)
1158 Mitch - problem of image of Alaska by U.S.
Can these 60-snd spots designed for use outside too.
Doug - ~~Must~~ Not yet been an Alaskan team program for national distribution - One coming up on impact of T.V. KAKM on rural Alaska. for Nat'l Distribution
We have important stories of national significance
KAKM also doing ~~re~~ one on rel. of U.S. & Western States / Stafeld Commission / Sagebrush Rels.
We now have the satellite technology at low cost to go to lower 48. Actual distribution network is cheap.

1188 VF - Doug - you emphasized non-advocacy public info
Already happening
- Issue of petrochemical industry development in Alaska, - People taking sides - current project being done by industry (They are doing snow job)
1202 How-Public involvement

1205 Doug - A Difficult challenge

1210 no prior experience, hard to gather information. People need to extract it & present it, Still no non-advocacy programs — need for research

(Not lobbying for own group)

1228 Joe — It's been six months since irreversible impact was begun (Reagan) is/it a mechanism for dealing with it — Does Shell may or may not come up w/ recommendations ~~with~~ in best interests of state.

VF — Initial decision to go ahead w/study was done w/o public input.

1240 Joe — de facto decisions made

Have expertise readily accessible to decision-makers so they can make informed decisions — info re baseline data & banks of expertise. Support for scientific research both pure & applied.

1250 Brian Rogers — how can public be made aware —

Joe — assuring decision makers are involved — research results will "fallout" into public sector.

1267 Brian - what can we do?
JDC - also a function of scientists
Doug - cites training & background of scientists - translation problem - got to be some help in condensation & dissemination
JDC - "In a behavioural

End Tape 1 12.20

Tape 2 START 0002 11:15 C. Alook at specific needs

0019 Fran Ulmer - OPDP - on behalf of Gov's office

3 areas where research can be produced in timely enough fashion for decision making purposes

ACST

Examine Problems in that relationship
- Effective communication ACST can bridge that gap.

0063 Agency managers need to educated in role of science & research.

Research agenda more long range than 1 year 3-5 year plan of
* ACST can build agenda for long range research

15 Present: Vic, Brian, Mitch

Fran

0089 - Impact of Federal cuts - research cuts

- Evaluate most likely cuts identify - have Gov's office work w/ Congress - not too late to identify some research areas.

Legislature - must evaluate which Federal cuts will be alleviated by state. (special session?).

0120 - Technological Innovation: Role in economic growth. Bridging technical gap.

- Recent national concern for productivity:

0147 ACST consider kind of work being done on nat'l & Fed level - private & public sector working together to bridge the gap.

0168 Brian - 3-5 yr. research plan - Council has representation of private sector, public sector, administration - do you mean those groups are no longer represented on council as was orig. intended?

0193 Fran - Not enough consensus has developed. Climate not provided for evolving apkn - Council has large role & difficult assignment - getting Legislators interested.

(12)

0205 - Brian - while were developing 5 year plan what about funding already identified projects.

Fran - Can't always wait until whole picture develops

0220 Mitch - need to exercise common sense - need to simplify for average person.

VF To what extent does Govis budget review Committee look at research components of budget

0248 Fran - a piece of each agencies budget

VF - any effort made to see interrelationships, Coordinate research

2. get U of A involved in agency research.

From

0257 - B+M but not done with a comprehensive review of research.

Council can identify

0267 AOGA - Ride Shaker - manager env. safety + ser. for SOhio. 9 year resident (petroleum head) These comments my own views

0414 George West (U of A) Vice President of — Affairs
(Ray Barton out of country)
U of A represents largest & most varied pool of scientific expertise in state.
Only source of basic knowledge in Arctic science.
Now research conducted through centers, by people in programs, on wide scope of issues.

See Annual Research Report — Summary of hundreds of projects underway — Can provide data on which are Fed. funding.

0460 — Need for space, instrumentation, not new programs.
Faculty needs lab & office space. (60,000 more sq. ft)
0471 (How much $?)
— Need for field ~~lab~~ bases in Arctic

0491 — Need for sophisticated instrumentation
Alpha Helix, electron microscope, etc.
— Areas in which research is needed
soils, animal disease, water quality,
volcanic & earthquake research.
— Impact of Federal cutbacks
Filling anticipated need: impact 14.3 million out of 35 million
Eliminated programs.

(15)

0288 Rick Shafer — refers to Max Beasley
Forum of support for research
LPRC (?)
- ABSORB - Beaufort Sea research

Link w/ Canadian research in oil spill technology.
Current projects include examining impact of
0323 discharge oil on shoreline / Bowhead whale population study.

Benefits of basic research accrue to society generally — public should pick up cost.
mapping, weather data, hydrologic + oceanographic + geo-hazard info.
0350 Rick Shafer -
Attempt may be made to shift economic burden to oil companies. Gov't should expand our knowledge - State can take a role in
0377 sponsoring research projects w/ best benefit to Alaskans
0390 End Rick's presentation.
VF - What is extent to which this kind of work is ~~[illegible]~~ proprietary?
0400 RS - Usually info is eventually released - sometimes immediately
0408 End Rick

20 S

Neil: prioritizes
0665 Legislatures → ACST → dissemination

0671 - Mitch — U of A more qualified to do That Than ACST.

0675 Brian — Council to identify research needs — U of A folks carry out research
~~It~~ money goes ~~into~~ directly to scientists it will end up being spent on Their specialties (their priorities necessarily linked to areas of expertise)

0693 Mitch - cannot see benefit

0694 Brian - Council also identifies needs

~~MITCH~~ -
0720 — VF Often takes external pressure — cross-fertilization
This is part of ACST role
small grant program encourages alternative solutions to small problems

0729 Brian - Agencies have developed research components — ACST may orchestrate some of these independent efforts — designate appropriateness of agencies

0745 Brian (cont)
role of basic research - what good does it do!!? Example of rapid development of telecomm. in state due to 1950's investigation of atmospheric disturbances.

0766 - Mitch favors "experts" per se. (Acknowledges value of individual creativity - but prefers a leg A "think-tank" as vehicle.

0777 George West - University is a "think-tank"
12:10 but they don't have a broad perspective (ACST)

0798 Wayne(?) Meyers, WAMI - Health + Medicine
No health related think-tank -
it will take front end money to develop nucleus of expertise.
Background - Federal funds were formerly abundant during Alaska's territorial status. Fed presences of 60s have been withdrawn - not a Federal priority.
Arctic Health Research Center - closed by Feds in 1964 - State UofA was going to pick up slack but UofA hit mgmt problems + state spent money on petroleum presence preparation.

(22)

0831 W. Meyers

In addition to identifying research needs you need nucleus of expertise (AK) To determine if time + state of art permit specific efforts.

Science projects - improving science education NSF - Fed grant - limited longevity.

0856 "Closet researchers" Robert Grove
Dr. Stiner - PHSS

Anchorage center for disease in Lower Yukon "serum hepatitis" - liver cancer - Lower Yukon + Kuskokwim - interdicted from research pursue - They gather data - stretch the limitation.

0877 Applied U.S. basic research -

Short term return - Alcoholism research - 16 million per year

Office of Alcoholism awareness ? new perspectives

0889 genetic perspective. Example of suggestive area for basic research we are not is position to move forward with the Sociological & Anthropological perspectives not sufficient, however.

0918 Rural Health - Svcs. Delivery

24

1008 irrelevant dialogue

1030 W. Meyers

1040 V.F. suggests body to do onsite research.

1053 WAMI perce an educational thing, costs borne by state - states keeping dollar commitments. Some decline in Washington

Not Germane to disuss ins & outs of WAMI at this time!!!

1067
1070

1:40 End Wayne.

1080 R.e., re Economics - Lee Gorsuch - ISER Director
Post ANCSA period as a genuine social experiment. Extensive endowment of natural resources -
Can it be translated into a way of life which translates into people being better off than before -
1106 - Lee - Alaska in a period of experimentation
legislators might share scientific approach -
Draft legislation - compile data - subject it to analysis - Bridging common gaps
Ex: Housing Mortgage Assistance Program
+ determining success of programs

23

W. Meyers

0922 Need for recruitment of rural + native students for health care research.

Seasonal studies on health factors

0933 Hypothermia studies, Arctic industrial medicine, high latitude populations highest incidence of gonorrhea in Northern U.S.

Dr. Barton appointing group to prepare recommendations for 10 year priority plan for health research — (MAY) Report 9-81, 3-82

0953 W. Meyers states own recommendations of where centralized activity will be, limits, role of telecommunications + rural components.

0961 End Wayne.

0967 Mitch - how many years studying gonorrhea/alcoholism, Cabin fever

W. Meyers - fetal alcoholism - towards 1973, 1975 - acknowledgement No research on it in Alaska - Natives are more prone - a grudging acquiesence of this - that is state of the art.

0992 Mitch - What are we doing to counteract gonorrhea - education? - what is your intention

0997 W. Meyers - Public info programs, immunization programs emerging - some improvement witnessed.

(19)

$50 million

0558 ?.4 million in salaries (96 professors) + administration
Will impair all research.
Need for long term commitment to research & / scientific development as part of state needs.

0578 Brian – How can public be made more aware?

0580 – George West – Translating info to public

0589 – Brian – suggests Through U of A we "pride up what we've lost".

0603 Mitch – What part of U of A research has been transmitted to benefit of people.

0611 – Dave West – cites caribou – reindeer disease work & breakthroughs

Mitch – Is there relationship between U of A group Science Council & ACST? Could't U of A do function of ACST. Mitch stresses need for relationship between U of A & ACST & PEOPLE (results). Is this not duplication.

0645 – Dave West – let Neil Davis respond. Some money comes to U of A through ACST.

Neil Davis

0651 – Science Council cannot do research itself. Council is in role of policy issues, etc entering contracts, granting funds

12:00

(25)

Lee

1124 Legislative goals are subject to empirical analysis but we lack data acquisition + analysis + application to data.

Hydroelectric experimentation / Education

little objective assessment of programs into which money has been put — little evaluation, analysis + feedback to legislature + "mediary".

1146 PCF proportions, continuity, feedback

of effort to output delivery to evaluation	approach to research + eval. has to be continuous consider multiple year funding	Re: Mr. La Rocca McConnell lack of feedback into decision making / political processes
Step up	provide	we can give

ISER - Social + Economic Sciences will be most drastically affected - 75% of funds
Fed - NSF being totally reduced 25%.

Fearful of inability to provide analytic tools in the future

1188 - More spent on animals than demography

102 Capitol

Hearings on the Role and Status of Science and Technology
in Alaska before the Senate and House
State Affairs Committees

A. Overview of Alaska Science and Technology: A Panel Presentation

9:00 a.m. Alaska and U.S. Arctic Science Policy - D.M. Hickok, AAAS, Alaska
American Assn for Advancement of Sci + Tech
Arctic Env + Data Center

9:10 a.m. Who is Involved in Alaska Science; Areas of Greatest Emphasis -
L. Underwood, University of Alaska

9:20 a.m. Findings of Alaska Council on Science and Technology Hearings on the Status and Direction of Federal Science in Alaska - W. Parker, ACST
+ special counsel to ACST

9:30 a.m. Priority Needs and Other Issues connected with Science in Alaska - T. Neil Davis, ACST

(NOTE: The full text of reports on the above will be available; presentations will be summaries)

9:40 a.m. Questions and Dialogue between Legislative Members and the Panel

10:00 a.m. Break

B. Public Interest in Science and Technology in Alaska

10:15 a.m. Statement from the Press Joe LaRocca, Doug McConnell

10:35 a.m. Questions and Dialogue between Legislative Members and the Press Representative

C. Science and Technology Needs and Priorities: 10 Minute Presentations by Government, Industry, and Public Witnesses (with filed statements). There will be 5 minutes for committee dialogue with each witness.

10:45 a.m. State of Alaska - Governor's Office Fran Ulmer

11:00 a.m. Oil and Gas Industry - AOGA Representative Rick Shafer

11:15 a.m. University of Alaska - J. Barton, President George West

11:30 a.m. Sealaska Corporation - B. Mallot, President

11:45 a.m. Health and Medicine Community - W. Meyers, WAMI

12:00 a.m. Resource Economics - Lee Gorsuch, Director ISER

12:15 p.m. ~~Fisheries Industry - Steve Pennoyer, ADF&G~~ written only

12:30 p.m. Agriculture Industry - Charles Logsdon, Agresources

12:45 p.m. Coal Industry - ~~Cole McFarland,~~ Placer Annex Phil Holdsworth

1:00 p.m. Mineral Industry - ~~Dave Heatwole,~~ Anaconda Tom Crafford

1:15 p.m. Energy Center - Gordon Zerbetz, Director

(32)

(0226) Gordon-

(0270) Vic/Brian question basic assumption of goal-based research- concern w/ reduction of basic research - we are living off old basic research discoveries.
Concern that this is happening on a national level.

Frequently a justification for research can only appear after the fact.

(0290) VF the need to balance immediate needs w/ long range view.

(0301) VF thanks all - Imp. of addressing those who are not already advocates.

Response to science -

Hopes this is an awakening to total scientific need rather than being sold on specific ~~needs~~ pathways

ACST a Good vehicle

27

1190 Need to use resources to improve quality of life.

1201 Mitch - we are not using vehicles in place in an effective manner
What about Reagan's economic recovery plan
How are we viewed by lower 48?

1206 VF- The extent to which we can use social & economic science research to alleviate current problems.

1245 Reemphasize need for portion of funding for evaluative & developmental programs
Mitch left.

1262 Charles Logsdon → Ag Resources Agriculture

1272 - Starvation + malnutrition lower worldwide than ever despite higher population
a tenuous situation - a bad crop year could have great political implications.

1297 Charles -- Numbers of Federal + State scientists in field. State to state comparison of # of ag scientists.

1302 Who is involved in ag. research

Contract negotiations rather than creation of separate research division.

1323 Cites different groups which have research needs from state agencies to ARRC, to CFAB + private corporations.
Farmers not only beneficiaries — marketing, processors + consumer

1338 Increased Alaskan production may be regarded as an intrusion. This situation should be examined + met.

1348 Concentrate research in University for the most part. Technology transfer needs support —

Fed budget cuts — cites agencies + programs affected.

1360 Secy of Ag Block — Alaska may be part of Federal Omnibus (grant?).

Overview of AG situation — State Ag. establishment has marked goals + objectives — personnell + $ for working on it may be provided!!

1385 VF Area of particular interest this year AG — specially monitoring + feedback

1393 Loysdon — agrees

29

Phil Holdsworth

1394 Coal industry — Player Annex
current status. written by Cole McFarland
1:10 — Fire sampling, analysis — Fairbanks U of A
program should be expanded.
1410 Arctic Research Center - environmental quality
preservation
Difference between cole resources + ~~re~~ minable
coal. (recoverable).

Alaska's coal must compete in world markets
1438 1. Imp. on gathering data
2. expansion of sampling to define coal quality
+ characteristics.
3. expansion of current state program & compilation
& data base through aerial mapping + interpretation
4. Continued participation by ~~state~~ DGGS (DNR) for
pollman to supply rural locations.

Mineral Industry

Type 3 — Tom Crafford — Anaconda Copper
0020 — Hardrock mining U.S. currently reliant on
foreign sources.
Platinum, Chrome, Nickel in Alaska
Known deposits in USSR / Yukon. No
incentive for Alaska. Exploration has been
provided.

Currently 6 known deposits $54 billion value

(30)

Counter jammed
The numbers are a guess now

0075 ? (11) Tom Crafford --

expense & time consuming nature of scientific research - number of publications not equatable w/ increase in knowledge.

Field mapping should be primary thrust of states program in minerals

0120 (53) Aerial mapping - Review of existing stuff

Placer mining - research on decreasing turbidity

Challenges posed by Alaskan environment - engineering hazards & info should be provided - U of A!

0170 (79) End Tom

0180 (90) Gordon Zerbetz - Ex. Dir. Alaska Energy Center - former comm. of APUC.

Consensus acquired at AEC Board meeting.

R&D difficult to tell if people are talking about

(81)

(0123) same phases of product development

Research should respond to needs not just generate knowledge to fill gaps.

(Research & development –

Fed cutbacks may not be primary concern rather Alaska's wealth & resultant decrease in funding by Fed's.

Thrust of Center's work:
Identify statewide research capability

(0170) Oppose concept of percentile budget approach to research.

Relevance of research is stressed.
Association of research & need.

(0187) Brian – What about research in general – a lot of major gains in basic research were not anticipated. It sounds like ACC is saying "cut out basic research"
You were speaking to your own research needs!

(0212) Brian questions if it is possible to know of a "pay-off" (specific) before beginning.

SUBCOMMITTEE ON ALASKA'S FUTURE

July 29, 1981

M E M O R A N D U M

TO: All Legislators

FROM: Sen. Vic Fischer

RE: Forthcoming seminar

Terry Stimson and I are putting together a workshop to discuss some issues of Alaska's relationship to the nation and the world. The focus will be on Alaska's future and the trends and external developments that will effect the economic and political environment in which Alaska's development occurs.

We anticipate that this workshop will occur in September. If you are interested in additional information as arrangements proceed, please advise:

Laura Fleming
c/o Fischer
511 West 4th Ave., Ste. 5
Anchorage, Ak. 99501
(907) 278-3654

MEMORANDUM

TO: Senator Victor Fischer

FROM: Gordon Harrison

SUBJECT: Legislative workshop "The Potential of Policy"

DATE: November 12, 1981

You have requested written comments from me regarding a summary of the recent workshop "The Potential of Policy". I had prepared a summary statement to present at the end of the final session but as you will recall, an animated discussion had begun toward the end of the day that would not be laid to rest, and it consumed the time set aside for my remarks. Now, with a transcript of the proceedings available, these remarks seem inappropriate. Instead of writing down my earlier summary (which attempted to restate the essential points of each speaker, among other things), let me here offer some general comments about the workshop and the subject of legislative planning in general.

As I perceived it, there were two objectives for the workshop---one was explicit and the other was implicit. The explicit objective was stated by Senator Stimson in his introductory remarks, namely, to recommend procedures that will enable the legislature to identify and address policy issues when they are still somewhat distant, and do not have the urgency of a crisis. The other objective was implied by the presentations of many of the people requested to prepare papers (for example Ylvisaker, Tussing, Cooley, Wilson, Holthaus, Mitchell)---namely to identify trends shaping Alaska's future and the policy issues likely to emerge in the years ahead. Thus, the workshop set out with a closely related but distinct set of purposes: one dealt with procedure (what mechanism can best deal with future issues?) and the other with substance (what is the future of Alaska?). John Havelock indicated early on that the discussions scheduled for the first day were intended to explore the substantive question, and the discussions scheduled for the second day were to seek an answer to the procedural question.

Despite Mr. Havelock's best efforts at steering the workshop, it simply did not want to leave the substantive question. We never did get to the matter of legislative procedures. I certainly do not believe that the workshop failed as a result. Indeed, I am not sure that this particular group of people were very well equipped by experience and training to deal with the matter of legislative mechanisms, and that their recommendations might not have been useful to the legislature in any case. On the other hand, these people were fascinated with, knowledgeable of, and eager to talk about Alaska, its problems and prospects for the future. About this

there was much wisdom and insight expressed.

My own response to the two days of discussions about Alaska's future is the fear that Alaskans may be steadily moving away from, rather than toward, a common vision of the "good society" for Alaska. Although I have no first hand knowledge of the time, my impression of the early period of statehood was that Alaskans shared to a high degree a concensus and optimism about their future. The major issue that separated people before and shortly after statehood was whether Alaska was financially prepared for statehood. This was primarily a concern of the propertied interests, who feared increased taxation. The majority of people, however, urban and rural, shared a common resentment against federal management and a common idealism and enthusiasm about the possibilities of self-government through statehood.

At the present time there appears to be a number of very deep and divisive conflicts among Alaskans. These have resulted from population growth and oil wealth. The urban/rural split, about which Don Mitchell and others spoke so eloquently, seems to be the most serious of these conflicts. It has several dimensions. One concerns an equitable division of public wealth from Prudhoe Bay; another concerns land use, mainly conflicts between subsistence and recreational uses of fish and wildlife.

The conflict between development and conservation, which has become something of a cliche these days, is still very profound. This conflict arises anew with every development proposal, including offshore oil leasing and onshore mining and petroleum development. The question of whether to build a petrochemical plant in Anchorage, for example, is an issue that could split Alaska's largest city into warring factions.

Another fundamental cleavage among Alaskans today is over the legitimacy of state and local government authority in general. The widespread optimism of twenty years ago about the ability of state government to promote development and the general welfare of Alaska's citizens has turned to disillusionment and widespread pessimism. The Libertarian and other "fringe" political parties that question the basic scheme of things are making significant advances.

I raise this matter of polarity in Alaska society because it relates to an underlying theme of the workshop discussions, that Alaskans in general and the legislature in particular need a "vision of the future." It is only with a uniform view of the goals of our society that long term governmental policy can be developed, and the success or failure of policy be measured.

The legislature is broadly representative of our society, and it will have a common vision of Alaska's future only to the extent one exists in society as a whole. Because I sense that Alaskans are moving away from, rather than toward a concensus of the "good society" I fear that the legislature will find it very difficult to set long term policy goals by means of a rational

planning process. Thus, my foregoing observations relate to the question of legislative procedures and mechanisms for policy planning, because the form that these take must reflect the political realities of the legislature and the state. A planning agency that serves a legislature with a high degree of concensus on major policy issues would be much different from one that served a legislature with little concensus. My own view is that there is little concensus about major issues in Alaska, and that for a legislative planning mechanism to be useful and effective it must attempt to accomplish only what is possible within the situation. An Alaska legislative policy planning agency would fail if it set about its business on the presumption that plans could be developed and implemented like they are in the executive branch, where in contrast to the legislature, a single and coherent vision of the future needs to be held by only one person, that is the governor.

The questions of an appropriate planning mechanism for the legislature, and I am sorry that it never received much discussion at the workshop. An excellent point of departure for consideration of the problem was the presentation by John Rasmussen of Batelle. Rasmussen's concept of a Pacific Northwest Forum is one that is readily adaptable to Alaska. It appeals to me because 1) it is issue oriented (that is, each forum would concentrate on one specific problem, rather than cast around in search of problems and future policy issues); 2) it would draw on people with expertise and responsibility for the issue at hand; 3) it would include labor and industry as well as other interest groups, the university, and government; 4) it would bring different levels of government together (state, federal and local); 5) it would not be an extension of the legislature, but rather an independent body with its own director and staff.

It seems to me that another workshop would be very valuable that focused exclusively on the question of procedures and mechanisms. It would include people with relevant interests and experience, including people with knowledge of legislative planning bodies in other states. This is, however, the subject of another memorandum. I will be pleased to discuss it with you in the future at your convenience.

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FROM: Gordon Harrison gsh

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Senate Committee on State Affairs
Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

Tentative Agenda

The Potential of Policy

A Legislative Workshop

To identify long term trends and national and international forces influencing Alaska life and explore the potential for Alaska policy influence on the future.

Moderator: John Havelock Reporter: Gordon Harrison

Wednesday, September 2

12:00 noon — Introduction: Senator Terry Stimson: the Objectives of the Committee
Luncheon session:* Paul Ylvisaker: "Prospects for Change" - an overview of national and international social, political and economic trends in the 80's and 90's

1:00-1:45 — Discussion
1:45-2:00 — Break
2:00 p.m. — Session I The Dynamics of the Alaska Resource Base

1. Arlon Tussing: The context of Alaska petroleum development

2. Richard Cooley: Alaska resources in the context of environmental trends

2:40-3:20 — Discussion
3:20-3:30 — Break
3:30 p.m. — Session II National and International Social and Economic Trends

1. Blenda Wilson: The evolution of education and human development programs and philosophies

2. John Rasmussen: Trends in regional cooperation

4:10-5:00 — Discussion

* Both luncheons will be working sessions with discussion to follow each luncheon presentation

(over)

Thursday, September 3

9:00-11:45	Roundtable (small group) discussions: Assignments to be announced
12:00 noon	Luncheon: Tom Dinell: "Prospects for Policy: Alaska and Hawaii in the Pacific Rim Context"
1:00-1:45	Discussion
1:45-2:00	Break
2:00-2:40	Session I: The Character of Alaska Society

1. Don Mitchell: Evolution of the two Alaskas: the urban/rural dichotomy

2. Gary Holthaus: Reflections on the polytonal nature of Alaska social interests

2:40-3:20	Discussion
3:20-3:30	Break
3:30-4:00	Session II: The Prospects and Limits of Policy A Panel: Stephen Reeve: Resource Management and Planning; James Souby: Refining the Excutive Branch Role; Jamie Love: Structural Issues in State Policy Development and Implementation
4:00-4:40	Discussion
4:40-5:00	Workshop Summary: Gordon Harrison

Senate Committee on State Affairs
Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business SUBCOMMITTEE ON ALASKA'S FUTURE SENATOR TERRY STIMSON, CHAIRMAN

September 2, 1981

THE POTENTIAL OF POLICY -- A Legislative Workshop

Notes and transcriptions of Day 1 -- on the Potential of Policy

List of Tapes from -- THE POTENTIAL OF POLICY -- A Legislative Workshop

September 2, 1981

Day 1 - Tape 1 - Side 1

John Havelock - open

Sen. Terry Stimson

Sen. Arliss Sturgulewski

Paul Ylvisaker (Prospects for Change)

--Tape 1 - Side 2

Paul Ylvisaker (discussion)

Arlon Tussing (The context of Alaska petroleum development)

--Tape 2 - Side 1

Arlon Tussing

Richard Cooley (Alaska resources in the context of environmental trends)

--Tape 2 - Side 2

Richard Cooley

Arlon Tussing

Discussion

--Tape 3 - Side 1

Blenda Wilson (The evolution of education)

Discussion

--Tape 3 - Side 2

Discussion

SUMMARY OF "THE POTENTIAL OF POLICY" A LEGISLATIVE WORKSHOP

John Havelock- opened the workshop with an introduction and greeting to all that were attending. He emphasized that leadership in all areas, both legislative and executive branches of government are parochial, short-term interests. He turned the program over to Senator Stimson with the thought that we are here for the next two days looking for the rationality of why we should be optimistic for the future of Alaska.

Senator Terry Stimson-welcomed all the participants with the statement that he wanted to accomplish two goals at this workshop. One, to establish a procedure for taking a systematic approach to decision making; and two, to determine Alaska's role in the future and how this role will work together with the systematic approach that has been worked out. Stimson said that Alaska has always been able to deal with poverty, but it has never dealt with wealth. This is our challenge. As a legislator he was tired of making knee-jerk decisions about important policy questions. These decisions should follow some rational process and that's why we are here today.

Senator Arliss Sturgulewski-was introduced by the moderator (Havelock) and carried Stimson's idea of the process into an example of this year's legislature. She believes "the bush" has to get what it can because that's the way the system works and posed that question of how this group or the process this group is working on, can change that outlook. It takes 4-6 years to accomplish policy and yet the constituent does not yet give you that kind of time. Also, when looking at the administration's policy goals, it is the agencies who should establish policy for their departments and they have not done that. She gave this year's energy legislation (hydro) as an example of spending the money before policy is developed.

Paul Ylvisaker (Dean, Harvard Graduate School of Education, Cambridge, Mass.) This is one of my periodic visits to Alaska. I guess they have been occuring every two years and this one is as refreshing for me as all of them have been. It's a combination of an Alaskan welcome and Hawaii weather. It's something hard to beat. Since Tom Dinell brought us the Hawaiian weather, I'll bring you some Boston irrelevancies. The courage I have in coming back, is somehow Alaska has survived my every assault and I don't have that bad a conscience.

If you all share the charge I've been given which is to give you an overview in 15 minutes of the social, political and economic trends from now to the year 2000 . . . I suppose a name like mine gets a title like that every time. I don't approach it with as much trepidation as I should or as I once did. There's an advantage to getting older, which is not so much that you get enough wisdom to talk to a crowd like this, but you realize how few years you have left to repent. I have not reached the point of an old Harvard professor who used to end every lecture and speech by saying, "okay I'll tell you again, history is going according to my schedule."

There is a gloominess that goes with looking ahead. We are only three years away from George Orwell's 1984, but if any of you are terribly worried about that, I found in England a generation ago a gentlement that Orwell had originally titled the book 1948. The publisher refused to accept it with that. Orwell was talking about things that he thought had already happened in his time. The gloom one sees in that is not some distant future, it's the insidious kinds of things that are already with us. I do know though, if you look forward all things sort of take on a melancholy feel. So, I no longer have that kind of gloom. Optimism with me, is a matter of age as well as faith.

Let me try to divide these remarks into three categories. I will deliberately stay as abstract and as lofty as the title suggests simply to set a frame for the way I see the world that I travel quite a bit. I do have a chance to get around it quite a bit in various things that I do. A lot of that world also comes to Harvard which is one of the advantages that I must say in thanks to Alaska, the increasing flow of Alaskans who have come to Harvard and particularly the graduate school of education has been fabulous. There is a freshness of verve, a willingness to look anew that these ,quote, students bring to us which I deeply appreciate. Among other things I've also had a chance, being a part of a international corporation of foundations that deals with 30 countries, most of them developing, that the perspective that I'm going to give you comes from that kind of quick flight around the globe. Then we can descend very easily in the remarks that all of us will make following, to how it applies to Alaska. You are on this globe a major geographical section of it. A very strategically located. Again, I want to say, without apology, to say that what I'm going to say in the next 15 minutes will be of the character of a quick 15 minute flight around the globe and what I see in the next 20 years.

There are three great determinants of change. One of those has to do with demography and population. Another has to do with technology. And the third has to do with ideas and values. So let me just talk within the frame of those three great determinants and suggest some of the things that I see happening that are pervasive in just about every society now that I've seen and experienced.

Take first of all population and demography. There's a fateful attraction between two trends that are now going on in the world. The first is the aging and the slowing in growth of the majority of the native populations. I use native here for those who are born in those countries, not the peculiar way in which we use

native Americans. But the aging and the slowing in the growth of the industrial and particularly the American nations populations. In the U.S. the average age of our population is 30+. That is of the native white, particularly the majorities. Against that trend in the industrialized nations of the slowing and the aging, you've got the younging and the constant growing of the third world. The third world does not just apply to the geography of the world, it has also to do with representation of those nations and that spirit within our own population. So, if you take a look within the U.S. you would see what is our 30+ average age and growing, you see within the U.S. representations in the minorities where the average age is in the low 20's. If you look at the Hispanic population of the U.S. the average age is probably around 18 or less and the same thing goes for the rapidly increasing populations within it. But half the world's population I suppose, when you add the third world, is probably around 18 or lower in the Latin American countries. So you've got this confrontation of contrasting trends and what happens is that a fateful attraction of the younger poorer populations moving towards the older industrial populations because higher per capita income, higher standards of living are attached to those industrial majorities of an older age.

In the next 20 years the movement of the third world young toward the places of the older industrialized populations is going to be growing incredibly. In the U.S. now, in the last ten years, half of our net population growth came from immigration, legal and illegal. That's now numbering somewhere between a million and million and half currently coming into the U.S. But, when we did some numbers recently and took a look at the twenty nations who are sending most of our immigrants to us, they will grow in the next 20 years by about 62-63%. Include in that group Mexico which will grow by 100%. You still don't have a handle on that number, the exact numbers, those flows of populations will accelerate.

Ted Hessberg, president of Notre Dame, who headed the select commission on immigration which reported to the Congress to which Reagan has recently responded. Ted in a phone call with me discussing said Paul, I think were going to have to anticipate that sometime between now and the year 2000, you can see famine striking India or abject poverty facing Latin American countries and 100 million of these people picking up a bag of food and walking into Europe or the U.S. and he said the ironic part of that is that they will get philosophic and religous justification from every pope who has ever talked to them. Saying that human being has the right to move. We accept that right within the U.S. We do not accept that right for obvious reason for people born outside our own territory. But those out of necessity, and ambition will probably begin more and more asserting that right, that they can move. It is for politicians the question dealing with this migration on the scale because it is now estimated that by the year 2010, 95% of our net growth in America will be by immigration. That presumes that you will have control in some way of the vast movements of the undocumented and illegal but so great will be the asmodic(?) pressure that you have to accept number of this kind. For politicians, this is a no win game. Your caught between wanting to welcome, it's in the American tradition, taking political refugees, economic refugees, wanting low cost labor, needing them in shops and factories or on the pipeline, you want that you accept that and at the same time there's a an absorption capacity that any nation has that is never going to be determined except politically and emotionally, I suppose. But a politician in the middle of that will try not to deal with some of those questions, but will be forced, I suppose, to take positions. I mentioned, I hope not trigamatically(?) because we have shown a great absorption capacity in the past. My guess is were going to have to follow (develop) some devices now exercising both control and expressing the traditional American welcome to a process that is inevitable. Fidel Castro has been said to remark one day that when he looked at his population

he's ready to send a million more to the U.S. just to keep his economy in balance. So you can see this developing. I don't know what language count is up here but I did a count recently and discovered in Cambridge, Mass. there are 37 different languages spoken by the parents of school children. In Colorado Springs that number is 45. In Atlanta it is up in the 50's. In Arlington, Va. it's 70. In Los Angelos it's 83. Chicago 87. London 127. Showing the social diversity that one can expect now within any one population and this will be around the world. Alaska, you are obviously an attraction point with your wealth. You are a magnet and despite your climate, which I expect technology will overcome, you will become even more an attraction point during this period of time. But know in dealing with that, you are going to be having a kindred experience with every other community in the world, either the ascending population or the returning.

The second major area of causes of change come from technology. I'll mention four factors but I want to talk about two immediately. Again, the dance between two different trends and looking towards resolution. One is the increasing cost of transportation. For the first time in American history cost of transportation are starting to be moving up relatively to other things rather than moving down. Against that trend the decreasing cost of communication. With the chip--the computers, with dises that are now going to be taking satellite television, I think it's estimated now that certinly we will have in place in the 80's, 45 satelliites each with about 27 channels available to all parts of the population. Already in Alaska I discover that you have expanded into which classrooms here have had classrooms in Africa in video in relationships to each other. So we expect that with the aging of the majority population, the mobility of the ageing population will decrease encourage by the wealth which allows them access to this kind of communication. The increasing mobility still of the younger

poorer population flowing towards those areas has to be superimposed on this technological shift. But I would guess that now in Alaska within ten years the coming of cable, with all the microcomputers that's feeding into this, the video disc, one video disc with 110,000 images that you can place on it means that in the most remote Alaskan village, you can have a library that is the equivalent of the Library of Congress; the Louvre with all its art treasures, available to you. So that while you may train your kids to stay in the village --in the village is where all the cultures will come together, both physically and through the technology. I don't know what's going to happen to our society when communication is going to be so utterly complete and cheap. It probably does mean you won't travel so much, why?--It's going to be right in you own living room.

Two other technology areas that you are going to have to keep an eye on is the shift to the service economy. You've been largely in the primary in just growing your own post industrial society gradually, but clearly as Anchorage grows and Fairbanks and these other communities and as the technology of communication increases the service industry will grow. This will force, I hope you avoid the mistake we have created in the industrialized states when we use old fashioned tax systems that have damn near destroyed the Bostons' and the Newarks' and the Clevelands' relying primarly on the property tax and then when you discover the service industry which are utterly mobile can avoid the property tax and then a big sector of the service economy is nonprofit which doesnt' pay tax but is a vital part. You have to grow a different type of tax system if you are going to attract and hold the service industries in traditional political structures. So again it would be interesting for you to take a look at the development of the service economy and see how your tax systems are going to have to adapt to it. Finally, and this is gloomy but everywhere I go now, the nuclear proliferation

and threat has to be counted as a reason for making us all pessimistic. Recently conference was held in Aspen, the 15th annual conference among world leaders on atomic profiferation and the threats. They emerged from that more melancholy than they have ever emerged from any of them. Where the prospect of miniaturization of weaponry which could be in the hands of terrorists and entire communities being held terrorized by this kind of threat. I mention simply because I'd be a fool not to but it's one of those things that is so haunting to me that I just like mention and run away from it.

The third area has to do with ideas and values. Again, there is this kind of fuga (?) dance between two different perspectives on what is happening to all of us. Ultimately I think values and ideas drive us more than either technology or population, although I wouldn't want to separate. One is the deep instinct that all of us have; we watch this rapid change coming from sources that have many things that are out of our control. There's a deep urge in all of us for survival on our own terms. Keep what you've got. Let the other fellow get what he can. And then to go back to the basic, what was, what was good. There's a dialogue now between people who think of reform in an older tradition which means going back to simple forms of life. Or reform of the kind that we've thought about which is to keep moving with technology and social trends and so forth and try to stay out in advance of it. There is in every one of us, which I suppose expressing itself in the moral majority or in the wish to clean up government and get rid of that heavy tax burden and to wipe it out, a deep deep wish. I don't to disrespect that except that all ideas and values that begin to get an extreme expression that become as dangerous as what they try to oppose. Against that, keep them out--no more immigrants--slow down technology--I can't deal with it, the world's spinning to fast I want to get off. I had a wonderful dialogue with one of the great thinkers anthropologists of the People's Republic

Fa Chao Tung (?) who symbolically called me in that dialogue the white devil, representing a culture that is obsessed with technology and thinks as human potential as the individual at the expense of the group. He said those two sicknesses we have to keep out of our society. He grinned at me because we have a nice relationship and I told him, while I respected that I also said why is it your people are so hungry for both of the values the we represent. It was a good debate.

The second one though is the accelerating release of human energy potential that is occuring in this society. This is a complex, troublesome often fearsome society that we are moving into but human potential is growingat such a rate that sometimes I think the waste of that potential is the greatest danger that we face. Now how do you deal with that. Another friend of mine a former head of the Univ. of Mexico who was spending sometime with us at the school of education is excited as a child when he deals with American population, because he says, never in history has there been a mass population that has been so totally educated, exposed and energized. He said you have to expect in the next 20 years and explosive expression of these energies. He says it is exciting to watch and when you contrast it to his own population with a heavy class structure, with a peasantry poorly exposed to education and opportunity, you can see what he means. And then he adds to that a total population that has been reasonably well fed with the physical energy is as high. Now when you face the fearing element in us that wants to go back and the braveing element in us that wants to move forward and see how this energy can be expressed, I think you see the dilemma now of anyone of us, politicians, technicians, or whatever that are trying to make something of a future that is going to be so changing. The challenge is to a politician to begin to understand why the fears are there, but not to be held back by them. And if I am nervous about present trends and speaking not as partisan (?), it would be that we are in danger now of

trying to simplify and in the process destroy the very ingredient the very mechanism by which we are going to cope in the future. I would hope that even if we cut back expenditures of government that we do not cut back the civilized capacity to lead and to cope.

Arlon Tussing (Economist) Prudhoe Bay is the heart of the Alaska economy. You all know that. In 1960, the Alaska economy is exactly as it is today without Prudhoe Bay oil. Tussing showed what it would take to replace Prudhoe with some other industries. It would be equivalant to the world's entire fishing fleet. Prudhoe is roughly equal to 5-6 times as much as the total coal output. Two events made Prudhoe what it is today. The 1973 OPEC embargo and the 1978 Iranian revolution. And the world will not continue paying what it is presently paying for oil, which is being proven by the present world glut. The world is in a massive flight from oil and we are now just seeing it here, now.

Since the discovery of oil at Prudhoe, the cost of a well in comparison to on in Texas has and will drop from 50-1 to 5-1. Prudhoe is the 2nd or 3rd largest natural gas find ever in North America. It could equal 5% of U.S. consumption for 20 years or 100% of U.S. consumption for 1 year.

If Prudhoe had been discovered offshore, Alaska would still have a population of 200,000, most of whom would be passionately against oil production.

Richard Cooley (Professor, University of California, Santa Cruz) The first study in Alaska was done in 1938 on land use planning and the outcome of that report said that there was no reason to force development of Alaska because it was destined to happen in its own time and in its own way.

Shortly after statehood I wrote a book on land policy in Alaska. And the issue still remains of whether you develop it wholehog or you preserve it. There have been a number of landmark studies and impetuses that have happened since then, ANCSA, ANILCA, the federal-state land use planning commission. It is now the '80's and we are going to have to work out a lot of the decisions that have been made. So, we are only at the beginning. There is much work still to be done to implement the land-use decisions that have already been made. The '80's might turn out to be the most critical time for Alaska.

Blenda Wilson (Senior Associate Dean, Graduate School of Education, Harvard) The school, education, as we know it traditionally is being bombarded by the technology that we spoke of earlier. (HARD TO UNDERSTAND TAPE) . . .

Alaska State Legislature

Senate Committee on State Affairs

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Official Business SUBCOMMITTEE ON ALASKA'S FUTURE SENATOR TERRY STIMSON, CHAIRMAN

September 3, 1981

THE POTENTIAL OF POLICY -- A Legislative Workshop

Notes and transcriptions of Day 2 -- on the Potential of Policy

List of Tapes from -- THE POTENTIAL OF POLICY -- A Legislative Workshop

September 3, 1981

Day 2 - Tape 1 - Side 1

John Havelock - open

Tom Dinell - (Planning in Hawaii)

--Tape 1 - Side 2

Tom Dinell

Discussion

John Rasmusson (Trends in Regional Cooperation)

--Tape 2 - Side 1

Don Mitchell (Alaska - The urban/rural split)

Discussion

--Tape 2 - Side 2

Gary Holthaus (Reflections on the polytonal nature of Alaska social interests)

Discussion

--Tape 3 - Side 1

Discussion

Jim Souby (Refining the Executive Branch Role)

George Gee

--Tape 3 - Side 2

George Gee

Steve Reeve (Resource Man[illegible]nt and Planning)

Jamie Love (Structural Is[illegible] State Policy Development and Implementation)

Discussion

--Tape 4 - Side 1

Discussion

Gordon Harrison (Workshop Summary)

Discussion

THE POTENTIAL OF POLICY

John Havelock - We are here to do more about what we talked of yesterday, personally I intend to prefer hand ringing, but maybe there are useful things we can say. I would suggest that you keep in mind one of the seses of what we might say are structural in nature and there are some short term problems that we need to address. And on the other hand there are some other things that are long range. From listening to some of the economists yesterday talk about our revenue (oil) surplus, I wonder if that is not a short term problem. I don't think the issue will go away and I think that we might today begin looking at longer term issue of what our oil means by looking at our long term resource management policy. In a sense our resources are always surp and in some senses these are the ones that are undeveloped. As you know, as Vic certainly knows or anybody in the state knows, the original dedication of natural resources to the state was intended by the Congress to provide a revenue flow to support a state which obviously could not do so from tax revenues. It appears that from what was said yesterday, the state resource policy has been relatively conservatively until the surplus began to build up a year or two ago. There are some new faces around the table today. Jim Souby is here today from DPDP and he might be able to help explain administration policies in the areas of policy planning. In my background and my knowledge of planning in Alaska, policy planning has never come from the legislative branch, but neither has it specifically come from the executive branch. At times it has percolated up from individual agencies. It reminds me of the movie "The Candidate," where Robert Redford got elected and then asked, "what do we do now." Although it was not that way in my day, now legislators feel that that surplus is their baby and they are going to dispose of it without regard to what the bureaucracy may have thought was planning. Another manifestation of this is the proliferation of a number of special vested interests that are now beseiging the legislature. Another major change that has occured, if you watched

the recent legislature is the change around the party role. The republicans by and large are now the big spenders now and the democrats are the economic conservatives. Another change is the destabilization of public opinion. There is now a new economic illiteracy that was not there before the surplus. Another point I will not and it is not a change, is the Alaska tendency toward insularity. Alaska likes to think of itself as an island and I believe we should begin moving toward aligning with some of the other northwestern states that common interests along with us. In that line, we have two speakers that are first on our agenda. We will start with Tom Dinell to talk about the experience of the Hawaii and the Pacific Rim context and maybe we can borrow from their experience and find some common bond.

Tom Dinell (Director, Center for Pacific Studies, University of Hawaii) I was sitting here yesterday thinking of the similarities and the differences between Alaska and Hawaii. Running very quickly through the similarities, obviously the first one is the weather (laugh track). We do both consider ourselves unique and that has its advantages and it also gets us into binds. We both have long histories as territories. We both have major federal impact. We both have unique blends of cultures. We both have a large dominant city.

Differences: Looking at the map, we are both separated from the continental U.S. but Alaska is very large and Hawaii is very small. You still have a wilderness and you have to really look for a place to be alone in Hawaii. Your economic history has been much more boom and bust; boom now. Ours has tended to be more even. You have a whole range of resources that are exportable. Our one natural resource is the climate has to be exploited on the spot. The ethnic mix is obviously different. The local government structure is different. We only have four local governments, four counties in the whole state, and you have a multi-

plicity of governments. Arlon's comments yesterday made me think there are some differences in the permanence of population. Ours is growing, small but relatively permanent. Yours appears to be more transient.

Hawaii has a long love affair with planning. They really look to planning as a way out in spite of disillusionment in times past, the love affair goes on. When we established the planning agency just before statehood, we developed the first state general plan in 1961. It was really a municipal plan but it was a statewide effort. We had a general plan division in 1967 that tended to be much more policy planning. We've had the most elaborate attempt at keeping the planning program in budgeting. Our state law includes a chapter that reads like an operating manual for a budget agency. We established back in the late '60's the state commission on population and the future of Hawaii that is still in existence. We had a major conference on the year 2000 and established a commission on the year 2000 and Hawaii which is no longer in business. And then in 1975 we adopted legislation calling for a state plan. The legislation itself set up a set of expectations about what the plan was to cover and do and even the lord would have had a hard time fulfilling, but that doesn't stop us in Hawaii. This led to the adoption of the Hawaii State Plan Law in 1978. Which is interchangably with as the State Plan and the Hawaii statewide planning system, because it really does establish a statewide planning system and this is what I really want to focus in on today, briefly describe and examine the problems we are into and some of the hopeful signs that are present.

To indicate the level of administration support for this Hawaii state plan, the governor has described it as second in importance only to the Hawaii constitution. In terms of its political stance, it is very much part of his campaign for reelection. It is relatively innovative, relatively ambitious and I would say quite audacious.

It's seeking to establish for the state a single integrated planning process. There are five major elements. First, there is the state plan itself which is at the apex of the system. This is a plan adopted by the legislature, adopted into law. Under the other elements, which I would make circular if the board were bigger but I will make vertical here are the state functional plans.

State Functional Plans
County general plan and development plan
State Land Use commission
Bureau land and Natural Resources
Budgetary and appropriations process
State land use council

The statewide decision making process involves the state land use commission, the Board of land and natural resources and the appropriation and budgetary process. And then there is a coordinating group, another element in the state plan, which is the state plan policy council, which is integrated into all of these various elements. The plan involves both the private and public sectors and is not just public lands or public appropriations. The legislative intent in establishing this act was originally to achieve coordination and consistency. Their words were "to create a structure for policy plan formulation and program plan coordination which will order the action of all state and county agencies under the general policy direction prescribed by the legislature to a state plan. And they added to this "to improve coordination among different agencies and levels of government." As best I can tell you pretty much have to take those purposes at face value. The legislature was faced with a lot of actions and a lot of requests and demands and they had no way to sort this out and again reaching for planning as salvation; If only we had a plan then we would have a way to make choices. The demands that were coming in were across the board. One example was for housing and simultaneously there were demands for keeping land in agricultural uses; demands to expand tourist destination areas, demands to keep beaches open. The legislature saw this as a way to deal with the demands

and to sort out linkages. This was at a time when Hawaii was in a more conservative mood. There is a saying in Hawaiian pidgeon, "we wanted what we had but we wanted a little more better." It was a way of keeping what we had and adding another increment of improvement. Lets look at the elements in the plan.

The plan itself attempts to be comprehensive. It covers everything from population, to the economy, to the physical environment, to facility systems. It's a hierarchy of goals. We go from t mes to goals to objectives to policy and then to priority action. And the goals are very hard to disagree with. In the old days you could have said motherhood . . . I don't know what is the appropriate term now. They are general goals and there is no attempt to satisfy all these goals simultaneously if no other reason than you don't have the resources to accomplish them.

The second element we have are the state funcional plans. The state plan could not have passed the legislature unless it was in that motherhood form where it did not hurt anybody and made eve dy have a project possible. The state functional plans effect such areas as agr ture, conservation lands, education and higher education, energy, historical preservation, water development, transportation, tourism, recreation, housing and health. In each, the appropriate state agency has developed a functional plan that builds on the state plan, is consistent with the state plan but expands and becomes much more specific and includes programmable items and projects, budgetary figures. The format of the functional plans is set by the policy council. Perhaps the most important aspect of the state functional plans has been the advisory committee that were set up to help draft each of these functional plans. The advisory committees consisted of people from state government, from the county governemnt and from the private sectors. The people from the private sector were ones who had a specific interest in that particular plan. So a communication device was set up that had not existed before. At the upper level,

the governor and the county commissioners did not communicate very well. But what we provided was the ability to communicate at the lower levels between the agencies, both on the state level and the county level. It was an impetus to bring people together and we began making some progress there. We do say in state law that the county plans will be specific with the state plan. This was our means to achieve consistency. How you do both is not always clear. The functional plans are to be adopted by the legislature by concurrent resolution and this has been the rub. They've gone to legislature twice now and they simply have not been adopted. A few got through the house once but this time around none of them got through either house. When it really gets down to it, I'm not sure the legislature is overjoyed with the process they have put in place. In a sense the legislature is being asked to be much more specific than they were in the state plan and to commit itself for 2,4,6 years in advance and I think that is very hard to do politically and I don't think that was fully recognized before. There is an interesting provision in the law which says that if the legislature does not adopt the functional plans they are not to be used as a basis for policy by the administration. That's an almost impossible provision, because here the administration has created the most comprehensive plan that it can think of and it has its best thinking and . . . darn well, they are going to follow it. But what you have here is the legislature trying to hold on to little bit of power that it had.

The second element of the county general plan is to specify the desired population and physical development patterns for each county and regions in the county. By this January they are to be consistent with the state plan. No one yet knows what the mechanism is going to be for judging this consistency. The fourth element calls for these very important state bodies and processes to be implementing mechanisms for the state plan. The state land use commission which in our state

classifies all lands into urban, agricultural, conservation or rural. All of its decisions are to be consistent with the state plan and with the functional plans. The counties main function and zoning is within the urban area and some of it is in the agricultural. This is, again, our drive for compliance and consistency for coordination because we really have no mechanism for doing it. Just a little less than 50% of the land in the state is owned or under state control. The Board of Land and Natural Resources controls how this land is used and again their actions are to be consistent with the state plan and with the functional plan. Similarly, all of the decisions in the budgetary process, both for the capital improvements program and forthe operating budget are to be consistent with and implement the state plan which isn't hard because the state plan says everything. And with the functional plan which is much more difficult.

To make sure all of this happens, we have created the State Plan Policy Council which represents probably as high degree of ingenuity in its creation as the Senate and the House of Representatives at the time of the Federalist Papers. It might not be as effective but the ingenuity is there. The state plan policy council consists of the four planning directors from the neighbor islands, it includes nine public members that are nominated by the respective counties confirmed by their councils and then selected from those councils by the governor. So there are about three nominees for every vacancy. We had some trouble getting the council going initially because the mayors did not nominate members or the councils just did not confirm. So we were kind of at a standstill.

Then we include all 13 department heads that are affected by the state plan, but only five of them have a vote. Which of the five have a vote can change from time to time depending on who the governor designates on a particular issue.

The council is headed by the director of the department of planning and economic development. By the way, all of the different regs are a result of legislative compromises.

It is staffed by the state Dept. of planning and economic development which also has the state plan division within it. So, in that way it is loaded in the chairmans favor because he can set the agenda as he sees fit. In good Hawaiian style, we postpone votes as often as possible and have as few votes as possible. We reach some arrangement before it reaches the voting stage. So in spite of our elaborate voting system, we rarely use it.

Every four years the council is to make a thorough review of the state plan. Priority direction is to be reviewed every two years and its to make an assessment of its process every year. There are some major problems that are fairly apparent. One, is the machinery is ponderous. It creates a very high level of expectations. The solution to this problem is that we ignore some of these requirements. Secondly, there is a real difficulty in attaining the kind of consistency, conformity, compliance that the state plan and the law calls for. It really ought to have state plan policy council make the lecisions with the state land use commission if you are going to get that consistency that the law calls for.

The Dept of Land and Natural Resources has its own turf to protect. The counties are unwilling marriage partners. There's a lack of clarity for the priorities. We have never really come down to the cutting edge of the process. It isn't just the conflict of land and housing and land and agriculture, but it's a conflict of, you just can't do everything, given the limited resources. Finally, what we've done is to take the systems management approach to planning and applied it statewide . . . (END OF SIDE ONE OF TAPE 1 DAY 2)

. . . There is some dialogue going on now about some very difficult problems that simply wasn't going on before and I have a feeling that, through this dialogue we may reach more solutions than we will through just tight planning applications. There's some bargaining going on that is more informed than it was previously. Lot's of decisions are made through bargaining but there's more information on which to base the decisions now. So there's a chance we will have less impasses than we've had before.

There are two outstanding problems that we haven't really dealt successfully with as of yet. One is expectations. The state plan as such raises a very high level of expectations. It's doubtful that we can meet that level of expectations. We haven't yet kind of tamed those expectations down to reasonable courses. It's either going to end up giving the state plan a bad name or the planning process a bad name. Unless we bring the expectations down. The second outstanding problem is that we still have the legislative quandry. The legislature really doesn't know what to do with the creature it's created. It's interesting that the state plan has hardly mentioned once the governor. It's as if this comes out of the administration in some strange way that doesn't involve the governor. And yet the governor has been the primary figure in the state plan today. The legislature which wanted all this coming in now says, what have we rought but has the administration rought, even though we asked for it. I'm not equipped, they are not equipped to as a body to receive, for instance, the functional plans and know where to put them. I'm not sure we have a solution to this legislative quandry.

Q & A

John Havelock - So, on the face of it it might seem like a different kind of planning model, John Rasmussen's proposals on regional planning really are part of the same discussion and I'd like to get them on the table. In both cases you are talking about a federal style of decisions getting disparate political groups together to arrange for planning.

John Rasmussen (Director, Human Affairs Research Center Batelle, N.W.) Let me start by saying that the what I'm talking about, the first stage of developing an idea, is an idea that has been lingering around Seattle with a group of people for 10 or 12 years now. It has a little bit of momentum now and its been formulated to the point of discussion. I was very pleased when I received Vic's call because we have just finished writing the draft of the thing and we hadn't had a chance to talk to anybody about it. So, I will share some of the thoughts with you in the hope that you will give me some feedback.

Essentially the idea has grown out of the ideas that were thrown out on the table here yesterday. (tape change . . . now on Tape 2 Day 2 Side 1)

. . . And it's the idea that the Northwest and I include Alaska is going to be a growth area in the future and it's time to do the planning before it is too late. . . . without da' , decisions are made on the urgency of the moment and I guess we started saying that we want to keep what we have and there's got to be a way to bring innovation into the governmental process and someway to improve the governmental process. We also are concerned with attempting to build a sense of regionalization. If you look at the Southeast U.S., you can see how they created a regionalism and it shows up in each Congress. We haven't really gotten that together out here yet. Beyond that, we were concerned with developing tomorrow's leadership. Out of this grew the idea of creating a

Pacific Northwest Forum and the name changed daily, but the thought of having a forum that dealt with the future was what we were shooting for. Our thought is to create a regional forum where we have an assembly of approximately 100 people, government, private sector and citizen groups and labor. The assembly was a way of creating involvement among four states that are diverse and also similar in many ways. We look on the assembly as a independent organization and would be broadly responsible for policy, for coming up with idead in the legislative forum. There would be a oversight board of some kind. They would pick specific issues for operating the forum. The program that we invision would be on regional issues initially. Our thought here would be to bring somebody from university, or government or whereever that would bring leadership and creative thought to our forum series, say on the issue of transportation. Batelle is willing to make a contribution in kind of its seminar center in Seattle, a substantial contribution I might add that would serve as a home for the activities. On our first issue we would bring our guest lecturer to Seattle for what is basically a sabatical. This person would be in residence. There would two and three day seminars or whatever forums we could create most effectively to use this person as a resource.

The criteria for selecting the people is primarily that they be in a position to do something when they go home. The forum leader is responsible for putting together a program which is essentially a well rounded seminar so that people understand the total issue. One of the main ingredients is that we non-adversarial setting where people can argue, and exchange ideas. The purpose of this is to broaden understanding of individual issues. It will not be that the forum will have solved problems itself, but by involving people from all areas, they will carry the information back to help solve their own problems in their own areas. We have some reason to believe this will work. Stan

Evans said he used it most effectively in getting the Shorelines Management Act through and there were five pieces of legislation that passed. He took administration people, legislative people and the environmentalists and they went aside for three days and they had an opportunity to interact to see where everybody was coming from and he said that those five pieces of legislation went through faster than anything he had ever seen in his 12 years as governor. Everybody still had their positions but they knew where the other guy was coming from. They made sure that what they thought was happening was really happening.

The second category of issues would be issues that dealt with industry. The process would be on the same model with different people. Again, the secret would be, get the people who are ultimately going to make the decisions and get them into something that was not an adversarial setting.

You then have a third program area that is concerned with essentially providing fully rounded pictures for elected for governmental and elected officials so that before the legislature convenes the people that are least aware with important issues can find out what is going on.

The last area is one that has grown and has surprised me in the response it has gotten in the media. It's issue education for the media. It's an issue workshop where people from the media can get together and not just listen to lectures but can actually get in and argue. No brainwashing, but simply education. So whatever position they are going to take, they will have a better understanding of that particular issue. That is essentially what we have in mind.

To pay for this, we might ask for $25,000 from governmental entities; $10,000 from industry and spread it around so that no one feels the full brunt of the cost.

Don Mitchell (Counsel, Alaska Federation of Natives) Vic asked me to talk about the urban/rural split. I'm not sure I know a whole lot about the urban/rural split but I suppose I am capable of snitching on my clients a bit with respect to some of the trends that are happening in rural Alaska. I think those trends will relate back to the split which allegedly taking place around here.

First of all I think that when you start thinking about the split we have to determine what is rural. When I think of rural Alaska one of the things that I think about is Native Alaska. . . . Not only in this state but in every state in the union, historically has been to take native but to turn them into state citizens. I think that has been very effective with the way policy makers do things around here. We don't talk about what are we going to do with those Eskimos. We say, what are we going to do with rural Alaskans. So I think first of all, let's get our ground rules straight. So when I talk about rural Alaska I am talking about native Alaska. I'm not talking about Talkeetna or McCarthy. Sometimes I think that the only policy maker who would get a chuckle out of the way things are today in rural Alaska is George Washington. Because the decisions that have been made about how we as an economic machine, we as a cultural machine are going to deal with those people, are the decisions that George Washington tried to make over 200 years ago. Before George got into the business of running the government, he used to be an old Indian fighter. One of the things that happened to allow the U.S. to evolve out of the Articles of Confederation was that some of the troops had been paid with land warrants on the western frontier. They of course had all been bought up by land speculators and what was going on at the time was the Indians were beating the hell out of the people who were trying to exploit what was then the western frontier and the confederation was much too weak because it did not have its own army to protect those economic investments. It was not the most significant factor but it was a factor was

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That was George's idea. That was put into federal policy and the only reason
it didn't work, interestingly enough, was because the American Fur Co. and the
entrepreneurs who said, "what is government doing out competing with us."
So because of the failure of this program what was eventually imposed or evolved
as the solution was a military solution.

I give you that bit of history only because I believe that it is relevant to
what is happening in rural Alaska today, and I believe there are a couple of
trends. These trends are mutually exclusive and they are what add up to a very
serious dilemma for the urban/rural split. The first trend is that we have
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it are staging places for harvesting the resources. That's the only reason
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the doing something about those unruly natives out there. George wanted to not overwhelm the indiginous population militarily, he wanted to seduce them, culturally and economically. George came up with a thing called the factory system. What the factory system was about was a system of government run trading posts all along the western frontier. These trading posts were going to hand out our goods and services, in essence our values, to all the western tribes. We were going to get them as hooked on pots and pans and blankets as junkies in New York are hooked on smack. Once you have, then you can control them. That was George's idea. That was put into federal policy and the only reason it didn't work, interestingly enough was because the American Fur Co. and the entrepreneurs who said, "what is government doing out competing with us." So because of the failure of this program what was eventually imposed or evolved as the solution was a military solution.

I give you that bit of history only because I believe that it is relevant to what is happening in rural Alaska today, and I believe there are a couple of trend . These trends are mutually exclusive and they are what add up to a very serious dilemma for the urban/rural split. The first trend is that we have created massive amounts of expectations out there. Those expectations have come from education and from television (technology), which is another form of education. What you have is 200-300 communities that if you think about it are staging places for harvesting the resources. That's the only reason they are there.

In 1900, rural Alaska was almost totally self-sufficient. They didn't need us. All the goods that were necessary for their economic and cultural order were available right there in rural Alaska, right there at home. What we have done through and education and televison is that those goods and services are in-

adequate and that not only do they need those services that they have but they have a right to them. Even thought they are living out there in the middle of nowhere they are not only entitled to those goods and services but they have a right to them. It has created massive personal confusion, massive social confusion, and massive cultural confusion and I would submit to you that that is one of the factors relating to the reorganization of the legislature--that is one of the causes behind it. The delegations from the bush are under tremendous pressure to deliver the goodies and those expectations are being caused by education and by television. Again, this is my personal view of the situtation. I see that as a trend. This is only the beginning of it. I think it's going to get worse and worse.

The other major trend is that exactly the same time that rural Alaska is saying that they want to be treated like California, or the Hillside, they are saying they want to be left alone. Those are communities that are based solely on the harvest of rural resources. The continuation of that harvest, whether it be through the fishery or hunting , those kind of tensions have created a lot of animosity out there. Leave us alone. It takes massive amounts of habitat to support the resources and we do not have enough habitat now.

I was boondoggling out at Katmai the other day and I ran into a new vice-president for Wien Airlines who had just come up here and he didn't know dog-butter about what was going on and he was sort of glad handing his way along. He said he bumped into John Schaefer who some of you may know is the czar of the NANA region. He bumped into John in the Kotzebue airport and said Hello, I am so-and-so, I just got here and I really want to be of service to you and your region. What is it that Wien can really do for you. What can I do for you personally and what can Wien do to help and John of course looked him in the

eye and said, "p, away. If you really want to help us, get out of here." That is a very important gut feeling that the bush has. At the same time that they are saying, give us all the goodies, they're saying leave us alone. And there is, in my judgment, no political leadership out there that has made the connection, that you cannot have it both ways. And certainly, in respect to the rank and file, it is hard for them to understand the kind of trashing they are getting right now. They are just people who are doing the best they can. I think it is a very serious problem.

On top of all this, which is sort of the iceing on the cake is the ANCSA. . . . . (tape turn over) . . .namely the harvest of renewal resources and turned it over to an economic process, the sole, the sole goal of which is to exploit. That's the only reason a corporation exists in our culture, to maximize profit. When the decision was made to implement ANCSA through a process of which was to maximize profit, you immediately put the machinery that was supposed to save the bush in direct conflict with the ultimate long term goals of the people who live there. I represent both regional's and villages and I can identify for you the trend that tension is growing wider and wider everyday and that people, to this day, do not understand the ANCSA.

There has been an incredible amount of hostility and aggravation and bad vibes over the decision of the federal government to lease offshore in the Navarin Basin off the coast of western Alaska. People went absolutely crazy when the state gave an indication that not only should we be drilling in the Navarin Basin but maybe we as long as we are at it why don't we let the state make a lot of money by poking a lot of holes all over the mouth of the Yukon River. People went absolutely nuts over that, as I'm sure Jim Souby can

testify. At the same time that people in villages went berserk over that kind of intrusion on their habitat, the regional corporation has leased every single shred of coastline to Amco. That is the kind of decision that I can guarantee was never discussed fully, no EIS by the regional corporation. Whether or not it is a good or bad decision I am not capable of having a decision, I don't know anything about it. I'm just identifying it for you as an example of the kind of conflict that we have created out there. And it's going to get worse and worse.

Another thing I see in the area of trends is that bush Alaska has just about had it with meetings.

A. George Gee - Don, two questions have. One, is the corporation being created or is it drawing on the map for the village corp.-this is yours and this is not yours? You've identified your rural as native Alaskans and you've laid out two expectations--for goods and services and to be left alone, many white communities fall into this second category--to be left alone. So, why draw the distinction where you do?

A. Mitchell - I draw it where I do because I don't think that they are the problem. I believe they are the exception to the rule. Because they have lived in our culture they can deal with it. I believe one of the great disservices that has been done to our state is John McPhee's book. Because what McPhee did was leave the impression, because he did such a fine job, that everything is fine in rural Alaska. He left the impression to those outside the state that the kind of community that he described, the rural white community, is the rule rather than the exception. In terms of my work, I don't have time to deal with those people. They just don't present the tough type of policy choices

that rural native Alaska presents. With respect to your first question, two things: with respect to native lands, you are your process. By putting that corporate process on a village (village corp.) on a hunting and gathering culture with people who have minding their own business and not hurting people for hundreds of thousands of years, you've created a double bind for them. Either, they screw it up, and the perception becomes--we gave them their chance, they screwed it up so maybe someone else should look after their land and money. Or, even worse, they make a success out of it. In order for the village corp. structure to work, it means that every single member of that village has to know more about corporate America than the average shareholder of G.M. If in fact someone went to the trouble to teach those people all of that, they would no longer be what they are today. Which is a bunch of hunters and fishermen who are doing the best they can.

With respect to non-native land and the kind of ownership patterns that are there. I think that the trend is actually the opposite, with respect to the people on the ground and not necessarily the leadership. I say that with the experience I have had on the Alaska Lands Bill (ANILCA). The major allies of the environmenatal community was the villages. It was because they wanted some kind of habitat protection for the lands in their area. Their participation in that process was a significant factor at a very crucial time. You saw Angoon align with the Sierra Club over Admiralty Island. You say the villages on the west coast aligning with the conservationist on the wildlife 13 million acre wildlife refuges.

If there is anyone who is trying to walk that tightrope that I described, it is the NANA Corp. You saw the regional up there combining with the environmental community on all conservation system boundaries. So I think, with respect to non-native lands out there, you're going to see more and more of those kinds of

coalitions between environmental organizations and villages.

Gary Holthaus (Executive Director, Alaska Humanities Forum) To establish right off whether or not I'm an optimist or a pessimist I guess I'm an optimist. The last definition I heard of an optimist is that an optimist is a guy who thinks the future is uncertain. I cling to the hope that the future is uncertain. I'd like to begin by congratulating Arlon on his courage, he's not here to receive congratulations but if I'm quoting him correctly, he began yesterday by saying Prudhoe Bay supports the state, nothing else really counts. I thought about going home and telling my wife that I support this family and nothing else really counts. I could prove it with economics but it would'nt prevent my getting killed. So, I though it was a courageous thing to say. Dick Cooley said he was not a pop-up toaster and I'd have to agree with that. So, unlike the rest of you, I used the free time this morning to make some notes. I hate to have to reveal my thinking under any circumstances, to have to reveal one's thoughts, thoughtlessly is even more difficult and painful. Dr. Ylvisaker asked the question yesterday how do we preserve our values in the midst of massive change. It struck me that maybe the question is really how do we preserve our values in a world that never held them, especially since we ourselves have rarely held or expressed in action the values we said we hold. So which values do we preserve, the ones we talk about or the ones we act out when we have the opportunity. It seems to me a cynic looking at Alaska over the last few months and trying to determine what Alaskan values are, would say that Alaskans value property over people, that we consistently betray ourselves on behalf of our property. I wonder if anyone in the room has seen the plans for a golf course for Anchorage, $7,000,000 worth of golf course. It's almost impossible to get $650,000 out of the legislature, it turned out to be impossible, to fight child abuse in Anchorage. A second values that we would have to say we hold is that we value license over freedom, the moral majority vs. the gays would be a case

in point. Our insistence that we have the right to shoot moose for sport regardless of the moose population and regardless of what it means to villages, would be another case in point. I think a third value we hold is that we believe in the public dole over self-sufficiency, especially the public dole for commerce, not for individuals. If anyone was at a small loan meeting at the Westward and listened to the governor get attacked because it appeared he was not going to part with large dollars for loans for small businesses and look at all those fellas that were there most of whom who are out to eliminate welfare freaks and chiselers with their hand out looking for a state loan. What can you say.

So I guess I'm driven to believe that the only values that I want to preserve are my own. And since those are under attack only from me the task is nearly impossible. I'm the only betrayer of my own ideals. What Vic asked me to do, really, was to characterize Alaskan society and to do that is to be driven. Some folks like Arlon are driven to numbers and statistics and data and that really helps if the school population is really in decline then we can for physical plants and staff size but unfortunately the numbers don't tell anything about the fundamental questions, about the purposes for which we educate at all. I guess I happen to be driven in another direction, to metaphor and analogy and illusion and probably characature. So this is sort of an impressionistic account of Alaskan life. I rely firmly on my twin sources of ignorance and inexperience for backup for what I say.

Ruth Jackson a professor in New York said we chart our way through the country on the basis of maps and our guidelines are degrees of longitude or lattitude but we chart our way through life on the basis of ideas, our notions of good and evil, beauty and ugliness. Perhaps like others elsewhere we Alaskans cherish most the ideals that we examine least and the consequences of which

we see only as through a glass, darkly. But if our course is to be clear then we have to examine closely even those ideas that we hold most dear and therefore most thoughtlessly. Alaskans thrive on notions of freedom and human rights, the individual vs. the government, but for most of use those ideas are pretty vague. They apply to us but we are not all clear about the number or the variety of others who should be accorded the rights that we enjoy and we are careful not to extend them too far to people that are different that are unacceptable to the majority.

Alaska exudes macho. It's in the water, the tolerance of bizarre offbeat colorful sometimes even violent behavior that we exhibit in many instances is really limited to a kind of crazy macho bravado. And it's counterbalanced by a contempt for things which are unfamiliar or unexpected. A guy who doesn't hunt, fish or ski cross country for example. In a population with a high percentage of hunters and fishermen, where 87 year old great grand mothers can argue the relative merits of a Remington 721 30.06 to a Winchester 94 30-30, for hunting moose in the brush (remember Momma Nicolette Hand?). And where females who can do that are admired, there's very little tolerance for any other blurring of sexual roles. Men must be manly and women must be manly too. But without losing any femininity, of course. One result of that is that homosexuals have a hard time here.

Job discrimination, physical violence, contemptuous attitudes, repression all of these haunt the gay community and to try to raise questions about that is to raise howls of indignation. Milton Mayer says the first and last test of liberty is application to those we suspect, to those we dislike, to those we dread or detest, whose thought or act or appearance we despise. So, so much for liberty.

Alaska is oxymoronic and paradoxical. The only reason I said oxymoronic is that I promised John Havelock I would use a polytonal word. I don't know what polytonal means and I don't know what oxymoronic means either. Actually, it means you can hold two ideas in your mind at the same time, two mutually conflicting ideas at the same time. An internal conflict assail us on every hand. What is true on the one hand is false on the other. There is no single statement and no single value that will hold for the whole state. The place is so big that one might be led to think that many things operate independently. A tragedy in Kotzebue is just as distant from Anchorage as a tragedy in Cleveland is from Baltimore but this is one place with distinctive regions not two distinct places. And the chances are great than unlike Cleveland and Baltimore, a number of people in Anchorage will be well acquainted with the victim of tragedy in Kotzebue. In fact, I'd be amazed if that were not the case. So, Wendell Berry's contention that nobody can do any one thing is strikingly true of Alaska. The same is true elsewhere of course. But here there are fewer filters to leach away the impact of events and a smaller population through which the impact can be disipated. So we are one people and in a special way, what affects one, affects everyone. But we are all so divided and the divisions are deep. Some of them, in the old gulf between Athabaskan and Eskimo for instance is older than all of our western civilization. One might ask where they are at this meeting, by the way. We've talked a lot about the impact of the land claims and its staggering importance to the state. That maybe more true for you and for me and a few corporate executives than it is for most of the native people in the state. The most revealing picture of how little the land claims has meant is revealed by how few native people still show up at meetings like this.

Other serious divisions separate outsiders from residents, urban from village people, developers from environmentalists, newcomers from old-timers or sour-

doughs. Those boundaries, I suspect are always going to be with us but there reference points shift in Valdez, in 1974 newcomers and oldtimers hardly spoke to one another. Newcomers were not even afforded the dignity of social intercourse. The difference between a newcomer and a oldtimer in 1974 was whether or not you were in Valdez for the earthquake. If you were there for the quake you were an oldtimer. If you'd come after, you were a newcomer. Now, as of 1978, there's still a big gap between the newcomer and the oldtimer but the borderline has shifted. If you were there for the pipeline, your an oldtimer. If you came after the pipeline, your a newcomer.

Because we are so few it might seem easy to heal the breaches, but the fact is that our small population amplifies them. And they are more painful to bear. And the support systems for the bridges that we have to build are not in place yet. So, in a sense we are one people living in a great house. We are few and we are only occasionally small and the house is large. But few of the rooms are finished and the furnishings, outside of Anchorage anyway, are spartan. We run into one another at every turn and when we do meet we do not know what to say across the cultural barriers, or how to act. And if we do speak, we are often misunderstood, so we retreat into silence or cliche or false ingratiating rhetoric hoping to hike our fear or our confusion or our hostility and the tensions run high and the tempers flare and we worry about racial violence in the late 1990's and about matters that are more immediate. How do we stop the physical violence that we inflict on one another at such a great rate now: the highest rape rate, the highest homicide rate outside of Detroit here in Anchorage, the high assault rate, the domestic violence rate that we all know about. How do we exert more control over our own destiny with Washington so far away in miles and understanding and how do we exert more control over our own destiny with Juneau, so far away in miles and in destiny. We love our surroundings and are thrilled

and challenged by them and we tend to forget, living in the comfort of Anchorage and with a few mild winters, that this is in fact a hard place to live. It's hard and cold and sharp and all the corners are jagged and the surface is splintered and the edges are honed and straught and we have to be careful how we move. We fret over how to allocate the space we have and the use to which it is put. Some seem to want to see it all developed and paved and they would paint obscenities on the wal.- and others seek to preserve it. They would make of it a museum, a static display without any future, frozen in the present. Some wish to make everything here exactly as it was in the place they despised and left. As Wright Morris says publicly, we create and promote the very civilization we privately reject. Others seem to come only in order to leave again, to make their stake and get out. Their greed affects our commerce, our politics, our education and our labor. We are all immigrants, ancient or recent but many seem bent on barring the gate to everyone else now that they are here, to keep the newcomers from spoiling the place we have already begun spoiling ourselves. It is little wonder the Alaskan mind sometimes wonders where it is going and what indeed it is to be an Alaskan. It seems to me to be an Alaskan is to grapple with certain unresolved issues. Ignoring the economic issues to which we have already given a lot of attention, and trying not to do anything except second everything Don Mitchell said, I guess I see all those unresolved issues essentially as land use issues. The difficulty we are having in sorting out jurisdictions: What's a state park? What's the federal park? How do we distribute the revenues? What about the sale of land to individuals? How much to energy development? How much to industrial development? All of those issues, and the complexity of them is simply a reflection in direct proportion of the complexity of our own desires.

The lesser like agriculture, do we keep raising tnird-rate barley for export or do we begin to make some moves to make ourselves more self-sufficient in terms of food. And how do we short-circuit the crazy marketing root that fish take? And timeber take? We catch them in Bristol Bay and ship them to Seattle if we're lucky? That's all the further they go and then we ship them back. And of course, the greatest issue of all, the one that affects everyone of us ultimately and our progeny, which is subsistence. Our blindness to the fact that we are all subsistence cultures and that subsistence culture is not somethigg primitive blinds us to some of the very basic policy questions that we have to deal with. Who is more dependent on the land than U.S. Borax? Violence seems endemic if not epidemic in Alaska. We do not know the causes and we will not ask cause I think mistakenly we think we already know the answers. Beyond the question of why we have such a high rate of violence, is why we tolerate it.

The economy: are we forever enthralled to the boom-bust cycle, maybe with occasionally larger booms which I assume means longer busts.

Education: we still haven't decided what the major goals of rural education ought to be, nor have we convinced village people or educators or legislators that high schools are not buildings. Our goals seems to be to bring village kids up to grade level. All that means is that they will be participants in an education system that is just like ours which we are all dissatisfied with.

Racism: both white and native. The whole matter of values, we not only have no agreement on what they are, we have no agreement on what they ought to be. That central organizing principle that Nancy wants simply does not exist.

Human Rights: how do we extend to others the same freedom we expect for ourselves. To gays, to women, to village people.

The whole matter of means and ends: it struck me yesterday that everything that we talked about revenue, social programs, educational programs, protection of the environment, creation of jobs, planning both long range and short range planning, all of these are means. The only question I have I guess is to what ends. As long as we focus on strictly on the means we will never have a satisfactory answer to the ends. And if we, not just our legislators, but if we are out of control, perhaps it is because we have failed to distinguish means and ends. We pump money only into means without asking the harder questions first. It struck me that maybe the best metaphor for Alaska is the old story of Prometheus. Though we are not presumptous enough to be heroes or steal fire, he is one of us, and like him we are bound to our place. Indeed, we cling to it. It's rough textures and sharp corners somehow comfort us. We are prometheus. But in the inevitable unity of things we are the birds, too. We nibble at our innards. We peck away at the edges of the issues. Occasionally, we strike deep and we're satisfied, but we attack the issues only to discover we're the issue. It is our own innards upon which we feed, our own guts we spill. We both nourish and devour ourself at the same time and it is our own selves that are renewed in the dark and when the day returns we are astonished anew at the regenerative vitality of our own complex tissue. We have it all to do over, again, again, both the pecking and the pain of it. Where do we even begin. We do not always know, but we have to keep trying and I presume that is what this forum is all about. I'm not going to go any further John, but to . . I did want to say that my little illusion to racial war in the late 1990's is based partly on the same analysis of the issues that Don has made in regard to the Land Claims Settlement Act and I guess I do see a time when at least older native people maybe if were lucky, all the ones who have this expectation will be dead by then. But the older people, who saw the ANCSA as a way of preserving the land and continuing to live the way they have been are going to be totally disillusioned.

Much of the land if not the land, the stock is going to be in white hands, not Native hands and at the same time that disillusionment infects the native community there's going to be an incredible white backlash saying, what do they want now? We gave them all that money and all that land and they blew it. Here they are back at us. I guess I think the potential at that point is INCREDIBLE. Anything that we can do, in terms of our planning to alleviate that, to dissipate it, is going to be useful. I'd better shut up.

Mitchell - I have one comment about that very quickly. With respect to your comment about violence. There already is violence. It's just that people haven't figured out who the culprit's are. There are tensions that I guess we both agree on. What do you do when you get bummed out? What I do is probably have a martini, and if I'm really good with guns because I'm getting really bummed out, maybe I pick up a gun. If you pick up the Tundra Drum or the Bering Straits or any of the papers relating to what's going on out there, the violence is, the amount of violence is absolutely frightening. There's people doing in each other because they are upset about things they don't understand. NANA, for God's sake, is the flagship of the settlement act, has the highest suicide rate per capita for Native kids under 25 of any Native region in the state. I was up there for their shareholders meeting and three kids had blown themselves away last week. They just haven't figured out what the problem is. When they figure out what the problem is, then you are going to see that in a much more disciplined fashion. It's not a question of going to Board of Game and asking them, please stop 185's on floats, full of Germans and people from Muldoon coming in and destroying the opportunity of the village to live. The easiest way to deal with it is to just announce that the first 185 on floats that we see, will be shot. I tell you, you want see too many 185's on floats. I'm not saying that's the solution. I'm merely telling you that those feelings are already there and I couldn't agree with Gary more.

I'm not an optimist because I think I know how it's going to end.

Holthaus - Well, I guess, you know, in my dark moments, I'm not an optimist either, but I cling to the hope that the future is uncertain.

Mitchell - You look at this town and you look at urban Alaska, there is not 5% of the population that understands this. It is impossible, you know, how many people in this town have ever been to a Native village? Is there a survey done about that maybe a year or so ago. It said that 85% of the population had never been in a village. People that had been in a village, 90% of them had only been there on business, or they had been to McGrath or Talkeetna or Bethel. It is impossible for you as policy makers to explain to those people about the kind of problems that we are describing. We might as well be talking about something that is going on on the moon.

Souby - We tend to dismiss mechanisms and methods to deal with this because we want to get to the end. I obviously can't talk or argue with that statement (Holthaus), but is there any hope. What would you advocate, or, do you advocate going back and rewriting ANCSA? I agree with the problem, I've pondered it myself. What do you think is the role of the nonprofit's?

Holtaus - Where you have to start, is not with rural Alaska or with the law, but with oneself, trying to examine our own ideas, about what it is out there that you see when you do go. And try and understand what you're looking at, which is really hard. It seems to me that we have a whole bunch of screwed up definitions in our heads and they are sort of incorporated by extension in the law and elsewhere. Unlike a lot of people I think rhetoric is really important, that the language we use is critical because there is always a gap, there's a gap between our rhetoric

and our performance. I assume the better the rhetoric maybe there is a chance that the better the performance will be. If we talk civil rights good enough, then we will come a little closer to achieving the ideal. If our rhetoric about civil rights is really poor then we're going to just fall that much shorter. So, you have to think just that much harder about definitions of things. I've heard people talk about differences between cash economy for instance and they say that's what we've got and subsistence economy, which is what native people have. Well, I think subsistence has nothing has nothing to do with economy in a sense. Were all in a barter system whether we trade paper or credit cards, or whether we trade the hind end of a moose for the front end of a moose. We are all dependent on the land, the resources and for energy. Were all land dependent people. I don't know why that's so hard to understand. Subsistence doesn't have much to do with hunting and fishing and picking berries. It has to do . . . when native people talk about subsistence the phrase that comes up over and over again, is, it's a way of life. And they are talking about religeon, they are talking about a whole different kind of value system, they are talking about mores, and they are not talking about hunting and fishing exclusively. I guess my concern is that there's going to come a time when we are all going to be back to subsistence lifestyles in a very real kind of fashion. If that happens up here at the same time that the fish and game resources are gone, and if we don't ... the value system that allows us to incorporate that into our whole structure, then we are in for some very hard times. I disagree with Arlon about the reduced cost of airline travel over the next few years. I don't have any evidence except that it used to cost me $2000 to get to the Ak. Humanities Forum State Committee together and now it costs me $6000 . . . (end of tape 2) . . .

Mitchell - . . . (Beginning of tape 3) . . . it seems to me, when I sit around sometimes thinking about all of this, that it is, what on earth to do about all this and the reason that I despair is that in a way, it is an assault by the values that we all are more and more rejecting, but nevertheless are dependent upon for our goods and services. What do you say to ARCO, do you say ARCO would you please leave those people alone for another ten years so that not so many of them get drunk and go out and shoot themselves. ARCO will say to you, that they are part of this country and this country has demands that are nonnegotiable and we love those folks but we have got to take care of business because we are as much a corporation as the corporations started under ANCSA. Our business is not whether or not they shoot themselves, our business is to turn a profit. So, on the one hand they are being assaulted for the exploitation of the resources and on the other hand, they have bought the program as much as we have. One of the things that Bob Hurwitz (?) used to do out at Y.K.C. in terms of their mental health program, was trying to get people who are serious alcoholics and serious perpetrators of child abuse etc., back to doing things like putting out a net, or chopping their own wood, the things that give, that used to give them a sense of value for their own community. How you can maintain a sense of value when you are being assaulted everyday with the crap that is on television, that none of us watch. How can you make them feel good about someone who is putting out a net when they see the expectations (on TV) that are impossible for them to achieve.

Souby - Would an equitable resource allocation that took into account the cultural values; would that be a major step toward the solution, a solution that leaves the resource allocation up to the locals, or is that just suicide for them?

Mitchell - First of all, your kidding yourself. The major watch words for our economic system were written by Robert Town and they are, "Forget it Jake, it's

Chinatown." The idea that anybody who has an interest in those resources, is really going to allow local control, is poppycock.

Souby - I'll leave it up to NANA profit and the village corporations. I'm willing to do that and don't get me wrong, there are state interests and obviously I represent some broad state interests that are probably nonnegotiable. I am optimist to the extent that you can carve out and kind of contain those, so that you minimize that impact. I believe that can be done, maybe not today and maybe not in the next two years. As we start to educate people, they are going to start to worry about this. Even if we could do something about this, would it solve the problem.

Boltaus - The problem is that you are not the only player in the game. If you were the only player, maybe there would be some hope.

Mitchell - Under your solution, which is to turn it over to local control, that gets back to my original critique of ANCSA. NANA is one of my favorites. NANA is full tilt boogy into mining deals with every multi-national mineral co. on the face of the earth at the same time they are bemoaning their suicide rate.

multiple comments . . . . "It's more complex than that.

. . . unknown comment on establishing alternative futures now and then being abole to determine why we didn't reach them?

Hank Ostraski . . .

Mitchell - It is impossible to do anything more than imagine alternative futures

until you do one significant thing and that is to have an amendment to the U.S. Consittution which says that a corporation is not a person for the purposes of the 5th and 14th amendments. Absent that, this system is preordained and the nice thing about Alaska is a small laboratory and the stakes are so high . . . All this is is the way it is outside. It's just that it is small enough here so that we can see it.

Gregg Erickson - How many of the people at this table do not live in Anchorage, Fairbanks, Juneau and outside? (NOONE) What kind of arrogance do the people sitting around this table have? To sit here and try to solve the problems of these people out there! I think Gary raised a very important point, you've got a hell of a lot of problems in our big cities here. I served on the statehood commission and one of the things that we noticed and I think that everybody has come to believe is that what's sauce for the goose is sauce for the gander. We get pissed off at the feds outside, coming in and telling us what to do? Well how do you think the people in Kotzebue or whereever, must think about us. I don't know how they think but from what I gather, they think they have a better idea. These are the kind of people who came up with Molly Hootch and created the buildings without the high schools.

Richard Cooley - I would like to follow up on that because I agree 100% with what you said. I was thinking as we were talking, I know John Schaefer quite well and I spent a lot of time with him and he served on the Joint Federal-State Land Use Planning Commission and we talked about this whole issue about the corporate model that's being used and I didn't know this but Johns and others who were involved, native leaders, told me that when they were looking at the alternatives that were facing them when ANCSA was going through Congress as the type of mechanism's that might be used to provide land and money to settle these

all the other alternatives looked pretty horrible. The corporate institution is something that is highly respected in this society, whether or not it is right or wrong. If you say to the people as that they would only get the surface rights and not the subsurface rights; this looked like second-class citizenship to some of these leaders. They vied for the corporate structure because that's the only thing in our that is fairly well respected that would continue them as wards of the government. Now, it's not working out and we've defined a number of reasons. It seems like to me that we begin from there not bemoaning the fact that it's the corporate structure that's there, but the land bank idead; some of the new ideas that have come along would ease this off rather than trying to in one fell swoop do away with the profit corporations, especially in light of what you said, finding out what they want, because this was a natives claims settlement act. They were to get some say in what the natives wanted out of this.

John Havelock - By way of announcement, a number of native people were invited to come to this conference. It may be significant that none of them came, but many of them were invited.

George Gee - My comments are directed a number of the speakers we have heard in the last few minutes. I think it was Humpty-Dumpty in Through The Looking Glass who said, "who's to be master, words or us." There's a question I would put to Gary on subsistence. I would agree with your concept that were all dependent on the land. I don't think that's in question. But, I do think that there are some important distinctions between how some people are dependent on the land and how others are dependent. We all sort of say that we are in the same situtation. Dons thing about, leave us alone, I think maybe makes a distinction. There are some people who want to be dependent upon the land and don't want the cash economy coming in. Now bringing it into Jim's ballywick, I feel like that are some kinds

of issues that the state, in my opinion the state has sort of developed a posture of being neutral on subsistence, in terms of living off the land. As opposed to advocating it or being against it. I personally think you can't be neutral on that. I think if your neutral then your for the cash economy. If you sit back and let there be mining and let there be drilling and mitigate, then you are advocating the cash economy. I feel like, if you really want to be neutral then they have to advocate the subsistence economy and make the other side win. That is the only neutral position that is available. Going to Gregg's comments, I don't feel like it's an audacious thing or exercise for everybody to be getting together here today because I think (Gregg says arrogant is the word he used) . . . arrogant yes, I think some of the decisions made by these people . . . .(multiple comments . . . garbled)

Lydia Selkregg - (paraphrase because of bad recording-distant mic) we must take care, the government must take care of some of the immediate problems before we start rewriting ANCSA.

Jim Souby - Let me follow that up with a question and maybe it's more for Mitchell and Gary but, . . . The thing I was driving at was our Coastal Management Program (CZM). I now sit on that council with Lydia and I just think that program offers some measure of a way to deal with this particular problem. I know that program is going to help solve some of our OCS problems because I'm confident that we are going to win some litigation that's going to allow us to contain some of those impacts. Maybe that doesn't buy into the value systems now but it's better than what you would have otherwise. It seems to me that if there is any hope that's the hope (resource allocation).

Mitchell - The hope is providing part of what Gregg was saying. People who live out there with some kind of authentic political power over their own destiny, as opposed to going to a meeting on OCS to give their input. Souby - they clearly have authentic power. Mitchell - Well, they may or they may not. One other last comment with respect to Gregg's comment is that I very rarely give that speech to nonnative audiences. The reason that I broke my rule is that one of the things that people continue to think is weird around here is that somehow there is rural Alaska and that's their problem and then their's everywhere else and that's this problem. In fact, this town feeds off of rural Alaska. If you look at the economy in some respects, certainly it feeds off of the oil which is in rural Alaska. They are involved with the Haul Road, out there trashing rural Alaska. There are thousands of decisions made here that affect out there. People have got to start to be sensitized to what the situation is out there and unfortunately in terms of communicating that as positive as you can communicate information and evaluate in the terms of the context that Arlon raised yesterday.

John Havelock - closed this session

BREAK

Jim Souby (Director, DPDP, Office of the Governor)

Souby outlined what is a non-traditional situation in Alaska in which the wealth is in the public sector and the planning or policy mission which he is charged is how to distribute that fairly. Many of the decision that are being made right now are resource allocation issues and they are irrevocable. It's going to cost more to go back and change them or they are not going to be changed at all. Our decisions now are going to have impacts far past our lifetimes. So we are trying to consider what the consequences are in both social and economic

Our planning effort has not been there because we have been concerned with getting the resources from a federal government that has just decided to give them to us. In our planning efforts we have political problems to deal with, We have competing values that Mitchell elaborated on, but we also have the boroughs to deal with, the regionals and of course the state. One spector of planning that we need is the ability to make trade-offs to accept certain policy decisions in a trade-off for other decision with industry.

In Alaska and in the executive branch of government, the principal approach to planning is through the budget process. That's where issues percolate up and that's where the governor deals with them. We used to have operational budgets that you submitted to the legislature and that evolved into the policy budget. This is how we are getting into the long range budget process. It's a first step. When you do start projecting for years in advance you have to make assumptions. The next steps are where we're heading and what are the consequences of the decisions that we are making. So how do we get that information, especially if the bush is meetinged out as we have heard here. We are helpless in planning if we don't get that information, current information.

The next step is how do we get to a strategic management planning process. ARCO can't make that decision for us. The Sierra Club can't. It's the local people who must help us make it. And that takes us straight into the Coastal Management Program. Through regulations and executive control we can prevent rural values from being crushed but we can't lay down the guidelines from the state without help. CZM does represent strategic management planning. So how do we get the local information and how do we save the program that has been under severe attack lately.

Where can we shape the future through goal setting and policy implications that exist and how do we develop the process that will let us influence the things that happen beyond today.

George Gee (Planning Consultant, Ketchikan) A question I have is, should the legislature be in long range planning. And, if the legislature is involved in decisions that have long range implications then they are involved in long range planning. So, maybe the questions is, are we going to institutionalize long term planning. (turnover tape) One of the great risks is the decision of having to say no. Once you are in the process of long range planning, you no longer have the luxury of saying maybe or yes I will do it later, you have to say no. That is one of the reasons that Hawaii has trouble because they institutionalize it at the legislative level. So, in five years if we have institutionalized, we may know no better where we are, then it will be a success.

Steve Reeve (Chief, Land and Resource Planning, DNR) We have some serious decisions that are being made now such as hydroelectric power. In our department we have 20 year budget and a 5 year budget. We deal with forest lands, park lands and all allocation resources that are under DNR. There has not been any planning in DNR until a couple of years ago. In contrast to what Arliss said yesterday, there is not much planning going on in the state of Alaska. Ours is an initial cut into the process, of oil, of habitat allocation and hopefully we will be in better shape to coordinate with state and federal agencies in a manner in which people were suggesting yesterday. We also work in an area planning scale. The north slope, Bristol Bay, etc. and we are deling with the people in their own back yard.

One area I hope we can make some changes in is public education. It seems much to little is being done to help the public, to help the children in the education process. There is no environmental education program in Alaska and we desperately need it. (Resource planning effort). The second thing I want to touch on is that there have been disparate efforts by the legislature to influence the executive on resource issues. There have been bad ones such as the 100,000 acre land disposal mandate and there have been well intentioned ones like this years agriculture suggestion to tell us where we are going in 10 years. The legislature should task the administration to come up with a road map of where we are going in the years ahead. We have the five year lease schedule in oil and gas. We have the 10 year agriculture plan so we do have some examples from which to learn. The purpose then of what we are doing is to be as clear as possible as to what we are doing and where we are going with the public, with the legislature and in particular as a planner with ourselves.

Jamie Love (Harvard University, Kennedy School of Government) I started with the idea from Michael Lenzer when he told me that the state needed a blueprint of what the money could do and what it could be spent on, in every area. What it's going to do with the money is the most important development decision that we are going to make. How the state spends its money will determine the future of Alaska. What about equity? The housing subsidy is a good example. We are providing $3000-5000 a year to people who are making, for the most part, $30,000 a year or higher. We repealed the income tax and lessened the corporate income tax. There is a legitimizing effect when you turn things like hydro into benefits to the local people, but what about the people in the other areas.

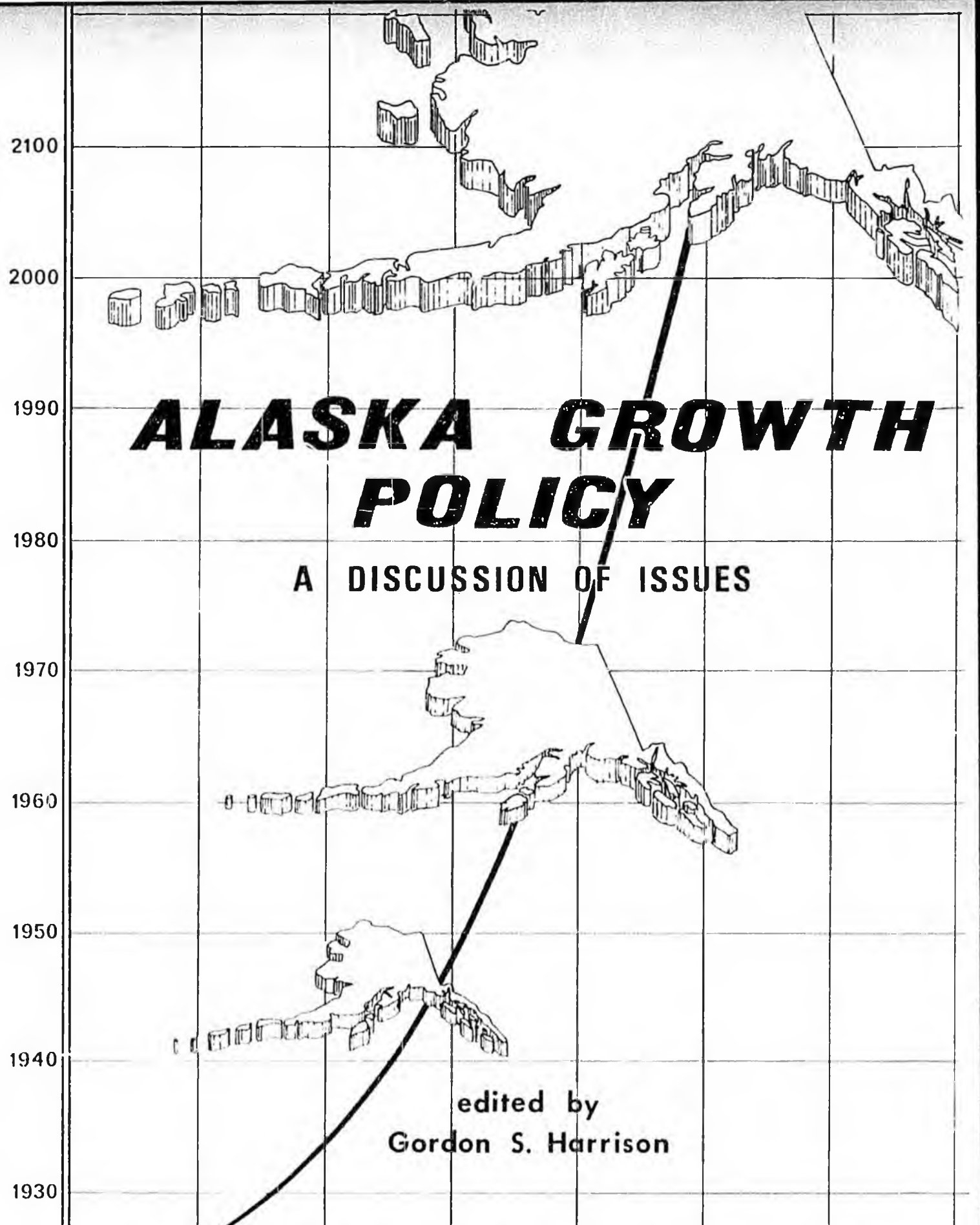
It's very hard to privatize the wealth and you have terrific demands to get the money out to the people, but how do you share it? People want to be better off because of the wealth and the challenge is how to evaluate expenditures based on both the efficience and the equity of the distribution. It presents both analytical and political dilemmas.

In looking at how the system works, the Hammond Administration has a vastly overrated image of being a planning administration. Putting together the budget is the process and spending the money is the plan. I see these as political decisions not as analytical planning. So the planners in this state feel rather impotent and I think that is something that Jay Hammond can take a lot of credit for.

The legislature sort of looks at the budget, historically, and nitpicks a few things, tries to get a few things for each district and that's about it. In 1979 they did an equal share per legislator in the capital budget, something like $750,000 each. This year Ed Dankworth told me it was about $10-12 million each with a little extra for finance members. So the numbers are going up. The legislator's themselves do not really believe there job is to do long term planning. They take office in November, start the session in January and don't even know who is on finance until January or February. So how are they going to make long range planning decision, with a $6 billion budget in a matter of days.

I have a few suggestions for planners. First, I think you should have better data to achieve your goals. There needs to be more explicit information on income distribution. Many of the anti-planning legislators see planners as merely asking to many questions and shooting down projects for no reason.

Gordon Harrison (Planning and Development Consultant, Juneau) My only comment I think that people overlook the fact that the legislature is the legitimate decision making body and that planners are not. A lot of what we are calling planning is really conflict resolution that has no business with the planners. When we call it planning we are disguising what it really is and we ring our hands and we are frustrated because we can't get this planning. What we mean by that is really the rational, deliberate implementation of our favorite policies. I think that when we look at the institutional arrangements should be established for the legislature, we should keep in mind what is conflict resolution and politics and what is planning and what is not. I'm not sure what planning is. I'm sure what conflict resolution is. I think what happened in Hawaii is that they created a planning process to deal with basic political issues and it was bound to fail because it was not the legitimate decision making body and the legislature was. When these allocations of real resources were made by the planners instead of the legislature, of course it would fail. So, I think to avoid those kinds of problems we should think very carefully what we mean by rational planning and separate it from what is really legitimate politics and decisions should be made through the legitimate decision making body which is the legislature.



ALASKA GROWTH POLICY

A DISCUSSION OF ISSUES

edited by
Gordon S. Harrison

INSTITUTE OF SOCIAL, ECONOMIC AND GOVERNMENT RESEARCH
UNIVERSITY OF ALASKA

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PREFACE

A three-day symposium on the subject of a growth policy for Alaska was held at the University of Alaska, Fairbanks, December 3-5, 1974. Sponsored by the University's Institute of Social, Economic and Government Research with support from the Alaska Humanities Forum, this symposium reflected the continuing but recently heightened concern of Alaskans about the future of their state. Traditionally, the concern in Alaska about growth has been that there wasn't enough of it. Since the discovery of oil on the North Slope in 1968, however, this concern has begun to focus on the possibility that Alaska will get too much growth, too fast, in the wrong places.

Some participants doubtless arrived at the symposium wondering if the signs of a frantic oil boom all around them didn't signify that the opportunity to control growth, if it ever existed, was surely lost now. Even those most optimistic about the ability of the state to intercede effectively in the growth process could not deny that very powerful forces of social and economic change in Alaska were already off the leash, and that the pace of events was quickening daily.

In my letter to symposium participants, I wrote:

> The Symposium is designed to help achieve a clear formulation of growth policy issues and growth management methods available to Alaska. Toward this end, the symposium will synthesize historical perceptions of Alaska's development and trends, growth projections and policy alternatives, growth policy experiences of other states, and public values emerging with respect to Alaska's future. Attention will be given to the full gamut of public policy issues related to Alaska's future, including economic growth, land and resource use, revenue generation and investment, distribution of benefits and costs, immigration and settlement, community growth, environmental quality and other factors. Underlying these issues are the basic questions related to Alaska life styles, the future character of the state's communities and regions, and the need to develop

processes through which an Alaskan approach to challenges of growth can emerge.

Discussion at the symposium was as broad as this statement invited it to be. As anticipated, a consensus on the scope and design of a growth policy did not emerge from the conference, and because the participants came from around the state and represented various points of view, I think it is safe to assume that the basis of a consensus on this subject does not now exist in Alaska. However, the symposium did move a measurable distance toward identifying and clarifying many of the issues that are raised by the subject of a growth policy.

To provide a point of departure for future discussions of Alaska growth policy, I asked Gordon Harrison, one of the symposium participants, to prepare a brief publication that attempts to capture the main issues and unanswered (unanswerable?) questions of a growth policy for Alaska. Included is an essay by Gordon prepared after the conference; a paper presented at the conference by Ken Rainey, a Fellow of the Academy for Contemporary Problems; excerpts from two other papers presented at the conference; and a sampling of extemporaneous comments and observations by symposium participants.

Victor Fischer, Director
Institute of Social, Economic
and Government Research
June, 1975

GROWTH IN ALASKA

By Gordon S. Harrison

Alaskans face the prospect of major growth in their state over the next several years. As Alaska's senior economist George Rogers remarked to the symposium participants, Alaska's growth has never been smooth and gradual but rather marked by periodic "quantum jumps" of development. Alaska is currently in the midst of one such quantum jump. There are now some 350,000 residents of Alaska. A recent population projection shows 510,000 residents in 1980 and almost 550,000 in 1983.[1] David T. Kresge, a University economist who has developed a computer model of Alaska's economic reaction to various levels of petroleum development, projects that the state's population will exceed 600,000 by the year 1990, even if no major oil development occurs in addition to that of Prudhoe Bay. These estimates of population growth may well be low, for development in addition to that associated with Prudhoe Bay now seems likely.

Oil and gas development is the prime mover of current growth in Alaska. The trans-Alaska oil pipeline now under construction will permit commercial production of Prudhoe Bay fields some time in 1977. This project may be just the beginning of a sustained oil boom in Alaska. Within a few years of completion of the oil pipeline, a pipeline for North Slope natural gas must also be built, either across the northeast corner of Alaska to Canada or to a tidewater port in southcentral Alaska. Congress has authorized further exploration of Naval Petroleum Reserve No. 4, and there is serious talk of allowing commercial development of this federal reserve. Also, the federal government is preparing to lease oil tracts on the outer continental shelf (OCS) in the Beaufort Sea, Bering Sea, and Gulf of Alaska, and the state government is considering additional leases of state land in lower Cook Inlet, Beaufort Sea, and Prudhoe Bay. Meanwhile, Native corporations created by the

[1] Human Resources Planning Institute, *A Forecast of Industrial and Occupational Employment in Alaska* (Fairbanks: Institute of Social, Economic and Government Research, 1974), p. 58. See also, Alaska Department of Labor, Research and Analysis Section, *Annual Population and Employment Projection 1961-1980*, March 1974.

Alaska Native Claims Settlement Act of 1971 are selecting lands with oil potential, and six corporations have already signed exploration agreements with major oil companies.

From the beginning of exploration to the beginning of commercial production of oil and gas, the petroleum industry creates a great deal of employment and makes many purchases of goods and services within the state. Most of this employment and business activity results from the construction of transportation and processing facilities: pipelines, oil and gas separation plants, marine terminals, refineries, liquefaction plants, and even petrochemical plants. During the 1960's, for example, there was a major oil boom on the Kenai Peninsula when offshore exploration was underway along with construction of two refineries, an ammonia-urea plant, a gas liquefaction plant, and three docks.

After all required processing and transportation facilities are in place and commercial production of oil and gas begins, the petroleum industry ceases to create much employment or make many local purchases. During the operational periods, however, the industry provides an indirect stimulus to the economy through payments to the state government — royalties (if the wells are located on state land), severance taxes, property taxes, state corporation taxes, and personal income taxes.[2] The state government in turn spends this money on salaries of public employees, capital improvements, and various state programs.

Additional spending in Alaska, whether by the oil industry or by the state and federal governments, causes population growth by creating more jobs, and these jobs attract more immigrants to Alaska. During the post-World War II defense spending boom in Alaska (1946-1953), for example, total population increased from an estimated 99,000 to 212,000. Net in-migration accounted for about 83 per cent of this increase.

I saw a study of transients who migrated to Valdez looking for work last summer. It said that 50 per cent of those who arrived between May and September said that they had been told in the states where they originated that there was no work in Alaska, but they came anyway. One of the impacts of a possible worldwide depression may be that people will decide that things couldn't be any worse in Alaska than in their own state and that they may as well migrate
Chuck Konigsberg

Spending that increases statewide income and employment is not the only cause of population growth. Population growth also occurs from natural causes — i.e., excess of births over deaths. During the fourteen-year period between 1953 and 1967, for example, the total net out-migration was 20,000, the growth of total population from 212,000 to 278,000 being accounted for by the offsetting natural increase of 86,000. Since 1967 there has been a progressive increase in net in-migration, and the current surge of petroleum-related construction and economic expansion promises to swell the state's population in the next decade much more dramatically than natural increase.

It has been suggested that new settlers will be attracted to Alaska even if there is no further economic development. According to this argument, ever greater numbers of people will seek refuge from the pace and style of life in the other states, and Alaska's relatively undeveloped condition will draw them north like a magnet. Any effort to limit development in Alaska as a means of limiting growth would therefore be counterproductive

[2]In addition, 90 per cent of the federal revenue from onshore wells on federal land in Alaska now goes to the State of Alaska.

and doomed to failure.

There is a good deal of anecdotal evidence from states such as Vermont and Oregon to suggest that large numbers of people are indeed trying to "get away from it all" by moving to less urbanized areas. However, the prospect of significant immigration to Alaska in an inverse relationship to economic development here seems very slight. The cost of living is very high in Alaska, and subsistence living is not a practical lifestyle for many people. Nothing in Alaska's development history suggests that the ebb and flow of civilian migration is caused by anything but the fluctuation of real and perceived economic opportunity.

Attitudes Toward Growth and Growth Policy

Participants at the symposium expressed different attitudes toward growth in Alaska. Some thought that growth represented social progress and was unambiguously good for Alaska; others viewed growth as a mixed blessing but considered moderate growth in Alaska to be acceptable; and still others regarded all growth in Alaska to be undesirable.

Different attitudes toward growth naturally led to different opinions about the main objective of a state growth policy. Those who welcomed all growth thought that state policy should promote growth and smooth its path. Those who welcomed only moderate growth thought that state policy should attempt to enforce standards and guidelines for growth which selectively permit and prohibit certain types, patterns, levels, and location of growth. Those opposed to further growth in Alaska thought that the objective of state policy should be to minimize to the greatest possible extent future population increase and economic development.

The critically important distinction between these opinions is the degree to which state policy should restrict, or limit, growth. However, differences of opinion about the limitation of growth in Alaska were in large measure obscured by repeated use of the phrase "controlling growth" and the word "planning." Everyone acknowledged that growth should be controlled, and that planning is necessary to cope with future growth, but these terms had very different meanings to different people. To maximum growth advocates, the planning process is one that encourages, assists, and accommodates growth. In this frame of reference, controlling growth means shaping and guiding it to maximize its social and economic benefits and minimize its social and economic costs.

To moderate growth advocates, the planning process should also smooth the path of growth (for example, by assuring that necessary land, utilities, and public services will be available for a growing urban population), but it should also identify especially costly types and patterns of growth and devise methods of preventing this undesirable expansion. In this frame of reference, controlling growth means enforcing social, economic, and environmental standards that limit growth to some extent by selectively restricting certain types of development.

In spite of public concern, in spite of good intentions, in spite of this symposium and others that take place, my thinking is that we are headed down the same road to destruction of land and resources as the rest of the states are. . . . The point is that in spite of planning, it boils down to the rough and tumble of politics and survival and numbers.

Emil Notti

To minimum growth advocates, the planning process serves essentially the same process it does for moderate growth advocates, but standards are much more severe and more growth is stymied. In this frame of reference, controlling growth means restricting the aggregate magnitude of growth as much as possible.

Behind the rhetoric of controlling growth and planning are fundamentally dissimilar opinions about the degree to which state growth policy should *limit* growth. The range of opinion can be expressed as a continuum from no limitation and maximum growth to maximum limitation and minimum growth.

Thus, the principal controversy in Alaska about growth policy is not controversy about the need for planning and growth management efforts by government *per se*, rather it is about the extent to which they should limit the magnitude of growth. There seems to be no consensus about either the desirability or the possibility of limiting growth. Indeed, these seem to be the two central questions of the growth policy issue: *should* public policy attempt to curb aggregate growth in Alaska, and if so, *can* it effectively do so?

Growth Limitation: Is It Desirable?

One reason why I think that controlling growth may be a germane part of a human development policy comes perhaps from my background as a biologist and deals with what I perceive as some of the realities of living in Alaska. The sun doesn't shine very effectively for very long during the year in Alaska. As a result, the land doesn't produce very much in the way of vegetation or animals. Agriculture in the North is a losing battle in the traditional economic sense of the word, and subsistence lifestyle can support only a limited number of people. . . . If we ask how many people who enjoy hunting can survive in Alaska at a given quality of hunting experience, then the limitation of sunlight has a great deal to do with the carrying capacity of the environment for these sorts of human activities.

Bob Weeden

Support for growth limitation, at least among non-Natives, stems mainly from the pervasive sentiment that up to now, Alaska has offered a very high quality of life for its citizens which is attributable to a small population and non-industrial economy. The essence of this "quality of life" case for growth limitation is that Alaska should not and need not develop in a pattern similar to that of the other states; that there should be one state that is not dominated by the style and pace of industrial and urban America; that the wilderness and unspoiled land of Alaska should not be encroached upon any further, for this land is the last of its kind in the world. Behind this attitude is an impulse to stave off the advance of industry, highways, and tract houses. However difficult it may be to precisely define "quality of life" in Alaska, the term generally implies close ties to nature and community, ties that are inevitably loosened as the size and complexity of society increases.

It is argued further that North Slope oil revenues assure Alaskans that their state government will survive and their basic public service needs will be met. Moreover, passage of the Alaska Native Claims Settlement Act of 1971 assures the Native population of the state a major role in the political and economic development of Alaska. Thus, the argument is that Alaska does not need growth beyond that which is immediately forseeable, and that public policy should attempt to curb all unnecessary and avoidable growth.

Growth limitation is also thought by some to be a necessary defense of Alaska's wilderness and wildlife. Recreational pressure on Alaska's big game and freshwater sport fish is intense, and the quality of hunting and sport fishing is in decline everywhere in Alaska. Contrary to popular belief, Alaska's land and fresh water

are not highly productive, especially in the interior and northern regions of the state where the winters are long and cold. Native villagers are alarmed by the threat to their subsistence resources from well-equipped, highly mobile recreational hunters.

Although discussion of growth limitation often implies that it would be a blanket policy applied statewide, advocates of the idea recognize that antigrowth policies may be selective, especially as to region. An obvious candidate for a regional policy of growth limitation is the Anchorage area in southcentral Alaska, which has been expanding and prospering for years. While efforts to limit growth and development may be appropriate there,[3] they may not be appropriate for some other regions of the state. For example, development would seem appropriate in Southeast Alaska where the fishing industry is in decline, the timber industry is in a prolonged recession, and the state government and public administration industry may be withdrawn; it would also seem appropriate in the predominantly Native regions of southwest and northwest Alaska, which are the poorest in the state.

Growth limitation in Anchorage has a special appeal to some people as a means of redressing the present imbalance of political and economic power in the state. If current growth trends continue unchecked, Anchorage will soon elect a majority of the state legislature, and its emerging economic hegemony will become permanently fixed and unassailable.

Opponents of any type of growth limitation in Alaska are wont to argue in the first instance that Alaska is so large and the population so small that growth can continue for decades before urban expansion and natural resource development make serious inroads into the natural beauty of the state. Furthermore, opponents of growth limitation argue that population concentration can be managed so that it does not mean congestion, social anomie, and crime. Urban growth can result in more and better health care, diversified school curricula and expanded educational opportunities, symphony orchestras, fine restaurants, and other amenities of urban life.

Actually, the longest-standing argument for accelerated growth in Alaska has been economic rather than social. Statistically, the state of Alaska has high unemployment and low per capita real income, for which economic development has been touted as the remedy. This conventional rationale for growth has been undermined by evidence that high unemployment rates in Alaska are basically due to the highly seasonal nature of much basic industry and are not relieved by economic expansion. Furthermore, economic expansion lures more workers to the state in search of jobs than there are jobs available, and increases in gross income generated by this economic expansion are spread among a greater number of people, resulting in less than proportionate rises in per capita income. There is increasing, if reluctant, acceptance of the argument that, in the aggregate, development does not ameliorate unemployment or greatly raise

One thing that seems to be clear about optimum size is that it is virtually impossible for any community to control its own growth — certainly impossible for Anchorage, the key metropolitan area in Alaska. I project some 55 per cent of the people of Alaska being in Anchorage in 1990. If you include the Kenai Peninsula and the Palmer areas, you bring the total population of the Anchorage region up to two-thirds of the total population of the state. . . . And the growth of Anchorage is not going to be dependent on Anchorage decisions, it is going to be dependent on statewide policy affecting total growth. . . . The factor of growth is larger for Anchorage in terms of percentage than for the state as a whole. The more the state grows, the faster yet Anchorage will grow. . . . The effect will be on the quality of life and livability of Anchorage itself.

Vic Fischer

[3] A contrary opinion is that Anchorage has already been spoiled by excessive, unmanaged development, and that future growth should be channeled there to prevent it from affecting the relatively undisturbed areas of Alaska.

Every time you create a job, a new person moves in. When you keep adding jobs in order to cure the unemployment problem, people come in as fast as you add these jobs. I'm always taken a little aback when people say that we need to employ Alaskans. Well, who exactly is an Alaskan? It seems to me that the U.S. Constitution makes it very clear that it is anyone who crosses the border.
David Kresge

personal incomes.

However, development does benefit many Alaskans in a real and direct manner. Too, a deceleration of economic growth might cause direct and real harm to many Alaskans (most of whom would presumably be unskilled, low income, and Native). Furthermore, real per capita income is not a full measure of the social benefits of economic development. For example, if more public roads, buildings, and other facilities are built, and if more public services are provided, society has gained even if the average real per capita income of residents has not increased in the process.

Growth Limitation: Is It Possible?

If one decides that some measure of growth limitation is a desirable objective of public policy, he must also determine if such limitation is practical and realistic. For political, constitutional, and other reasons, it is not clear that policymakers could effectively limit growth in contemporary Alaska if they wanted to.

Is *any* measure of growth limitation in Alaska politically feasible? Some say "yes." Symposium participants frequently commented that Alaskans' attitudes toward growth are changing; they are increasingly skeptical of the need for, and benefits of, more economic development and population growth. Cited among other manifestations of this attitudinal trend was the 1974 gubernatorial election, in which Jay Hammond campaigned on a "go slow" growth platform. Most symposium participants acknowledged that popular attitudes toward development have changed in recent years and that a primary reason for this change

The following is an excerpt from "Alaska's Growth to 1990: Policies and Projections," a paper presented by David T. Kresge, Professor of Economics, Institute of Social, Economic and Government Research, University of Alaska, Fairbanks, Alaska.

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Over the foreseeable future, state expenditures from petroleum revenues will be the primary driving force in the Alaska economy. Policy decisions governing the pace of oil development and state fiscal policies will have major impacts on Alaska's rate of expansion. Growth will be substantial under almost any conceivable set of policy actions and world oil prices. However, the future growth rates are not likely to be outside the range of recent experience and in many cases may be somewhat lower.

With regard to the broad policy actions considered here, the range of policy impact is much wider in the upward direction than in the downward. The state has the ability to accelerate development substantially, but given the ongoing developments on the North Slope, there are no realistic policy options that can significantly curtail Alaska's growth. If the state chooses to increase its growth rate, policies to promote rapid development of Alaska's petroleum resources and/or expansionary fiscal policies will sharply accelerate growth in output, employment, and population.

Alaska's growth will be heavily concentrated in those sectors which are either directly influenced by oil revenue, such as state and local government, or indirectly influenced through the induced growth in personal income. The support sector industries, and particularly the trade and service industries, vary strongly with changes in personal income and can be expected to grow rapidly. It is likely that at least three-fourths of the future growth in employment will be in trade, services, and state and local government. Any policy action or other event which raises personal income will further increase the growth in the support sectors and, through them, the growth in the economy as a whole.

Renewable resource industries can be expected to play only a minor role in Alaska's future economic growth. In fisheries and forest products, the limited supply of natural resources will constrain the amount of expansion that is feasible. Agriculture in Alaska may well expand output severalfold, but because agriculture is so small in absolute terms, this will have slight impact on the state economy. The renewable resource industries will continue to be an important part of the Alaska scene, both in terms of economies and on the basis of broader considerations, but their contributions to economic growth will necessarily be quite limited.

is the opinion that Alaska is on the verge of becoming a very rich state and can now afford to forego development that carries high social and environment costs. This pervasive view, plus the fact that many people have begun to experience negative impacts of pipeline construction, is causing some to think that the underlying political support for growth limitation policies now exists and can be mobilized by executive or legislative leadership.

Are policy tools available to intervene in the growth process? Again, some say "yes." Advocates of growth limitation argue that all of the traditional tools of planning and growth management can be used to limit growth in a fashion and to a degree that policymakers choose. For example, by increasing the scope of their application and their severity, the same techniques of land classification, transportation planning, business licensing, and fiscal policies that are used to manage the *effects* of growth can be used to limit the *magnitude* of growth as well. In addition, a wide variety of new regulatory devices and economic inducements are now being developed and perfected by a number of states to influence specific environmental, social, and economic aspects of growth and development. These utilize such mechanisms as air and water quality standards, revenue sharing, and regulatory boards and commissions.

The state government can also influence growth by saving North Slope oil revenues. If spent, these revenues will allow the state government to expand its annual budget, and this incremental budgetary expansion will be growth inducive. Certain expenditures may produce less growth than other expenditures. For example, the income and employment multiplier effects of one industry may be less than the income and employment multiplier effects of another industry, so that state subsidy of the

I'm somewhat astounded by the illusion of grandeur the morning's speakers have expressed about the ability of the state to control its growth. I think that all of the forces of growth in Alaska are outside the state. The only way we are going to control our growth in the state of Alaska is to make it unattractive to people, not attractive. And I'm not advocating that we should make it unattractive. Alaska is just not going to have any real influence in stopping growth. Rather than stop it or slow it down — whether it be rapid or moderate — let's direct it. We can direct it and should direct it well.

Chuck Evans

The federal government sector will also remain an important component of Alaska's economy; but rather than contributing to growth, it is most likely to decline in the future. As the state becomes more self-reliant and as the Native Claims Settlement Act is implemented, federal civilian employment can be expected to diminish gradually. The number of military personnel stationed in Alaska is not likely to increase, and there may be further reductions in the future. Clearly, the importance of the federal sector will be greatly diminished relative to the other economic activity in Alaska.

Changes in the price of oil can have substantial impact on the Alaska economy, and they do introduce a major element of uncertainty into the planning process. But, within the likely range of variation, changes in oil prices will not alter the basic pattern of growth in Alaska. Nor will they have such large effects as to overwhelm the influence of government policies. In fact, government policies can, if necessary, be adjusted to offset the destabilizing effects of fluctuations in oil prices.

There are two areas where policy decisions can have massive impact on the course of development. The first are petroleum development policies. If we concentrate on those aspects of petroleum development subject to state control, the key item is how much leasing is undertaken by the state. The rock bottom level is full North Slope development — gas and oil. A second alternative is some limited additional leasing. A third is rapid petroleum development with annual lease sales every year from 1980 on, with several major new fields opened up.

The second set of policies are fiscal policies, and here we concentrate solely on the spending versus saving decision. State spending is what causes the system to grow either more rapidly or less rapidly, strongly influencing gross product, employment, and population. Public policies are by no means trivial instruments in their effect on the economy and population.

Designing effective policy instruments means focusing on what we want to accomplish. For example, if the objective of Alaska public policy is to increase the personal income of its residents, it is apparent that the aggregative policies are ill-suited to that purpose. Broad policies which cause output and income to increase also cause population to grow. The result is an increase in the size of the Alaska economy but virtually no change in real per capita income. For similar reasons, aggregative policies are not effective in reducing Alaska's unemployment rate. Thus, if the goals of public policy include raising per capita income or lowering the unemployment rate, then policies will have to be designed to achieve those specific goals; aggregative policies alone will not do the job.

former is less growth inducive than state subsidy of the latter. However, these differential effects of state spending will probably be minor. Critically important for the magnitude of long-term growth is the *amount* of money spent versus the amount of money saved. Saving will not produce growth, and it may therefore become a growth-restrictive public policy.

Another important policy lever that the state could possibly use to influence future growth is the leasing of state land for exploration and development of oil and gas. If we assume that lands leased by the state require equivalent exploration and development efforts, and have roughly equivalent producing potential, it would be possible to manipulate the distributive effects of growth induced by oil development through the timing and location of lease offerings. More importantly, it would be possible to manipulate the aggregate growth impact by varying the amount of acreage offered for lease. Thus, a decision to withhold state land from oil and gas leasing would be growth restrictive, just as a decision to save a portion of new oil revenues would be growth restrictive.

The weight of the foregoing optimism about the state's ability to influence the rate of growth in Alaska is seemingly balanced by an equal and opposite weight of pessimism, which is founded in two main arguments: (1) the state government could never mount a coherent and effective policy offensive on the rate of growth, because support for specific development projects could always overcome general political commitment to growth limitation; and (2) the forces of growth in Alaska are already in motion; they are removed from the state's sphere of action; and they are so strong that they cannot be resisted, neutralized, or deflected to any appreciable extent.

During the symposium it was argued that the public skepticism of development which has appeared in recent years is still too germinal, too abstract, and too nebulous to be a threat to specific development proposals. According to this "political realism" argument, it is one thing to ask a man what he thinks about development, and it is another to ask him what he thinks about a proposal to build a new industry in his hometown. If he is like most people, he will respond to the second question only after consulting his own interests and deciding if on balance he wins or loses from the project. Usually, only the people who are directly and immediately affected by a project identify themselves as winners or losers, and only they become relevant to those making decisions about the project. Further, the history of economic development in Alaska and the rest of the United States suggests that there will probably be more people who expect to be winners than losers, and that the winners will probably be established economic interest groups with longstanding political influence. Thus, in reality it would prove very difficult for elected officials to oppose specific development projects, whatever the general climate of public opinion toward the principle of development.

The political realists also assume that legislators could not resist the temptation to spend the revenue generated by North Slope oil production. Some symposium participants, a legislator or two among them, thought it fatuous to expect that there would be

I have an intuitive sense that within the next decade or so we are going to have some major constitutional crisis regarding the relationship between the national interests and state interests in the areas of environment, energy, and raw materials. . . . To a certain extent, the energy frontier areas of the United States — areas to which the nation as a whole is looking in its quest for self-sufficiency in primary fuel because of their strip mineable coal or their oil reserves — these areas are becoming reluctant to play the role of energy providers for the nation.

Should these states have a veto power over the use of federal resources within them, or should the federal government have the authority to override the states' environmental land-use, and economic policies with respect to the development of energy resources? . . . I think that the way in which this constitutional problem is resolved will have an enormous effect on Alaska.

Arlon Tussing

significant saving of oil revenue, or even that the spending of this revenue could be confined to a planned, coherent budget strategy designed to have predetermined growth impacts. There will be strong pressure from within state government to expand existing programs and launch new ones, as well as strong pressure from outside the government to support and subsidize natural resource development schemes in every region of the state. However uneconomic and inefficient, new resource development will be promoted as the answer to Alaska's unemployment problem and as the guarantee of long-term prosperity through diversification of Alaska's economic base. It is argued that legislative budget allocations in Alaska are made through the process of log rolling among regions and districts, and that the process would only be intensified by the availability of greater and greater amounts of public money.

During the symposium it was argued that growth limitation is in any case a "will 'o the wisp," because the state simply has no real power to resist contemporary forces of growth and development. How realistic is it to assume, for example, that Alaskans can successfully resist development of their oil and gas resources when the nation is experiencing an acute energy shortage? The oil industry by itself seems at times to have a forward momentum that sweeps all men and events with it. Now, the industry has been joined by the U.S. Department of the Interior in promoting more oil exploration and development, especially on the federally-owned lands of the outer continental shelf (OCS). The coastal states, Alaska among them, have apparently already abandoned hope of resisting OCS leasing and are negotiating with Congress for a share of federal revenue from OCS bonuses and production to at least compensate for onshore social and environmental impacts.

Moreover, OCS leasing along Alaska's coastline will probably pressure the state government into accelerating its own leasing program. Whatever the state administration may think about the desirability of more oil development in the near future, it may be forced into offering more leases to realize significant bonus income before the market is spoiled by a glut of federal lease offers, and so that it can secure royalty and taxation revenue from production of oil that might otherwise be drained by wells drilled from immediately adjacent federal leases.

In the matter of leasing land for petroleum exploration, the state is also in a competitive position with the Native regional corporations, which are "for profit" organizations. Many Native land selections under the Alaska Native Claims Settlement Act of 1971 were made with a view to oil and gas potential, with the result that Native corporations will soon have mineral rights to many promising petroleum structures in Alaska. These corporations are under pressure to hasten oil and other natural resource development, both from their stockholders and from the other regional corporations (which by terms of the Native Claims Settlement Act are entitled to 70 per cent of natural resource revenues). OCS development will assist oil development on Native lands to the extent that it results in new ports, offshore loading facilities, and cross-country oil and gas pipelines. Thus, with so

A really critical feature of the Land Claims Settlement Act is the requirement that each region must share 70 per cent of its natural resource revenue with the other regions, and that each region is required to share its revenues vertically, that is, with the villages of the region. It seems to me that this requirement places on the boards of directors of each regional corporation a tremendous burden in favor of the extraction of the region's natural resources. It may even be that a corporation which refused to permit that type of activity could face legal threats from the boards of directors of other corporations, which would claim a right and an interest, a vested interest, in that kind of development.

Joe Josephson

much of Alaska's potentially valuable oil land in Native or federal ownership, it is not easy to imagine how the state government could effectively limit oil development by withholding leases on its own land. Such a polic would merely shift oil development elsewhere and result in nothing more than a loss of royalty and bonus income to the state.

Another reason the state is said to have little or no control over growth patterns within its borders is the fundamental dependence of its natural resource industries on conditions and events external to Alaska. For example, the condition of the timber industry in southeast Alaska, the mining industry in interior Alaska, the fishing industry along the coasts, all depend upon such uncontrollable factors as prices and demands in national and world markets, technological developments, comparative rates of inflation, federal environmental standards, and federal resource development policies.

After we gave them some economic data, we let the villages select the lands they wanted. The majority of the lands that they selected were for subsistence life-style.

Sam Kito

Skeptics of growth limitation also point out that the past record of bureaucratic attempts to manipulate human behavior on a large scale, is not a very impressive one. Ambitious social policies (of which growth limitation in Alaska would surely be one) are often ineffective or, worse yet, counterproductive. Contemporary society is so complex and individual motivation so mysterious that all the major consequences of new social policies are seldom foreseen. So far, growth limitation is *terra incognita* to politicians and policy planners around the nation.

Where Are We? Where Do We Go From Here?

What we're trying to do, in order to promote the resources on Native lands and make them relative to our people is to keep the transportation corridors, the roads and stream easements off our land so that we can develop it as it relates to our own needs. And I think the state can do somewhat the same thing. I don't care how much land the federal government has, or anybody else in Alaska; if you look at where the state is going to have its lands and where the Natives are going to have their lands, we can very well provide self-planning for the development of resources, providing we do it together.

Roger Lang

Many people in Alaska are doubtless ambivalent about the desirability of growth limitation here. Most of us like nice restaurants, shops, and a fine symphony orchestra, along with wilderness at our doorstep. However, if a poll were taken today on public attitudes toward different growth rates, a very large percentage of people would indicate a preference for selective and moderate growth to maximum or minimum growth alternatives. That is, as an abstract proposition, most would acknowledge the desirability of limiting growth to some degree. Among these people, however, there is probably a good deal of skepticism about the ability of government to design and carry out an effective regulatory effort. Like reducing state budgets, limiting growth seems possible but not probable.

If Alaskans are to ever agree upon a growth policy that actively regulates the magnitude of growth, a great deal more public discussion of the issue seems necessary. This effort may be most productive if it begins with an examination of specific development projects and proposals in the state, such as the proposals to build roads to Cordova and Nome; to develop oil resources of the outer continental shelf; to build a trans-Alaska gas pipeline; to begin flourite mining on the Seward Peninsula; and to explore Native corporation lands for oil and gas, commercial timber, and metallic minerals. What are the growth implications of each project? Are these desirable? Is the public interest served by stopping or delaying the development? Does the state or local

government have the authority, political support, and policy tools to stop or delay the project if it is deemed to be within the public interest to do so? Only in the context of specific developments will the issues of a growth policy for Alaska acquire sharp definition and tangible meaning, and the range of feasible policy action become fully evident.

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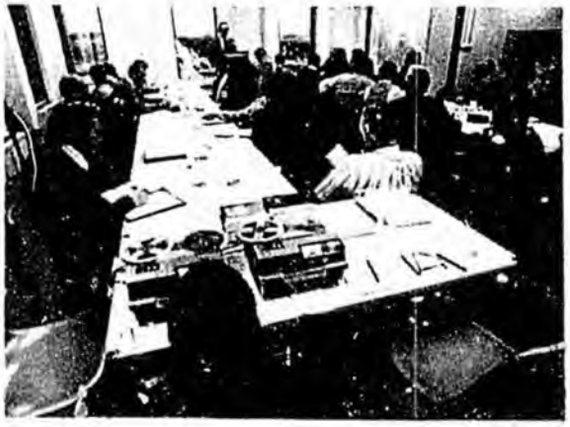










STATE GROWTH POLICY

By Kenneth D. Rainey

Growth policy and growth itself are very popular these days. Growth and growth management are being studied by states all across the nation. The President must submit a biannual growth report to Congress. Communities are considering a new question — whether or not they want growth. Some are even looking at ways to severely limit influx of new population.

The growth policy field is full of semantic misunderstandings and value conflicts. So in the course of this talk, I would like to cover several things. First, my understanding of what a state growth policy should attempt to do; second, some of the distinctions I see between Alaska and the "Lower 48"; third, a review of what some of the other states are doing, including a rough classification of their problems and problem-solving techniques. Finally, I would like to suggest the essential elements of a state growth management program which I believe are applicable here in Alaska as well as in other states.

State Growth Policy: What Is It?

We need to clarify these words before this discussion can have much meaning. First, what does "growth" bring to mind? Do you remember the glorious period of seeking urban-rural balance? Public officials, government reports, and lobbyists all spoke for the need for "urban-rural balance." It was a beautiful thing. It was very harmonizing. But no one knew what it was. Rural people thought it meant moving back to the country. Urban people certainly did not think it meant limiting metropolitan area growth. As a result, urban-rural balance, was always a spongy policy concept. Certainly no states ever got down to the cutting edge of saying, "If we want urban-rural balance, it means not building something here, and building new facilties there."

The word "policy" too, has been cheapened. It has come to mean almost any statement of advocacy made by mayors, governors, presidents, or anybody else. People do not believe that governmental policy statements by themselves have much wallop.

A strong chief executive can provide the sense of coherence and consistence that planners talk about; he can provide it more realistically than a comprehensive synoptic vision moving major policymakers to change the nature of the way the system works.

Tom Morehouse

They are right — they don't. We are being fed a steady diet of policy statements which sound suspiciously like TV ads: our policy is to give you the best service in town. What does that mean? Do they fix your car the first time you take it in to the shop? We have been bombarded with federal urban and rural policy statements that have meant nothing in terms of the day-to-day actions of federal agencies who allocate funds. If growth policy is to mean anything, it must get beyond bland statements and vague definitions such as "we do not want our cities to get too big" or "we do not want the rural areas to be too small." It must be geared to action. It must impose constraints on operating agencies. It must be the determinant of what funds are spent where.

Finally, we must clarify what we mean by "state" in talking about growth policy. It has been common to confuse the state as a geographic territory with the state as a government body. As a result, when a governor announces a state policy, it is often what he thinks someone else should do (locate your business in the state) rather than a statement of what the government will do. In the United States, state governments are far from all-powerful institutions. Indeed, they are very limited institutions. Traditionally, they have been fiscal conduits between the federal and local government. Comprehensive, independent programming, particularly on development, has been rare. State growth policy should mean policy announced by the governor, the legislature, or both, concerning how and where the state should grow.

However, at the same time we recognize that how and where a state grows are not completely in the hands of the state government. They are a reflection of millions of private decisions. And yet, state policies are frequently announced with little forethought as to how these policies might be implemented or how the goals they pronounce might be realized. State growth policy then, if not to be meaningless, must also carry with it clear and concise plans of how the tools and powers of state governments are to be used to achieve the goals set forth in the policy statement.

At a minimum, state growth policy should call for consistent action on the part of state agencies towards some explicit goal or goals. They may be in numbers of people, location, or quality of life. The purposes of state growth policy and state planning should be to improve the quality of life of the people in the state through managed growth. This means avoiding the unanticipated consequences of action. Federal spending had a tremendous impact on the way this country grew in the post-war period. In light of the crunches this caused, we have to believe that some of these consequences were unanticipated. A good growth policy will avoid or reduce the number of surprises:

The bureaucracy has more control over what is happening than the governor. The executive branch is set up around a number of line organizations; they don't need to plan because the legislature tells them what to do in the statutes. There is an enormous grip on the future which is the existing fabric of both state and federal law.

John Havelock

- Interstate and Defense Highway System is almost finished. Surprise, no gas!

- Technological advances in agriculture have enabled us to control production to insure stable supplies of food and reasonable farm profits. Surprise, there is not enough food

to go around and farmers are losing money!

State growth policy must establish operational goals for the state concerning the level of population and its distribution, the type and distribution of economic activity, and the way in which the tools of state government are to be used to achieve such goals. It must offer direction to federal, local, and private decisions affecting the state. How does this apply to Alaska?

Distinctions Between Alaska and Other States

Before moving on to the discussion of what the other states are doing, I would like to offer my understanding of the distinction between the growth and growth management problems in this state and others in the Union.

Scale in area is of course the distinction that first comes to mind. The sheer size of Alaska poses many demands in trying to manage it, which you all know much better than I. Growth policy and growth management require an undergirding knowledge of land capability, soils, wildlife, climate, geology, and the like. The cost of finding out is presumably greater here.

Scale in population is also an important distinction. There are fewer people here than in any other state. This should mean fewer people problems to solve. At this moment, and happily most of the time, people are at the heart of growth management discussions. How well off are the people of this state? One thing that I have learned is that Alaskans place a high value on things that are not as important to many in the "Lower 48." That is why many of you are here. How will growth and development here influence the well-being of the people of Alaska? Will it help or harm them? Obviously, as new jobs and income are brought in and Alaskans get these jobs, their lives will be better. But if too many people move into Alaska in search of jobs, the congestion and clutter will mean many of those who live here now will feel they have lost something they value highly.

Native Land Settlements are unique to Alaska. The ownership of Native land, Native rights, and Native business and government institutions obviously will play very large roles in what development occurs and where it takes place. No other state in the Union faces these challenges on the scale that you have them here.

Greater visibility of key development decisions is also a distinguishing feature. Major development decisions in Alaska are in the hands of fewer and much more visible institutions — Federal Government, state government, and Native corporations. The role of the state government can be much more substantial. It is not so much a question of placing public limits on private property decisions, as it is how Alaska wishes to use its public property.

Recasting state and local relationships is not an overriding concern here as it is in many of the other states. Balkanization of decision-making on land use is not as much a difficulty. Growth management in the other states is nearly impossible without constitutional revision, because the land area is divided into thousands of local government jurisdictions, all of which control

Any person elected to public office cannot be too far out in front of what the majority of his constituents think. . . . You can lead by a few steps but you can't lead by a long distance. People are concerned (and anyone in public office will attest to this) with the immediate things that affect them. . . . It is easy to be in the forefront of public opinion as long as you are not responsible to the public for doing something they want right away. This is not to say that the legislature should be a more long range group, but to say don't expect us to do too much. I think you will be more productive in focusing your attention on influencing and educating public opinion.

Joe Orsini

land use. Alaska has far fewer and much larger local government jurisdictions. This makes the local role in land development decisions easier to understand.

Intrametropolitan migration also does not seem to be as much of a problem here. One of the major growth policy problems in the "Lower 48" is the migration of people within metropolitan areas. In some cases growth control has been a thin guise for excluding poor people and their problems. Migration of business and people within the metropolitan area has resulted in a mismatch of who gets what benefits from the city and who pays the cost of the city.

These are the distinctions I see between Alaska and other states. They are not absolute distinctions. In most cases Alaska has the same problems as the other states, but there are differences in degree. These differences are important to keep in mind in considering what the other states are doing, and how the tools and techniques being used elsewhere might be used here.

What the Other States are Doing

The old Alaskan is in the minority — the person who came up here because he loved the country. The people who are coming in now are looking for jobs; and if jobs mean a new road or a new port or a new pipeline, by golly that is what we're going to get. And the composition of the legislature is going to reflect that view.

Emil Notti

A review of each of the other forty-nine states would be rather tedious. Instead, I would like to deal with a few of the states that have received most of the current attention in the growth management discussions and then try to categorize the problems and approaches being used to solve them.

Hawaii has had statewide land use planning since 1961. For this reason, the role of the state government in controlling growth in Hawaii has been very significant. Nonetheless, all is not rosy. Hawaii faces very severe urbanization and growth pressures. Housing is scarce and costs are rising rapidly, something not unfamiliar in Alaska. Protection of agriculture lands from urban uses is also a major problem. Alaska and Hawaii share at least one thing in common. They do not have the problem plaguing many other states of large numbers of small local governments and overlapping special districts. Balkanization is a severe difficulty in attempting to control development rationally.

The Florida legislature passed an environmental land and water management act in 1972. This created a state land planning agency and an administrative commission with controls over the development of the state's lands. The act provides for designation of critical areas where the environment is either poor or especially significant for development. Such areas are recommended for control by regional agencies and then designated by the administrative commission, which also establishes the standards or limitations on any new development. Florida is attempting to identify the land carrying capacity characteristics as a guideline for establishing development standards. This attempt to identify carrying capacity is receiving a great deal of attention nationally. The question being asked is whether carrying capacity is a tool that can be used legislatively to guide development. The Academy for Contemporary Problems recently published a study reviewing the utility and limitations of carrying capacity concept. This was done at the request of the Public Works Committee of the House

of Representatives.

Vermont is another major center of concern for limiting development. It passed a land use and development act in 1970, regulating large scale residential development and establishing a new planning system. The act calls for three levels of planning dealing with land capabilities, development, and land use.

Other states with a significant amount of activity in the development planning field are Oregon, Colorado, and Washington; but almost every state has passed some legislation to control or direct growth. Following are some of the general characteristics of these recent state actions.

Problems in paradise characterize much of the activity we see. States with attractive environments, which have been experiencing substantial growth because of the movement of people in search of these amenity locations, have been trying to stem the tide. For some of these states, this represents a 180-degree attitude change from all-out attempts to attract new population to equally zealous attempts to discourage it. Hawaii, Florida, California, Colorado, Oregon, and Vermont are examples.

I want to emphasize what Bob Richards said about the capital intensive character of the petroleum industry and then to take a little edge off of any euphoria that you might have about that. . . . However large the wages may be as a result of this kind of development, they are for so few people that it doesn't give an answer to the question: how are we going to employ the people in Alaska who need jobs? . . . What it will give us is the opportunity to enter into the development of our service industry activities like education, health, and recreation without having to take an excessive amount of perhaps regressive taxes from each of us. We need to adopt policies that will lead us to productive activities in service industries which (in turn) will give us great opportunities for our people.

Harold Pomeroy

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I foresee two long-run social benefits from the private investment of the petroleum industry in Alaska. One, it will allow Alaska to break out of the low-wage, seasonal, cyclical disruptions which are accompanied by tremendous social costs, and which have plagued Alaska's economic history. . . . Two, it will cause public revenues to increase at a more rapid rate than the need for public services. Therefore, the type of industrialization which Alaska is going to experience over the next decade, to the extent that it is led by the petroleum industry, will have a net positive influence on our non-economic goals, with social benefits exceeding the social costs.

Bob Richards

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Capital intensive oil industry, which means a few people being paid enormously high wages with the vast majority struggling along without anything meaningful to do, will not produce a society I want to live in. . . . Everyone talks about seasonality as being awful, but I think it is one of the advantages of life in Alaska that many people can make enough money in a short term and live in a fairly low standard of living for the rest of the year and enjoy a quiet existence doing the things that they want. . . . It is important that we recognize the basic needs of our people in planning our expenditures. . . . We've got to get some new ideas on how people can exist and have a meaningful life.

Celia Hunter

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Do not underestimate the social-political factors which militate in quite the opposite direction (against state development of service industries). The predominant public attitude in this state is that primary processing is written in stone, and I would anticipate that the legislature will respond to this and will subsidize uneconomic industry in this state under a primary processing label. . . . Unemployment is going to keep the pressure on the legislature. The average guy is thinking about a job out of this in a conventional sense.

John Havelock

A group like this can get together and very rationally arrive at a set of policies. However, when you take these policies to the citizens, they may come up with policies that are totally irrational from our standpoint, but which may be totally rational from their standpoint, because they reflect their particular value system. . . . . In the Anchorage Borough, we've tried very hard to arrive at certain goals using citizen input for the past year and a half. It has been a very frustrating experience. . . . But we've got to develop a mechanism by which we can define these values.

Bill Beaty

Designating critical areas is another major field of legislative activity. Much of the coastal rim of the nation is making progress in protecting the coastal zone through establishment of special district with planning and development controls. This will now be aided by federal law.

State control over *power plant siting* has been legislatively established in several states. This takes the form of requiring investigation of the potential environmental impact and requiring state permits for construction.

Resource development planning and decision-making is still a weak point, although some states have made substantial progress in strip mine controls. Continued clashes over the environmental and energy issues are inevitable over the next few years.

Federal-state relations have been an area of slight progress. Fifty good state development policies do not make a good national development policy. The federal government has been passive or even ignored the question of how its policies influence the regional distribution of growth. Too much of the state growth planning has been of the "last man" variety: "I got mine and heck with you." Where are the poor to live? Where are the unemployed to go? The national government cannot stand by while the states try to externalize problems on one another. There is a legitimate and even necessary role for federal development policy in conjunction with state development policies.

There has been little progress in handling *intrametropolitan migration* to prevent the fiscal and economic Balkanization of large cities. This is the same problem as the one previously mentioned. One municipal jurisdiction attempts to externalize its problems — the poor, low value development — on its neighbor. Who is to pay the cost of the vital network of cities? Who is to pay the cost of the necessary rural areas for resources and agriculture?

What can Alaska draw out of this experience?

The following are excerpts from "Filling the Calabash: How Much is Too Much?" a paper presented at the Alaska Growth Policy Symposium by Tom Dinnell, Director, Pacific Urban Studies and Planning Program, University of Hawaii, Honolulu Hawaii.

* * *

Given the almost exponential growth of the past decades, many in Hawaii, as elsewhere, are coming to the slow realization that all that grows is not good, that endless and unlimited growth is not a logical possibility for the long run, and that the growth that has made possible so much of what we thought we wanted also appears to contain the seeds of our own undoing.

Growing numbers of Honolulu residents feel that while the economic standard of living in Hawaii has improved for many, quality of life has not. And growing numbers of neighbor islanders are concerned that what has happened to Oahu not happen to their island. Increasingly, citizens are organizing to protest developers' plans for residential development of rural or environmentally-fragile areas and are playing active political roles in seeking to protect and preserve the environment. Life of the Land, Save Our Surf, Sierra Club, the Conservation Council, and the Outdoor Circle are more frequently in the news than ever before. Politicians now employ the environmental rhetoric in their campaigns, and a number take it seriously. Some of the most concerned environmentalists and advocates of controlled growth in Hawaii are newcomers to the Islands, perhaps seeking to preserve the Hawaii which attracted them in the first place, and some are young people who do not perceive of themselves as having a stake in continued growth. They are joined on occasion by those who have not been among the beneficiaries of growth and are about to be hurt by a specific development proposal. But in spite of much activity, Hawaii does not have at this time what might be described as a coordinated "anti-growth" movement.

Political opinion polls indicate that while voters say they favor limited growth, growth does not appear high on the list of specific issues important to them and does not seem to be a significant factor in determining for whom they will vote. Most commentators have interpreted the results of the recent Democratic gubernatorial primary as an expression of confidence in the present state administration and the types of policies Hawaii has been following, though not as strong an endorsement as in the past. It should be noted

Tools That Seem to Work

Across the nation we can roughly say that there are few state growth policies worthy of the name. The states doubtless will continue to operate in a fashion of disjointed incrementalism. This is inevitable and not necessarily bad. It is possible to make disjointed incrementalism more consistent in its direction. The following techniques would seem to be useful in Alaska.

State sketch planning, the kind done in *California Tomorrow*, would highlight the alternative futures for the state and its associated issues and problems. It would help citizen groups as well as governmental officials in guiding the long, drawn out process of trying to shape the state's growth.

A *state policies plan* would be useful to obtain better coherence among the state departments in achieving growth and development goals. The purpose of a policies plan is to review the actions and policies of the several state departments, and to say whether these policies, programs, and regulations are consistent with the state's announced development and growth policy.

The protection of critical areas also seems to be something best done by state governments. A major research effort would be required to identify and map these critical areas. This may include very large areas in Alaska. A major question is how the controls are to be established. This can be done by a single official or involve elaborate public hearings, even votes.

Requiring *state permits for power plants* and other major facilities that may have a substantial environmental or growth impact is another technique that could give the state of Alaska substantial control over the rate and location of development.

Taxes are often looked upon as a growth management technique, but in my view they are not a good one. Tax exemptions are a particularly poor technique for guiding

What we never really look at is the guy on the bottom rung who doesn't participate in conferences like this, doesn't even understand the term "growth control," doesn't really know what the quality of life means in a way that he can articulate with the people in this room, but he does know what he needs. He needs bread, he needs a roof over his head, and he needs things that by and large we don't plug seriously into our planning process.

Bill Claggett

---

too, that the winning primary candidate, who has since been elected Governor, speaks of being in favor of "slowed growth" as a general policy, although he has not yet indicated the specific control policies he believes Hawaii should implement.

For most people in Hawaii then, growth control policies can be discussed with a degree of eruditeness and even concern, but our actions do not yet indicate a dramatic change in the values on which we base our day-to-day decision making. To expect that Hawaii's people, as a matter of course, will at this time reduce their use of air conditioning, insist on recycling of wastes, ride bicycles to work, give up eating meat, and fight for stringent land-use controls is daydreaming. We are simply not yet at that point of consciousness or commitment.

* * *

We cannot predict with any degree of certainty the impact of specific control measures. For example:

- *Licensing hotel construction may result in increasing the unemployment rate.*
- *Preserving the natural beauty of the Islands may result in increased in-migration.*
- *Maintaining agricultural lands could lead to increasing the cost of housing.*
- *Reducing the natural birth rate may lead to a substantial change in the ethnic composition of Hawaii's population.*

And if we cannot predict with any certainty the effect of incremental steps such as these, how much less are we able to foresee the multiple consequences of a coordinated set of growth policies? We simply simply do not know if we have the capacity to formulate a set of policies which will be effective in bringing about the state of affairs we in Hawaii desire, even asssuming we can achieve consensus on what state of affairs is desired. In fact, there is some likelihood that massive intervention in a system as highly tuned as our present economy, where the emphasis is on efficiency rather than redundancy, may be an invitation to disaster.

development. More important is to establish a system whereby states and local governments have the capacity to finance needed local public services. Most states need to clean up their tax system, particularly the real estate tax assessments and exemptions.

Subsidizing the construction of public facilities, such as sewers and access roads, has been a major technique to attract economic development in the United States. Certainly adequate public facilities are important and critical to the development of a community. But most research has shown that the mere existence of such facilities is not a factor in attracting industry. More discipline in these investments is needed to avoid building expensive public facilities for economic development in those locations with very poor growth prospects.

The greatest hope for sound public policy development lies in a citizen becoming informed about the issues; acquiring as much expertise as he can ferret out given the time constraints that are on the average man; and (once acquired) subjecting that technical expertise to the most profound scrutiny possible, so that one can try to determine not only what the facts may be, but what they mean.
Gary Holthaus

An important distinction was developed in the Appalachia program between the services and facilities needed for economic expansion, such as sewers and access roads, and those needed to assure equal access to vital human services, education, and health care. Human resource investments could be made anywhere in the region, but economic development investments were to be concentrated in a few areas where the prospects for growth were best. While there has been some wandering from this path, it is a valuable distinction and one that can be very useful in guiding growth.

Northern development constraints pose unusual problems here. What is a viable community size for economic development and for providing basic human services? Have Alaska Native land claim settlements changed our usual answers to these questions? Finally, for whom should northern development be? These considerations have been dealt with very ably in some of the other conference papers, but I see them raising even more questions:

- How can the standard of well-being for present Alaskans and their offspring be raised?

- How can you avoid substantial immigration which creates more unemployment and welfare problems than there are now, even with economic growth?

- How can you minimize the damage to the environment which has been so special to both native Alaskans and newcomers to the state?

- How do you contribute to the stability of the U.S. economy through satisfying its resource needs and supporting its trade balance and not pay a particularly large price for this contribution?

These are delicate and difficult questions. The attitudes that are evolving both here in Alaska and elsewhere in the nation are toward acceptance of a broader control on development. This is not an unquestioning acceptance. We have now moved away from decisions behind closed doors and technocratic planning. In order to achieve these broad and constructive forms of control, the public will insist upon open discussions and broad participation in the drafting of growth control and development policies.

* * *

ALASKA GROWTH POLICY SYMPOSIUM
PARTICIPANTS

Jane Angvik, Planning Specialist, Alaska Federation of Natives, Anchorage.

William Beaty, Director, Anchorage Borough Planning Department, Anchorage.

Mike Bradner, Representative, Alaska State Legislature, Fairbanks.

William E. Claggett, President, Public Affairs Counseling, San Francisco.

Louise Collins, President, Alaska League of Women Voters, Kodiak.

Chancy Croft, Senator, Alaska State Legislature, Anchorage.

Tom Dinell, Director, Pacific Urban Studies and Planning Program, University of Hawaii, Honolulu.

Harry J. Donahue, Staff Director, Greater Anchorage Area Borough.

Paul J. Engleman, Economist, Alaska Department of Economic Development, Juneau.

Charles Evans, Vice President, First National Bank of Anchorage, Anchorage.

Belinda Fischer, President, Anchorage League of Women Voters.

Victor Fischer, Director, I.S.E.G.R., University of Alaska, Fairbanks.

Robert Frederick, Executive Director, Alaska Historical Commission, Anchorage.

Gordon Harrison, Political Scientist, Fairbanks.

John E. Havelock, Attorney, Havelock and Associates, Anchorage.

Henry Hedberg, Coordinator, Alaska Laborers Employers Trusts, Anchorage.

David M. Hickok, Director, Arctic Environmental Information and Data Center, University of Alaska, Anchorage.

Gary Holthaus, Executive Director, Alaska Humanities Forum, Anchorage.

William Hopkins, Executive Director, Alaska Oil and Gas Association, Anchorage.

Celia Hunter, Member, Federal-State Land Use Planning Commission, Fairbanks.

Jim Hurley, Member, Federal-State Land Use Planning Commission, Wasilla.

Joe P. Josephson, Attorney, Anchorage.

Arlayne Klein, Co-Chairman, State Land Use Committee, League of Women Voters, Fairbanks.

Charles Konigsberg, Anchorage.

David T. Kresge, Professor of Economics, I.S.E.G.R., University of Alaska, Fairbanks.

Roger Lang, President, Alaska Federation of Natives, Anchorage.

Mike Miller, Representative, Alaska State Legislature, Juneau.

Terry Miller, Senator, Alaska State Legislature, Fairbanks.

Thomas A. Morehouse, Professor of Political Science, I.S.E.G.R., University of Alaska, Fairbanks.

Claus M. Naske, Associate Professor of History, University of Alaska, Fairbanks.

Emil Notti, President. The Alaska Native Foundation, Anchorage.

Joseph L. Orsini, Representative, Alaska State Legislature, Anchorage.

Robert Pavitt, Director, Planning and Research, State of Alaska, Juneau.

Lloyd M. Pernela, Associate Professor of Public Works and Environmental Systems, I.S.E.G.R., University of Alaska, Fairbanks.

Harold Pomeroy (Observer for Governor Hammond), Anchorage.

John Rader, Senator, Alaska State Legislature, Anchorage.

Steve Reeve, Director, Ketchikan Borough Planning Department, Ketchikan.

Kenneth Rainey, Senior Fellow, The Academy of Contemporary Problems, Columbus, Ohio.

Robert R. Richards, Vice President, National Bank of Alaska, Anchorage.

George W. Rogers, Professor of Economics, I.S.E.G.R., University of Alaska, Juneau.

Susan Ruddy, Alaska Director, U.S. Civil Rights Commission, Anchorage.

Burton W. Silcock, Federal Co-Chairman, Federal-State Land Use Planning Commission, Anchorage.

Jerry Smetzer, Executive Director, Fairbanks T.V.A. Development, Inc., Fairbanks.

Arlon Tussing, Professor of Economics, I.S.E.G.R., University of Alaska, Fairbanks.

Joseph Upicksoun, President, Arctic Slope Regional Corporation, Barrow.

Robert Weeden, Professor of Wildlife Management, University of Alaska, Fairbanks.

Richard Wilson, Assistant to City Manager, City of Anchorage.

Esther C. Wunnicke, Director of Policy Development and Research, Federal-State Land Use Planning Commission, Anchorage.

Howard Weaver, Anchorage Daily News, Anchorage.

VETERAN'S PACKAGE

Ted Dixon - TV Sportsmen's Association

Introduced: 5/1/81
Referred: State Affairs

IN THE SENATE BY RODEY AND BENNETT

SENATE JOINT RESOLUTION NO. 41

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

Requesting the United States Army to relinquish the Known Distance Rifle Range land to the Bureau of Land Management so that it may be available for state selection.

600 yrd range

1260 Acres

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

WHEREAS available locations for the safe use of firearms near larger cities are rapidly being eliminated; and

WHEREAS the criteria for safe rifle range placement and development are very restrictive; and

WHEREAS the area of Fort Wainwright known as the Known Distance Rifle Range receives very little official use by the United States Army for training; and

WHEREAS the location of the Known Distance Rifle Range has excellent all weather access from the Richardson Highway; and

WHEREAS the military land adjacent to the Known Distance Rifle Range mean that there is little chance of a future land use conflict; and

WHEREAS the Tanana Valley Sportsmen's Association has agreed to undertake the construction and operation of an outdoor shooting complex in the Fairbanks area; and

WHEREAS the Known Distance Rifle Range has been used for the promotion of rifle training and National Rifle Association-approved matches by the Tanana Valley Sportsmen for the past six seasons;

BE IT RESOLVED by the Alaska State Legislature that the United States Army is requested to relinquish the Known Distance Rifle Range land to the

Bureau of Land Management so that it may be available for state selection.

COPIES of this resolution shall be sent to the Honorable Casper Weinberger, Secretary of Defense; the Honorable James G. Watt, Secretary of the Interior; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

JAY S. HAMMOND
GOVERNOR

TERRY MILLER
LIEUTENANT GOVERNOR

STATE OF ALASKA
LIEUTENANT GOVERNOR
JUNEAU

May 7, 1981

The Honorable Brad Bradley
State Senator
Pouch V
Juneau, Alaska 99811

Dear Brad:

This is to express my support for SSSB 375, an act authorizing commissioned officers and commanders of units of the armed forces of the United States to perform the functions of a notary public in the State of Alaska. The passage of this bill will provide a needed service for the military personnel stationed in Alaska and will make the daily conduct of business more convenient for them.

Sincerely yours,

Terry Miller
Lieutenant Governor

Evaluate ----

IN THE SENATE

BY BRADLEY, COLLETTA, GILMAN, HOHMAN, KELLY, KERTTULA AND ZIEGLER

PROPOSED SPONSOR SUBSTITUTE FOR SENATE BILL NO. 315

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act providing for the establishment of a Joint Legislative Committee on the Alaska Veterans and Pioneers Memorial Museum; and providing for an effective date."

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

* Section 1. ESTABLISHMENT OF COMMITTEE. The Joint Legislative Committee on the Alaska Veterans and Pioneers Memorial Museum is established.

* Sec. 2. COMPOSITION. The committee consists of the following persons:

(1) three members of the senate appointed by the president of the senate;

(2) three members of the house appointed by the speaker of the house of representatives.

* Sec. 3. COMPENSATION. A member of the committee serves without compensation, but is entitled to per diem and travel expenses authorized by law for boards and commissions under AS 39.20.180.

* Sec. 4. POWERS AND DUTIES OF THE COMMITTEE. (a) The committee shall

(1) plan for the establishment of the Alaska Veterans and Pioneers Memorial Museum;

(2) make recommendations [to the legislature] concerning

(A) the construction of a museum facility;

(B) the administration and operation of the museum.

(b) The committee may hire an executive director and additional professional and administrative staff as may be necessary to the function of the committee.

* Sec. 5. REPORT. The committee shall file a report with the governor

and the legislature concerning the work and accomplishments of the committee by February 15, 1982.

* Sec. 6. DEFINITION. In this Act "committee" means the Joint Legislative Committee on the Alaska Veterans and Pioneers Memorial Museum.

* Sec. 7. TERMINATION. This Act is repealed and the existence of the committee terminated one year from the effective date of this Act.

* Sec. 8. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Alaska Department of Education

POSITION PAPER

Senate Bills 315 and 316

Summary

Senate Bill 315 calls for the establishment of an Alaskan Veterans and Pioneers Memorial Museum and SB 316 provides funds. The intent of this legislation is admirable - to provide for the preservation and interpretation of Alaska's veterans and military history. The military has played a major role in Alaska's development from the Alaska Purchase to the present. There are a wide range of artifactual, archival, aircraft, and other materials which should be preserved as a record of the military influence in Alaska and the role of Alaskans in the military. There can be no question of the contribution of the pioneers. What Alaska is today is a direct result of what they contributed. We strongly support the concept of the expansion of the state's ability to preserve this segment of Alaska's heritage.

Concerns

Establishment of new and thematic museums by the state should be part of a carefully planned expansion. In addition to this proposal, for a Veterans and Pioneers Memorial Museum, last year a maritime museum was proposed and there is a possibility that a "living museum" or nature interpretive center will be proposed in the near future. A broad look at the thematic areas needing expansion or establishment should be taken. Of particular importance is their relationship to existing museum services. Areas of collection and program presentation should be most carefully delineated so that unnecessary overlap is eliminated and competing state funded museums are not created. For instance, almost all museums in Alaska will have material relating to the pioneers. The smaller museums focus primarily on the local pioneer's contribution to development. At the state level, museums focus on the broader picture of the total state. The Transportation Museum of Alaska, Inc. located in Palmer is the custodian of a fairly large collection of historical transportation artifacts which belong to the State of Alaska as well as many additional ones which are a part of their own collection. The relationship between the Transportation Museum and the proposed military museum, especially in the light of the interest in historic aircraft, should be carefully studied before embarking on the establishment of the new museum.

Senate Bill 316 places a commission in the Office of the Governor. This is counter to the apparent desire of the Governor's Office to have program activities administered by departments who are assigned that responsibility. Several agencies have recently been moved from

the Office of the Governor by Executive Order, such as the Historical Commission and the State Council on the Arts to the Department of Education. It would seem desirable to have the proposed new museum placed within the Department of Education also where it directly relates to the State Museum. One alternative might be to expand the membership of the statutory five member Museum Collections Advisory Committee of the State Museum (AS 14.57.020) to add additional representation specifically for other subject areas including veterans and pioneers rather than to establish a separate commission.

Recommendation

Rather than taking action on the bills this year, $25,000 could be added to the State Museum Operating Budget to fund a task force to address the programmatic and administrative development of thematic museums and specifically the Veterans and Pioneeers Memorial Museum. The task force should represent the museum profession of the state as well as those individuals and groups with specific interest in the subject areas. The funds would primarily be used for travel to bring the task force members and interested individuals together to jointly address these issues. It would also include some travel to existing museums outside in order to focus on the best potentials for development of these areas. The task force would present its report to the 2nd. Session of the 12th Legislature in January, 1982.

Providing for statewide input and preparing a multi-year plan for implementation of expansion of museum subject activities will be the most efficient and powerful method to address the emerging needs to present the people of the state and its visitors the history of the culture and development of Alaska.

Because the programs envisioned by the bills have not been fully developed no formal fiscal note has been prepared.

Richard B. Engen

Richard B. Engen, Director
State Libraries & Museums

Steve Hole, Administrator
Department of Education

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Sponsor Substitute for Senate Bill No. 375

Title Authorizing commissioned officers of the armed forces to (cont.)

Requested by Senate State Affairs Committee Date May 6, 1981

TITLE (cont.) perform the functions of a notary public.

II. FISCAL DETAIL

Agency Affected Office of the Lieutenant Governor

Program Category Affected Office of the Lieutenant Governor

BRU, Program, or Subprogram(s) Affected Office of the Lieutenant Governor

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	0	0	0			
200 TRAVEL	0	0	0			
300 CONTRACTUAL	0	0	0			
400 COMMODITIES	0	0	0			
500 EQUIPMENT	0	0	0			
600 LAND & STRUCTURES	0	0	0			
700 GRANTS, CLAIMS, ETC.	0	0	0			
TOTAL	0	0	0			

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	0			
FEDERAL FUNDS	0	0	0			
OTHER (Specify Fund Source)	0	0	0			

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

No fiscal impact.

IV. DATE May 6, 1981 PREPARED BY Deborah B. Baley

AGENCY Office of the Lieutenant Governor

PHONE 465-3520

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

33-001 (Rev 12/80

SENATE STATE AFFAIRS COMMITTEE SCHEDULE

May 5 - May 7

TUESDAY May 5
1:30 p.m.

SB 257---Hearing
Relating to natural gas: establishing the Alaska Natural Gas Industrial Development Authority and authorizing it to issue revenue bonds for construction of a gas conditioning plant.

SB 299---previously considered
Relating to elections

HB 1---previously considered
Appropriating $1.8 million to the permanent fund

WEDNESDAY May 6
7:00 p.m.

SB 415---previously considered
Alaska and minority bidders' preference in contracting

SB 167---previously considered
Relating to the Alaska Public Offices Commission

THURSDAY May 7
1:30 p.m.

Legislation affecting veterans

SB 145---Hearing
Provides for free resident hunting and sport fishing licenses for disabled veterans

SB 146---Hearing
Relating to veterans' burial allowances

SB 147---Hearing
Provides exemption of a disabled veteran's residence from levy and collection of property taxes

SB 315---Hearing
Establishing the Alaska Veterans and Pioneers Memorial Museum Commission

SB 316---Hearing
(Appropriation for SB 315)

SB 375---Hearing
Relating to appointment and commission of commissioned officers or commanders of units of the armed forces as notaries public

OUT OF TOWN HEARINGS---SENATE STATE AFFAIRS COMMITTEE

SATURDAY May 9
9:30 a.m. to 12:00 noon ANCHORAGE

Legislation affecting veterans---same agenda as May 7

This hearing will be conducted at the Anchorage Legislative Information Office at 6th and K streets

SUNDAY May 10th
1:00 p.m. to 3:00 p.m. FAIRBANKS

Legislation affecting veterans---same agenda as May 7

This hearing will be conducted at the Fairbanks Legislative Information Office at 315 Barnette St., Ste. 101

ALL JUNEAU HEARINGS WILL TAKE PLACE IN THE SENATE STATE AFFAIRS COMMITTEE ROOM IN THE FIRST FLOOR OF THE BEHRENDS BUILDING. IF YOU HAVE ANY QUESTIONS PLEASE CONTACT SENATOR VIC FISCHER'S OFFICE AT 465-4954. THANK YOU.

Alaska State Legislature

Senate

Office of the Secretary

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

DATE: February 4, 1981

TO: Senator Fischer
Chairman
State Affairs Committee

FROM: Peggy Mulligan
Secretary of the Senate

SUBJECT: Report on Veterans' Affairs Loans

The President referred the attached report to your Committee for review.

FEB 3

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER / POUCH D – JUNEAU 99811

January 29, 1981

Mr. Jalmar M. Kerttula
President of the Senate
Pouch V
Juneau, Alaska 99811

Dear Mr. Kerttula:

As required by AS 37.05.035, the Department of Commerce and Economic Development, Division of Veterans' Affairs, submits for your review the following reports on loans closed during FY 1980:

1. Loans made by loan type
2. Income groups benefited under the Veterans' Loan Program

The prevailing market rates used were obtained from the Department of Revenue, Division of Treasury.

Because of the number of assumptions made during FY 1980 and the use of subsidized loan funds, a separate report on assumptions was included with the report of loans made by loan type. The prevailing market rate at the time of the assumption was used to determine the amount of subsidy provided by the State for this type of loan.

Sincerely,

Charles R. Webber
Commissioner

CRW/cw#20F3

08-H2LH

Annual State Loan Report
Loans Made by Type
Fiscal Year 1980

NEW LOANS

	Total # of Loans	Total Principal Loaned	*Return on Loan at Veterans' Int. Rate	*Return on Loans at Prevailing Int. Rate	*Total State Subsidy
Home	50	$3,075,450	$1,177,313	$1,829,066	$ 651,753
Personal	6	60,000	12,715	20,388	7,673
Multi-Dwelling	18	1,688,650	2,955,820	5,249,885	2,294,065
Business	3	315,000	168,001	300,457	132,456
Total New Loans	77	$5,139,100	$4,313,849	$7,399,796	$3,085,947

Assumptions

Home	35	$2,045,832	$2,577,927	$5,864,958	$3,287,031
Personal	2	9,621	519	1,898	1,379
Multi-Dwelling	10	819,998	1,054,261	2,437,224	1,382,963
Business	2	77,132	23,196	59,317	36,121
Total Assumptions	49	$2,952,583	$3,655,903	$8,363,397	$4,707,494

*Assuming the loan goes to full term.

Annual State Loan Report
Income Groups Benefited Under the Veterans' Loan Program for FY 1980

Family Income Level	New Loans	Assumptions	Total	% Families With Second Income
$ 0 - $ 9,999	0	1	1	
10,000 - 19,999	1	1	2	100%
20,000 - 29,999	13	6	19	21%
30,000 - 39,999	25	11	36	39%
40,000 - 49,999	20	10	30	53%
50,000 - 59,999	10	8	18	50%
60,000 - 69,999	3	4	7	71%
70,000 - 79,999	3	2	5	40%
80,000 - 89,999	1	1	2	50%
90,000 - 99,999	0	1	1	100%
100,000 & over	1	4	5	80%
	77	49	126	46% average

5-10-81 — FA1

BILL CROSBY — ~~VA~~
TED DIXON - TV SPORTSMEN'S ASSN

~~[DICK ENGEN]~~

- lack of communication w/ Auch reg off -
→ benefits, educ, disability benefits, funeral/burial benefits
- Vets → educ. benefits - exp Dec 31, '89 -
[Vet's outreach - Vietn. readjustment - counseling] John Emmerichs

SJR - 41 - requ Army to relinqu. Known Distance Rifle Range → BLM → State

5-9-81 / Auch - Vets legislation

William Olson

Vets business loans & education loans
- not looking for handouts.
- in bus. loans - techn. asstce from SBA but no money — need state money, loans.
· Ctr has assisted 1,700 - 10% have reqd loan asstce. -
e.g. → razor clam operation → priv funding, marg. survival - 20 people - 6 mths - ~~[illegible]~~
20 vets to dig clams & fly out
- needed 50K
→ ceramic business — 7K
→ to 50K / loan

Colletta - 10 mm cottage ind loan prog, w/ 250K max
- licensing requirements
-

EXECUTIVE ORDER-48

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

JAY S. HAMMOND, GOVERNOR

POUCH O – JUNEAU 99811
(907) 465-2600

January 22, 1981

The Honorable Vic Fischer
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Fischer:

The Department of Environmental Conservation supports the transfer of the Alaska Council on Science and Technology to the Department of Administration as detailed in Executive Order No. 48.

Sincerely,

Ernst W. Mueller
Commissioner

ACST
THE ALASKA COUNCIL ON SCIENCE AND TECHNOLOGY

January 20, 1981

Senator Vic Fischer, Chairman
State Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Fischer:

As requested by your committee staff, I have included several items regarding Executive Order 48 for background purposes (E.O. 48 transfers the Alaska Council on Science and Technology to the Department of Administration): 1) short history; 2) justification; and 3) description of the Alaska Council on Science and Technology.

History:

Last year the Governor, in an effort to streamline the executive operations, divested his office of most of the boards, councils and commissions which had been placed there over the past few years. The method for doing this for the Council was by issuing executive order 46; transferring the Council to the Department of Environmental Conservation. However, for reasons outlined below, the Council subsequently requested that the move be to the Department of Administration instead. To accomplish this, the House State Affairs Committee submitted H.B. 931. This, however, was amended on the floor of the House of Representatives to add two legislators to the Council; a move not appreciated by the administration due to their contention this violated the separation of powers doctrine. Consequently, the governor vetoed CS HB 931 am S and the Council moved (administratively) to the Department of Environmental Conservation via the previously submitted executive order 46.

It should be noted that in his veto message the governor pointed out that he would submit another executive order at the start of the 12th Legislative Session moving the Council from Environmental Conservation to Administration. Hence, executive order 48.

Justification:

There are two major reasons for executive order 48:

1) The Alaska Council on Science and Technology transcends all aspects of science and is not solely concerned with one discipline or category. Therefore, it should not be in a "mission" oriented agency. Further, as the Alaska Council on Science and Technology

is directed by statute to advise the executive and legislative branches, it must remain as independent and objective as possible. Being a non-program or nonadvocacy agency, the Department of Administration fills these needs.

2) Since the reason for the move is to fullfil administrative support requirements, the agency best suited for this is the Department of Administration.

Description of the Alaska Council on Science and Technology

Created by statute in 1978, the Council was established to provide scientific advice on current issues to the legislature and governor. The primary process for delivering this advice has come through its research needs committees. Comprised of experts in twelve categories, the Council has produced short, concise recommendation papers used by state policy makers on decisions relating to science and technology or requiring analysis by the scientific community. Examples of these committees include agriculture, transportation, minerals and health.

Another major responsibility of the Council is administration of research and technology grants. Last year the Council completed its second round of Northern Technology Grants under this program and was given an additional appropriation for $300,000 to address "Geophysical Hazards and other Research".

Finally, all parties involved in this move are supportive of executive order 48: the Alaska Council on Science and Technology, the Department of Environmental Conservation and the Department of Administration. If you or your staff desire further elaboration on either the executive order or the Council, please let me know.

Sincerely,

Christopher Noah

Christopher Noah
Executive Director

CN:ljm

January 12, 1981

President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. President:

Under the authority of Article III, Section 23, of the Alaska Constitution, I am transmitting to you Executive Order No. 48, dated January 12, 1981. This order would transfer the Alaska Council on Science and Technology from the Department of Environmental Conservation to the Department of Administration. Under that section of the constitution, the legislature has 60 days of a regular session, or a full session if of shorter duration, to disapprove this executive order.

In the 1980 legislative session, the legislature passed CSHB 931 am S, making this same transfer. However, I vetoed that bill because, in making the transfer, the legislature also added a provision which would have placed two members of the legislature on the council, which is unconstitutional in at least three respects. Please see my June 13, 1980 letter to the president of the senate and the speaker of the house. 1980 Senate Journal, page 1735, and 1980 House Journal, page 2197.

Other than the relocation, this order makes no change in the existing law pertaining to the council. Although it concerns me as a matter of separation of powers under our constitution, I am leaving unchanged the provision of existing AS 44.46.070(a) (proposed AS 44.21.200(a)) which places a legislative staff member on the council. To the extent that the council's functions are only informational or advisory, this poses no problem. However, existing AS 44.46.080(d) (proposed AS 44.21.210(d)), for example, authorizes the council to make grants of financial assistance to persons engaged in the development of "northern technology." (Also see existing AS 44.46.080(a) and (b)(3) and (5) [proposed AS 44.21.210(a) and (b)(3) and (5)].) That is an executive-branch function; i.e., making grants is a function which carries out the law, and, under the constitution, the executive carries out the law. A person who is employed by the legislature is not legally capable of doing so,

except as an incident to carrying out the functions of that branch. Buckley v. Valeo, 424 U.S. 1 (1976). The provision authorizing the council to make grants for northern technology will terminate June 30, 1984, and that will remove part of the problem.

Section 7 of this order terminates two provisions, consistent with sec. 8, ch. 56 SLA 1979.

Sincerely,

S/JSH

Jay S. Hammond
Governor

2/3/81

SENATE STATE AFFAIRS

COMMITTEE MEETING SCHEDULE

TUESDAY — Feb. 10
1:30 p.m.

SENATE BILL 124
"An Act relating to a state office complex at Anchorage; and providing for an effective date."

Hearing

SENATE JOINT RESOLUTION 11
"Relating to actions of the Bolivian government."

Hearing

THURSDAY — Feb. 12
1:30 p.m.

SENATE BILL 110
"An Act making a special appropriation to DOTPF for a senior citizens' building in Chigiak; and providing for an effective date."

Hearing

SENATE BILL 133
"An Act relating to memorials to Alaskan veterans; and providing for an effective date."

Hearing

SENATE BILL 134
"An Act making a special appropriation to the Dept. of Transportation and Public Facilities for construction of a memorial to Alaskan veterans; and providing for an effective date."

Hearing

ALL HEARING WILL BE CONDUCTED IN THE SENATE STATE AFFAIRS COMMITTEE ROOM, BEHRENDS BLDG., FIRST FLOOR. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SEN. FISCHER'S OFFICE (465-4954, 4955).

Alaska State Legislature

Senate

Committee on State Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

Jan. 29, 1981 — Behrends Bldg.

1:30 p.m. — First Floor

MEMBERS PRESENT	MEMBERS ABSENT
SENATOR FISCHER, CHAIRMAN	SENATOR ELIASON
SENATOR BRADLEY	SENATOR STIMSON
SENATOR COLLETTA	

AGENDA: Senate Bill 90 "An Act relating to privacy and public information and changing Rule 65 of the Alaska Supreme Court Rules of Civil Procedure."

Chairman Fischer called the meeting to order and then requested testimony on Senate Bill 90. Eight persons testified on the bill (see attached sign-in sheet).

Senator Parr, prime sponsor of the legislation, outlined the provisions of the bill, from the opening general statement of policy on information to a detailed analysis of the exemptions described. With regard to the exemptions, Senator Parr suggested that there were two ways of grouping them for consideration: 1.) Alaska constitutional right to privacy, and 2.) public policy securing confidentiality for the general public benefit. The exemptions and definitions outlined in SB 90 were carefully covered by Senator Parr prior to more substantive discussion of the legislation. He cited the passage into law of the Federal legislation addressing freedom of information more than thirteen years ago as an example Alaska might follow. Senator Parr also stressed the importance of correctly balancing the people's right to privacy and the people's right to know. Although the legislation has been introduced four times since May of 1975, it has never passed, and the existing statutes remain vague, marked by insufficient definition. Sen. Parr responded to various questions about the language and intent of specific sections.

Bruce Horowitz, supervising attorney of Alaska Legal Services, provided a written proposal for amendment of SB 90. He presented the proposed amendments individually and expressed general support of the legislation.

Barry Stern, representing the Dept. of Law, emphasized in his testimony that existing statutes addressing freedom of information are inadequate. He further remarked that the constitutional provision for a right to privacy frequently conflicts with the public's right to know. The concept of the right to privacy is left up to the agency to decide. Mr. Stern stressed the need for guidelines in determining the scope of a person's right to privacy. He also maintained that the exemptions section of the legislation is too specific, and agreed to transmit to the committee written suggested language to amend this section.

Elizabeth Cuadra, of the League of Women Voters of Alaska, gave brief testimony expressing support for SB 90 and for accessibility of records.

Patty Moriarty, of the Ombudsman's office, provided testimony from two perspectives: that of the Ombudsman's office, and that of the complainant seeking assistance from the Ombudsman's office. She read from the Ombudsman's report of Hawaii which bore the premise that information should be shared between the people and their elected representatives for decision-making purposes. Ms. Moriarty proposed language changes for specific sections of SB 90.

Earl Deater, of the Operating Engineers Union-302, testified in favor of SB 90, pointing out passage of such a measure would assist people in many professions in obtaining information.

Lee Sharp, attorney for the City and Borough of Juneau, provided testimony on the bill regarding the effect it would have on municipalities. Mr. Sharp maintained that local government should make decisions on how local records should be made available. He pointed out that additional costs would be created by the passage of SB 90 in terms of "search costs" and duplication costs. Mr. Sharp concluded his testimony with the statement that he agreed that public records should be made public, but that some things must rest at the local level.

Roland Shanks, of the Alaska Environmental Lobby, provided brief testimony in support of the bill and the intent behind it, noting that "public corporations" were not included in the list of people and agencies covered by the bill.

Chairman Fischer adjourned the meeting in light of the fact that scheduled time had expired.

WITNESSES FOR
SENATE STATE AFFAIRS COMMITTEE

DATE: 1-29-81 SB 90

Name	Address/Phone	Representing
Sen. Parr		Prime Sponsor
Bruce Horowitz	419 6th St. #322 Juneau 99801 586 8425	Alaska Legal Services Corporation
Barry Stern	Pouch KC	Dept. of Law
Elizabeth Cuadra	9151 Skywood Lane Juneau 99801	League of Women Voters of Alaska
Paddy Moriarty	Pouch WC	Ombudsman
Earl Dreiter	114-[illegible]	LBCF 302-
Lee Sharp	586-3300	City & Borough of Juneau
Roland Shanks	4196th Suite 321 586-2345	Alaska Environmental Lobby

1/28/81

SENATE STATE AFFAIRS

COMMITTEE MEETING SCHEDULE

TUESDAY — Feb. 3
1:30 p.m.

EXEC. ORDER #48

Relating to the transfer of the Alaska Council on Science and Technology from the Department of Environmental Conservation to the Department of Administration.

Hearing

SENATE BILL 54

"An Act relating to the Alaska National Guard and Naval Militia; and providing for an effective date. "

Hearing

SENATE BILL 72

"An Act relating to veterans and public records. "

Hearing

THURSDAY — Feb. 5
1:30 p.m.

SENATE BILL 90

"An Act relating to privacy and public information; and changing Rule 65 of the Alaska Supreme Court Rules of Civil Procedure. "

All-sites teleconference hearing

ALL HEARINGS WILL BE CONDUCTED IN THE SENATE STATE AFFAIRS COMMITTEE ROOM, BEHRENDS BLDG., FIRST FLOOR. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SEN. FISCHER'S OFFICE (465-4954,4955).

Alaska State Legislature

Senate

Committee on State Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

PUBLIC SERVICE ANNOUNCEMENT

The Senate Committee on State Affairs, chaired by Senator Vic Fischer, will be holding an all-sites teleconference hearing on Senate Bill 90 entitled "An Act relating to privacy and public information; and changing Rule 65 of the Alaska Supreme Court Rules of Civil Procedure." The teleconference will be held on Thursday, February 5, 1981 at 1:30-3:00 pm (Pacific Standard); 11:30 am - 1:00 pm (Alaska Standard); 10:30 am - 12 noon (Bering Standard). In Juneau, the teleconference will be held in the State Affairs Committee Room, 1st floor Behrends Building. Please call your local Legislative Information Office for other locations. An opportunity will be provided for as many persons as possible to testify during the alloted time. Send written testimony to Senator Vic Fischer, Senate State Affairs Committee, Pouch V, Juneau, Alaska 99811 or call 465 - 4954.

Thank you.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

M E M O R A N D U M February 11, 1981

SUBJECT: Senate State Affairs Committee meeting
February 12, 1981

TO: J. Christopher Noah
Executive Director
Alaska Council on Science and Technology

FROM: David T. Walker
Co-Revisor of Statutes

Chris, I look forward to the opportunity to meet Senator Fischer and will be there tomorrow at 1:30 P.M. Would you do whatever you can to get me on the agenda early in the meeting?

I understand that Senator Fischer wants me to address the matters raised by Arthur Peterson's memo of February 6, 1981 and I thought a preliminary remark or two might be of some help to the committee.

Mr. Peterson's memo makes the following assertions/ recommendations regarding Executive Order No. 48:

(1) That the reference to AS 44.19.181 - 44.19.189 in line 12 on page 1. is correct because AS 37.12.070(16) still contains that reference. I agree completely.

(2) That AS 44.19.181 is properly referenced in line 17 on page 5, for the same reason. I agree completely.

(3) That the error in Sec. 6 is a manifest clerical error which can be corrected by the revisor. This is the sort of error routinely corrected by the revisor.

Since you have already conveyed this information to the Committee, I can only speculate that they wish to know the technical answers to the following questions:

(1) AS 37.12.070(16) -- why was it not corrected in the supplement? The section was not amended in 1980 -- the publisher just reprinted it as it was and missed the internal cross-reference change.

(2) AS 44.66.010(a)(6) -- This internal reference was also missed by the publisher.

The publisher will be notified so that the correct references will appear in the statutes. The revisor's office deals routinely and often with this type of correction -- it is one of our statutory responsibilities.

DTW:ljb

cc: Senator Vic Fischer, Chairman
Senate State Affairs Committee

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K – STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

February 6, 1981

DAVID WALKER

Hon. Vic Fischer, Chairman
Senate State Affairs Committee
Alaska State Legislature
Pouch Y
Juneau, Alaska 99811

Hon. Mike Miller, Chairman
House State Affairs Committee
Alaska State Legislature
Pouch Y
Juneau, Alaska 99811

PROBLEMS OF CITATION

Re: Executive Order No. 48 and Senate Bill No. 48 (Council on Science and Technology)
Our File No. J-77-105-81

Dear Sen. Fischer & Rep. Miller:

I understand that, when Executive Order No. 48 was being considered in the Senate State Affairs Committee recently, a question arose regarding the reference to "44.19.181 -- 44.19.189" in line 12 on page 1. Concern was expressed about that reference because the co-revisors of statutes, acting under AS 01.05.031, relocated the statutes pertaining to the Council on Science and Technology from as 44.19.181 -- 44.19.189 to AS 44.46.070 -- 44.46.110. It was evidently felt by the committee that the reference to the old numbers at that point in the order was a mistake since AS 44.19.181 -- 44.19.188 now pertain to the Yukon-Taiya Commission.

However, that reference appears in the order because the statute being amended in sec. 2 of the order -- AS 37.12.070(16) -- still contains that reference. It is set out in brackets to delete it. This has no effect on the Yukon-Taiya Commission.

For the same reason, AS 44.19.181 is referred to in line 17 on page 5, where AS 44.66.010(a)(6) is being amended.

You will note that the repealer in sec. 6 of the order repeals the relevant statutes in their current location, not their old location. AS 44.19.181 -- 44.19.188 are not being repealed. And SB 48, a companion measure, amends two of the Council on Science and Technology statutes in their current location.

It is in sec. 6, however, that a small error appears. The reference to "44.46.100" should be to "44.46.110." I believe that this is a "manifest clerical error" which can be corrected by the co-revisors of statutes under AS 01.05.031(b)(7). It would make no sense to repeal AS 44.46.070 -- 44.46.100 and leave AS 44.46.110 untouched, because the latter section is simply one that gives the short title of that whole group of sections.

If you should have any further questions on this matter, please do not hesitate to call me.

Yours truly,

WILSON L. CONDON
ATTORNEY GENERAL

By: Arthur H. Peterson
Arthur H. Peterson
Assistant Attorney General

AHP:wjp

cc: Donna Pegues & David Walker
Co-revisors of Statutes
Legislative Affairs Agency

Chris Noah, Executive Director
Council on Science & Technology

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Executive Order #48

Title Transfer of the Alaska Council on Science & Tech to Dept. of Admin.

Requested by Governor Date 1/8/81

II. FISCAL DETAIL

Agency Affected Administration

Program Category Affected Natural Resources Management and Environmental Conser.

BRU, Program, or Subprogram(s) Affected Alaska Council on Science and Technology

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE 1/8/81 PREPARED BY Christopher Noah, Executive Director

AGENCY Alaska Council on Science and Technology

PHONE 465-3510

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

33-001 (Rev. 12/80

2/3/81
4:26 p.m.

inform
Chris Noah talked w/
A.G's office
- Tanja - Has been out of business

send an endment ASAP recognizing
fact + changing it
→ a technical change

problem -
an chg. could be vetoed

1/20/81

Ernest W. Mueller, Commissioner
Dept. of Environmental Cons.

Executive Order #48

Executive Order 48

COPY

1/20/81

Judy Crondahl, Leg. Liason

Executive Order #48

Ex. Order #48

COPY

1/20/81

Rod Mourant

Executive Order #48

Ex. Order #48

COPY

Call Sheet

Executive Order # 48

Pos.	Name	Group	Number
Yes	Chris Noah, Ex. Dir.	AK Council on Science & Tech	3510

Executive Order #48 1/15/81

Chris Noah - #3510

AB 931 - amended Sen.

↳ Ex. Dir. AK Council on Science & Tech.

annual report 1st of Feb.

contact people

- Environmental Conservation
  Ernie Mueller.
- Dept. of Admin.
  Judy Crandall?

- call list

(1) advisory
    260,000 from leg.
(2) grants
(3) 300,000 - geophysical
    hazards

1 day notice for hearing

- sd. Gore's office, Environmental conservat & Dept. of Admin. all in favor.
- will send 10 copies of newsletter & letter re: position by 1/24/80

ACST Newsletter

Alaska Council on Science and Technology

Volume 1 No. 2 October/November 1980

ACST Report

Executive Director

Christopher Noah

Much of this issue focuses on the results of this year's Northern Technology Grants Program. The Alaska Council on Science and Technology was overwhelmed with responses to this popular program - more than three times the number from its initial program. Further, because of the interest of the scientific community, the Council also was able to tap the services of over 200 scientific and technological reviewers - again, up significantly from last year. The Council and I would like to personally thank all who participated in the program.

Now that the Northern Technology Grants Program cycle is over for this year and a new one expected in late winter we should take time to reflect - to improve the process. For even though the Council was able to grant $133,000 in projects, there were many which went unfunded. The main cause for this was lack of adequate information presented by the proposers. Either people had misinterpreted our directions in the guidelines and understood "short" to mean loose or we did not provide adequate guidance - or both. We found that although many, many of the ideas were fundable, it was difficult to tell what the applicants were going to do, how they were going to spend the state's funds and how they would transfer their knowledge to other citizens.

We are now in the process of re-writing our grant guidelines to improve directions for the applicants. However, that is only half of the problem. If average citizens are going to be asked to prepare proposals in response to numerous state grant and loan programs, then they should be given assistance on how to write an application for these programs.

There are may ways to do this: conferences for citizens; a simple instruction booklet on how to write state grant and loan applications; a toll-free number with a recorded message; classes at the community college; just to name several.

One might ask "Why didn't the Alaska Council on Science and Technology do this sooner?" This has been a learning experience for us too as it is a new, innovative program; we have constantly been revising our procedures and guidelines to meet the needs of the citizens of Alaska. And as the Northern Technology Grants Program moves administratively from the Council's tutelage next year, we will pass on our suggestions. Any suggestions from you would also be appreciated.

AAAS

Alaska Division News

T. Neil Davis

Approximately 420 registrants attended the successful 31st Alaska Science Conference held at the Captain Cook Hotel in Anchorage, September 17-19. Even before the meeting was over, 1981 Alaska Division president Dr. John Bligh was planning the 32nd annual conference. Dr. Bligh heads the Institute of Arctic Biology, the hosting group for the 32nd conference, to be held in Fairbanks, August 25-27, 1981. This conference will emphasize the biological sciences, but, as with other Alaska science conferences, all topics of northern science will be included.

AAAS Alaska Division President-elect Dr. Vera Alexander, Director of the Institute of Marine Science, will conduct the 1982 conference. This conference, the 33rd, also will take place in Fairbanks.

ACST Meeting

A meeting of the Alaska Council on Science and Technology will be held November 5 and 6, in the second floor display room of the Geophysical Institute, University of Alaska, at Fairbanks.

On November 5, at 2 p.m., the meeting will be open to the public. ACST will welcome input from the public concerning research needs and priorities in Alaska, and discussion concerning the feasibility of suggested projects or dissemination of information.

ACST invites individuals or organizations to contribute to a planned "Calendar of Events and Meetings" in the ACST newsletter.

ACST
Pouch AV
Juneau, Alaska 99811
(907) 465-3510

BULK RATE
U. S. Postage
PAID
Juneau, AK. 99801
Permit No. 92

Northern Technology Awards

Close to 600 proposals for the Northern Technology 1980 summer grants program were received by ACST. 250 state-wide technological experts assisted the council in evaluating the proposals.

Final grant designations were made by the 15-person Northern Technology Review Committee at Chena Hot Springs in mid-August. Proposals were assessed in terms of innovativeness of approach; potential benefit to Alaska or some segment of its population; basis of concept upon sound scientific principles; approach to use of funds and other criteria.

44 grants, ranging from $200 to $5000 were awarded for a total of $133,000.

Name	Proposal	Amount
Alakanuk City Council Alakanuk	Wind powered generator - for remote villages.	$4000
Alaska Alternative Energy Resources Center Anchorage	Solar space heater - workshops to be conducted	$1500
Don Bailey Anchor Point	Furnace conversion - from oil to wood	$400
Norman Bair Dillingham	Treatment unit - to help establish state disposal regulations	$1100
Thomas Berson Chugiak	Fuel cell made from scrap metal	$800
Jim Cunningham Anchorage	Window insulation - vocational school project	$200
Bill Hall Eagle River	Dog, water, or wind powered washing machine	$400
K. Quinn Hart Eagle River	Greenhouse - soil thermal mass storage/waste heat recovery - workshop upon completion	$2200
Steve Hicks Glennallen	Wind generator to be constructed from junk parts	$1600
Marnie & John Isaacs Anchorage	Waterproofing for earth shelter house	$3300
Ed Knoebel Glenallen	Greenhouse using excess domestic warm water from home heating system	$4100
Alex Matheson Anchorage	Rear axle steering device for truck trailers	$5000
John Phillips Anchorage	Recycling aluminum scrap into ingots for easy shipping	$700
Radio Communications Inc Anchorage	Generator - solar/wind to power 25 Watt 12 V.D.C. load	$5000
Robert Reinhardt Aniak	Solar heat house - also used as fruit drying house, greenhouse and clothes drying area	$5000
Alfred Doner Wasilla	Boiler system - design heat storage tank with solar assist. Add wood burning boiler in series with oil/gas boiler	$1800
Bruce Forster Homer	Solar wood drying kiln - to use local wood rather than importations	$3000
William Hightower Moose Pass	Wind generator using auto electrical parts to light outbuilding	$2600
Edward Johnson Soldotna	Digester - methane gas producing for disposal and energy	$5000
Cecil Jones Homer	Improved willow rake - remove willow and alder roots with little disturbance to top soil	$3000
Karen Leis Homer	Fruit/Nut Tree cultivation - to grow fruits and nuts in remote areas	$1000
Charles Poscin Palmer	Permafrost excavation - a prefacture method - will eliminate major portion of environmental damage - save gas and oil	$5000
Ricardo Quiroz Valdez	Hybrid electric car - modify gas powered engine compatible to Alaskan weather	$2300
Elizaveta Shadura Kenai	Plant hydro feed system - use of nutrient film technique	$5000
Steven Smiley Homer	Solar home plans - to design standard plans that will meet FHA approvals	$1700
Alaska Federation Community Self Reliance Fairbanks	Greenhouse shutters - rolled down quilt type at community garden project - demonstration project	$1000
Philip Albert Ruby	Subterranean outbuildings - for chickens, goats, etc., greenhouse on surface	$4800
Joseph Balch Fairbanks	Solar thawing of permafrost - thermal tube method with heat jacket at base of tube	$5000
Axel Carlson Fairbanks	Effective U-Value measurements - computer program to be developed to convert and tabulate data as U-Values	$5000

Bobby Cloyd Fairbanks	Arctic home construction techniques at Hutchinson Career Center - results to be monitored.	$3400
Michael Crawford Fairbanks	Solar greenhouse - at Two Rivers Grange - used by community, 4-H.	$4800
John Dillon & Mary Moorman College	Home energy system - build and demonstrate hybrid solar, wood and coal energy system.	$5000
Chris Lamb Nome	Methane generator - utilizing honey buckets with two-stage generator.	$400
Ed McGrath Fairbanks	Automated thermal shutters - R value of 18	$2400
Robert McHattie & Richard Jurick Fairbanks	Subsurface exploration - to be developed with an electro-magnetic solid conductivity instrument.	$5000
Carl Pelz Petersburg	Generating system - using Pelton wheel.	$5000
James Raymond Fairbanks	Data recording instrument - will build for recording environmental data in remote regions.	$1100
Richard Seifert & Gary Newman Fairbanks	Solar energy heating system - two systems to be monitored and compared	$5000
Charles Simmons College	Solar wood drying kiln - to utilize local wood rather than importations.	$2000
Leslie Viereck Fairbanks	Water heating - a combination of wood stove and solar panels	$2000
Ole Wik Savoonga	Fish drying process - vacuum chamber powered by existing wind electric system.	$5000
Ronald Klein Juneau	Steam plant for small boat - modify commercially made steam boiler and engine.	$5000
David Molvik Narrows Broadcasting Corp. Petersburg	1 Watt translator - for operation of radio broadcast transmission equipment.	$5000
Jay Moor Juneau	Home energy conservation system - coordinated by means of small computer or operated manually when power fails. To be demonstrated.	$4800

Energy Center

The multi-million dollar Energy Research and Development Center, to be headquartered in Fairbanks, is aimed at helping to solve the nation's energy crisis.

The Center will sub-contract for research and will seek the best uses of existing resources while developing alternative energy and renewable resources. One of the center's chief purposes will be to help solve the long-term energy needs of the United States, partially through development of Alaska's huge coal and petroleum reserves.

Rep. Brian Rogers, D-Fairbanks, one of the chief proponents of the legislation for the Center, said it would bring about more efficient and advanced energy technologies, would create jobs and would show the federal government that Alaska is committed to helping solve the nation's energy problems.

$6 million in funding for the center's first year of operation was also approved by the Governor. The goal is to make the non-profit Center self-supporting through private and federal grants, plus money from patents on new technologies developed. This plan was questioned by several scientists at the recent Science Conference in Anchorage. They argued that the term 'self-supporting' could be used at a later date to legitimately cut off funding to the center, should the 'self-supporting' plan fail.

Through modification of its enabling legislation, the ACST will assist the center's board of directors in various areas. One of these includes recommending projects which should be coordinated or supported by the Alaska Energy Center. ACST Chairman Neil Davis and Executive director Chris Noah met with the Center's board of directors in October.

Earlier this year, energy studies by ACST recommended a number of research projects based on Alaska's natural resources. These natural resources include coal, oil and gas, hydropower, geothermal, windpower and solar energy.

Research Grants

Grants totalling $300,000 will be allocated by ACST for research on Alaskan natural hazards, domestic violence and one or more categories to be named at an early date, it was announced by Neil Davis, ACST chairman.

$150,000 will be awarded in one or more grants to support natural hazards research. $50,000 will be used to develop approaches for prevention of domestic violence. Davis explained that the council is studying priority research needs in Alaska and expects to name the remaining grant proposal categories before the end of this year.

Proposals will be selected for award on the basis of the research design, the capability of the individual or organization submitting the proposal to perform the suggested research, and the apparent potential value of the research to Alaska. December 1, 1980 is the deadline for submitting proposals.

For further information, please write:

Christopher Noah, Executive Director
Alaska Council on Science and Technology
Pouch AV
Juneau, Alaska 99811

Report Updates

The following reports are the results of workshops conducted by the Alaska Council on Science and Technology and are available at the ACST office in Juneau.

Report contents include: executive summary, background and status of current research on the subject matter, major issues in research, analysis and discussion, priorities and recommendations, and contributors to the report.

Alaska Seismology
Alaska Energy
Alaska Minerals
Alaska Health and Human Life
Alaska Agriculture and Amina! Husbandry
Alaska Natural Hazards

A report on Scientific and Technological Research Needs in Alaska from a joint meeting between the Alaska Council on Science and Technology and the Polar Research Board, including public comments is also available at the ACST office (limited copies).

Newsletter mailing list

ACST is working on updating its present mailing list. If you are receiving duplicate copies of the newsletter, or have changed your address, please notify the ACST office in Juneau. Or, if you have names of individuals or organizations who would be interested in receiving a copy of the newsletter - please let us know.

TV Special

"Grassroots Energy" TV special is a collaborative effort between KAKM and AEIDC, with support from the State of Alaska to document the ACST Northern Technology Grants Program.

Producer Carroll Hodge and cameraman/engineer Bob Jenkins are joined "on the road" with narrator Doug McConnell of the Arctic Environmental Information and Data Center. They visit and film grant recipients from Kasilof on the Kenai Peninsula, through Copper Center to Fairbanks and Chena Hot Springs.

It's an excellent half hour of TV viewing and shows the innovativeness of Alaskans at work. "Grassroots Energy" was aired in Anchorage early in October. Program scheduling for other parts of the state will be announced. Also, there will be an extra videotape available for loan from the ACST office in Juneau.

Science Conference

At the 31st annual Alaska Science Conference, held in Anchorage September 17th through 19th, Alaskan scientists expressed fears that Alaska will be a target for federal cutbacks, which will include scientific research.

Neil Davis, ACST chairman, pointed out that America is already losing its competitiveness in the field of Arctic research and that the only real polar research is being done in the Antarctic.

The problems facing Alaskan research are the closing of federal facilities in Alaska, a slow-down in research funding to the University of Alaska and a breakdown in communication amongst federal agencies concerning responsibilities and interest.

The following letter from Senator Ted Stevens is of interest for it states that the U.S. Senate will earmark $900,000 for cold weather research this coming year.

Dear Neil:

Thank you for providing me with a copy of your recent letter to Dr. Frank Press, Director of the Office of Science and Technology, about the need to develop a federal commitment to coordinated research in the arctic and subarctic regions. This is an issue that I have adressed while in the U.S. Senate.

For a number of years I fought the Environmental Protection Agency to keep an arctic research laboratory in Fairbanks. This year, the U.S. Senate will earmark $900,000 for cold weather research in the EPA FY 1981 budget, most of which will be conducted in Alaska.

The Federal Government has been lax in its commitment to scientific research in the part of the world that could provide vast research possibilities. An attempt at a coordinated policy between the Federal, State, and private sectors is a step in the right direction.

On your behalf, I have contacted Dr. Press to request that he look into your concerns and provide me with his comments. In addition, I have asked that he provide me with a copy of his response to your letter.

With best wishes,

Cordially,

(signed) Ted Stevens
United States Senator

Alaska Council on Science and Technology

The Science and Technology Act of 1978 was the first step in political recognition of the importance of the role of science and technology in public policy and decision making. The act gave a statutory framework for the creation of the Alaska Council on Science and Technology. The Council's aim is to guide research activities in support of state objectives and to ensure the efficient transfer of resulting data and information.

Robert D. Burkett
Department of Fish & Game

T. Neil Davis (ACST Chairman)
Geophysical Institute
University of Alaska

Mim Dixon
Private Anthropological Consultant

David Hickok, Director
Arctic Environmental Information & Data Center
University of Alaska

Jay Hogan, Director
Division of Legislative Finance

Ernst Mueller, Commissioner
Department of Environmental Conservation

Richard Straty (ACST Vice Chairman)
Director, Marine Investigations
Auke Bay Fisheries Laboratory
U.S. Dept. of Commerce/NOAA

Christopher Noah, Executive Director
Alaska Council on Science and Technology
Pouch AV, Juneau, Alaska 99811
(907) 465-3510

ALASKA LITHO, INC., JUNEAU

SB

13

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

SB 13

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE BILL NO. 13

Title Making special appropriations for capital improvements for projects for which general obligation bonds were approved by the voters at the 1980 general election.

~~Requested by~~ Date 1/13/81

Requested by Senate State Affairs Committee

II. FISCAL DETAIL

Agency Affected State Bond Committee, Dept. of Revenue

Program Category Affected General Fund

BRU, Program, or Subprogram(s) Affected

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

EXPENDITURES (Thousands of Dollars)

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

FUNDING (~~Thousands~~ of Dollars) IN TERMS OF OPPORTUNITY COST

→ MILLIONS ←		4.0	10.8	14.4	16.7	19.0
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

This bill would use a general fund appropriation to pay for these capital improvements rather than issue General Obligation bonds. The opportunity cost assumes the State would either invest its own money, if bonds would have been sold, or if spent on other projects, etc., that project has an implicit rate of return equal to what the State could have gotten by investment.

Assumptions: (1) A 12% earnings rate on invested funds or project.
(2) An 8% interest rate on cost of debt.
(3) If debt were issued it would be as follows (in millions):
FY 82-$100, FY 83-$150, FY 84-$39.712; Total issued $289,712,500.
(4) Projects start/debt iccured at beginning of each period.
(5) Not discounted for present value.

Anselm C. Staack

IV. DATE February 19, 1981

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

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

33-001 (Rev. 12/80)

UNIVERSITY OF ALASKA
FAIRBANKS, ALASKA 99701

TO: Senator Vic Fischer

DATE: 2/25/81

Attached is my testimony before the Senate State Affairs Committee public hearing on 2/21/81. I appreciate the opportunity to appear and present testimony.

Scott Goldsmith

Testimony Before Senate State Affairs Committee

of

Scott Goldsmith
Institute of Social and Economic Research

February 21, 1981

Senate Bill 13 – An act to appropriate cash from the general fund to pay for capital improvements approved by G.O. bonds in 1980.

The logic of borrowing to pay for capital projects when the state has the money to pay cash rests upon the idea of "arbitrage." That is the ability to earn money by borrowing at a low rate of return and investing the borrowed funds at a higher rate of return. When arbitrage is possible, income is maximized by borrowing to pay for capital and, in fact, any expenditure. Thus, when the state can effectively invest money at a higher return than it must pay to borrow, paying cash does not maximize state revenues.

There are, however, two considerations which could alter this conclusion in the unique situation which faces the state of Alaska.

1. The arbitrage model assumes rational behavior on the part of government. Although government is composed of rational individuals, their collective decisions on the spending of money are not always rational. In other words, money gets spent on projects which do not yield a positive return, and this is more likely to occur when the state has more money to spend.

   Thus, in analyzing whether paying cash for capital projects makes sense, you should try to determine what spending would be eliminated by such a policy. (Or if the capital project were paid for with borrowed funds, what would actually happen to the funds made available for other purchases.) If unproductive investments are curtailed, then the opportunity cost of paying cash would be zero and no income would be lost. If productive investments are curtailed, then the opportunity cost of paying cash is the lost income from arbitrage.

2. At some time, ten-to-twenty years hence, state revenues, because they are so dependent upon Prudhoe Bay oil and gas production, will be considerably smaller than today. It is unlikely that public needs will be less, however. This suggests the public spending opportunities available to the next generation will be limited relative to our own. Further restricting their options with the requirement of retiring a substantial debt may be an unfair burden. In the extreme, state revenues could fall to such a level that they would all be required for debt service, leaving nothing for schools, highway maintenance, etc. Simply put, an ability to pay criterion suggests paying cash for capital projects.

One rationale for debt finance is to pay for the facility over its lifetime, such that those people pay who are actually getting the benefits as the good is consumed. In the Alaskan context, this rational may break down because of the transient nature of the population associated with the boom-bust character of the economy, combined with the nature of the project "benefits." For example, a benefit advanced for many capital projects is the employment generated in the construction phase. This directly benefits the present population but not the population which may be here in ten-to-twenty years. The people benefiting today may leave Alaska when the boom construction jobs are all gone because state revenues cannot support them. Should they leave behind an unpaid bill in the form of annual debt service payments for those who remain in the state after the bust?

Senate Bills 21 and 68 - An act to appropriate general fund money to the permanent fund.

State revenues from Prudhoe Bay should be viewed as a one-time inheritance. From this perspective, rules about the proportion of revenues which should be saved in the permanent fund emerge.

The unique good fortune of Alaska in its ownership of Prudhoe Bay reserves is evident from the attached Table A which compares the initial reserves in the Prudhoe Bay Field with the largest oil fields in North America and the world. At 10 billion barrels, Prudhoe Bay contains the largest reserves in North America, and only two other fields in the United States had over 2 billion barrels. A field of 100 million barrels, which would be one-hundredth as large as Prudhoe, is considered a giant and hailed as a major discovery in the United States. Consequently, the probability of the discovery of additional reserves, on state land, to compensate the state treasury for the eventual decline in Prudhoe Bay oil production is virtually nil.

Thus, Prudhoe Bay state resources are an inheritance, primarily in the form of oil in the ground but partly in the form of money into which some of the oil is annually transformed. This is commonly called revenues but is more properly viewed as a portion of the principal of the inheritance in monetary, rather than physical (oil in place), form.

Using current (FY 1982) estimates of the per barrel revenues from Prudhoe Bay oil as well as current estimates of recoverable oil, the present value (in 1981 dollars) of the state's inheritance is very roughly $80 billion (royalties and various taxes associated with oil production and transportation).

We can easily calculate that if that $80 billion were all invested to earn a 2 percent real rate of return, the state could withdraw $1.6 billion annually from the invested fund without reducing its value. This $1.6 billion (in 1981 dollars) would be the annual annuity which could be withdrawn every year to finance government. Such an annuity could completely finance the 1980 state budget.

This suggests that saving $1.5-to-$1.8 billion out of total revenues of $6.6 billion and spending $4.7-to-$5 billion is cutting into principal to the tune of over $2 billion. Thus, if one objective of financial planning is a sound long-term, revenue-generating base, a policy of saving $1.5-to-$1.8 billion this fiscal year in the permanent fund is inadequate.

It will, of course, be argued that the best way to ensure a stable long-term tax base is through investment in state resources. The truth is that the revenue-generating capacity of other resources does not have any possibility of providing revenues equal to the $1.6 billion annuity available through a saving and investment program of the permanent fund.

For example, consider coal. Demonstrated resources in Alaska are about 4.8 billion tons, primarily centered at the Nenana and Susitna Coal Fields (McGee and O'Connor, Mineral Resources of Alaska and the Impact of Federal Land Policies on their Availability: Coal, Open File Report #51, BMR, USGS, 1975, p. 2).

If the state could get a 30 cent royalty on each ton of coal mined, how many tons would need to be mined annually to generate $1.6 billion from royalties? (The minimum royalty rate on state land is 5¢/ton with recent leases carrying a 20¢-35¢ royalty rate.) The answer is 5.3 billion tons. So each year, more coal would need to be mined than is currently available as reserves in order to match the $1.6 billion annuity. (The mining license tax and corporate income tax would generate some additional revenue but would not substantially alter the conclusion.) It is interesting to note that actual production of coal is presently about one million tons, or about 1/5300 the amount necessary for a tax base dependent upon coal.

TABLE A

I. LARGEST OIL FIELDS IN NORTH AMERICA

			Billion Barrels
1.	Prudhoe Bay	USA	10.014
2.	Chiapas	Mexico	6.513
3.	East Texas	USA	5.999
4.	Wilmington	USA	2.418
5.	Poza Rica	Mexico	2.028
6.	Pembina	Canada	1.742
7.	Midway Sunset	USA	1.603
8.	Yates	USA	1.600
9.	Wasson	USA	1.508
10.	Kern River	USA	1.453
11.	Panhandle	USA	1.415
12.	Swan Hills	Canada	1.315
13.	Ebano-Panuco	Mexico	1.304
14.	Sho-Vel-Tum	USA	1.300
15.	Elk Hills	USA	1.296
16.	Naranjos Cerro Azul	Mexico	1.177
17.	Huntington Beach	USA	1.076
18.	Santa Ynez	USA	1.000

II. LARGEST OIL FIELDS IN THE WORLD

1.	Burgan	Kuwait	68.930
2.	Ghawar	Saudi Arabia	60.270
3.	Safania	Saudi Arabia	17.051
4.	Kirkuk	Iraq	16.320
5.	Samotlorskoye	USSR	14.600
6.	Romashkino	USSR	14.040
7.	Rumaila	Iraq	13.835
8.	Gachsaran	Iran	11.435
9.	Marun	Iran	10.887
10.	Lagunillas	Venezuela	10.702
11.	Agha Jari	Iran	10.004
12.	Prudhoe Bay	USA	10.014

Oil and Gas Journal, August 1977, Vol. 75, No. 35, p. 102.

REALTOR®

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1981

Alaska Association of Realtors Statement of Legislative Policy

PREAMBLE

Under all is the land. Upon its wise utilization and widely allocated ownership depend the survival and growth of free institutions and of our civilization. The Alaska Association of REALTORS recognizes that the interest of our State and its citizens requires the highest and best use of the land and the widest distribution of land ownership. They require the creation of adequate housing, the building of functioning cities, the development of productive industries and farms, and the preservation of a healthful environment.

In furtherance of these needs and desires, the Alaska Association of REALTORS, by action of its membership meeting in convention at Juneau, Alaska, in September, 1980, has adopted a Statement of Legislative Policy as a guideline for evaluation of legislation pending before the 1981 session of the Alaska State Legislature. Said Statement of Legislative Policy is as follows.

Permanent Fund Legislation

We believe that monies invested in the Permanent Fund should be primarily invested in the State of Alaska for the purpose of improving the economic well being of the State and the standard of living and life styles of its citizens. We specifically oppose the current policy of investing the majority of the fund outside Alaska.

Where possible, existing financial institutions should be utilized to originate and service loans from the Permanent Fund.

We believe that the earnings from such investments should be reinvested in the same manner as the original principal.

Stimulation of the Economy

We favor expedited capital expenditures on projects already approved in bond elections by the citizens of the State of Alaska, or approved by the Alaska State Legislature, and the immediate funding of other projects with long-term economic benefits.

We oppose short-term economic stimulation through programs such as increased unemployment compensation which have no long-term economic benefit.

We support use of State funds including money from the Permanent Fund for business loans, and loans for agricultural, fishing, tourism, and natural resource development.

Tax Relief

We favor tax relief which will benefit and encourage private property ownership, and economic development.

Business Loans

We support expansion of the current business loan program to include loans for purchase of inventory and equipment and/or establishing working capital. Pledges of inventory, equipment, accounts receivable, and other business assets should be accepted as acceptable collateral.

The current business loan program should be

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Testimony of Robert B. Flint
of
Wohlforth & Flint, State Bond Counsel
on S. B. 13 Before the
Senate Committee on State Affairs
Alaska State Legislature

Mr. Chairman and members of the Committee on State Affairs, I am Robert B. Flint, a partner in the law firm of Wohlforth & Flint, Bond Counsel to the State Bond Committee. I appreciate the invitation extended to our firm to testify on S. B. 13 which would appropriate general fund money for the capital projects approved at the 1980 bond election. Since the State currently enjoys a large cash surplus a number of advocates have urged a cessation of general obligation bonding for capital improvements and the pursuit of a cash only policy. My remarks today are confined to an analysis of this position and of S. B. 13 from a financial point of view. I recognize that there are considerations other than financial that need to be taken into account, but such political or policy questions are beyond our firm's role as Bond Counsel and legal advisor to the State Bond Committee.

ALTERNATE OPPORTUNITY

From a financial perspective a "cash only" policy is unwise. One of the advantages of borrowing money for capital improvements as opposed to paying cash is an expansion in the availability of funds. For most state and local governments this means an ability to build projects that they could not otherwise afford. Alaska is obviously not in this position but it

does have alternative uses for its surplus cash. The State has decided as a matter of policy to set aside a portion of the nonrecurring oil wealth in a permanent fund to ensure its availability after the oil runs out. To the extent the State builds its capital improvements for cash there will be less funds available for this kind of set-aside.

There is an ascertainable cost to such a "cash only" policy since funds set aside will earn more than the cost of borrowed funds cost. The estimated earnings over and above borrowing costs for ten year bonds with level principal payments in the amount of $150 million is $33 million. If the current borrowing rate of approximately $150 million per year is assumed the lost earnings for the 25 year life of Prudhoe Bay is $825 million without allowance for compounded interest. As capital needs and costs will increase this estimate is very conservative.

Obviously such money is not needed currently but we all know that the oil will be gone within our lifetime. At the time Prudhoe runs out our savings will be needed at least to cushion the shock of transition to normal taxation and budgeting. The idea of special funds is to preserve some of the wealth for future generations. Judicious use of general obligation debt can materially assist this goal.

FISCAL OVERSIGHT

Regular entry into the municipal bond market subjects the State to the scrutiny of that market and the rating agencies. Such an exposure is a helpful aid to the self-discipline necessary even in affluent times. Moreover it builds a reputation with the market that is invaluable when

borrowing becomes necessary. Alaska has carefully built its reputation over the last 20 years starting with a Baa rating (medium grade with speculative characteristics) to Aa (high grade) this year. This effort has resulted in excellent interest rates for State borrowing. The table on Exhibit "A" shows the improvements in the state's credit. If entry into the bond market is stopped this effort will be wasted. After the oil is gone the State will simply have to start all over again. Like any private person a State must establish credit. An applicant who has never borrowed is a poorer risk than one who has. The bond market is like all bankers. The devil it knows is preferred to the saint it doesn't. It would be wise to leave a good credit rating to future generations.

FINANCIAL IMPACT

The current impact of debt service on the State budget is minimal. Only 2.9% of 1980 general fund revenues were spent on debt service. The ratio of debt to assessed valuation in 1979 was about 3%. These are low figures which will certainly decline further even if borrowing is increased. The table on Exhibit "B" shows the decline in the debt burden. There is plenty of room to continue a sensible borrowing program.

CONCLUSION

From the point of view of a technical advisor S. B. 13 is not good public policy. The cost will be substantial to the state if adopted and continued during the period of oil wealth. Continuing the present policy of a conservative use of the capital markets on the other hand has clear

benefits without any negative effects. As I stated in my opening remarks the perspective I present today is limited and is intended to provide information for your consideration. As Bond Counsel to the state, I, of course, take no position on the actual passage of S. B. 13.

EXHIBIT "A"

State G.O. Bonds

The following tabulation gives details of bonds sold since 1973:

Date of Bonds	Amount of Issue (Millions)	Maturities	Avg. Life in Years	NIC	Bond Buyer Index	Interest Cost Per Borrowed Dollar	Ratings (at the time of issuance) Moody's/S&P
Jan. 15, 1973	$ 20.0	1976-1998	15.3	5.12%	5.08%	78.2¢	Baa 1/A
June 1, 1973	27.0	1976-1998	14.8	5.10	5.10	75.6	Baa 1/A
Aug. 1, 1973	31.0	1977-1998	16.7	5.80	5.58	96.8	Baa 1/A
Sept. 1, 1974	30.0	1978-1998	15.6	6.85	6.88	107.2	A 1/A
Feb. 1, 1975	40.3	1978-1998	14.6	5.98	6.59	87.3	A 1/A+
May 1, 1975	42.0	1979-1999	15.1	6.52	6.95	98.5	A 1/A+
Oct. 1, 1975	42.9	1978-1997	12.5	6.85	7.49	85.8	A 1/A+
March 1, 1976	40.0	1978-1993	9.5	5.86	6.95	55.7	A 1/A+
July 1, 1976	40.0	1978-1993	9.5	5.80	6.87	57.3	A 1/A+
Feb. 1, 1977	40.0	1979-1988	9.5	5.08	5.90	48.3	A 1/A+
Oct. 1, 1977	40.0	1979-1988	7.0	4.50	5.50	29.3	A 1/A+
April 1, 1978	45.0	1980-1988	7.0	4.86	5.59	29.2	A 1/A+
Jan. 1, 1979	40.0	1979-1989	5.5	5.52	6.29	30.0	A 1/A+
May 1, 1979	60.0	1979-1989	5.5	5.59	6.25	32.1	A 1/A+
July 1, 1980	125.0	1981-1990	5.5	5.76	7.55	35.8	Aa/AA-

Source: John Nuveen & Co. Incorporated

EXHIBIT "B"

The schedule below compares debt service with general unrestricted revenues for the last eight fiscal years:

Fiscal Years Ending June 30	General Unrestricted Revenues (Millions)	Debt Service (Millions)	Percent Required for Debt Service
1973	$ 214.6	$23.5	10.95
1974	258.1	26.3	10.22
1975	333.6	30.1	9.03
1976	705.4	35.1	4.98
1977	877.4	41.8	4.77
1978	768.0	50.0	6.51
1979	1,117.4	60.0	5.36
1980 (est.)	2,550.0	75.1	2.95
1981 (est.)	3,808.8	—	—

Source: John Nuveen & Co. Incorporated

SENATE STATE AFFAIRS COMMITTEE HEARING

ON

1. DEPOSITS IN THE PERMANENT FUND: 2. PAYING CASH FOR CAPITAL IMPROVEMENTS

February 21, 1981

Testimony by Harold E. Pomeroy

Our future is bright if we don't spend billions and billions of dollars unproductively trying to create an artificial destiny for Alaska.

Right now we are misreading the signals.

There is popular belief that if we just do the right things we can achieve a prosperous, diversified and renewable resources economy, including renewable resource production and processing-manufacture. This means, of course, producing goods for export.

We are negligible producers of processed-manufactured goods - with few exceptions, relative to our resource production and services economy, due to far higher costs here than elsewhere - costs that cannot be cured by spending money. Where the potential for competitive position in the market is lacking, direct and indirect aid is only creating artificial viability that can last only until the money runs out.

The wrong signal is that somehow, if we just put enough money into articial viability in the direction of diversification and renewable resource processing we can turn a liability into an asset. The result is the false assumption that taxes generated out of these areas of activity will be able to make up for less oil income in the future.

The hard fact is that there is no basis whatever for believing the aggregate of all tax revenue from all sources, other than oil production will increase the approximate 1/10 of our expenditures such revenues now pay, by an appreciable amount, if at all - unless taxes are raised drastically.

Testimony, 2/21/81
Harold E. Pomeroy

Take the molybdenum mine soon to be established near Ketchikan. Though one of the largest deposits anywhere, molybdenum won't be made there; the concentrate will go Outside for processing for reasons of economy. Would we increase taxes on the plant two or three or more times in the future to make both ends meet due to less oil income?

Our future economic stability rests heavily on the reason the question has to be asked.

There will be a few individual exceptions to the revenue potential overall - plants with profits coming from huge investments and very few workers.

We can be encouraged about the future if we take the right signal from the dramatic increase in the amount of oil income from even two years ago. A Permanent Fund that generates a substantial part of future needed revenue is practical - with room also for such benefits as no personal income tax and some desirable capital improvements that are cost effective.

Our tremendous good fortune in quantity of oil money is that we can make massive early years deposits in the Permanent Fund, accumulate the interest and arrive at a total of as much as $125 billion to produce $13 billion or $14 billion in annual revenue from then on.

We should place the highest priority on action to secure as strong a financial future as possible, rather than to grab more toward a taxless society and what amounts, indirectly, to colossal price support for economic enterprise that simply isn't economically viable in the open market.

	PERMANENT FUND		BUDGET GROWTH	
	I.	II.	III.	IV.
	$2 Billion at 11% compounded	$4 Billion	$2 Billion - at 11 rate of increase	$2 Billion - at 15% rate of increase
Yrs				
5	$3.37	$6.74	$3.37	$4.02
10	$5.68	$11.36	$5.68	$8.09
15	$9.57	$19.14	$9.57	$16.27
20	$16.12	$32.29	$16.12	$32.73

I. At the end of 20 years the $16.12 would produce $1.67 billion yearly - from then on.

III. The $1.67 billion would not go very far toward funding the $16.12 billion budget. The 11% rate of increase may not be enough for inflation and population growth and would allow zero for real growth.

IV. At 15% growth, $120 billion in the Permanent Fund would produce about $13 billion in earnings revenue toward the $32.73 billion budget

February 21, 1981

Harold E. Pomeroy

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH WF—STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

M E M O R A N D U M

DATE: January 22, 1981

TO: Honorable Al Adams
House of Representatives
Alaska State Legislature

FROM: Milt Barker, Fiscal Analyst
Legislative Finance Division

Defease State G.O. Bonded Debt

The Department of Revenue estimates the total cost to defease all state G.O. bonds in FY 82 at $905 million. This is made up of three items:

Defease $720 million of outstanding G.O. bonds	$570 million
Cash out all authorized but unissued bonds	463 million
Delete FY 82 debt service	(128 million)
	$905 million

The $570 million would be paid over to bond trustees to purchase securities whose term and value at maturity matched the $720 million in bond maturities to be paid by the state. The AG does not believe authorizing legislation for this is necessary. However, there is no mention of such action in AS 37.15, the state bonding act, so it might be a good idea to have authorizing legislation.

The $463 million in cash would be to fund the capital projects that would have been funded with bond proceeds. The state's bond counsel says there would be trouble with the IRS if we defeased outstanding bonds and then subsequently issued new bonds within a few years time.

31-Q1LH

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH WF-STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

M E M O R A N D U M

DATE: June 23, 1980

TO: Honorable Russ Meekins, Chairman
House Finance Committee

FROM: Milt Barker, Fiscal Analyst
Legislative Finance Division

SUBJ: Refunding G.O. Debt

In the attached letter of April 7, 1980 from Bache Halsey, it is claimed that refunding the outstanding general obligation indebtedness of the state will result in savings in debt service on a present value basis. This does not appear to be the case.

If the refunding debt is issued at 8.5% as in the Bache projection, then the average rate of earnings on general or permanent fund investments should be around 11.5%.[1]

If the debt service schedules for outstanding debt[2] and refunding debt are discounted at 11.5%, which more properly represents the alternative earnings rate on funds that would be used for debt service, i.e. their opportunity cost, the existing schedule of debt service has the lowest present value, i.e. least cost to the state.

---

1. See attached Table 1 and yield chart which indicate that the average interest differential over the past five years between municipal and corporate Aa bonds has been 3.05%.

2. Bache's total for existing debt service of $831 million appears to be total debt service for fiscal years 1981 through 2000 exclusive of the debt service on the 1979 Bond Series B. See attached schedule from the "official statement" for the 1979 sale.

Only if the discount rate is reduced to 10%, representing arbitrage earnings of only 1.5% between state G.O. debt and other market instruments, does the present value cost of the refunding debt service roughly equal the present value cost of existing debt service.

	Present value of Debt Service ($ millions)	
	@ 10%	@ 11.5%
Existing	444.3	412.2
Refunding		
5 year maturity	443.9	427.4
8 year maturity	449.7	426.2

The point here is that as long as the state can earn arbitrage because of the lower tax-exempt rates on its bonds, the state profits by having more debt outstanding over a longer period of time. Shortening the state's debt structure is not of financial benefit.

If an improvement in the state's bond rating is desired by committing funds to pay off the bonds, the Nuveen approach described in the attached Memo of February 6, 1980 is a better alternative in that there is no shortening of the state's debt structure and thus no reduction in the arbitrage earnings that will accrue to the state.

attachments

MB:bf

Bache

Bache Halsey Stuart Shields Incorporated
Bache Plaza, 100 Gold Street
New York, N.Y. 10038 (212-791-3688)

Samuel L. Plaia
First Vice President

April 7, 1980

Mr. Peter A. Bushre
Deputy Commissioner of Revenue
State of Alaska
Department of Revenue
State Office Building
Juneau, Alaska

Re: Alaska Debt Reorganization

Dear Mr. Bushre:

Preparatory to making a detailed presentation to the State Bonding Commission relative to the above subject, we thought we should give you a summary of the two variations on the refunding program and some selected data on each.

For calculation purposes, we have chosen an 8 1/2% rate and one bond issue dated June 1, 1980, with principal retirements beginning June 1, 1981, and a final maturity of June 1, 1988. The other issue will be dated the same but have its final maturity on June 1, 1985.

Total debt service on the outstanding bonds is $863,523,203 and accrued debt service at June 1, 1980, will be $32,338,362 (will have been paid) leaving a net of $831,184,841 to be provided for by the escrowed proceeds of the refunding bonds plus the earnings of the escrowed funds.

The two refunding issues will comprise the following debt service schedules:

Issue "A" - 8 1/2%

Date	Principal	Interest	Total Debt Service
6.1981	$ 43,910,000	$ 40,424,300	$ 84,334,300
6.1982	47,645,000	36,691.950	84,336,950
6.1983	51,690,000	32,642,125	84,332,125
6.1984	56,085,000	28,248,475	84,333,475
6.1985	60,855,000	23,481,250	84,336,250
6.1986	66,025,000	18,308,575	84,333,575
6.1987	71,640,000	12,696,450	84,336,450
6.1988	77,730,000	6,607,050	84,337,050
Totals	$475,580,000	$199,100,175	$674,680,175

Gross Savings

Net Outstanding Debt Service	$831,184,841
Refunding Bonds Debt Service	674,680,175
Gross Savings	$156,504,666

Present Value Savings

Net Outstanding Debt Service Present Value @ 8.5%	$488,608,900
Refunding Debt Service Present Value @ 8.5%	-475,580,000
Present Value of Difference	$ 13,028,900

Issue "B" - 8 1/2%

Date	Principal	Interest	Total Debt Service
6.1981	$ 77,895,000	$ 39,233,875	$117,128,875
6.1982	84,520,000	32,612,800	117,132,800
6.1983	91,705,000	25,428,600	117,133,600
6.1984	99,500,000	17,633,675	117,133,675
6.1985	107,955,000	9,176,175	117,131,175
Totals	$461,575,000	$124,085,125	$585,660,125

Gross Savings

Net Outstanding Debt Service	$831,184,841
Refunding Bonds Debt Service	585,660,125
Gross Savings	$245,524,716

Present Value Savings

Net Outstanding Debt Service Present Value @ 8.5%	$488,608,900
Refunding Debt Service Present Value @ 8.5%	-461,575,000
Present Value of Difference	$ 27,033,900

The "A" issue plan drains an extra $167,894,416 over an eight-year period from the general funds of the State; this being over and above the existing debt service. In other words an additional average of $21,000,000 per year is committed to debt service.

The "B" issue plan drains an extra $266,017,994 over a five-year period from the state's general funds compared to outstanding debt service, or an average of in excess of $53,000,000 annually. Obviously, this latter plan is more "dramatic" and also produces an extra $14,000,000 in present value savings.

The merits of both plans can be discussed in detail at a formal presentation. At that presentation to the State Bond Committee, in a form as suggested by Anselm Staack, the escrow investment income will be demonstrated to provide the necessary funds to fully extinguish the State's outstanding debt.

We look forward to hearing from you as to when we might return to Juneau for a formal presentation. At that time, we will be accompanied by representatives of Haynes & Miller, special counsel on the debt reorganization.

Sincerely,

Sam/S. Plia

SLP:la

cc: Mr. Anselm Staack, Department of Revenue
Rep. Hugh Malone, House of Representatives
Mr. Jim Rhode, Rep. Malone's Aide
Rep. Russ Meekins, House of Representatives
Mr. Mike Doonan, Rep. Meekins' Aide

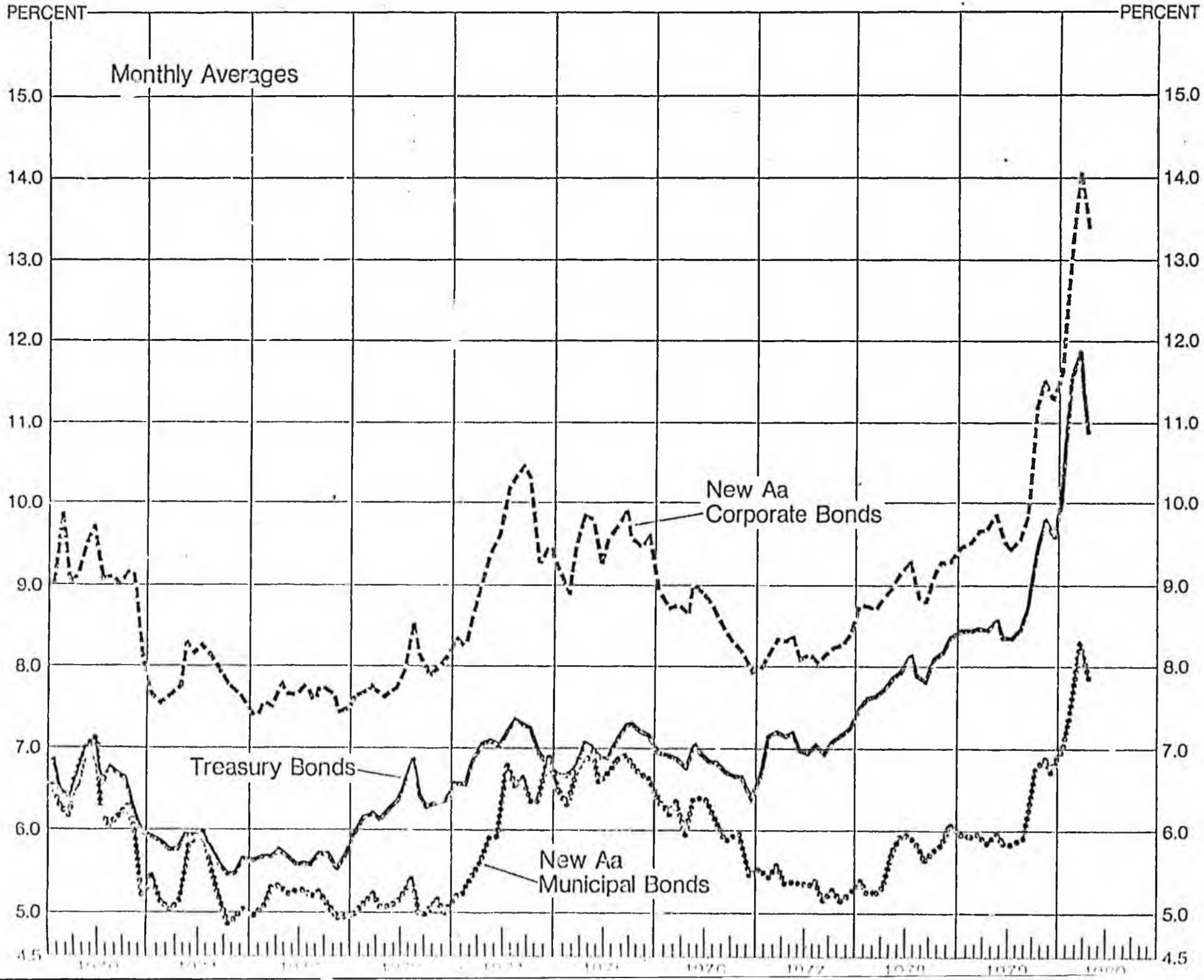
TABLE 1

INTEREST RATES ON BONDS
OF TWENTY YEAR OR GREATER MATURITIES

YEAR	Aa CORPORATE	Aa MUNICIPALS	DIFFERENCE
1979	9.77	6.00	3.77
1978	8.98	5.65	3.33
1977	8.20	5.34	2.86
1976	8.59	6.09	2.50
1975	9.51	6.70	2.81
		Five-year Average	3.05

Source: November 1979 Treasury Bulletin

AVERAGE YIELDS OF LONG-TERM TREASURY, CORPORATE, AND MUNICIPAL BONDS



DEBT SERVICE REQUIREMENTS

The annual debt service requirements on all outstanding State of Alaska general obligation bonds are shown below, together with the estimated annual debt service requirements on the State of Alaska 1979 Bonds, Series B, assuming interest at 6%.

Fiscal Year Ending June 30	Debt Service on Outstanding Bonds			1979 Bonds Series B			Estimated Debt Service Total
	Principal	Interest	Total	Principal	Interest	Total	
1979	$ 25,710,000	$ 33,177,202	$ 58,887,202	$ —	$ —	$ —	$ 58,887,202
1980	38,780,000	33,825,273	72,605,273	6,000,000	3,600,000	9,600,000	82,205,273
1981	37,045,000	31,604,607	68,649,607	6,000,000	3,240,000	9,240,000	77,889,607
1982	40,265,000	29,432,781	69,697,781	6,000,000	2,880,000	8,880,000	78,577,781
1983	40,500,000	27,147,922	67,647,922	6,000,000	2,520,000	8,520,000	76,167,922
1984	40,945,000	24,894,165	65,839,165	6,000,000	2,160,000	8,160,000	73,999,165
1985	40,830,000	22,624,860	63,454,860	6,000,000	1,800,000	7,800,000	71,254,860
1986	42,235,000	20,340,763	62,575,763	6,000,000	1,440,000	7,440,000	70,015,763
1987	41,350,000	18,071,221	59,421,221	6,000,000	1,080,000	7,080,000	66,501,221
1988	41,665,000	15,815,505	57,480,505	6,000,000	720,000	6,720,000	64,200,505
1989	36,717,000	13,509,721	50,226,721	6,000,000	360,000	6,360,000	56,586,721
1990	28,550,000	11,581,590	40,131,590	–0–	-0-	-0-	40,131,590
1991	28,989,000	9,958,430	38,947,430	–0–	-0-	-0-	38,947,430
1992	29,849,000	8,303,425	38,152,425	–0–	-0-	-0-	38,152,425
1993	25,063,000	6,656,987	31,719,987	–0–	-0-	-0-	31,719,987
1994	20,598,000	5,219,975	25,817,975	–0–	-0-	-0-	25,817,975
1995	19,096,000	3,987,625	23,083,625	–0–	-0-	-0-	23,083,625
1996	18,610,000	2,864,412	21,474,412	–0–	-0-	-0-	21,474,412
1997	14,865,000	1,800,419	16,665,419	–0–	-0-	-0-	16,665,419
1998	13,380,000	1,008,194	14,388,194	–0–	-0-	-0-	14,388,194
1999	8,640,000	368,931	9,008,931	–0–	-0-	-0-	9,008,931
2000	2,531,000	69 081	2,600,081	–0–	-0-	-0-	2,600,081
Total	$636 213,000	$322.263,089	$958,476,089	$50,000,000	$19,800,000	$79,800,000	$1,038,276,089

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH WF–STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

M E M O R A N D U M

TO: Hon. Leo Schaeffer
House Finance Committee

DATE: February 6, 1980

FROM: Milt Barker MB
Fiscal Analyst

SUBJ: Paying off State Bonds

Outstanding state general obligation bonds of $670,503,000 could be paid off with an appropriation of $546 million according to item 2 of the attached letter from John Nuveen & Co., the state's financial advisor.

The prefunding approach suggested by Nuveen would not cost the state any lost interest as would paying off the bonds immediately. In other words, the state hangs on to its cash, invests it at taxable rates, say 10%, while continuing to pay off bonds at only 6% or so, thus earning a net of 4% interest which it would not earn if the bonds were simply paid off.

Yet, the prefunding approach does assure bondholders of being paid off. This has two effects. One, existing bonds would immediately get improved ratings; the state would not benefit on this account but the bondholders would as there would be an immediate increase in the value of their bonds should they wish to sell them. Sterling Gallagher of Nuveen & Co. has suggested the state try to capture some of the increase in bond prices that would occur by making the prefunding contingent on bondholders turning in their existing bonds in exchange for new bonds with a lesser coupon or interest rate. We could split the difference of the price increase with them.

The second effect of prefunding would be to improve the ratings for any future bonds the state issues. Here, the state would get the full benefit of the effect. However, as the attached tables indicate the maximum reduction in the interest rates would normally be no more than thirty basis points or .3% This is based on the state going from its present A1 or A+ rating to Aaa. On $100 million of bonds with an average 5 year maturity, this would thus save the state at most $1,980,000 in interest costs over the life of the bonds.

Sterling Gallagher has also suggested that prefunding only the later maturities of the bonds could have the same effect on the interest cost to the state of future bond issues. In other words, the state's revenues on Prudhoe Bay production in the near-term would provide maximum security for bonds while prefunding

would serve the same function after Prudhoe begins to decline. Mr. Gallagher estimates only $100 million in prefunding would be required to prefund the tail end of outstanding state GOB's.

If you wish to seriously consider an appropriation for prefunding, we should request a legal opinion from state bond counsel as to whether such prefunding would cause any IRS arbitrage problems. In other words, the guarantee fund established by prefunding could result in the IRS finding that the prefunded bonds are arbitrage bonds and taking away the federal income tax exemption allowed on interest received by the bondholders. This would have no direct cost to the state, but the bondholders would undoubtedly prefer that prefunding not be done in that case.

In the attached letter from Orrick, Herrington, the state's bond counsel, a preliminary judgment is made that "establishment of the fund (prefunding account) probably could not affect the tax status of interest on bonds issued before the fund is established".

MB:kw

STATE OF ALASKA

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MEMORANDUM

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MB:kw

nuveen
John Nuveen & Co. Incorporated 209 South LaSalle Street, Chicago, Illinois 60604 (312) 621-3000

January 21, 1980

Milt Barker
Fiscal Analyst
Alaska State Legislature
Budget and Audit Committee
Finance Division
Pouch WF - State Capitol
Juneau, Alaska 99811

Dear Milt:

This letter responds to the questions posed in your letter of January 2 regarding policies affecting management of the State's debt.

1. Should the State bond or pay cash for future capital improvements?

In today's tax-exempt market, Alaska can borrow funds at interest rates ranging from 6.20% to 7.1% depending on maturities. Currently, the State can invest surplus revenues in a variety of high quality money market instruments at yields of 10 to 13% or more. So long as Alaska continues to pursue a policy of prudent growth in its outstanding indebtedness, it can and should continue to benefit from the favorable interest rate differential that exists between the rate at which it borrows and the rate at which it can invest. The credit standing of the State is not so much affected by the means chosen to finance capital improvements as it would be by the magnitude of capital improvement programs in relation to the State's long-term sources of revenue.

2. Could retirement of all or part of Alaska's outstanding indebtedness improve its credit rating?

Alaska's outstanding general obligation debt of approximately $670-million could be prefunded by the creation of a special investment account, the principal and interest of which would be used exclusively to meet interest and principal payments on the debt. A deposit of $546-million to be invested in appropriate U.S. Government securities at today's market yields would generate sufficient cash to meet principal and interest on the $670-million outstanding general obligation debt. This deposit is $124-million less than the cost of simply paying off the debt. Whether the State prefunds the debt or

those to be derived from a prefunding of the State's general obligation debt. In addition, the credit standing and debt capacity of local governments in Alaska would be substantially improved. During my visit to Juneau this week, we will assemble the data necessary to provide a preliminary estimate of the cost and potential financial advantage to be derived from a prefunding of the outstanding school debt.

I look forward to an opportunity to meet with you later this week.

Sincerely,

Anthony T. Dean
Assistant Vice President

ATD:lw

DIFFERENCES BETWEEN ANNUAL AVERAGES OF YIELDS ON 20-YEAR, GENERAL OBLIGATION BONDS, BY RATING
(Basis Points)

	Differential Between Grades		
Year	Aa minus Aaa	A minus Aaa	Baa minus Aaa
1945	25	58	79
1950	19	54	75
1955	14	47	96
1956	21	50	99
1957	22	65	105
1958	22	59	92
1959	14	50	81
1960	16	51	82
1961	14	34	61
1962	11	25	52
1963	8	20	43
1964	7	19	42
1965	7	19	40
1966	9	25	49
1967	10	26	55
1968	10	31	63
1969	13	37	62
1970	26	47	63
1971	28	53	67
1972	15	34	52

Source: Moody's Series: Annual average of monthly differences.

TABLE 4

INTEREST COST DIFFERENTIALS AMONG RATING CLASSES
(Basis Points)

	Study (Period)		
Differential Between Grades	Phelps[1] (1957–58)	Kessel[2] (1959–67)	Petersen[3] (1964–1971)
Aaa-Aa	21	15	13
Aa-A	33	21	19
A-Baa	33	25	30
Baa-Ba	—	—	35
Item:			
Aaa-Baa	87	61	62

[1]Charlotte DeMonte Phelps, "The Impact of Tightening Credit on Municipal Capital Expenditures in the United States," *Yale Economic Essays*, Vol. 1 (Fall 1961), p. 300. In Phelps's equation, interest cost differentials between rating classes vary in proportion to the Federal Government's long-term bond rate. The figures above were calculated upon the assumption that the long-term bond rate was 3 percent.

[2]Reuben A. Kessel, "A Study of the Effects of Competition in the Tax-Exempt Bond Market," *Journal of Political Economy* (Sept. 1971). Instead of using the net interest cost of the issue as the dependent variable in his equation, Kessel used the difference between the twenty-year reoffering yield and White's Yield of 100. Standard & Poor's ratings were used instead of Moody's. Kessel's data sample included more than 9000 bond issues that appeared between 1959 and 1967, with virtually complete coverage of competitively offered issues that were larger than $1,000,000.

[3]John E. Petersen, "A Note on the Determinants of Municipal Bond Net Interest Costs" (unpublished), 1972. See summary of study at end of this chapter.

SOURCE: The Rating Game, John E. Petersen, Kraus Reprint, New York, 1974

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JAMES B. HAYNES
RICHARD C. SALLADIN
RICHARD J. LUCAS
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DONALD A. SLICHTER
PAUL A. WEBBER
JAMES R. MADISON
WILLIAM C. RINSELL, JR.
WILLIAM L. HOISINGTON
THOMAS R. SHEARER, JR.
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MARTELLEN B. CATTANI
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E. THOMAS UNTERMAN
EDWARD B. ROGIN
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G. AIR EDWARDS
RAYMOND G. ELLIS
STEVEN A. BRICE
JOHN F. SEEGAL

October 30, 1979

Mr. J. H. Hogan
Director
Legislative Finance Division
State of Alaska
Pouch WF, State Capitol
Juneau, Alaska 99811

Dear Mr. Hogan:

In response to the questions in your letter of October 15:

1. This question will need considerably more elaboration before I can answer it with any reasonable assurance. I am not sure whether the suggested fund is to be used to guaranty debt service on general obligation bonds of the State or debt service on general obligation bonds of local governments in the State. I do not know the source of the moneys to be put into the fund, but I assume that those moneys will not come from any proceeds of bonds. On that basis, I do not think that a proper interpretation of the Internal Revenue Code would result in any arbitrage yield restrictions on the fund, because the applicable Code provision relates to the use of the proceeds of bonds.

However, the Internal Revenue Service has stretched and distorted the term "proceeds" in the Treasury Regulations and rulings thereunder. The result appears to be that, if the State deposits moneys from any source into a fund to be used to pay the debt service on general obligation bonds of the State or on general obligation bonds of local governments, or which fund is pledged as security for any such debt service, the Internal Revenue Service would consider the fund to be "proceeds" subject to arbitrage yield restrictions. This is indicated by Rev. Rul. 78-302 and Rev. Rul. 78-348, a copy of which is enclosed.

Even on this basis, the establishment of the fund probably could not affect the tax status of interest on bonds issued before the fund is established or before it was expected

to be established. Moreover, if the amount in the fund considered allocable to bonds hereafter issued, together with any other amounts chargeable under arbitrage rules to the "minor portion" of the proceeds of those bonds which is not subject to arbitrage limitations, do not aggregate more than 15% of the face amount of those bonds, the investment of the fund should not be subject to arbitrage yield restrictions.

The foregoing is all subject to further qualifications and complexities, but I think there is no point in pursuing them here. If you can give me a complete description of the workings of the proposed fund, I will try to give you a more definitive answer as to the federal income tax results. If there is any special need or desire for such a fund, I might suggest requesting a ruling from the Internal Revenue Service as to their treatment of the specific facts, and possibly an appeal from that ruling to the Tax Court in the quite possible event that we consider the ruling to be contrary to the law.

In any event, I am somewhat mystified as to the purpose of or need for the proposed fund, particularly if it is to relate to general obligation bonds of the State.

2. The issuance of bonds by the State in the presence of a "massive general fund surplus" should not result in taxability of the interest on the bonds, and it surely would not. This conclusion appears to be supported by Rev. Rul. 78-302 (enclosed). However, your phrasing of the question in terms of "a possible arbitrage problem with the IRS" prompts me to note that the IRS has gone so far in its pursuit of "arbitrage" that I would not be entirely surprised at <u>anything</u> that organization might contend.

In connection with all of the foregoing, I urge you and others in the State government to support the bill sponsored by the Municipal Finance Officers Association and about to be introduced in Congress to cure problems like these and to prevent further excesses.

Sincerely yours,

C. Richard Walker

Enclosure

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH WF–STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

M E M O R A N D U M

DATE: January 18, 1980

TO: Honorable Terry Gardiner, Speaker
Alaska State House of Representatives

FROM: Milt Barker, MB Fiscal Analyst
Legislative Finance Division

SUBJ: Bonding Policy

This Memo is in response to a number of questions you posed regarding bonding and capital projects, some of which were addressed by Jay Hogan in his November 14, 1979 Memo to you (attached). The remaining questions and my comments follow.

1. WHAT ARE THE PRO'S AND CON'S OF PAYING CASH OR BONDING FOR CAPITAL IMPROVEMENTS?

Pragmatism and Equity

Most state and municipal governments most of the time do not have the luxury of this choice; borrowing is often the only pragmatic and equitable way of funding capital improvements.

Taxing for Cash

Most governments which would attempt to fund major capital spending for the first time by cash would be compelled to raise taxes, always a decidedly unpopular move, or perhaps reduce operating expenditures. Certainly the question presumes that if Alaska were to pay cash it would do so from the large surpluses it is enjoying, rather than a tax increase or budget reductions. So, unless a decision is made to pay over the entire surplus to all Alaskans, the option of cash for capital projects would be viable.

Accumulating Cash

Project Delay

Conceivably, a government could pay cash by taking a rather small additional tax bite each year and accumulating it until sufficient funds were available. However, this means postponing the project until the cash is in hand, whereas borrowing permits immediate enjoyment of the project's benefits.

This attraction of borrowing is not merely a desire for early realization of project benefits but may involve pragmatic considerations as well; certain types of projects such as schools may be needed now but not necessarily twenty years from now. Fortunately for Alaska, paying cash need not mean delay.

It is not unknown for governments to accumulate cash for projects. Where project cost is relatively small paying cash will not result in a large tax bite or undue delay as, for example, when Juneau financed its swimming pool and ski area from sales tax surcharges. Or cash can be an option if politically acceptable ways of generating relatively large cash flows can be found, as Texas has in using royalty proceeds for university construction.

Of course, Texas' method involves a non-tax source of funds. It could be argued that even without its large surplus, Alaska is obligated to pay cash for a sizable amount of projects

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because of a situation similar to Texas'. That is, AS 37.05.-157 creates a "reserve for capital outlay" account in the general fund while AS 37.05.158 creates a "reserve for energy facilities development" account which are to receive respective allocations of 25% and 5% of mineral bonuses, rentals and royalties. This would be respectively $268.4 million and $53.6 million for FY 81 at a minimum based on current oil prices, and could arguably be increased since no funding of capital projects has been designated as coming from these two accounts since their inception on October 15, 1978.

quity

Equity considerations normally favor bonding, the more so that bond payments are scheduled over the life of the project so that those who enjoy its benefits are the ones to pay for the project. If a government were to pay cash for a capital improvement program that varied significantly in amount from year to year, those arriving just after major improvements were made would be getting a free ride, while those leaving just after would be paying for something for nothing.

As well as for transiency, there is an intergenerational equity problem, since older persons may pay for but not live to enjoy the benefits of a cash-funded capital improvement, while many younger persons not yet paying taxes will nevertheless be around to enjoy the benefits.

To the extent capital budgets were constant in real terms, there would be no equity problems. Also, the equity considerations for transients would tend to be ameliorated if other governments were funding capital improvement programs with cash.

Arbitrage

Turning to financial considerations though, bonding is to be preferred to paying cash because of interest arbitrage. That is, instead of paying cash, the state could invest its surplus at taxable market rates of interest and use these invested funds and earnings to pay off bonds issued at lower rates of tax-exempt interest, and pocket the difference in interest rates.

Table 1 shows that the average spread in interest rates between Aa rated long-term corporate and municipal bonds averaged 2.5% to 3.77% during the last five years, with a recent differential of 4.46% for October 1979. Chart 1 traces these rates back to 1969.

As Table 2 shows, rates for ten year maturities which typify Alaskan issues are about .5% lower than the twenty year maturities.[1]

Also, Alaskan bonds are rated A1 by Moody's and A+ by Standard and Poor's, thus selling at about .1% higher than the Aa bonds. All told, this means a spread in rates between 3% and 5% between Alaskan bonds and the market. The attached December 31, 1979 letter from John Nuveen & Co., the state's financial advisor, corroborates this information.

A 3% minimum spread or 4% average spread would mean the state could earn respectively $19.2 million or $26.4 million in interest arbitrage over the life of $100 million in bonds issued with a five year average maturity. Presumably, active portfolio management can improve arbitrage earnings beyond the average spread.

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The amount of arbitrage could also be increased by issuing bonds with longer maturities. A longer payback means we hang onto our cash longer and pocket the difference in earnings longer; it means greater outstanding bonded indebtedness in total.

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[1]This lesser rate for shorter maturities is partially a reduction in risk premium, since a lender's funds are not exposed as long, as well as a reduction in the liquidity premium that is largely due to the greater presence of banks in the short-term municipals market. Banks have to balance short-term liabilities (checking and passbook savings) with short-term assets.

As mentioned previously, there is normally an interest penalty of .5% for twenty year maturities in comparison with ten year maturities. In Alaska's case, the penalty would be even greater because our credit is really based on the somewhat shorter period of prolific Prudhoe production. Assuming that the amount of indebtedness projected to be outstanding in the post-Prudhoe period is not so large as to make a bond unmarketable, the potential arbitrage on a $100 million issue with an average life of ten years would be $28.8 million or $43.2 million respectively for spreads of only 2% minimum or 3% on average. Certainly, there has to be room for some lengthening of Alaska maturities, either in new issues or in refinancing of old ones, based on the doubling of world oil prices in the last six months and the decontrol of Prudhoe oil which began January 1980 -- if there is also restraint in spending decisions in relation to the revenues that will be available, sufficiently so to impress the bond market.

Effects on Spending

In fact, the postulated arbitrage gains may be completely hypothetical depending on the effects bonding has on spending and investment decisions of the state.

It may be argued that the bonding method assures greater political consensus, if not restraint, on the projects to be undertaken since referendums are required. Some feel that capital spending is greater under the bonding process than through appropriations because of the need to regionally balance bond proposals to assure voter approval. In the last three general elections, four out of thirty bond propositions have failed, counting the new capital bond issue.

A possible greater inducement to increased spending through the bonding process is the amount of cash that is freed up. Instead of being invested and earning arbitrage it may be appropriated as well, for operating budgets if not capital -- if not in the current session, then the next. On the other hand, cash for capital projects has as one of its main attractions the attribute of being a brake on the operating budget, if not the capital budget. In the case of capital, cash for projects would preserve unused debt capacity that could be "banked" for use in future sessions. Also, an enunciated policy of cash for projects may seem to be an implied endorsement of spending all the cash on capital projects.

The choice of the method of financing may not be the most critical factor affecting the level of expenditures. Financing choices cannot substitute for policy determinations as to what the expenditure level should be nor for a good capital and

operating budgeting process to inform such policy decisions. Certainly some particular expenditures will have benefits outweighing any arbitrage earnings.

Other Opportunity Costs of Cash for Projects

ayments o . ndividuals

To the extent cash left on the table from bonding for capital projects is used for cash payments to individuals or investment in other than the money and bond markets, the arbitrage argument may still be valid.

Certainly, if an individual receives a cash payment, he can invest it at the higher taxable market rates and thus earn the arbitrage on his own account. Of course, he may spend it instead; though presumably he is judging his present consumption to have greater utility than possible future consumption augmented even at market rates of interest.

Where this alternative really falls short in relation to state arbitrage with payment of the earnings to individuals is the federal tax bite that would be taken out of principal if it is given to individuals. Instead, the money could be loaned to individuals at the tax-exempt cost to the state and in that way retain the arbitrage argument's validity; this, of course, removes the possibility of expenditure of the principal by individuals.

evelopment rojects

The arbitrage argument can certainly be enhanced if the state or individuals with state loans can make investments which yield even greater returns than the money and bond markets. If these are development projects in Alaska, there may be other benefits besides a higher rate of return. The state's fiscal position may be benefited, its bond ratings possibly improved, etc.. from the expanded tax base if inmigration is not pronounced or state budgets do not swell as a result. Incomes and employment will increase, hopefully for the long-run if the project is economically viable. Of course, there is always a danger that the state will be providing consumption disguised as investment.

Bonding During Periods of High Interest Rates

One final consideration as to whether to bond or pay cash would be the possibility of avoiding bonding during periods of high interest rates. Referring to Chart 1 again, one can see that municipal bonds' interest rates have varied from 5% to 7% during the 1970's. Thus, paying cash would save at most 2% based on recent experience, while foregoing the opportunity to earn 3% to 4% in arbitrage. Moreover, careful timing of actual bond sales by the administration may help

keep interest costs down. Lags in the political process would make it difficult to attempt to take advantage of swings in interest rates from the legislative end of things anyway.

Revenue Bonds

The discussion heretofore of cash vs. bonding as a financing method for capital projects is for the most part applicable to general obligation and revenue bonds. However paying cash or using general obligation bonds where a revenue bond can be used results in a shifting of the costs of benefits for a particular group from that group to the general populace and is usually judged to be unacceptable.

If the equity considerations are not overriding, general obligation bonds are certainly cheaper than revenue bonds; recent sales have had a .7% to 1.5% advantage over revenue bonds. Of course, siginficant increases in indebtedness on account of this would eventually have adverse effects on interest costs on all new GOB's. Regardless of equity considerations, revenue bonds would still offer arbitrage opportunities whether the cash alternative has state funds or user income as its source. Any shift away from revenue bonding might necessitate review of the policy for user charges and accrued surpluses.

2. WHAT ARE THE PRO'S AND CON'S OF PAYING OFF OUR PRESENT DEBT SERVICE?

Equity — Given the short maturity structure of our present debt, the equity situation would not be much changed by paying it off since either way it appears that it will be oil revenues, not individual taxpayer dollars, that will be used to pay it off.

Arbitrage — By not paying it off, the state can in theory continue to earn arbitrage. However, this depends on to what alternative use the potential bond redemption funds are put as discussed under question 1; if they are spent on budget items there is no arbitrage.

Effect on Bond Ratings — As discussed in the John Nuveen & Co. letter and also the attached April 3, 1978 White Weld letter, Alaska compares unfavorably against the traditional yardsticks used to rate bonds, i.e. debt per capita, debt as a percent of personal income, etc. Paying off our debt would dramatically improve our statistics, including the one deemed most relevant in our case, debt service as a percent of general fund revenu

However, this action would do nothing to overcome the lack of diversification in the economy and the almost complete dependence of state revenues on a single source, Prudhoe Bay. Besides, there is no assurance that in following years bond authorizations might not be sought which would put indebtedness back at traditional levels. Thus, paying off existing indebtedness might lessen interest costs on future issues and possibly improve the state's bond ratings if the redemption is seen as part of a long-range policy of fiscal restraint and convincingly documented in long-range capital budget plans.

otential avings s. rbitrage

However, as indicated in Tables 3 and 4, the maximum reduction in interest costs should the state be upgraded to the highest rating (Aaa) would normally be no more than thirty basis points or .3%. This would be one-tenth the amount that could be earned, 3%, in arbitrage if the funds were invested instead of used to pay off the bonds. Thus, paying off $680 million in outstanding debt would require the issuance of $6.8 billion in new debt for interest savings to make up the lost arbitrage. Undoubtedly, our interest differential would be erased long before that level of indebtedness was reached. Although some improvement could also be expected in rates and ratings for other Alaska municipals which track somewhat with the state, this method of paying off indebtedness would still not be an attractive investment, but would be a method of budgetary restraint.

n lter- ative

An alternative that would possibly be a good investment though not absorb as much funds is to pay off the tail end of the state's debt service, i.e. the longer maturity bonds. erling Gallagher of Nuveen & Co. estimates that possibly $10 llion so spent would have almost the same impact as paying o all indebtedness.

3. WHAT ARE THE PRO'S AND CON'S OF PAYING OFF PRESENT MUNICIPAL DEBT?

rbitrage

Considering the state as a whole, the arguments here are the same as for question 2. The potential arbitrage from retaining indebtedness is almost as great since the Municipal Bond Bank Authority carries an A rating, only slightly below the state's. Of course, looking at it solely from the municipalities point of view, payoff is desirable since the cash comes from the state, not the municipality. This would be an expenditure from the state's point of view, whereas paying off its own liabilities does not change its net worth.

nterest
osts

The improvement i.. interest costs should be about the same magnitude as that for the state, thus putting the amount of new debt required to realize savings in interests costs equivalent to the foregone arbitrage at odds with the idea of reduced levels of indebtedness to secure better interest rates. Agair. though, paying off the tail end maturities might be a good investment.

quity

Any such program to payoff municipal debt would not benefit individuals in unorganized areas or municipalities with no debt. If the proposal is a blanket payoff of 100% of outstanding debt, some municipalities will benefit more than others, even on a per capita basis. "Alaska Taxable 1979" indicates that municipal debt per capita varies from $120 to $26,751. Payoff of equal amounts on a per capital basis would be more equitable than payoff of all or a percentage of total indebtedness.

unicipal
pending

There would be no assurance that municipalities would pass on the savings in debt service to taxpayers rather than increasing other budget expenditures. Direct payments or credits to taxpayers might be superior in this regard. If a municipal debt redemption program is to be considered, it might also be appropriate to consider ceilings on municipal indebtedness.

4. AT WHAT LEVEL SHOULD WE BOND FOR CAPITAL IMPROVEMENTS? BY WHAT LOGIC?

ecommended
evels

The John Nuveen & Co. letter suggests $175 to $225 million per year, which would be $350 to $450 million in authorizations this session. The Governor reputedly will insist on no more that $300 million in authorizations this session because of concerns that the rising level of debt service will leave little room for increases in other operating items within his long-range budget growth ceilings. The possibility of stretching out maturities based on improved revenue projections might permit the Governor to increase debt and debt service and still meet his budget growth objectives. Authorizations in the 1978 session totaled $275 million exclusive of the $966 million new capital bond issue.

tandards

According to the White Weld memo, debt service could be as high as 16% of general fund revenue before the state would experience significant interest penalties. In the judgment of John E. Petersen, Director of the Government Finance Research Center of the Municipal Finance Officers Association (MFOA), as quoted in his book, The Rating Game, "a ratio of ten percent is felt to be the separation between better and lesser creditworthiness, fifteen percent warrants concern, and it should never exceed twenty to twenty-five percent."

Potential Levels

Ten percent of the $3,052.2 million estimated as FY 80 unrestricted revenue in the Department of Revenue's "Revenue Sources" would be $300 million in debt service. $300 million a year in debt service over a ten year period would amortize $2,252.3 million at 6% interest. Thus, the state could theoretically increase its current total indebtedness of $680 million several times over, this session, if future bonding were to be cut back considerably.

Market Limits

In reality, the market limits are more likely determined "by intangible psychological, perhaps even irrational factors and attitudes" according to the Nuveen letter, which further states that "no one can accurately predict what level of debt will trigger a reaction leading to a negative shift in market sentiment". (Should it be desired Legislative Finance can readily run long-range computer projections of debt service in relation to revenues based on a given pattern of bond authorizations.)

It appears there are no ready-made rules for the level of debt; by the above standard the state has tremendous unused capacity -- by other standards such as debt per capita there is no excess capacity. The state can always find the limits by testing the water. Needless to say, budgetary restraint and sound management of the state's portfolio will increase its debt capacity in relation to a given level of revenues.

UPDATE

5. WHAT IS OUR PRESENT MUNICIPAL DEBT?

As of July 1, 1979 the general obligation bond debt of municipalities was $768,508,903.

ADDENDUM

You may note that in our letter to Nuveen we wondered if a guarantee fund for general obligation bonds would improve interest costs or ratings. Nuveen felt it would raise more questions than it would be worth.

STATE OF ALASKA

GENERAL OBLIGATION BONDS
Debt Service by Fiscal Years
June 30, 1979

Fiscal Year	Principal	Interest	Total Debt Service To Maturity	Redemption Reserve	Net Cash Required By Fiscal Year
1959	$	$ 65,635.00	$ 65,635.00	$	$ 65,635.00
1960	30,000.00	99,212.69	129,212.69		129,212.69
1961	93,000.00	90,650.75	183,650.75		183,650.75
1962	311,000.00	737,998.50	1,048,998.50		1,048,998.50
1963	566,000.00	856,632.00	1,422,632.00		1,422,632.00
1964	587,000.00	1,299,202.50	1,886,202.50		1,886,202.50
1965	877,000.00	1,353,038.00	2,230,038.00		2,230,038.00
1966	1,202,000.00	1,307,483.50	2,509,483.50		2,509,483.50
1967	1,248,000.00	1,477,588.50	2,725,588.50		2,725,588.50
1968	1,778,000.00	2,877,017.05	4,655,017.05		4,655,017.05
1969	3,761,000.00	4,058,305.75	7,819,305.75	9,000.00	7,810,305.75
1970	3,770,000.00	5,535,721.95	9,305,721.95	85.00	9,305,636.95
1971	7,971,000.00	7,330,703.05	15,301,703.05		15,301,703.05
1972	9,705,000.00	9,793,394.20	19,498,394.20		19,498,394.20
1973	11,365,000.00	12,146,937.95	23,511,937.95		23,511,937.95
1974	12,352,000.00	14,029,974.80	26,381,974.80		26,381,974.80
1975	13,018,000.00	17,126,040.40	30,144,040.40		30,144,040.40
1976	12,500,000.00	22,615,109.85	35,115,109.85	10,924.13	35,104,185.72
1977	12,915,000.00	28,968,934.75	41,883,934.75	24,689.87	41,859,244.88
1978	18,795,000.00	31,233,034.75	50,028,034.75	92,852.08	49,935,182.67
1979	25,710,000.00	34,314,202.90	60,024,202.90	228,019.75	59,796,183.15
1980	38,780,000.00	36,292,273.50	75,072,273.50	1,276,687.99	73,795,585.51
1981	43,045,000.00	34,743,607.70	77,788,607.70		77,788,607.70
1982	46,265,000.00	32,187,781.50	78,452,781.50		78,452,781.50
1983	46,500,000.00	29,531,922.80	76,031,922.80		76,031,922.80
1984	46,945,000.00	26,922,165.35	73,867,165.35		73,867,165.35
1985	46,830,000.00	24,322,860.40	71,152,860.40		71,152,860.40
1986	48,235,000.00	21,714,763.60	69,949,763.60		69,949,763.60
1987	47,350,000.00	19,118,221.25	66,468,221.25	3,050.00	66,465,171.25
1988	47,665,000.00	16,532,505.00	64,197,505.00	66,950.00	64,130,555.00

STATE OF ALASKA

GENERAL OBLIGATION BONDS
Debt Service by Fiscal Years
June 30, 1979

Fiscal Year	Principal	Interest	Total Debt Service To Maturity	Redemption Reserve	Net Cash Required By Fiscal Year
1989	42,717,000.00	13,894,721.25	56,611,721.25		56,611,721.25
1990	34,550,000.00	11,746,590.00	46,296,590.00		46,296,590.00
1991	28,989,000.00	9,958,430.00	38,947,430.00		38,947,430.00
1992	29,849,000.00	8,303,425.00	38,152,425.00		38,152,425.00
1993	25,063,000.00	6,656,987.50	31,719,987.50		31,719,987.50
1994	20,598,000.00	5,219,975.00	25,817,975.00		25,817,975.00
1995	19,096,000.00	3,987,625.00	23,083,625.00		23,083,625.00
1996	18,610,000.00	2,864,412.50	21,474,412.50		21,474,412.50
1997	14,865,000.00	1,800,419.75	16,665,419.75		16,665,419.75
1998	13,380,000.00	1,008,194.75	14,388,194.75		14,388,194.75
1999	$ 8,640,000.00	$ 368,931.25	$ 9,008,931.25	$	$ 9,008,931.25
2000	2,531,000.00	69,081.25	2,600,081.25		2,600,081.25
Totals	$809,057,000.00	$504,561,713.19	$1,313,618,713.19	$1,712,258.82	$1,311,906,454.37
Paid as of 6/30/79	138,554,000.00	197,316,818.84	335,870,818.84	365,485.83	335,505,333.01
Remaining Liability as of 6/30/79 (St. #67)	$670,503,000.00	$307,244,894.35	$ 977,747,894.35	$1,346,772.99	$ 976,401,121.36

Statement #69

TABLE 1

INTEREST RATES ON BONDS
OF TWENTY YEAR OR GREATER MATURITIES

YEAR	Aa CORPORATE	Aa MUNICIPALS	DIFFERENCE
1979	9.77	6.00	3.77
1978	8.98	5.65	3.33
1977	8.20	5.34	2.86
1976	8.59	6.09	2.50
1975	9.51	6.70	2.81
		Five-year Average	3.05

Source: November 1979 Treasury Bulletin

AND MUNICIPAL BONDS

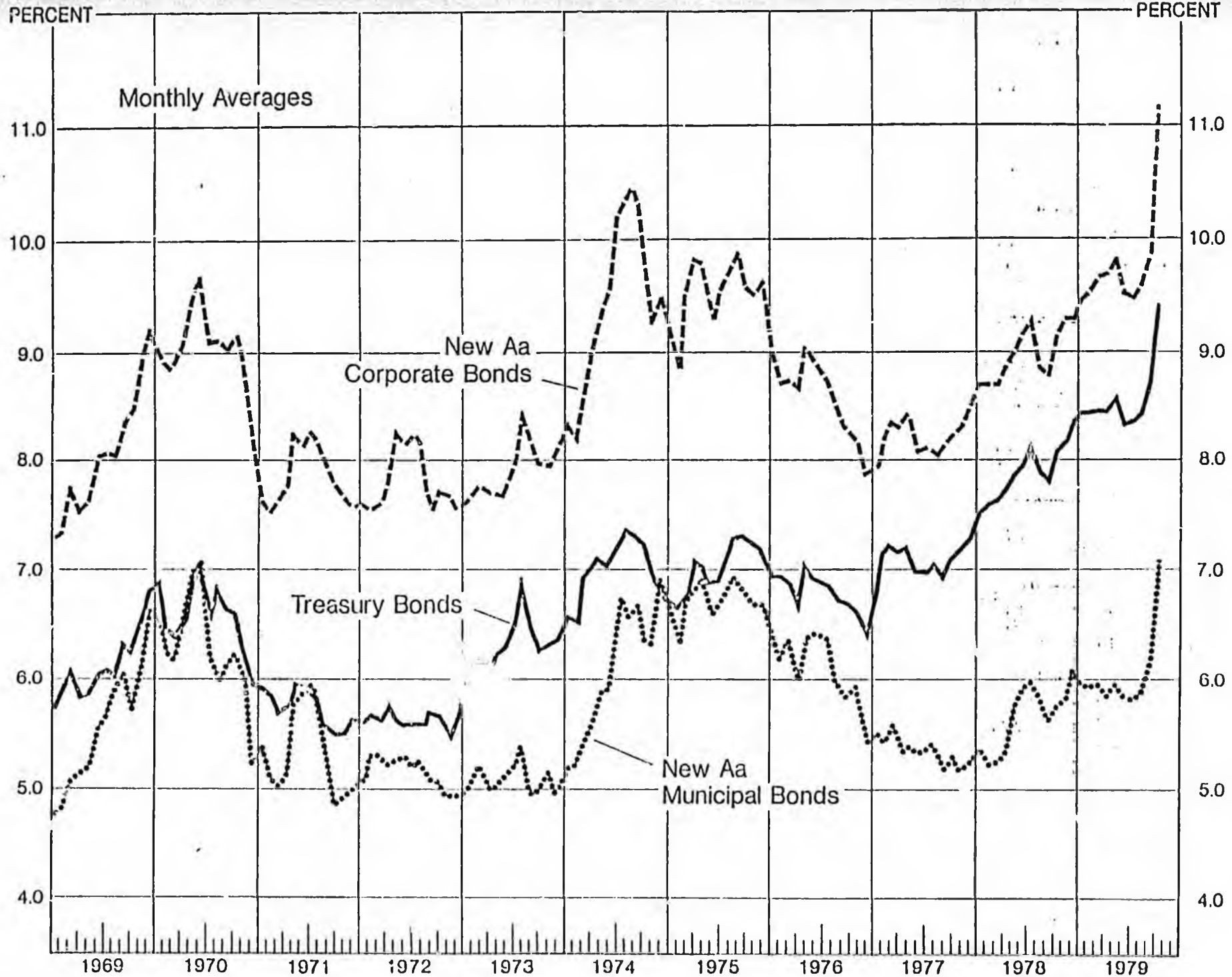

CHART 1

TABLE 2

REPRESENTATIVE TAX-EXEMPT YIELDS
(Based on major new issue offerings
for week ending December 14, 1979)

Maturity	Aaa	Aa	A
1980	6.00	6.10	6.20
1981	6.00	6.10	6.20
1982	6.00	6.10	6.20
1983	6.00	6.10	6.25
1984	6.00	6.10	6.25
1985	6.00	6.10	6.30
1986	6.00	6.10	6.30
1987	6.00	6.10	6.35
1988	6.05	6.10	6.35
1989	6.10	6.15	6.35
1994	6.35	6.45	6.60
1999	6.60	6.75	6.85

	Municipal Bond Averages		
Week Ending	Nuveen Index	Bond Buyer	Dow-Jones
November 23	7.99	7.38	7.76
November 30	7.92	7.26	7.63
December 7	7.78	7.17	7.53
December 14	7.86	7.26	7.62

JOHN NUVEEN & CO INCORPORATED

TABLE 3

DIFFERENCES BETWEEN ANNUAL AVERAGES OF YIELDS ON 20-YEAR, GENERAL OBLIGATION BONDS, BY RATING
(Basis Points)

	Differential Between Grades		
Year	Aa minus Aaa	A minus Aaa	Baa minus Aaa
1945	25	58	79
1950	19	54	75
1955	14	47	96
1956	21	50	99
1957	22	65	105
1958	22	59	92
1959	14	50	81
1960	16	51	82
1961	14	34	61
1962	11	25	52
1963	8	20	43
1964	7	19	42
1965	7	19	40
1966	9	25	49
1967	10	26	55
1968	10	31	63
1969	13	37	62
1970	26	47	63
1971	28	53	67
1972	15	34	52

Source: Moody's Series: Annual average of monthly differences.

TABLE 4

INTEREST COST DIFFERENTIALS AMONG RATING CLASSES
(Basis Points)

	Study (Period)		
Differential Between Grades	Phelps[1] (1957–58)	Kessel[2] (1959–67)	Petersen[3] (1964–1971)
Aaa-Aa	21	15	13
Aa-A	33	21	19
A-Baa	33	25	30
Baa-Ba	—	—	35
Item:			
Aaa-Baa	87	61	62

[1]Charlotte DeMonte Phelps, "The Impact of Tightening Credit on Municipal Capital Expenditures in the United States," *Yale Economic Essays*, Vol. 1 (Fall 1961), p. 300. In Phelps's equation, interest cost differentials between rating classes vary in proportion to the Federal Government's long-term bond rate. The figures above were calculated upon the assumption that the long-term bond rate was 3 percent.

[2]Reuben A. Kessel, "A Study of the Effects of Competition in the Tax-Exempt Bond Market," *Journal of Political Economy* (Sept. 1971). Instead of using the net interest cost of the issue as the dependent variable in his equation, Kessel used the difference between the twenty-year reoffering yield and White's Yield of 100, Standard & Poor's ratings were used instead of Moody's. Kessel's data sample included more than 9000 bond issues that appeared between 1959 and 1967, with virtually complete coverage of competitively offered issues that were larger than $1,000,000.

[3]John E. Petersen, "A Note on the Determinants of Municipal Bond Net Interest Costs" (unpublished), 1972. See summary of study at end of this chapter.

SOURCE: The Rating Game, John E. Petersen, Kraus Reprint, New York, 1974

M E M O R A N D U M

DATE: November 14, 1979

TO: The Honorable Terry Gardiner
Speaker of the House

FROM: J. E. Hogan, Director
Legislative Finance Division

SUBJ: Financial Questions

This Memo is a preliminary response to your questions given to me several weeks ago. Some of the answers are based on information from documents that will be updated. As I mentioned earlier, I will provide you with current information as it becomes available.

1. What is our present state debt? The outstanding Alaska general obligation bond debt as of April 10, 1979 (the date of the last general obligation bond sale) is $1,038,276,089.

2. What is our present municipal debt? As of January 1979 the general obligation bond debt of municipalities was $545,227,664. ("Alaska Taxable" will be republished in January 1980, and new figures will be available then.)

3. What is our present annual debt service? The current year's general obligation bond debt service is $82.2 million and the amount for FY 81 is estimated at $77.9 million.

4. What are the pro's and con's of paying cash or bonding for capital improvements?

5. What are the pro's and con's of paying off our present debt service?

6. What are the pro's and con's of paying off present municipal debt?

Milt Barker is preparing an analysis of these questions. We have also written the state's bond counsel and the state's financial advisor regarding certain questions on this subject. Milt will incorporate these responses in his Memo.

7. At what level should we bond for capital improvements? By what logic? Since Alaska currently has a level of general obligation bond indebtedness that exceeds the normal measures or standards applied to other states, we cannot use "traditional yard-sticks" to answer this question. The question of whether or not to bond is an economic and political question. The economic portion will be discussed in Milt's Memo.

   If the Legislature were looking for a rule of thumb for bonding, perhaps the best one that comes to mind would be limiting the use of general obligation bonds to fund new program starts; for example, new schools, new armories, new fish hatcheries and new state buildings could continue to be funded by the general obligation bond route. In this way you would have "public approval" for new capital program starts. Repairs and maintenance could be funded from cash appropriation sources; for example, highway repairs, ferry system repairs, airport repairs and building repairs could be funded from general appropriations under the assumption that once the public has approved a new capital project, the Legislature can presume they want their investment maintained and repaired so that the facility can continue to provide adequate public use or service.

8. How much capital improvement funds could we actually spend in a single year with our present level of state government? The answer to this question is difficult because it is hard to separate administrative/organizational problems from policy decisions not to spend. The enclosed letter from the Chairman of the Budget and Audit Committee to the Governor sets out the Committee's concern with the apparent lack of effort to complete bond projects already approved by the Legislature. Other research by our office indicates that of the 408 capital projects approved by the Legislature last Session in the General Appropriations Act, 302 have h had no expenditure from the accounts as of October 1. (The capital projects portion of the budget took effect on June 2, 1979.) Looking at it another way, of the $192 million appropriated in the capital budget, only $11 million had actually been spent by October 1. This next Session the Legislature might wish to hold hearings in an effort to determine whether policy decisions not to spend are responsible for this, or organizational overload of various state agencies.

9. What federal funds are projected to be available in the next two years? What are the matching requirements of state funds? The enclosed copy of "Dateline Washington", a National Conference of State Legislatures publication, contains one of several recent

articles which indicate that the President and the Federal Government intend to reduce Federal expenditures on State grant programs in future budgets. In addition to this general pattern of reduced spending on state programs, we can expect that wherever possible Federal agencies will chip away at Alaska's entitlements due to Alaska's very strong financial position. For arguments sake, let's assume continued Federal funding at the current year budget level, approximately $254 million. The matching requirements vary from program to program. For new grants that are received in mid-budget year, they can be 100% of the funding requirements. Current programs range down from there to 90%/10%, 75%/25%, 50%/50%, to an eventual phase out where the program becomes entirely State funding.

enclosures

JHH:bf

October 15, 1979

John Nuveen & Co. Incorporated
209 South La Salle Street
Chicago, Illinois 60604

In preparation for the upcoming session, legislative leaders have requested that we gather certain information for their review prior to the session. As the State's financial advisor, I would appreciate your response to the following questions:

1. What is the average spread in interest rates between tax-exempt municipal bonds of Alaska's rating and the typical investments of Alaska's general fund, i.e., corporate and U.S. Treasury securities, bank CD's, bankers' acceptances, etc.?

2. What level of G.O. bonding can Alaska achieve without altering its ratings or adversely affecting its interest rates?

3. What greater level could be achieved without wiping out the spread between our tax-exempt rate and taxable rates?

4. What rules of thumb can be used in judging the amount of bonds that can be issued without adverse consequences? The 8% or 16% debt service in relation to general fund revenues mentioned in the White, Weld & Co. memo? (copy attached)

5. How much could our tax-exempt rate be reduced by depositing up to 15% or whatever the IRS arbitrage limit is in a G.O. Debt Guarantee Fund?

Sincerely,

J. H. Hogan, Director
Legislative Finance Division

JHH:pw
Enclosure

January 2, 1980

Tony Dean
John Nuveen & Co.
209 South LaSalle Street
Chicago, Illinois 60604

Dear Tony:

As we discussed on the phone, our office would appreciate your comments on the following questions:

1. Should the state bond or pay cash for future capital improvements?

2. Could retirement of all or part of Alaska's outstanding indebtedness improve its credit rating?

3. Is there a more efficient way to improve our credit rating than paying off existing debt such as municipal bond insurance, the G.O. debt guarantee fund mentioned in our letter of October 15, or some other means?

Yours truly,

Milt Barker
Fiscal Analyst

MB:bf

nuveen

John Nuveen & Co. Incorporated 209 South LaSalle Street, Chicago, Illinois 60604 (312) 621-3000

December 31, 1979

J. H. Hogan
Director
Legislative Finance Division
The Alaska Legislature
Pouch "WF"
State Capitol
Juneau, Alaska 99811

Dear Mr. Hogan:

This letter responds to your request dated October 15th that in our capacity as financial advisor to the State we respond to a series of questions regarding Alaska's capacity to issue general obligation debt. To simplify the presentation, I have restated the original questions, occasionally combining questions, and then provided our response.

1. What is the average spread in interest rates between tax-exempt municipal bonds of Alaska's rating and the typical investment of Alaska's General Fund, i.e. Corporate and U.S. Treasury Securities, Bank C.D.'s, Bankers' Acceptances, etc.?

   The approximate $680 million of outstanding Alaska general obligation bonds have an estimated average yield of 5.30% and General Fund balances are currently invested in a variety of short term money market instruments to return a yield of approximately 10.2%. When the most recent series of bonds were issued on April 10, 1979, $60 million in par value were sold for a net interest cost of 5.5920%. The bonds had an average life of 5 years, 9 months and yields on comparable maturities of U.S. Government Securities at that time were approximately 9.25%. The net spread at the time of the April sale of 3.66% is typical of the 3 to 5 percentage points which usually separates yields on comparable maturities of Alaska's G.O. Bonds and Federal Securities.

2. What level of G.O. bonding can Alaska achieve without altering its ratings or adversely affecting its interest rates?

   What rules of thumb can be used in judging the amount of bonds that can be issued without adverse consequences; the 8% or 16% debt service in relation to General Fund revenues mentioned in the White Weld & Company memo?

In the last decade Alaska's standing as a borrower in the tax-exempt markets has steadily improved. Recognition of this fact has been reflected in the improvement in ratings which occurred in 1974 and 1975. For investors this has been an enviable situation since their investments have experienced steady appreciation with the growing credit quality of the State.

Dramatic increases in natural resource production, most notably petroleum and natural gas, have been key features of this steady growth in market acceptance. Other factors have included population growth and economic diversification. On the negative side, the rating agencies perceive Alaska to have a heavy debt load on a per capita basis and as a per cent of personal income. In addition, the State is expected to have a continuing and substantial need to borrow over the immediate future. Operating expenses for state government have risen dramatically in the last decade. While there has been a move to diversify Alaska's economy, the State still is heavily dependent on petroleum revenues which are subject to short term interruption and long term uncertainty.

The general obligation debt of the State is currently rated "A1" by Moody's and A+ by Standard and Poors. An upgrade to AA by either agency would enhance the marketability of the State's debt and lower the average interest cost. In addition, other state agencies and major local issuers would be likely to receive improved ratings following assignment of a "AA" to the State. In fact, several months after the last upgrade for the State, ratings for 12 Alaska municipalities were also revised upward. Achieving the "AA" will almost surely require the State to moderate growth in General Fund expenditure and to enact legislation providing financially sound management of the Permanent Fund.

By the standard criteria for financial analysis, Alaska ranks below the other states and to a significant extent, it is relying on a single major source of revenue. Consequently, the market perception of Alaska is colored by intangible, psychological, perhaps even irrational factors and attitudes. In the recent past the market has been positive in its judgments regarding Alaska, but no one can accurately predict what level of debt will trigger a reaction leading to a negative shift in market sentiment.

In the last ten years, the annual general obligation borrowing of the State has grown from $24.4 million in 1970 to $100 million in the most recent 12 months. Maturities have been keyed to the expected life of Prudhoe Bay petroleum revenues. Each bond sale has been characterized by healthy bidding interest by at least 4 different syndicates. In view of the continuing improvements in state revenue, the momentum of a steadily improving credit it would be possible to consider annual issuance of $175 to $225 million over the next few years. Each bond sale will provide additional insights regarding the continuing growth of the State's debt capacity.

3. What greater level of G.O. borrowing could be achieved without wiping out the spread between the State's tax-exempt rate and taxable rates?

While in theory it would appear possible to trade much higher yields for increased borrowing, in practice there are institutional and psychological constraints which limit the growth of the State's indebtedness. The reaction of rating agencies, investors, underwriters and the financial press will begin to narrow the market for the State's general obligation debt, eventually leading to a situation similar to that of New York City, in which the market is closed to Alaska, regardless of the yield it is prepared to pay.

4. How much could our tax-exempt rate be reduced by depositing up to 15% or whatever the IRS arbitrage limit is in a G.O. debt Guarantee Fund?

A reserve fund as contemplated in the question would have a negligible impact on the State's cost of borrowing. A reserve fund is usually associated with revenue bond issues and incorporating it in a G.O. issue would probably raise more questions about what weakness it was meant to correct as opposed to what strength it was supposed to contribute. For a $100 million issue, arbitrage earnings in excess of the cost of borrowing the reserve would be less than 3% of annual debt service.

If you have additional questions or need further information, don't hesitate to call me. I and several of my collegues will be with Sterling Gallagher in our Juneau office during the week of January 7 through 11. At that time I would be available to meet with you and your staff.

Sincerely,

JOHN NUVEEN & CO., INCORPORATED

Anthony T. Dean
Assistant Vice President

ATD:Lmc

cc: Thomas K. Williams
Commissioner of Revenue

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THEODORE P. SWICK
FIRST VICE PRESIDENT
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CABLE ADDRESS-"WHITEWELD"

April 3, 1978

Report To
Alaska House and Senate Finance
Committees on Relocation of the
State Capital

In accordance with our contract with the State of Alaska Legislative Budget and Audit Committee on behalf of the House and Senate Finance Committees, we herein submit our report on financial questions arising from the plan for relocation of the Alaska State Capital. The report comments (I) specifically on the "Impact on State Bonding Capacity and Annual State Budget" (Impact Report), prepared for the Alaska Capital Site Planning Commission and (II) in a more general way on large capital raising programs and the demands of investors in considering lending funds to such programs in the form of purchasing bonds.

I. The Impact Report addresses itself to: "(1) the impact upon the State's capacity to issue bonds for purposes other than the new capital; (2) the ability of the State to fund the cash requirements of the Financing Plan from General Fund revenues and (3) the impact upon the marketability of all tax-exempt debt issued by Alaskan issuers".

In making our comments we have not attempted to evaluate the assumptions clearly enumerated in the Impact Report. We accept these assumptions as reasonable, particularly, the inflation rate of 8% used throughout and the "Base Case" economic development report by the University of Alaska regarding the growth rates for General Fund revenues, both petroleum related and non-petroleum related, population, income, economic development, etc.

(1) Bonding Capacity

The bonding capacity of any issuer is measured by its ability to sell bonds at reasonable rates and its ability to have access to the market when the need to borrow exists. The Impact Report states

that after examination of traditional indices of credit worthiness and bonding capacity any judgement is highly subjective. We are in full agreement with this observation and also point out that when these traditonal indices are applied to Alaska and its divisions of local government the picture for Alaska is bleak. However, the rating agencies, the bond underwriting community and, to a lesser degree, the investors in tax-exempt bonds have rightly recognized that Alaska must be evaluated on its own because of its special characteristics which makes it distinct from its forty-nine sister states.

There is no doubt that credit ratings placed on issues by the rating agencies have a tremendous impact on the costs of raising capital funds. The rating agencies in a general sense, and rightfully so, depend to a large degree on comparisons, medians, relationships, etc., in comparing one issuer to another. In applying this criteria of creditworthiness to Alaska and its municipalities, Alaska comes out badly in practically every category. Nevertheless, there are many examples where analysis and independent investigations by investment bankers and investors have led to investment decisions which have caused bond issues to be sold at less cost than similarly rated credits because of the strengths peculiar to the issuer.

Security analysts in evaluating Alaska, after recognizing the special problems such as its brief history as a State, its widely scattered and small population, its high costs of practically everything and its limited economic development, perceive its strengths, as represented by such things as its vast natural resources, oil, gas, coal, minerals, timber and fish, the private capital represented by the Native Corporations, State Fiscal Affairs, such as the creation of the Permanent Fund and the prospect of an expanding broad based economy with due regard for the quality of life, as insuring a bright future for the State. Nothing intrigues an investor more than lending to a government which is improving its credit position and so have his investment grow in relative value as time goes by.

The Impact Report places its principal measurement of bonding capacity on the ratio of annual debt service for all projected State needs, both related to the capital move and other needs, and projected General Fund revenues. We agree that this is a valuable and useful index, but do not agree with setting an 8% limit on the ratio of debt service to General Fund revenues. We can see this ratio as high as 16% without having an appreciable effect on the cost of raising funds in the capital market at reasonable rates when it is needed.

(2) Ability to meet cash requirements

The "business" of government at the state level is easily simplified to embrace three general areas of activity. They are education, transportation and what can be summarized as "social services" which would include such activities as health care, protection, justice and development of natural resources. As the Impact Report illustrates, even if the cost of the capital move as measured as a percentage of general fund revenues substantially exceeds 8%, said costs are minor compared to the three principal activities of state government.

(3) Marketability

As stated in the Impact Report, there is a volume restraint on investors based on an issuers location in a state or region. However, in the past five to ten years there are numerous examples where seemingly unmanagable amounts of bonds have been marketed without cost penalty by issuers for a single huge project or by issuers located in a limited geograpohic region. One of the earliest was an issue of $1.6 billion voted in the early 1960's in California to finance the "Feather River Water Project". At that time the underwriting community scoffed at the huge program and predicted it couldn't be financed except at a large penalty in terms of cost of borrowing. However, the project was financed successfully at no penalty in cost and as the project neared completion was able to raise additional capital by issuing revenue bonds for final completion and some expansions. Another more recent example was the authorization for the Municipal Electric Authority of Georgia to issue $2 billion bonds, over a period of years, to finance the Authorities ownership share in large electric generating projects, jointly with other owners, to serve 47 towns in Georgia with a combined population approximately the same as the population of Alaska. This authorization is being sold periodically now with great success in terms of borrowing costs. The Washington Water and Power Supply System is in a financing cycle and will eventually have outstanding approximately $7 billion in debt. Again the program continues successfully. Similar results were accomplished last year when City of Atlanta decided to finance a major airport expansion by issuing all the bonds at one time in the form of a $300 million issue.

A slightly different circumstance with equally successful results occurred when three major issuers in Nebraska, Nebraska Public Power District, Omaha Public Power District and Lincoln,

Nebraska Electric Authority all announced and sold large issues totalling some $300 million in a brief four week period. There are many other successes of this kind which are being financed at favorable borrowing costs and which are not having any adverse effect on the borrowing costs of other issuers in the same state or region.

The expansion of the amount of tax-exempt bonds being offered each year and the ability of the market place to absorb them at reasonable costs to the borrower has been dramatic in the last five years and well conceived and aggressively marketed "over-sized" issues and projects have been readily absorbed by the market place. It is not our intent to imply that there is no limit to the ability of the market to absorb at reasonable borrowing costs any and all potential bond issues. The discipline of the market will be selective in evaluating the economic need, the proper purpose, the ability and willingness to pay, the state and region basic economics, etc., and projects not meeting the tests will be penalized or ignored. There is a limit which can't be quantified, but we are of the opinion that the financial needs of the capital move combined with the projected need for borrowing by the State and its subdivision of government, based on the circumstances peculiar to Alaska can be met by the bond market at reasonable borrowing costs at the times the funds are needed.

II. Large capital raising programs

As discussed briefly above, major funding programs involving hundreds of millions and often billions of bonds are being successfully financed today. The key is a well planned, extensive and aggressive marketing program. Prior to the marketing program itself being initiated, project costs should be determined and announced publically in terms of both today's costs and inflated costs to cover an extensive construction time table. When financing by general obligation debt to be authorized by public vote, the entire bonding program should be voted upon by the constituants. They should be completely informed as to total costs as well as bonding requirements. Put the whole plan out in the open and right up front so that the public support is based on facts.

Investors will make judgements to lend funds to a project through the purchase of bonds when they can make an analysis that goes far beyond the mere citing of economic statistics and traditional ratios. Areas for examination include such things as the willingness to pay in addition to the ability to pay, the quality

of leadership and abilities of those entrusted with management of the financial affairs of the issuer, the need for the project, both from an economic and social point of view and the support of the people of the impacted area, (the business and banking community, the academic community and the public interest groups, including environmentalists). The marketing program will demonstrate public support, a determination to initiate and complete the project and the ability and resources to accomplish the task.

Such a marketing program includes a "road-show" of State officials, banking and business leaders, legislative and administration representatives holding high office telling the story of Alaska and the project to be financed at a series of meetings in the chief financial centers of the lower 48.

The principal sources of investment capital to purchase tax exempt bonds are institutions (casualty insurance companies), banks, (commercial banks for their own investment needs and trust banks for their managed funds), tax-exempt mutual funds and unit trusts and individual investors. Each of these groups can be reached by the marketing program which will be orchestrated to telling the Alaska story from several points of view including Chamber of Commerce type promotional material, economic and financial facts, administration, legislative, business and public support and a clear demonstration that the program will fill a real need and that the issuer has the determination, resources and support to make it work.

In summary, it is our opinion that the State of Alaska, through the issuance of General Obligation bonds and the allocation of General Fund revenues, can finance the proposed Capital Move, as contemplated in the Financing Plan for the New Capital City of Alaska as discussed in the addendum thereto, "Impact on State Bonding Capacity and Annual State Budgets", in a timely manner at reasonable rates. This can be accomplished without increasing the cost of borrowing of the State and other issuers for non-capital move purposes and without causing General Fund revenues for all State needs being overwhelmed by the Capital Move requirements.

Significant unique characteristics of Alaska will be perceived to require analysis as to creditworthiness outside the traditionally used investment criteria. These characteristics will more than over come the low stature Alaska achieves by the traditional evaluation techniques.

Investors can be attracted to lend capital to large projects by complete and factual up-front disclosure of dollar requirements, by the demonstration of public support by obtaining voter approval of not only bonding requirements, but all costs, and by an extensive marketing program structured to demonstrate not only the ability, but the willingness to complete the project and repay the borrowed costs of its creation.

Theodore P. Swick

October 15, 1979

C. Richard Walker
Orrick, Herrington, Rowley & Sutcliffe
600 Montgomery Street
San Francisco, California 94111

In preparation for the upcoming session, legislative leaders have requested that we gather certain information for their review prior to the session. As the State's bond counsel, I would appreciate your responses to the following questions:

1. How much could be placed in a General Obligation Debt Guarantee Fund subject to IRS arbitrage limits?

2. Will the State have a possible arbitrage problem with the IRS if it continues to issue tax-exempt debt while building up a massive general fund surplus?

Sincerely,

J. H. Hogan, Director
Legislative Finance Division

JHH:pw

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October 30, 1979

Mr. J. H. Hogan
Director
Legislative Finance Division
State of Alaska
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Juneau, Alaska 9981[illegible]

Dear Mr. Hogan:

In response to the questions in your letter of October 15:

1. This question will need considerably more elaboration before I can answer it with any reasonable assurance. I am not sure whether the suggested fund is to be used to guaranty debt service on general obligation bonds of the State or debt service on general obligation bonds of local governments in the State. I do not know the source of the moneys to be put into the fund, but I assume that those moneys will not come from any proceeds of bonds. On that basis, I do not think that a proper interpretation of the Internal Revenue Code would result in any arbitrage yield restrictions on the fund, because the applicable Code provision relates to the use of the proceeds of bonds.

However, the Internal Revenue Service has stretched and distorted the term "proceeds" in the Treasury Regulations and rulings thereunder. The result appears to be that, if the State deposits moneys from any source into a fund to be used to pay the debt service on general obligation bonds of the State or on general obligation bonds of local governments, or which fund is pledged as security for any such debt service, the Internal Revenue Service would consider the fund to be "proceeds" subject to arbitrage yield restrictions. This is indicated by Rev. Rul. 78-302 and Rev. Rul. 78-348, a copy of which is enclosed.

Even on this basis, the establishment of the fund probably could not affect the tax status of interest on bonds issued before the fund is established or before it was expected

to be established. Moreover, if the amount in the fund considered allocable to bonds hereafter issued, together with any other amounts chargeable under arbitrage rules to the "minor portion" of the proceeds of those bonds which is not subject to arbitrage limitations, do not aggregate more than 15% of the face amount of those bonds, the investment of the fund should not be subject to arbitrage yield restrictions.

The foregoing is all subject to further qualifications and complexities, but I think there is no point in pursuing them here. If you can give me a complete description of the workings of the proposed fund, I will try to give you a more definitive answer as to the federal income tax results. If there is any special need or desire for such a fund, I might suggest requesting a ruling from the Internal Revenue Service as to their treatment of the specific facts, and possibly an appeal from that ruling to the Tax Court in the quite possible event that we consider the ruling to be contrary to the law.

In any event, I am somewhat mystified as to the purpose of or need for the proposed fund, particularly if it is to relate to general obligation bonds of the State.

2. The issuance of bonds by the State in the presence of a "massive general fund surplus" should not result in taxability of the interest on the bonds, and it surely would not. This conclusion appears to be supported by Rev. Rul. 78-302 (enclosed). However, your phrasing of the question in terms of "a possible arbitrage problem with the IRS" prompts me to note that the IRS has gone so far in its pursuit of "arbitrage" that I would not be entirely surprised at <u>anything</u> that organization might contend.

In connection with all of the foregoing, I urge you and others in the State government to support the bill sponsored by the Municipal Finance Officers Association and about to be introduced in Congress to cure problems like these and to prevent further excesses.

Sincerely yours,

C. Richard Walker

Enclosure

income shall be included in the gross income for the taxable year in which received by the taxpayer, unless, under the method of accounting used in computing taxable income, such amount is to be properly accounted for as of a different period.

Section 1.451-2 of the regulations provides, in pertinent part, as follows:

> (a) *General rule.* Income although not actually reduced to a taxpayer's possession is constructively received by him in the taxable year during which it is credited to his account, set apart for him, or otherwise made available so that he may draw upon it at any time, or so that he could have drawn upon it during the taxable year if notice of intention to withdraw had been given. However, income is not constructively received if the taxpayer's control of its receipt is subject to substantial limitations or restrictions. * * *

If a life insurance policy provides that proceeds will be paid to the beneficiary of record upon receipt of due proof of death, and the insurance company determines in good faith that such a policy is payable (whether that determination is based on facts and circumstances indicating death or on a presumption of death under applicable state law), then the proceeds will be an amount paid by reason of death of the insured for purposes of section 101(a)(1) of the Code. Compare Rev. Rul. 76-468, 1976-2 C.B. 202, which states that for purposes of sections 2(a)(3), 112, 692, 6013, and 7508, the date of death of a member of the Armed Forces or a civilian employee, reported as missing in action or a prisoner of war and later declared to have been killed in action, is the Secretarial determination date of death, unless a later actual date of death is subsequently established. Rev. Rul. 76-468 refers to the Secretarial determination date of death as the date of death determined under 37 U.S.C. section 555 or 556. Rev. Rul. 76-468 is clarified so that any reference therein to the Secretarial determination date of death instead refers to the date on which the determination of death is made under those sections.

HOLDING

The payment of life insurance proceeds to *A* in 1977 is fully excludable from *A*'s gross income under the provisions of section 101(a)(1) of the Code. However, if *A* had deferred claiming the death benefit payment until a later year, any portion of the payment attributable to accumulated interest would be includible in *A*'s gross income under the provisions of sections 61(a)(4) and 101(c). Pursuant to section 1.451-2(a) of the regulations, the interest would be includible in the taxable year accumulated to the extent that *A* could have drawn upon it if *A* had submitted a claim for the proceeds.

See section 101(d) of the Code and the regulations thereunder with respect to computing the exclusion for proceeds held by an insurer under an agreement provided for in the life insurance contract, and paid other than as a single sum at a date later than death.

See section 2042 of the Code and the regulations thereunder with respect to the inclusion of the proceeds of life insurance in the value of a decedent's gross estate. For purposes of the federal estate tax, the date of death is the Secretarial determination date of death unless a later actual date of death is established.

EFFECT ON OTHER REVENUE RULINGS

Rev. Rul. 76-468 is clarified.

Section 103.—Interest on Certain Governmental Obligations

Arbitrage bonds; fund established for indirect payment of principal or interest. Examples illustrate whether the arbitrage yield restrictions of section 103(c) of the Code apply to amounts accumulated in funds established in connection with the issuance of local government obligations that are not used directly for the payment of principal or interest.

Rev. Rul. 78-302 [1]

ISSUE

Will amounts accumulated in certain funds be subject to arbitrage yield restrictions?

FACTS

Situation 1.

Authority *A* proposes to issue dormitory revenue refunding bonds. The refunding bonds will mature serially over 20 years. The proceeds of the refunding bonds will be deposited in an escrow fund to secure payment of the prior issue and to defease the lien of the prior issue on revenues of the authority. A portion of *A*'s dormitory revenues will be deposited in a "reserve fund." Amounts in the "reserve fund" will be pledged as security for the bonds.

Situation

City *B* proposes to issue $5.5 million of 33-year sewer revenue bonds. Two and a half million dollars of the revenue bonds will mature serially over the first 30 years. In addition, $1 million of term bonds will mature in each of the last three years.

B's sewer revenue will be used as follows (in order of priority):

(1) to pay operating expenses,

(2) to pay all debt service on the revenue bonds, and

(3) to make deposits in a "renewal fund."

B covenants to maintain sewer rates high enough to pay all necessary operating expenses and to make all scheduled payments of debt service and all scheduled deposits in the "renewal fund." However, it would be impracticable for *B* to raise sewer rates high enough to meet the balloon payments due in years 31-33 solely out of revenues.

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[1] Also released as News Release IR-2018, dated July 30, 1978.

The "renewal fund" is not pledged as security for the revenue bonds. Moreover, amounts held in the "renewal fund" can in no event be used directly to pay principal or interest on the revenue bonds. However, *B*'s use of the "renewal fund" is restricted by covenants contained in the indenture for the revenue bonds. In particular, *B* is required to invest the "renewal fund" in Treasury bonds that will mature approximately 30-33 years after the revenue bonds are issued. Further, *B* will have only one practicable way to meet the balloon payments due in years 31-33. It will have to use the "renewal fund" to pay necessary operating expenses during these years. This will enable *B* to meet the balloon payments out of current sewer revenues.

Pending use, the amounts in the "renewal fund" will be invested at a yield that is materially higher than the yield on the sewer revenue bonds. Moreover, these amounts will at times exceed 15 percent of the original proceeds of the bonds.

Situation 3.

City *C* proposes to issue $10 million of general obligation bonds. While the bonds are outstanding, *C* will deposit a portion of its tax revenues in a separate "investment fund." The investment fund will be established and maintained at *C*'s discretion solely to enhance *C*'s general credit rating. It will not be specially pledged as security for the general obligation bonds, and *C*'s use of the "investment fund" will in no way be restricted by covenants contained in the bond indenture. Further, *C* does not reasonably expect to use amounts in the "investment fund" (directly or indirectly) to pay principal or interest on the general obligation bonds.

LAW AND ANALYSIS

Section 103(a)(1) of the Internal Revenue Code of 1954 provides that gross income generally does not include interest on obligations of a state or a political subdivision thereof.

Section 103(c)(1) of the Code provides that, with certain minor exceptions, the interest on an arbitrage bond is not excludable from gross income.

Section 103(c)(2) of the Code provides that the term "arbitrage bond" means any obligation all or a major portion (more than 15 percent) of the proceeds of which are reasonably expected to be used directly or indirectly (A) to acquire securities or obligations that may be expected to produce a yield over the term of the governmental issue that is materially higher than the yield on such issue; or (B) to replace funds that were used directly or indirectly to acquire securities or obligations described in (A).

Section 1.103-13(g)(2) of the proposed Income Tax Regulations published in the Federal Register on May 8, 1978 (43 FR 19675), provides that amounts accumulated in a sinking fund for an issue are treated as proceeds of the issue. Section 1.103-13(g)(3) provides that the term "sinking fund" includes a debt service fund, or any similar fund, to the extent that the issuer reasonably expects to use the fund to pay principal or interest on the issue. With certain exceptions, subparagraphs (2) and (3) apply to bonds sold after May 2, 1978.

In Situation 1, the "reserve fund" will be pledged as security for the bonds. Therefore, the "reserve fund" will be treated as a sinking fund, and amounts accumulated in the "reserve fund" will be treated as bond proceeds.

In Situation 2, the specific amounts accumulated in the "renewal fund" will be used to pay operating expenses rather than to pay principal or interest on the bonds. However, *B* will use amounts held in the "renewal fund" to replace sewer revenues, and will use the sewer revenues thus freed up to pay principal or interest. Therefore, the amounts accumulated in the "renewal fund" will be used indirectly to pay principal or interest on the bonds. Consequently, the "renewal fund" will be treated as a sinking fund, and the amounts accumulated in the "renewal fund" will be treated as bond proceeds.

However, in Situation 3, *C* will not use the "investment fund" (directly or indirectly) to pay principal or interest on the general obligation bonds. Accordingly, the "investment fund" will not be treated as a sinking fund, and amounts accumulated in the fund will not be treated as bond proceeds.

HOLDING

Amounts accumulated in the "reserve fund" in Situation 1 and in the "renewal fund" in Situation 2 will be subject to arbitrage yield restrictions as provided by section 103(c) of the Code. Because these amounts will be invested at a materially higher yield, the bonds will be arbitrage bonds and interest received by the bondholders will not be excluded from their gross incomes under section 103(a)(1). On the other hand, amounts accumulated in the "investment fund" in Situation 3 will not be subject to arbitrage yield restrictions.

Arbitrage bonds; third party securities pledged as collateral. Examples illustrate whether the arbitrage yield restrictions of section 103(c) of the Code apply to securities pledged by a third party as collateral for state or local government obligations.

Rev. Rul. 78-348 [1]

ISSUE

Will certain securities pledged as collateral for municipal bonds be subject to arbitrage yield restrictions?

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[1] Also released as News Release IR-2028, dated August 23, 1978.

FACTS

Situation 1.

State *A* proposes to sell $1 million of general obligation bonds, the proceeds of which will be loaned to Corporation *B*, a nonprofit corporation, that will use the proceeds to construct a hospital. In addition, *B* owns a federally insured mortgage note worth $1 million that will be pledged as collateral for the bonds. Under the terms of the pledge, the bondholders are reasonably assured that this collateral will be available if needed to pay debt service, even if *A* and *B* encounter financial difficulties. The yield on the mortgage note will be materially higher than the yield on the bonds.

Situation 2.

County *C*, a political subdivision of State *D*, proposes to sell $50 million of general obligation bonds. *C* will use the bond proceeds to finance the construction of various county buildings. Taxes and other revenues will be used to retire the bonds serially over 20 years.

D has a surplus fund that will be invested in Treasury bonds. Certain Treasury bonds worth $50 million will be pledged as collateral for *C*'s bonds. Under the terms of the pledge, *D* cannot dispose of any of the Treasury bonds while *C*'s bonds are outstanding (except to pay holders of the bonds in the case of default). Thus, the bondholders are reasonably assured that this collateral will be available if needed to pay debt service even if *C* or *D* encounter financial difficulties. However, *D* does not reasonably expect to use the Treasury bonds (or interest thereon) directly or indirectly to pay debt service (payment of principal or interest) on *C*'s bonds. The yield on the Treasury bonds will be materially higher than the yield on *C*'s bonds.

LAW AND ANALYSIS

Section 103(c)(2) of the Internal Revenue Code of 1954 provides that the term "arbitrage bond" means any obligation all or a major portion (more than 15 percent) of the proceeds of which are reasonably expected to be used directly or indirectly (A) to acquire securities or obligations that may be expected to produce a yield over the term of the governmental issue that is materially higher than the yield on such issue; or (B) to replace funds that were used directly or indirectly to acquire securities or obligations described in (A).

Section 103(c)(2)(B) of the Code applies to an issue of obligations if the proceeds are used to replace funds invested in securities having a yield that is materially higher than the yield on the obligations. This section does not apply in every case in which the higher-yielding securities could have been liquidated as an alternative to issuing the bond. However, the requisite nexus or sufficiently direct relationship between the bonds and the higher-yielding securities does exist where the securities are pledged as collateral for the bonds. An issuer that borrows to invest in higher-yielding securities and one that borrows against such securities already owned are in virtually the same economic position. Compare section 265(2) relating to interest paid to earn tax-exempt income, and see especially section 3.03 of Rev. Proc. 72-18, 1972-1 C.B. 740, citing *Wisconsin Cheeseman v. United States*, 338 F.2d 420 (7th Cir. 1968). The same principles apply when the higher-yielding securities pledged are held by any third party who will substantially benefit from the bond issuance.

For purposes of section 103(c)(2)(B) of the Code, a pledge of collateral need not be cast in a particular legal form. Thus, for example, the bondholders need not take actual or constructive possession of the collateral. However, there must be a reasonable assurance that the collateral will be available if needed to pay debt service, even if the issuer encounters financial difficulties. Thus, for example, an arrangement will not have the effect of a pledge of collateral if the issuer has discretion to defeat the "pledge" merely by liquidating the "collateral" and disposing of the proceeds.

In both Situations 1 and 2, securities (the federally insured mortgage note and the $50 million of Treasury bonds) are pledged as collateral for municipal bonds. Moreover, the yield on these securities is materially higher than the yield on the municipal bonds. Therefore, all or a major portion of the proceeds of the proposed bonds are reasonably expected to be used directly or indirectly to replace funds that were used to acquire securities at a materially higher yield.

HOLDING

The securities to be pledged as collateral for the proposed bonds described in Situations 1 and 2 will be subject to the arbitrage yield restrictions as provided by section 103(c) of the Code. Because the securities pledged as collateral will produce a yield materially higher than the yield on the bonds, the bonds (in both Situations 1 and 2) will be arbitrage bonds and the interest received by bondholders will not be excludable from their gross income under section 103(a)(1). Further, in Situation 1, the hospital bonds will be arbitrage bonds even if they are issued to finance the construction of a for-profit hospital.

Arbitrage bonds; funds established in connection with local government obligations. Examples illustrate whether the arbitrage yield restrictions of section 103(c) of the Code apply to amounts accumulated in certain funds established in connection with the issuance of local government obligations; Rev. Rul. 78-302 clarified.

WORK DRAFT WORK DRAFT WORK DRAFT

Alaska State Legislature

Senate

Committee on State Affairs
Chairman Vic Fischer

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business
February 20, 1980

of February 19 and 21, 1980

REPORT on COMMITTEE HEARINGS

~~SENATE STATE AFFAIRS COMMITTEE REPORT~~

ON

SB 13 "An Act making special appropriations for capital improvements for which general obligation bonds were approved by the voters at the 1980 general election; and providing for an effective date."

SB 21 "An Act making a special appropriation to the Alaska Permenent Fund; and providing for an effective date." ($1,500,000,000)

SB 68 "An Act making a special appropriation to the Alaska Permanent Fund; and providing for an effective date." ($1,800,000,000)

BILL SUMMARY

And related issues of state fiscal policy, ~~and~~ financial management, and economic development

SB 13 This bill would use a general fund appropriation to pay for these capital improvements rather than issue General Obligation (G.O.) Bonds. The opportunity cost assumes the State would either invest its own money, if bonds would have been sold, or if spent on other projects, etc., that project has an implicit rate of return equal to what the State could have gotten by investment.

Assumptions:
(1) A 12% earnings rate on invested funds or project.
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FY'82-$100, FY'83-$150, FY'84-$39, 712;
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through the Dept. of Revenue should issue general obligation bonds or use available cash. What is not obvious about paying cash for the November 1980 authorized but unissued G.O. bonds, is that there are over $100 million Pre-1978 authorized but unissued bonds that need to be included in this general fund appropriation. (See statistics at end of summary.)

Another concept of classical economics is one of defeasance. Through a special defeasing [escrow] account, the state could create a monetary approach that would pay off the entire state debt. This account managed by a special bond counselor would invest in the taxable bond market [12% interest] while paying off the incurred debt in the tax-exempt bond market [8% interest]. The potential is there at the moment to erase Alaska's debt [$720 million] with a cash account of [$570 million]. One may ask why not make the investments directly out of the general fund and not set up a special account. It has become clear that the Alaska Legislature has the ability to spend all the money before it no matter the amount. This special [escrow] account would set this money aside for a specific purpose: to pay the state debt.

With continuing pressure from our Washington delegation assuring us that the mood in the "lower 48" is becoming increasingly jealous of our resource wealth, this would be one way of "putting our house in order." We would be showing our responsiveness to the nation's financial community by giving a clear signal that we were doing "first things first." We pay off our debts before we borrow money for other purposes.

If we were to create this "defeasing escrow account," it would preclude us from going to the bond market for a period (minimum) of 18 months due to IRS regulations. That is why this concept goes hand in hand with substituting cash for all authorized but unissued general obligation bonds. The next time we would be eligible to go to the bond market would be (roughly) after the 1982 general election.

The Hammond Administration approves of the defeasing concept if, there are several if's, but the principal one being that it does not affect the $1,800,000,000 contribution to the Alaska Permanent Fund (SB 68). If the money is just going to be spent to continue growth in state government then he would certainly favor defeasing.

Defease $720 million of outstanding G.O. bonds	$570 million
Cash out all authorized but unissued bonds	463 million
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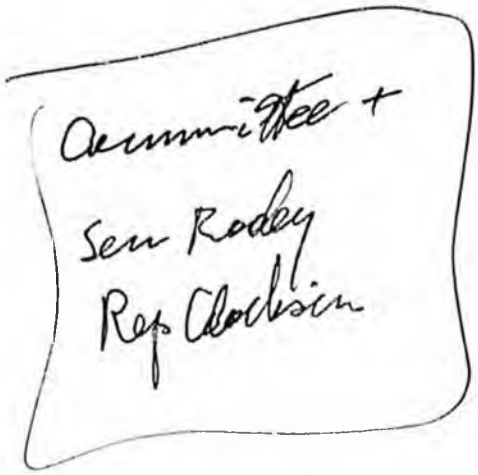
List of Witnesses and Participants



BILL #	ITEM	DOLLAR AMOUNT
Governor Freeman, HB 1	Permanent Fund	$ 1.8 billion
Randolph, HB 24	Personal Loans	1.0 billion
Ferguson, SB 33 Moss, HB 85	Education Endowment	5.0 billion *
Kerttula, SB 26	Power Project Fund	4.6 billion **
Governor	Bond Defeasance (Colletta, SB 13, $290 million)	905 million
Fischer, SB 159	Knik Arm Crossing	1.1 billion
Governor SB 141	Fisheries Revolving Fund	100 million
Governor	Municipal Assistance	133 million
Governor, SB 67	Cash Distribution of Oil Bonuses	77 million
Governor	Housing Assistance (Total Loan Programs, $400 million)	289 million
Governor	Rainy Day & Litigation Escrow	650 million
Governor	Operating Budget (Total: 2.2 billion)	1.8 billion
		17.45 billion

* of which 4.0 billion is in future years' appropriation

** of which 3.0 billion is in future years' appropriation

10.45 billion
this year

SENATE STATE AFFAIRS COMMITTEE HEARING

ON

1. DEPOSITS IN THE PERMANENT FUND: 2. PAYING CASH FOR CAPITAL IMPROVEMENTS

February 21, 1981

Testimony by Harold E. Pomeroy

Our future is bright if we don't spend billions and billions of dollars unproductively trying to create an artificial destiny for Alaska.

Right now we are misreading the signals.

There is popular belief that if we just do the right things we can achieve a prosperous, diversified and renewable resources economy, including renewable resource production and processing-manufacture. This means, of course, producing goods for export.

We are negligible producers of processed-manufactured goods - with few exceptions, relative to our resource production and services economy, due to far higher costs here than elsewhere - costs that cannot be cured by spending money. Where the potential for competitive position in the market is lacking, direct and indirect aid is only creating artificial viability that can last only until the money runs out.

The wrong signal is that somehow, if we just put enough money into artificial viability in the direction of diversification and renewable resource processing we can turn a liability into an asset. The result is the false assumption that taxes generated out of these areas of activity will be able to make up for less oil income in the future.

The hard fact is that there is no basis whatever for believing the aggregate of all tax revenue from all sources, other than oil production will increase the approximate 1/10 of our expenditures such revenues now pay, by an appreciable amount, if at all - unless taxes are raised drastically.

Testimony, 2/21/81
Harold E. Pomeroy

Take the molybdenum mine soon to be established near Ketchikan. Though one of the largest deposits anywhere, molybdenum won't be made there; the concentrate will go Outside for processing for reasons of economy. Would we increase taxes on the plant two or three or more times in the future to make both ends meet due to less oil income?

Our future economic stability rests heavily on the reason the question has to be asked.

There will be a few individual exceptions to the revenue potential overall - plants with profits coming from huge investments and very few workers.

We can be encouraged about the future if we take the right signal from the dramatic increase in the amount of oil income from even two years ago. A Permanent Fund that generates a substantial part of future needed revenue is practical - with room also for such benefits as no personal income tax and some desirable capital improvements that are cost effective.

Our tremendous good fortune in quantity of oil money is that we can make massive early years deposits in the Permanent Fund, accumulate the interest and arrive at a total of as much as $125 billion to produce $13 billion or $14 billion in annual revenue from then on.

We should place the highest priority on action to secure as strong a financial future as possible, rather than to grab more toward a taxless society and what amounts, indirectly, to colossal price support for economic enterprise that simply isn't economically viable in the open market.

	PERMANENT FUND		BUDGET GROWTH	
	I.	II.	III.	IV.
	$2 Billion at 11% compounded	$4 Billion	$2 Billion - at 11% rate of increase	$2 Billion - at 15% rate of increase
Yrs				
5	$3.37	$6.74	$3.37	$4.02
10	$5.68	$11.36	$5.68	$8.09
15	$9.57	$19.14	$9.57	$16.27
20	$16.12	$32.29	$16.12	$32.73

I. At the end of 20 years the $16.12 would produce $1.67 billion yearly - from then on.

III. The $1.67 billion would not go very far toward funding the $16.12 billion budget. The 11% rate of increase may not be enough for inflation and population growth and would allow zero for real growth.

IV. At 15% growth, $120 billion in the Permanent Fund would produce about $13 billion in earnings revenue toward the $32.73 billion budget

February 21, 1981
Harold E. Pomeroy

Alaska State Legislature

Senate

Committee on State Affairs
Chairman Vic Fischer

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business
February 20, 1980

SENATE STATE AFFAIRS COMMITTEE REPORT

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nuveen
John Nuveen & Co. Incorporated 209 South LaSalle Street, Chicago, Illinois 60604 (312) 621-3000

December 31, 1979

J. H. Hogan
Director
Legislative Finance Division
The Alaska Legislature
Pouch "WF"
State Capitol
Juneau, Alaska 99811

Dear Mr. Hogan:

This letter responds to your request dated October 15th that in our capacity as financial advisor to the State we respond to a series of questions regarding Alaska's capacity to issue general obligation debt. To simplify the presentation, I have restated the original questions, occasionally combining questions, and then provided our response.

1. What is the average spread in interest rates between tax-exempt municipal bonds of Alaska's rating and the typical investment of Alaska's General Fund, i.e. Corporate and U.S. Treasury Securities, Bank C.D.'s, Bankers' Acceptances, etc.?

   The approximate $680 million of outstanding Alaska general obligation bonds have an estimated average yield of 5.30% and General Fund balances are currently invested in a variety of short term money market instruments to return a yield of approximately 10.2%. When the most recent series of bonds were issued on April 10, 1979, $60 million in par value were sold for a net interest cost of 5.5920%. The bonds had an average life of 5 years, 9 months and yields on comparable maturities of U.S. Government Securities at that time were approximately 9.25%. The net spread at the time of the April sale of 3.66% is typical of the 3 to 5 percentage points which usually separates yields on comparable maturities of Alaska's G.O. Bonds and Federal Securities.

2. What level of G.O bonding can Alaska achieve without altering its ratings or adversely affecting its interest rates?

   What rules of thumb can be used in judging the amount of bonds that can be issued without adverse consequences; the 8% or 16% debt service in relation to General Fund revenues mentioned in the White Weld & Company memo?

In the last decade Alaska's standing as a borrower in the tax-exempt markets has steadily improved. Recognition of this fact has been reflected in the improvement in ratings which occurred in 1974 and 1975. For investors this has been an enviable situation since their investments have experienced steady appreciation with the growing credit quality of the State.

Dramatic increases in natural resource production, most notably petroleum and natural gas, have been key features of this steady growth in market acceptance. Other factors have included population growth and economic diversification. On the negative side, the rating agencies perceive Alaska to have a heavy debt load on a per capita basis and as a per cent of personal income. In addition, the State is expected to have a continuing and substantial need to borrow over the immediate future. Operating expenses for state government have risen dramatically in the last decade. While there has been a move to diversify Alaska's economy, the State still is heavily dependent on petroleum revenues which are subject to short term interruption and long term uncertainty.

The general obligation debt of the State is currently rated "A1" by Moody's and A+ by Standard and Poors. An upgrade to AA by either agency would enhance the marketability of the State's debt and lower the average interest cost. In addition, other state agencies and major local issuers would be likely to receive improved ratings following assignment of a "AA" to the State. In fact, several months after the last upgrade for the State, ratings for 12 Alaska municipalities were also revised upward. Achieving the "AA" will almost surely require the State to moderate growth in General Fund expenditure and to enact legislation providing financially sound management of the Permanent Fund.

By the standard criteria for financial analysis, Alaska ranks below the other states and to a significant extent, it is relying on a single major source of revenue. Consequently, the market perception of Alaska is colored by intangible, psychological, perhaps even irrational factors and attitudes. In the recent past the market has been positive in its judgments regarding Alaska, but no one can accurately predict what level of debt will trigger a reaction leading to a negative shift in market sentiment.

In the last ten years, the annual general obligation borrowing of the State has grown from $24.4 million in 1970 to $100 million in the most recent 12 months. Maturities have been keyed to the expected life of Prudhoe Bay petroleum revenues. Each bond sale has been characterized by healthy bidding interest by at least 4 different syndicates. In view of the continuing improvements in state revenue, the momentum of a steadily improving credit it would be possible to consider annual issuance of $175 to $225 million over the next few years. Each bond sale will provide additional insights regarding the continuing growth of the State's debt capacity.

3. What greater level of G.O. borrowing could be achieved without wiping out the spread between the State's tax-exempt rate and taxable rates?

While in theory it would appear possible to trade much higher yields for increased borrowing, in practice there are institutional and psychological constraints which limit the growth of the State's indebtedness. The reaction of rating agencies, investors, underwriters and the financial press will begin to narrow the market for the State's general obligation debt, eventually leading to a situation similar to that of New York City, in which the market is closed to Alaska, regardless of the yield it is prepared to pay.

4. How much could our tax-exempt rate be reduced by depositing up to 15% or whatever the IRS arbitrage limit is in a G.O. debt Guarantee Fund?

> A reserve fund as contemplated in the question would have a negligible impact on the State's cost of borrowing. A reserve fund is usually associated with revenue bond issues and incorporating it in a G.O. issue would probably raise more questions about what weakness it was meant to correct as opposed to what strength it was supposed to contribute. For a $100 million issue, arbitrage earnings in excess of the cost of borrowing the reserve would be less than 3% of annual debt service.

If you have additional questions or need further information, don't hesitate to call me. I and several of my collegues will be with Sterling Gallagher in our Juneau office during the week of January 7 through 11. At that time I would be available to meet with you and your staff.

Sincerely,

JOHN NUVEEN & CO., INCORPORATED

Anthony T. Dean
Assistant Vice President

ATD:Lmc

cc: Thomas K. Williams
Commissioner of Revenue

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH WF-STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

MEMORANDUM

TO: Hon. Leo Schaeffer
House Finance Committee

DATE: February 6, 1980

FROM: Milt Barker MB
Fiscal Analyst

SUBJ: Paying off State Bonds

Outstanding state general obligation bonds of $670,503,000 could be paid off with an appropriation of $546 million according to item 2 of the attached letter from John Nuveen & Co., the state's financial advisor.

The prefunding approach suggested by Nuveen would not cost the state any lost interest as would paying off the bonds immediately. In other words, the state hangs on to its cash, invests it at taxable rates, say 10%, while continuing to pay off bonds at only 6% or so, thus earning a net of 4% interest which it would not earn if the bonds were simply paid off.

Yet, the prefunding approach does assure bondholders of being paid off. This has two effects. One, existing bonds would immediately get improved ratings; the state would not benefit on this account but the bondholders would as there would be an immediate increase in the value of their bonds should they wish to sell them. Sterling Gallagher of Nuveen & Co. has suggested the state try to capture some of the increase in bond prices that would occur by making the prefunding contingent on bondholders turning in their existing bonds in exchange for new bonds with a lesser coupon or interest rate. We could split the difference of the price increase with them.

The second effect of prefunding would be to improve the ratings for any future bonds the state issues. Here, the state would get the full benefit of the effect. However, as the attached tables indicate the maximum reduction in the interest rates would normally be no more than thirty basis points or .3% This is based on the state going from its present A1 or A+ rating to Aaa. On $100 million of bonds with an average 5 year maturity, this would thus save the state at most $1,080,000 in interest costs over the life of the bonds.

Sterling Gallagher has also suggested that prefunding only the later maturities of the bonds could have the same effect on the interest cost to the state of future bond issues. In other words, the state's revenues on Prudhoe Bay production in the near-term would provide maximum security for bonds while prefunding

-01LH

would serve the same function after Prudhoe begins to decline. Mr. Gallagher estimates only $100 million in prefunding would be required to prefund the tail end of outstanding state GOB's.

If you wish to seriously consider an appropriation for prefunding, we should request a legal opinion from state bond counsel as to whether such prefunding would cause any IRS arbitrage problems. In other words, the guarantee fund established by prefunding could result in the IRS finding that the prefunded bonds are arbitrage bonds and taking away the federal income tax exemption allowed on interest received by the bondholders. This would have no direct cost to the state, but the bondholders would undoubtedly prefer that prefunding not be done in that case.

In the attached letter from Orrick, Herrington, the state's bond counsel, a preliminary judgment is made that "establishment of the fund (prefunding account) probably could not affect the tax status of interest on bonds issued before the fund is established".

MB:kw

nuveen
John Nuveen & Co. Incorporated 209 South LaSalle Street, Chicago, Illinois 60604 (312) 621-3000

January 21, 1980

Milt Barker
Fiscal Analyst
Alaska State Legislature
Budget and Audit Committee
Finance Division
Pouch WF - State Capitol
Juneau, Alaska 99811

Dear Milt:

This letter responds to the questions posed in your letter of January 2 regarding policies affecting management of the State's debt.

1. Should the State bond or pay cash for future capital improvements?

In today's tax-exempt market, Alaska can borrow funds at interest rates ranging from 6.20% to 7.1% depending on maturities. Currently, the State can invest surplus revenues in a variety of high quality money market instruments at yields of 10 to 13% or more. So long as Alaska continues to pursue a policy of prudent growth in its outstanding indebtedness, it can and should continue to benefit from the favorable interest rate differential that exists between the rate at which it borrows and the rate at which it can invest. The credit standing of the State is not so much affected by the means chosen to finance capital improvements as it would be by the magnitude of capital improvement programs in relation to the State's long-term sources of revenue.

2. Could retirement of all or part of Alaska's outstanding indebtedness improve its credit rating?

Alaska's outstanding general obligation debt of approximately $670-million could be prefunded by the creation of a special investment account, the principal and interest of which would be used exclusively to meet interest and principal payments on the debt. A deposit of $546-million to be invested in appropriate U.S. Government Securities at today's market yields would generate sufficient cash to meet principal and interest on the $670-million outstanding general obligation debt. This deposit is $124-million less than the cost of simply paying off the debt. Whether the State prefunds the debt or

those to be derived from a prefunding of the State's general obligation debt. In addition, the credit standing and debt capacity of local governments in Alaska would be substantially improved. During my visit to Juneau this week, we will assemble the data necessary to provide a preliminary estimate of the cost and potential financial advantage to be derived from a prefunding of the outstanding school debt.

I look forward to an opportunity to meet with you later this week.

Sincerely,

Anthony T. Dean
Assistant Vice President

ATD:lw

TABLE 3

DIFFERENCES BETWEEN ANNUAL AVERAGES OF YIELDS ON 20-YEAR, GENERAL OBLIGATION BONDS, BY RATING
(Basis Points)

	Differential Between Grades		
Year	Aa minus Aaa	A minus Aaa	Baa minus Aaa
1945	25	58	79
1950	19	54	75
1955	14	47	96
1956	21	50	99
1957	22	65	105
1958	22	59	92
1959	14	50	81
1960	16	51	82
1961	14	34	61
1962	11	25	52
1963	8	20	43
1964	7	19	42
1965	7	19	40
1966	9	25	49
1967	10	26	55
1968	10	31	63
1969	13	37	62
1970	26	47	63
1971	28	53	67
1972	15	34	57

Source: Moody's Series: Annual average of monthly differences.

TABLE 4

INTEREST COST DIFFERENTIALS AMONG RATING CLASSES
(Basis Points)

	Study (Period)		
Differential Between Grades	Phelps[1] (1957–58)	Kessel[2] (1959–67)	Petersen[3] (1964–1971)
Aaa-Aa	21	15	13
Aa-A	33	21	19
A-Baa	33	25	30
Baa-Ba	—	—	35
Item:			
Aaa-Baa	87	61	62

[1]Charlotte DeMonte Phelps, "The Impact of Tightening Credit on Municipal Capital Expenditures in the United States," *Yale Economic Essays*, Vol. 1 (Fall 1961), p. 500. In Phelps's equation, interest cost differentials between rating classes vary in proportion to the Federal Government's long-term bond rate. The figures above were calculated upon the assumption that the long-term bond rate was 3 percent.

[2]Reuben A. Kessel, "A Study of the Effects of Competition in the Tax-Exempt Bond Market," *Journal of Political Economy* (Sept. 1971). Instead of using the net interest cost of the issue as the dependent variable in his equation, Kessel used the difference between the twenty-year reoffering yield and White's Yield of 100, Standard & Poor's ratings were used instead of Moody's. Kessel's data sample included more than 9000 bond issues that appeared between 1959 and 1967, with virtually complete coverage of competitively offered issues that were larger than $1,000,000.

[3]John E. Petersen, "A Note on the Determinants of Municipal Bond Net Interest Costs" (unpublished), 1972. See summary of study at end of this chapter.

SOURCE: The Rating Game, John E. Petersen, Kraus Reprint, New York, 1974

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JOHN F. SEEGAL

October 30, 1979

Mr. J. H. Hogan
Director
Legislative Finance Division
State of Alaska
Pouch WF, State Capitol
Juneau, Alaska 99811

Dear Mr. Hogan:

In response to the questions in your letter of October 15:

1. This question will need considerably more elaboration before I can answer it with any reasonable assurance. I am not sure whether the suggested fund is to be used to guaranty debt service on general obligation bonds of the State or debt service on general obligation bonds of local governments in the State. I do not know the source of the moneys to be put into the fund, but I assume that those moneys will not come from any proceeds of bonds. On that basis, I do not think that a proper interpretation of the Internal Revenue Code would result in any arbitrage yield restrictions on the fund, because the applicable Code provision relates to the use of the proceeds of bonds.

However, the Internal Revenue Service has stretched and distorted the term "proceeds" in the Treasury Regulations and rulings thereunder. The result appears to be that, if the State deposits moneys from any source into a fund to be used to pay the debt service on general obligation bonds of the State or on general obligation bonds of local governments, or which fund is pledged as security for any such debt service, the Internal Revenue Service would consider the fund to be "proceeds" subject to arbitrage yield restrictions. (This is indicated by Rev. Rul. 78-302 and Rev. Rul. 78-348, a copy of which is enclosed.)

Even on this basis, the establishment of the fund probably could not affect the tax status of interest on bonds issued before the fund is established or before it was expected

to be established. Moreover, if the amount in the fund considered allocable to bonds hereafter issued, together with any other amounts chargeable under arbitrage rules to the "minor portion" of the proceeds of those bonds which is not subject to arbitrage limitations, do not aggregate more than 15% of the face amount of those bonds, the investment of the fund should not be subject to arbitrage yield restrictions.

The foregoing is all subject to further qualifications and complexities, but I think there is no point in pursuing them here. If you can give me a complete description of the workings of the proposed fund, I will try to give you a more definitive answer as to the federal income tax results. If there is any special need or desire for such a fund, I might suggest requesting a ruling from the Internal Revenue Service as to their treatment of the specific facts, and possibly an appeal from that ruling to the Tax Court in the quite possible event that we consider the ruling to be contrary to the law.

In any event, I am somewhat mystified as to the purpose of or need for the proposed fund, particularly if it is to relate to general obligation bonds of the State.

2. The issuance of bonds by the State in the presence of a "massive general fund surplus" should not result in taxability of the interest on the bonds, and it surely would not. This conclusion appears to be supported by Rev. Rul. 78-302 (enclosed). However, your phrasing of the question in terms of "a possible arbitrage problem with the IRS" prompts me to note that the IRS has gone so far in its pursuit of "arbitrage" that I would not be entirely surprised at <u>anything</u> that organization might contend.

In connection with all of the foregoing, I urge you and others in the State government to support the bill sponsored by the Municipal Finance Officers Association and about to be introduced in Congress to cure problems like these and to prevent further excesses.

Sincerely yours,

C. Richard Walker

Enclosure

income shall be included in the gross income for the taxable year in which received by the taxpayer, unless, under the method of accounting used in computing taxable income, such amount is to be properly accounted for as of a different period.

Section 1.451-2 of the regulations provides, in pertinent part, as follows:

(a) *General rule.* Income although not actually reduced to a taxpayer's possession is constructively received by him in the taxable year during which it is credited to his account, set apart for him, or otherwise made available so that he may draw upon it at any time, or so that he could have drawn upon it during the taxable year if notice of intention to withdraw had been given. However, income is not constructively received if the taxpayer's control of its receipt is subject to substantial limitations or restrictions. * * *

If a life insurance policy provides that proceeds will be paid to the beneficiary of record upon receipt of due proof of death, and the insurance company determines in good faith that such a policy is payable (whether that determination is based on facts and circumstances indicating death or on a presumption of death under applicable state law), then the proceeds will be an amount paid by reason of death of the insured for purposes of section 101(a)(1) of the Code. Compare Rev. Rul. 76-468, 1976-2 C.B. 202, which states that for purposes of sections 2(a)(3), 112, 692, 6013, and 7508, the date of death of a member of the Armed Forces or a civilian employee, reported as missing in action or a prisoner of war and later declared to have been killed in action, is the Secretarial determination date of death, unless a later actual date of death is subsequently established. Rev. Rul. 76-468 refers to the Secretarial determination date of death as the date of death determined under 37 U.S.C. section 555 or 556. Rev. Rul. 76-468 is clarified so that any reference therein to the Secretarial determination date of death instead refers to the date on which the determination of death is made under those sections.

HOLDING

The payment of life insurance proceeds to *A* in 1977 is fully excludable from *A*'s gross income under the provisions of section 101(a)(1) of the Code. However, if *A* had deferred claiming the death benefit payment until a later year, any portion of the payment attributable to accumulated interest would be includible in *A*'s gross income under the provisions of sections 61(a)(4) and 101(c). Pursuant to section 1.451-2(a) of the regulations, the interest would be includible in the taxable year accumulated to the extent that *A* could have drawn upon it if *A* had submitted a claim for the proceeds.

See section 101(d) of the Code and the regulations thereunder with respect to computing the exclusion for proceeds held by an insurer under an agreement provided for in the life insurance contract, and paid other than as a single sum at a date later than death.

See section 2042 of the Code and the regulations thereunder with respect to the inclusion of the proceeds of life insurance in the value of a decedent's gross estate. For purposes of the federal estate tax, the date of death is the Secretarial determination date of death unless a later actual date of death is established.

EFFECT ON OTHER REVENUE RULINGS

Rev. Rul. 76-468 is clarified.

Section 103.—Interest on Certain Governmental Obligations

Arbitrage bonds; fund established for indirect payment of principal or interest. Examples illustrate whether the arbitrage yield restrictions of section 103(c) of the Code apply to amounts accumulated in funds established in connection with the issuance of local government obligations that are not used directly for the payment of principal or interest.

Rev. Rul. 78-302 [1]

ISSUE

Will amounts accumulated in certain funds be subject to arbitrage yield restrictions?

FACTS

Situation 1.

Authority *A* proposes to issue dormitory revenue refunding bonds. The refunding bonds will mature serially over 20 years. The proceeds of the refunding bonds will be deposited in an escrow fund to secure payment of the prior issue and to defease the lien of the prior issue on revenues of the authority. A portion of *A*'s dormitory revenues will be deposited in a "reserve fund." Amounts in the "reserve fund" will be pledged as security for the bonds.

Situation 2.

City *B* proposes to issue $5.5 million of 33-year sewer revenue bonds. Two and a half million dollars of the revenue bonds will mature serially over the first 30 years. In addition, $1 million of term bonds will mature in each of the last three years.

B's sewer revenue will be used as follows (in order of priority):

(1) to pay operating expenses,

(2) to pay all debt service on the revenue bonds, and

(3) to make deposits in a "renewal fund."

B covenants to maintain sewer rates high enough to pay all necessary operating expenses and to make all scheduled payments of debt service and all scheduled deposits in the "renewal fund." However, it would be impracticable for *B* to raise sewer rates high enough to meet the balloon payments due in years 31-33 solely out of revenues.

[1] Also released as News Release IR-2018, dated July 30, 1978.

The "renewal fund" is not pledged as security for the revenue bonds. Moreover, amounts held in the "renewal fund" can in no event be used directly to pay principal or interest on the revenue bonds. However, *B*'s use of the "renewal fund" is restricted by covenants contained in the indenture for the revenue bonds. In particular, *B* is required to invest the "renewal fund" in Treasury bonds that will mature approximately 30-33 years after the revenue bonds are issued. Further, *B* will have only one practicable way to meet the balloon payments due in years 31-33. It will have to use the "renewal fund" to pay necessary operating expenses during these years. This will enable *B* to meet the balloon payments out of current sewer revenues.

Pending use, the amounts in the "renewal fund" will be invested at a yield that is materially higher than the yield on the sewer revenue bonds. Moreover, these amounts will at times exceed 15 percent of the original proceeds of the bonds.

Situation 3.

City *C* proposes to issue $10 million of general obligation bonds. While the bonds are outstanding, *C* will deposit a portion of its tax revenues in a separate "investment fund." The investment fund will be established and maintained at *C*'s discretion solely to enhance *C*'s general credit rating. It will not be specially pledged as security for the general obligation bonds, and *C*'s use of the "investment fund" will in no way be restricted by covenants contained in the bond indenture. Further, *C* does not reasonably expect to use amounts in the "investment fund" (directly or indirectly) to pay principal or interest on the general obligation bonds.

LAW AND ANALYSIS

Section 103(a)(1) of the Internal Revenue Code of 1954 provides that gross income generally does not include interest on obligations of a state or a political subdivision thereof.

Section 103(c)(1) of the Code provides that, with certain minor exceptions, the interest on an arbitrage bond is not excludable from gross income.

Section 103(c)(2) of the Code provides that the term "arbitrage bond" means any obligation all or a major portion (more than 15 percent) of the proceeds of which are reasonably expected to be used directly or indirectly (A) to acquire securities or obligations that may be expected to produce a yield over the term of the governmental issue that is materially higher than the yield on such issue; or (B) to replace funds that were used directly or indirectly to acquire securities or obligations described in (A).

Section 1.103-13(g)(2) of the proposed Income Tax Regulations published in the Federal Register on May 8, 1978 (43 FR 19675), provides that amounts accumulated in a sinking fund for an issue are treated as proceeds of the issue. Section 1.103-13(g)(3) provides that the term "sinking fund" includes a debt service fund, or any similar fund, to the extent that the issuer reasonably expects to use the fund to pay principal or interest on the issue. With certain exceptions, subparagraphs (2) and (3) apply to bonds sold after May 2, 1978.

In Situation 1, the "reserve fund" will be pledged as security for the bonds. Therefore, the "reserve fund" will be treated as a sinking fund, and amounts accumulated in the "reserve fund" will be treated as bond proceeds.

In Situation 2, the specific amounts accumulated in the "renewal fund" will be used to pay operating expenses rather than to pay principal or interest on the bonds. However, *B* will use amounts held in the "renewal fund" to replace sewer revenues, and will use the sewer revenues thus freed up to pay principal or interest. Therefore, the amounts accumulated in the "renewal fund" will be used indirectly to pay principal or interest on the bonds. Consequently, the "renewal fund" will be treated as a sinking fund, and the amounts accumulated in the "renewal fund" will be treated as bond proceeds.

However, in Situation 3, *C* will not use the "investment fund" (directly or indirectly) to pay principal or interest on the general obligation bonds. Accordingly, the "investment fund" will not be treated as a sinking fund, and amounts accumulated in the fund will not be treated as bond proceeds.

HOLDING

Amounts accumulated in the "reserve fund" in Situation 1 and in the "renewal fund" in Situation 2 will be subject to arbitrage yield restrictions as provided by section 103(c) of the Code. Because these amounts will be invested at a materially higher yield, the bonds will be arbitrage bonds and interest received by the bondholders will not be excluded from their gross incomes under section 103(a)(1). On the other hand, amounts accumulated in the "investment fund" in Situation 3 will not be subject to arbitrage yield restrictions.

Arbitrage bonds; third party securities pledged as collateral. Examples illustrate whether the arbitrage yield restrictions of section 103(c) of the Code apply to securities pledged by a third party as collateral for state or local government obligations.

Rev. Rul. 78-348 [1]

ISSUE

Will certain securities pledged as collateral for municipal bonds be subject to arbitrage yield restrictions?

[1] Also released as News Release IR-2028, dated August 23, 1978.

FACTS

Situation 1.

State *A* proposes to sell $1 million of general obligation bonds, the proceeds of which will be loaned to Corporation *B*, a nonprofit corporation, that will use the proceeds to construct a hospital. In addition, *B* owns a federally insured mortgage note worth $1 million that will be pledged as collateral for the bonds. Under the terms of the pledge, the bondholders are reasonably assured that this collateral will be available if needed to pay debt service, even if *A* and *B* encounter financial difficulties. The yield on the mortgage note will be materially higher than the yield on the bonds.

Situation 2.

County *C*, a political subdivision of State *D*, proposes to sell $50 million of general obligation bonds. *C* will use the bond proceeds to finance the construction of various county buildings. Taxes and other revenues will be used to retire the bonds serially over 25 years.

D has a surplus fund that will be invested in Treasury bonds. Certain Treasury bonds worth $50 million will be pledged as collateral for *C*'s bonds. Under the terms of the pledge, *D* cannot dispose of any of the Treasury bonds while *C*'s bonds are outstanding (except to pay holders of the bonds in the case of default). Thus, the bondholders are reasonably assured that this collateral will be available if needed to pay debt service, even if *C* or *D* encounter financial difficulties. However, *D* does not reasonably expect to use the Treasury bonds (or interest thereon) directly or indirectly to pay debt service (payment of principal or interest) on *C*'s bonds. The yield on the Treasury bonds will be materially higher than the yield on *C*'s bonds.

LAW AND ANALYSIS

Section 103(c)(2) of the Internal Revenue Code of 1954 provides that the term "arbitrage bond" means any obligation all or a major portion (more than 15 percent) of the proceeds of which are reasonably expected to be used directly or indirectly (A) to acquire securities or obligations that may be expected to produce a yield over the term of the governmental issue that is materially higher than the yield on such issue; or (B) to replace funds that were used directly or indirectly to acquire securities or obligations described in (A).

Section 103(c)(2)(B) of the Code applies to an issue of obligations if the proceeds are used to replace funds invested in securities having a yield that is materially higher than the yield on the obligations. This section does not apply in every case in which the higher-yielding securities could have been liquidated as an alternative to issuing the bonds. However, the requisite nexus or sufficiently direct relationship between the bonds and the higher-yielding securities does exist where the securities are pledged as collateral for the bonds. An issuer that borrows to invest in higher-yielding securities and one that borrows against such securities already owned are in virtually the same economic position. Compare section 265(2) relating to interest paid to earn tax-exempt income, and see especially section 3.03 of Rev. Proc. 72-18, 1972-1 C.B. 740, citing *Wisconsin Cheeseman v. United States*, 338 F.2d 420 (7th Cir. 1968). The same principles apply when the higher-yielding securities pledged are held by any third party who will substantially benefit from the bond issuance.

For purposes of section 103(c)(2)(B) of the Code, a pledge of collateral need not be cast in a particular legal form. Thus, for example, the bondholders need not take actual or constructive possession of the collateral. However, there must be a reasonable assurance that the collateral will be available if needed to pay debt service, even if the issuer encounters financial difficulties. Thus, for example, an arrangement will not have the effect of a pledge of collateral if the issuer has discretion to defeat the "pledge" merely by liquidating the "collateral" and disposing of the proceeds.

In both Situations 1 and 2, securities (the federally insured mortgage note and the $50 million of Treasury bonds) are pledged as collateral for municipal bonds. Moreover, the yield on these securities is materially higher than the yield on the municipal bonds. Therefore, all or a major portion of the proceeds of the proposed bonds are reasonably expected to be used directly or indirectly to replace funds that were used to acquire securities at a materially higher yield.

HOLDING

The securities to be pledged as collateral for the proposed bonds described in Situations 1 and 2 will be subject to the arbitrage yield restrictions as provided by section 103(c) of the Code. Because the securities pledged as collateral will produce a yield materially higher than the yield on the bonds, the bonds (in both Situations 1 and 2) will be arbitrage bonds and the interest received by bondholders will not be excludable from their gross income under section 103(a)(1). Further, in Situation 1, the hospital bonds will be arbitrage bonds even if they are issued to finance the construction of a for-profit hospital.

Arbitrage bonds; funds established in connection with local government obligations. Examples illustrate whether the arbitrage yield restrictions of section 103(c) of the Code apply to amounts accumulated in certain funds established in connection with the issuance of local government obligations; Rev. Rul. 78-302 clarified.

October 15, 1979

C. Richard Walker
Orrick, Herrington, Rowley & Sutcliffe
600 Montgomery Street
San Francisco, California 9411[illegible]

In preparation for the upcoming session, legislative leaders have requested that we gather certain information for their review prior to the session. As the State's bond counsel, I would appreciate your responses to the following questions:

1. How much could be placed in a General Obligation Debt Guarantee Fund subject to IRS arbitrage limits?

2. Will the State have a possible arbitrage problem with the IRS if it continues to issue tax-exempt debt while building up a massive general fund surplus?

Sincerely,

J. H. Hogan, Director
Legislative Finance Division

JHH:pw

October 15, 1979

John Nuveen & Co. Incorporated
209 South La Salle Street
Chicago, Illinois 60604

In preparation for the upcoming session, legislative leaders have requested that we gather certain information for their review prior to the session. As the State's financial advisor, I would appreciate your response to the following questions:

1. What is the average spread in interest rates between tax-exempt municipal bonds of Alaska's rating and the typical investments of Alaska's general fund, i.e., corporate and U.S. Treasury securities, bank CD's, bakkers' acceptances, etc.?

2. What level of G.O. bodding can Alaska achieve without altering its ratings or adversely affecting its interest rates?

3. What greater level could be achieved without wiping out the spread between our tax-exempt rate and taxable rates?

What rules of thumb can be used in judging the amount of bonds that can be issued without adverse consequences? The 8% or 16% debt service in relation to general fund revenues mentioned in the White, Weld & Co. memo? (copy attached)

5. How much could our tax-exempt rate be reduced by depositing up to 15% or whatever the IRS arbitrage limit is in a G.O. Debt Guarantee Fund?

Sincerely,

J. H. Hogan, Director
Legislative Finance Division

JHH:pw
Enclosure

January 2, 1980

Tony Dean
John Nuveen & Co.
209 South LaSalle Street
Chicago, Illinois 60604

Dear Tony:

As we discussed on the phone, our office would appreciate your comments on the following questions:

1. Should the state bond or pay cash for future capital improvements?

2. Could retirement of all or part of Alaska's outstanding indebtedness improve its credit rating?

3. Is there a more efficient way to improve our credit rating than paying off existing debt such as municipal bond insurance, the G.O. debt guarantee fund mentioned in our letter of October 15, or some other means?

Yours truly,

Milt Barker
Fiscal Analyst

MB:bf

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

SB 296, 297

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE BILL NO. 296 & 297

Title Prohibiting the sale of certain general obligation (GO) bonds, special appropriation ~~Requested by~~ for GO bonds that have been authorized but not issued and for defeasance of outstanding GO bonds. Date 3/17/81

Requested by Senate State Affairs & Resources Committees

II. FISCAL DETAIL

Agency Affected Department of Revenue, State Bond Committee

Program Category Affected General Fund

BRU, Program, or Subprogram(s) Affected

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

EXPENDITURES (Thousands of Dollars)

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

FUNDING (~~Thousands~~ of Dollars) ALL FIGURES IN MILLIONS OF DOLLARS

	MILLIONS →					
(1) GENERAL FUND		1,036.9				
(2) Debt Service Cost Reduction		(97.8)	(94.6)	(91.7)	(88.3)	(86.3)
(3) Defeasance Savings		(155.7)				
(4) Opp. Cost Post 5/78 issued		8.4	9.6	11.0	12.1	13.4
(5) Opp. Cost New Debt Not Issued		8.0	17.6	23.4	27.2	30.9
(6) PV Opp. Cost of Defeasance		8.9	16.4	22.8	28.0	32.7

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

(1) Appropriated funds to "cash-out" all remaining authorized but unissued bonds, defeasance of all outstanding/issued GO bonds. Defeasance portion based on interest rates in effect second week of March, 1981.

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

(2) This is the annual debt service related to the $718.2 (6/1/81) in bonds that would be due in the years indicated. The cash flow of the escrow set aside makes these payments when they become due.

(3) The savings in principal due to investments allowed on escrow set aside as part of defeasance.

(4) Opportunity cost related to the post-May 1978 outstanding debt as this debt is subject to defeasance at a restricted yield basically equal to the rate paid on the bonds.

(5) Opportunity cost of not using the favorable low interest rate obtainable on issuing GO bonds for new projects; rather, using all cash up front.

(6) Because debt service payments can be made later with "cheaper dollars" this is the Present Value difference due to early payment of annual debt service.

THE AMOUNT REQUIRED FOR DEFEASANCE IS BASED UPON INTEREST RATES AVAILABLE AT THE TIME THE TRANSACTION TAKES PLACE. ACCORDINGLY, FOR EACH 10% DROP IN INTEREST RATES, THE AMOUNT NECESSARY FOR DEFEASANCE GOES UP APPROX. 6.7%.

IV. DATE March 30, 1981

PREPARED BY Anselm C. Staack, Treasury Comptroller

AGENCY Dept. of Revenue/Treasury Division

PHONE 465-2351

Original: Legislative Finance

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

Anselm C. Staack

33-001 (Rev. 12/80)

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

The Alaska Conference of Mayors met in Juneau on February 5 & 6, 1981 and adopted the following provisions:

FY 81 Supplemental (SB 125). The Alaska Conference of Mayors pledged to use any supplemental funding for tax relief.

Mobile Home Financing. The Conference of Mayors urges supplemental appropriation to the Alaska Housing Finance Corporation for mobile home loans in order to ease the serious statewide housing shortage.

High Unemployment Rate. The Conference of Mayors supports state funding for capital projects in order to alleviate the serious unemployment problem in the state by providing both construction jobs and operation and maintenance jobs when the projects are completed; urges the Legislature and Governor to approve funding early enough to get projects "on the street" this construction season.

In Lieu Of Bonds. The Conference of Mayors urges speedy passage of SB 15, making direct appropriations for projects approved by voters in lieu of selling bonds; additionally supports state interim financing for municipal bonds that have been authorized by the voters but cannot be sold because of the bond market.

Permanent Fund. The Conference of Mayors urges the Legislature to create special endowments for fundamental services, such as those provided by local governments instead of increasing the Permanent Fund, in order to lessen the risk of the federal government devising methods of taking away the state's money.

School Support. The Conference of Mayors endorses the concept of 100% state funding for schools, both operating and construction.

Communities represented at those meetings include the Municipality of Anchorage, the City of Angoon, the City of Fa rbanks, Fairbanks North Star Borough, the City of Haines, Haines Borough, the City of Homer, the City of Hoonah, the City and Borough of Juneau, the City of Kenai, Kenai Peninsula Borough, Kodiak Island Borough, the City of Nenana, the City of Nome, North Slope Borough, the City of Petersburg, the City of Sand Point, the City of Seldovia and the City of Wrangell.

Bill Overstreet, President
Leo Rasmussen, Vice President
George Sullivan, Secretary/Treasurer

Your file only

STATE AFFAIRS Thursday February 19th

✓ Tom Williams -- Commisioner of Revenue

Greg Erickson - Economist ~~(Hoyle)~~

✓ Jim Rhode

\ ——— Gov's office

\ Pat Rodey

✓ Geo Rogers

\ Sterling Gallagher

ANCHORAGE — SAT

✓ Bob FLINT

State Affairs Saturday 21st

✓ John Havelock

? Tom Fink

\ Bob Penny

AKPIRG

Resource Development Council for Alaska

Coalition for Economic Justice

✓ Harold Pomeroy

Joe Josephson

\ Wally Hickel

✓ Jim Rhode

\ Elmer Rasmusson

Willie Hensely

✓ Scott Goldsmith ISER (Lee Gorsuch ✓

✓ ANCH. NEWS

✓ ANCH. TIMES

2/19/81

SB-13

C - pay cash for projects - speed implem - jobs

Tom Williams - loans from gen'l fd can be used to
Anselm Staack

① bonds - low interest, tax exempt, good rating
gen'l fund - invest @ higher rates.
② → cont'd regular borrowing good for st cred. rat.
- if continue to bond - will have
high rating when may need in '90s
③ when wealthy, people like to lend us.
have alternative

? what is diff betw. AA & AAA

Defeasing bonds.

Defeasance of school bonds

def. 562 m 570 - (net savings)
auth. 466.5 m 466.5

1,028 m
128 m
900 m

1,030

Local sch debt
as of Jun 80 350 m
- need approx $250 - 270 m

+ 1,800 m PF

2/21/81

Robert Flint
- borrowing increases amt of fds avail. for expenditure

Comm. North. - oppose PF appropriation.
x lock up money
- infrastructure - RR, ports, highways, energy
AK investment fund - a few weeks

John Havelock
Public vote on major projects
Logrolling
Multi-year budget for cap improv.
PF - savings account

Pomeroy - if put in $2b now to PF, will be $16b in 20 yrs

x throw $ at debt
PF growth.

Can't have broadly based econ.

Jamie Fisher
few people, educational efforts
→ teleconference

2/21/81 - 2

Jamie - socioeconomic impact of state investment

Lee Gorsuch - PF

SB68 what rel to const requid amt?
%, etc.

25% vs 75%

Strategy - lack of -

Fiscal policy, state spending

long-term investment strategy
- goals, strategy, fiscal policy,

Scott Goldsmith - SB13

- economist → arbitrage
- ~~[illegible]~~
- not at expense of profitable investments
- distributional effect - today's people pay for benefits to people in future.
- but long-term bonds would still have to be paid off at time when $ may not be available (15-4)

P.F. - proper rate of accumulation?
Prudhoe - one time inheritance.
$80b - in 1980 $
- real rate of return $1.6b @ 2% - would spend this amount perpetually

---

Ken Gain - Alaskanize PF
investment policy / strategy

Anselm Staack 9:32 - 10:10
Robert Flint 10:10 - 10:25 Nuveen
Mark Roberts 10:25 - 10:45 Commun North
John Havelock 10:45 - 10:57
Harold Pomeroy 10:58 - 11:15
Jim Rhode 11:17 - 11:20
Jamie Fisher 11:21 - 11:28
Lee Garrick 11:29 - 11:38
Scott Goldsmith 11:40 - 11:53
Ken Gain 11:54 -

3

Milt Barker

6.199 - ill-liquid assets.

5.8 av. for appr in cash.

Gov + 300 m escrow Rainy day $700 m

Corp oil + gas - thr '82 2,484 m

2/19/81 — 2

SB 68 (1.8 b.) SB 21 (1.5 b.)

Admin → NO



Publ take int. in PF growing in over time

If No other major oil

Calc of how large fund should be in

Endowment fund to sust. future needs.
— max-im approp.

Defeasance of School Bonds

SB

21

BILL #	ITEM	DOLLAR AMOUNT
Governor Freeman, HB 1	Permanent Fund	$ 1.8 billion
Randolph, HB 24	Personal Loans	1.0 billion
Ferguson, SB 33 Moss, HB 85	Education Endowmment	5.0 billion *
Kerttula, SB 26	Power Project Fund	4.6 billion **
Governor	Bond Defeasance (Colletta, SB 13, $290 million)	905 million
Fischer, SB 159	Knik Arm Crossing	1.1 billion
Governor SB 141	Fisheries Revolving Fund	100 million
Governor	Municipal Assistance	133 million
Governor, SB 67	Cash Distribution of Oil Bonuses	77 million
Governor	Housing Assistance (Total Loan Programs, $400 million)	289 million
Governor	Rainy Day & Litigation Escrow	650 million
Governor	Operating Budget (Total: 2.2 billion)	1.8 billion
		17.45 billion

* of which 4.0 billion is in future years' appropriation

** of which 3.0 billion is in future years' appropriation

10.45 billion
this year

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH WF–STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

M E M O R A N D U M

DATE: February 5, 1981

TO: Honorable Sam Cotten
Chairman
House Finance Committee

FROM: Milt Barker, MB Fiscal Analyst
Legislative Finance Division

SUBJ: Funds Available for Appropriation

The attached Table I is a simplification of page 7 in the FY 82 Executive Budget which shows the amount of general funds available for appropriation as presented by the Governor.

However, based on the two attached legislative finance memos, the amounts in Table I could be increased as follows:

	Available for Appropriation	Cash
Table I	$6,014.1 million	$5,665.2 million
Decontrol	185.2	185.2
	$6,199.3	$5,850.4
Underestimates		
Petroleum Corporate Income Tax	596.0	596.0
Interest Income	170.5	170.5
	$6,965.8 million	$6,616.9 million

Total petroleum corporate income tax receipts through FY 82 are estimated at:

"Revenue Sources"	$2,433.0 million
Decontrol	51.1
	$2,484.1
Underestimate	596.0
	$3,080.1 million

These amounts are subject to litigation.

attachment

MB:bf

31-Q1 LH

TABLE I
GENERAL FUND BALANCES
($ MILLIONS)

	Available for Appropriation	Cash
General Fund Balance 6/30/80	$2,221.6	$1,438.7
FY 81		
Unrestricted Revenue (Net of Permanent Funds)	3,631.0	3,631.0
Appropriations	(4,793.6)[1]	(4,341.6)
Illiquid Investment		(18.0)
General Fund Balance 6/30/81	$1,059.0	$ 710.1
FY 82		
Unrestricted Revenue (Net of Permanent Funds)	$4,955.1	$4,955.1
General Fund Balance (Before 1981 Session Appropriations)	$6,014.1	$5,665.2

Footnote:
1. Certain appropriations to AHFC, AIDA, and for fish processing loan guarantees were made from illiquid assets.

PREPARED BY:
Legislative Finance Division
February 5, 1981

SENATE STATE AFFAIRS COMMITTEE HEARING

ON

1. DEPOSITS IN THE PERMANENT FUND: 2. PAYING CASH FOR CAPITAL IMPROVEMENTS

February 21, 1981

Testimony by Harold E. Pomeroy

Our future is bright if we don't spend billions and billions of dollars unproductively trying to create an artificial destiny for Alaska.

Right now we are misreading the signals.

There is popular belief that if we just do the right things we can achieve a prosperous, diversified and renewable resources economy, including renewable resource production and processing-manufacture. This means, of course, producing goods for export.

We are negligible producers of processed-manufactured goods - with few exceptions, relative to our resource production and services economy, due to far higher costs here than elsewhere - costs that cannot be cured by spending money. Where the potential for competitive position in the market is lacking, direct and indirect aid is only creating artificial viability that can last only until the money runs out.

The wrong signal is that somehow, if we just put enough money into artificial viability in the direction of diversification and renewable resource processing we can turn a liability into an asset. The result is the false assumption that taxes generated out of these areas of activity will be able to make up for less oil income in the future.

The hard fact is that there is no basis whatever for believing the aggregate of all tax revenue from all sources, other than oil production will increase the approximate 1/10 of our expenditures such revenues now pay by an appreciable amount, if at all - unless taxes are raised drastically.

Testimony, 2/21/81
Harold E. Pomeroy

Take the molybdenum mine soon to be established near Ketchikan. Though one of the largest deposits anywhere, molybdenum won't be made there; the concentrate will go Outside for processing for reasons of economy. Would we increase taxes on the plant two or three or more times in the future to make both ends meet due to less oil income?

Our future economic stability rests heavily on the reason the question has to be asked.

There will be a few individual exceptions to the revenue potential overall - plants with profits coming from huge investments and very few workers.

We can be encouraged about the future if we take the right signal from the dramatic increase in the amount of oil income from even two years ago. A Permanent Fund that generates a substantial part of future needed revenue is practical - with room also for such benefits as no personal income tax and some desirable capital improvements that are cost effective.

Our tremendous good fortune in quantity of oil money is that we can make massive early years deposits in the Permanent Fund, accumulate the interest and arrive at a total of as much as $125 billion to produce $13 billion or $14 billion in annual revenue from then on.

We should place the highest priority on action to secure as strong a financial future as possible, rather than to grab more toward a taxless society and what amounts, indirectly, to colossal price support for economic enterprise that simply isn't economically viable in the open market.

	PERMANENT FUND		BUDGET GROWTH	
	I.	II.	III.	IV.
	$2 Billion at 11% compounded	$4 Billion	$2 Billion - at 11% rate of increase	$2 Billion - at 15% rate of increase
Yrs				
5	$3.37	$6.74	$3.37	$4.02
10	$5.68	$11.36	$5.68	$8.09
15	$9.57	$19.14	$9.57	$16.27
20	$16.12	$32.29	$16.12	$32.73

I. At the end of 20 years the $16.12 would produce $1.67 billion yearly - from then on.

III. The $1.67 billion would not go very far toward funding the $16.12 billion budget. The 11% rate of increase may not be enough for inflation and population growth and would allow zero for real growth.

IV. At 15% growth, $120 billion in the Permanent Fund would produce about $13 billion in earnings revenue toward the $32.73 billion budget

February 21, 1981
Harold E Pomeroy

SB
54

FACT SHEET

PROPOSED 1981 LEGISLATION

The Department of Military Affairs has asked the Governor to introduce one bill in the 1981 Legislation.

The bill has three parts:

The first part proposes that the reimbursement of tuition and fees for members who attend an educational, vocational or training school in Alaska be extended to retired members. This proposal is designed to provide an additional incentive to stay in the Guard until retirement and reward, in a small way, those retired members who would like to continue their education. We anticipate that no more than 15 members would take advantage of this proposal each year. The average reimbursement is $125.00 per year per person, making the total cost of this proposal between 2 and 3 thousand dollars annually.

The second proposal is designed to protect the families of the lower rank enlisted members from a dramatic financial loss in the event of an extended State Duty period. It also ensures that members called to State Active Duty are covered by the Workman's Compensation Act. The fiscal impact of this proposal would be felt only in the event of a major disaster. The funding would come from the Governor's Emergency Fund.

The third part is identical to a bill submitted by the Governor last year and proposes a restructuring of the reenlistment bonus. A reenlistment bonus in the amount of $5,000 will be paid for the first 6 year reenlistment only. The payments will be $1,000 each, payable every two years. At the end of the initial reenlistment, the bonus stops. Payments would be made to the Guard members during their 6th through 12th year of total military service. This period has been determined as the "decision making" time for Guard members as to whether to stay until retirement or quit. We feel that paying this bonus during the decision years is the best possible use of a reenlistment bonus and conforms very closely to the bonus offered by the Federal Government for the active component personnel. Those members currently receiving a reenlistment bonus under AS 26.05.265 would continue to receive those bonus payments.

RICHARD ROUNDTREE
MIL AFFRS

January 12, 1981

President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to pay and benefits for members of the Alaska National Guard and Naval Militia. The bill would increase benefits for education, active service pay, workers' compensation, and the reenlistment bonus.

Section 1 of the bill would authorize a sorely-needed change in the pay for members called to active service in an emergency. Under existing law enlisted members of the National Guard in the lower pay grades and their families would suffer grave hardship if the members were called away from their regular employment to active service at very low pay. The section sets a minimum daily compensation which will help insure that a member's family will have enough money while the member is away on active service. The minimum compensation will increase with an increase in the Consumer Price Index for Anchorage, Alaska.

Sections 2 and 3 of the bill would provide for coverage of members of the National Guard under the Workers' Compensation Act while they are on active service in an emergency.

Section 5 of the bill would amend the provision which establishes the reenlistment bonus to provide for three lump sum payments of $1,000 instead of the more numerous but smaller payments provided under existing law. Those members of the National Guard who are receiving a bonus under existing law would continue to receive that bonus and would not receive the reenlistment bonus that is proposed in this bill.

Section 6 of the bill would extend the education benefits currently available to retired members. Under the current law, only active members may claim this benefit.

Sincerely,

S/JSH

Jay S. Hammond
Governor

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 54
Title An Act relating to the Alaska National Guard and Naval Militia
Requested by the Department of Military Affairs Date 06 Feb 1981

II. FISCAL DETAIL
Agency Affected Department of Military Affairs
Program Category Affected Public Protection
BRU, Program, or Subprogram(s) Affected Military Preparedness
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES	Ø	5.0	5.0	335.0	202.0	459.0
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Sections 1 - 3 have no budget impact except in the event of a disaster. This funding is received from the Governor's Emergency Fund.

Section 5 will require expenditures of $330.0 in FY 84, $197.0 in FY 85, and $454.0 in FY 86. Beginning FY 87, the expenditures will decrease each year as current (1980-81) members drawing the old bonus payment will begin to retire or leave the Guard for other reasons. As these older members retire or drop out, the new program will have completed paying 33 1/3% of the new members. Attached to this fiscal note is a break down of the payments to be paid FY 84-87.

Section 6 extends reimbursement of tuition to retired members. About 15 retired members would use this benefit. The average reimbursement is $125.00 for active members. Shown above as $5,000 each year.

IV. DATE 06 Feb 1981 PREPARED BY LTC Henry A. Compton
AGENCY Department of Military Affairs
PHONE 465-4601 - Juneau
243-0656 - Juneau

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

33-001 (Rev. 12/80

REENLISTMENT BONUS

ARMY GUARD @ 60% RETENTION

FY 82	304 ETS 182 Reups	Pay in 84 $182,000.
FY 83	175 ETS 105 Reups	Pay in 85 $105,000.

AIR GUARD @ 74% RETENTION

FY 82	200 ETS 148 Reups	Pay in 84 $148,000.
FY 83	127 ETS 92 Reups	Pay in 85 $ 92,000.

ARMY GUARD @ 60% RETENTION

FY 84	159 ETS 92 Reups	Pay in 86 $ 92,000.
FY 85	175 ETS 105 Reups	Pay in 87 $105,000.

AIR GUARD @ 74% RETENTION

FY 84	42 ETS 32 Reups	Pay in 86 $ 32,000.
FY 85	1 ETS 1 Reup	Pay in 87 $ 1,000

TOTALS PAY IN:

FY 84	$182,000. 148,000. $330,000.	Army Guard Air Guard
FY 85	$105,000. 92,000. $197,000.	Army Guard Air Guard

TOTALS PAY IN:

FY 86	$330,000. 124,000. $454,000.	(2d Pmt from 84) (1st Pmt from 84)
FY 87	$197,000. 106,000. $303,000.	(2d Pmt from 85) (1st Pmt from 85)

FACT SHEET

PROPOSED 1981 LEGISLATION

SB 54

The Department of Military Affairs has asked the Governor to introduce one bill in the 1981 Legislation.

The bill has three parts; in nine sections and is now known as SB 54.

The first three sections are designed to protect the families of lower rank enlisted members from a dramatic financial loss in the event of an extended State Duty period. It also ensures that members called to State Active Duty are covered by the Workman's Compensation Act. The fiscal impact of this proposal would be felt only in the event of a major disaster. The funding would come from the Governor's Emergency Fund.

Section 5 is identical to a bill submitted by the Governor last year and proposes a restructuring of the reenlistment bonus. A reenlistment bonus in the amount of $3,000 will be paid for the first 6 year reenlistment only. The payments will be $1,000 each, payable every two years. At the end of the initial reenlistment, the bonus stops. Payments would be made to the Guard members during their 6th through 12th year of total military service. This period has been determined as the "decision making" time for Guard members as to whether to stay until retirement or quit. We feel that paying this bonus during the decision years is the best possible use of a reenlistment bonus and conforms very closely to the bonus offered by the Federal Government for the active component personnel. Those members currently receiving a reenlistment bonus under AS 26. 05.265 would continue to receive those bonus payments.

Section 6 proposes that the reimbursement of tuition and fees for members who attend an educational, vocational or training school in Alaska be extended to retired members. This proposal is designed to provide an additional incentive to stay in the Guard until retirement and reward, in a small way, those retired members who would like to continue their education. We anticipate that no more than 15 members would take advantage of this proposal each year. The average reimbursement is $125.00 per year per person, making the total cost of this proposal between 2 and 3 thousand dollars annually.

Sections 7 through 9 are administrative in nature.

Analysis of state funded benefits the Alaska National Guard and Naval Militia now enjoy:

RETIREMENT SYSTEM

Current law passed in the last session of the legislature provides for a retirement payment of $100.00 for every month served in the Alaska National Guard or Naval Militia provided the retiree has a total of 20 years of service a minimum of five of which as a member of the guard

TUITION REIMBURSEMENT

The State of Alaska will pay an amount equal to 50% of all tuition and required fees paid by the member to schools in Alaska. The schools include all technical vocational or educational institutions. Eligibility requirements are, that the guard member attend 90% of all scheduled drills and 15 days of annual training each year. This eligibility is certified by the unit commander.

REENLISTMENT BONUS

Current statute provides that the state will pay the equivalent of 10 days base pay at the rank held upon satisfactory completion of a members initial enlistment who reenlists or extends that enlistment for any period of time. Average reenlistment bonus payment is approximately $350.00. Our proposal in SB 54 changes this to a $3,000 payment for the initial six year reenlistment after the completion of the initial contract.

VETERANS BENEFITS

Members of the Alaska National Guard and Naval Militia who have served five or more years with the Alaska National Guard or Naval Militia obtain veterans status for procurement of state loans.

NATIONAL GUARD LOSSES 1980

TOTAL LOSSES	110
DROP OUTS AT ETS	76

Of 76 lost, 52 dropped out during "Decision Making" period, or 68.4% could be saved by a larger reenlistment payment that can be used by the family group. In most cases the family makes the decision to leave or stay in the Guard.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 54
Title An Act relating to the Alaska National Guard and Naval Militia
Requested by _____ Date 6 Oct 1980

II. FISCAL DETAIL
Agency Affected Department of Military Affairs
Program Category Affected Public Protection
BRU, Program, or Subprogram(s) Affected Military Preparedness
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES	5.0	5.0	335.	202.0	459.0	308.0
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

No Additional Positions

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
Section (1) extends reimbursement of tuition to retired members. About 50 retired members would use this benefit. The average reimbursement is $75.00 for active members. This will cost $3 770 per year. Shown above as $5,000 each year.

Sections (2-5) have no budget impact except in the event of a disaster. The per day cost per person would increase from $45 to $70.00 depending on the location. This funding is received from the Governor's Emergency Fund.

Section (5) will require expenditures of $330.0 in FY 84, $197.0 in FY 85, $454.0 in FY 86 and $303.0 in FY 87. Beginning FY 88, the expenditures will decrease each year as current (1980-81) members drawing the old bonus payment will begin to retire and leave the Guard for other reasons. As these older members retire or drop out, the new program will have completed paying 33 1/3% of the new members. Attached to this fiscal note is a break down of the payments to be paid FY 84-87.

IV. DATE 06 Oct 1980 PREPARED BY For RLR LTC Hank Compton
AGENCY Department of Military Affairs
PHONE 465-4601 - Juneau
243-0656 - Anchorage

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

33-001 (Rev. 12/80

Introduced: 1/13/81
Referred: State Affairs and Finance

IN THE SENATE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

SENATE BILL NO. 54

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the Alaska National Guard and Naval Militia; and providing for an effective date."

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

* Section 1. AS 26.05.260(b) is amended to read:

(b) Members of the Alaska National Guard and Alaska Naval Militia are entitled to receive, for each day of active service under AS 26.-05.070, [COMMISSIONED AND WARRANT OFFICERS FOR STATE SERVICES ACTUALLY PERFORMED ARE ENTITLED TO RECEIVE] pay and allowances equal to those provided by federal laws and regulations for members of equivalent [COMMISSIONED AND WARRANT OFFICERS OF THE SAME] grades of the United States armed forces, however, no member will receive less than $65 per day for active service performed during the fiscal year ending June 30, 1982. For fiscal years beginning after June 30, 1982, the minimum payment of $65 shall be increased one percent for each percent increase in the consumer price index of Anchorage, Alaska, as determined by the United States Department of Labor, Bureau of Labor Statistics, not to exceed an annual increase of 10 percent. The increase, if any, takes effect not more than 30 days after the release of the consumer price index. The consumer price index which is published immediately after July 1, 1981 is the reference base index [ARMY OR AIR FORCE].

* Sec. 2. AS 26.05.260(d) is repealed and reenacted to read:

(d) A member of the Alaska National Guard or Alaska Naval Militia who, while on active service under AS 26.05.070 and lawfully performing his or her duties, including transit to and from his or her

home of record, suffers a disability is entitled to all compensation and benefits available under the Alaska Workers' Compensation Act (AS 23.-30).

* Sec. 3. AS 26.05.260(e) is repealed and reenacted to read:

(e) If a member of the Alaska National Guard or Alaska Naval Militia dies as a result of a disability suffered while on active service under AS 26.05.070 and while lawfully performing his or her duties, including transit to and from his or her home of record, death benefits shall be paid to the persons in the amounts specified in AS 23.30.215.

* Sec. 4. AS 26.05.260 is amended by adding a new subsection to read:

(h) In this section, "member" means an active commissioned or warrant officer or enlisted man or woman in the Alaska National Guard or Alaska Naval Militia.

* Sec. 5. AS 26.05.265 is amended to read:

Sec. 26.05.265. REENLISTMENT BONUS. (a) A bonus shall be paid to an enlisted [A] person who, at the time his or her enlistment is completed, reenlists or extends an enlistment in the Alaska National Guard or the Alaska Naval Militia for six years. The bonus is $3,000 payable in the amount of $1,000 at the satisfactory completion of the second year of reenlistment or extension, $1,000 at the satisfactory completion of the fourth year, and $1,000 at the satisfactory completion of the sixth year [A SUM EQUAL TO 10 DAYS OF BASIC PAY FOR EACH YEAR HE REENLISTS OR EXTENDS HIS ENLISTMENT, COMPUTED ACCORDING TO A MEMBER'S GRADE AT THE END OF EACH QUALIFYING YEAR AND PAYABLE AT THAT TIME. PAYMENT OF A BONUS IS CONTINGENT UPON THE MEMBER SATISFACTORILY PARTICIPATING IN UNIT TRAINING ACTIVITIES FOR THE YEAR FOR WHICH PAYMENT IS TO BE MADE].

(b) An enlisted person who has a break in service of more than 30 days forfeits his or her eligibility for a reenlistment bonus.

MIN. 5 yrs Service

* Sec. 6. AS 26.05.296(a) is amended to read:

(a) To the extent funds are available, the adjutant general shall authorize the payment of not more than 50 percent of the cost of tuition and required fees for each active or retired [MALE OR FEMALE] member of the Alaska National Guard or the Alaska Naval Militia who attends an educational, vocational, or technical training school in Alaska. Payments authorized under this section continue so long as the active member participates satisfactorily in unit training activities or a retired member is on the retired list and pursues the course of study in a manner acceptable to the school.

* Sec. 7. TRANSITION. AS 26.05.265 as amended in sec. 5 of this Act does not apply to persons who reenlisted or extended an enlistment in the Alaska National Guard or the Alaska Naval Militia before July 1, 1981.

* Sec. 8. AS 26.05.260(c), (f), and (g) are repealed.

* Sec. 9. This Act takes effect July 1, 1981.

ARMY GUARD @ 60% RETENTION

End of term of service

FY 82	304 ETS	Pay in 84
	182 Reups	$182,000.
FY 83	175 ETS	Pay in 85
	105 Reups	$105,000.

AIR GUARD @ 74% RETENTION

FY 82	200 ETS	Pay in 84
	148 Reups	$148,000.
FY 83	127 ETS	Pay in 85
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TOTALS PAY IN:

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	148,000.	Air Guard
	$330,000.	
FY 85	$105,000.	Army Guard
	92,000.	Air Guard
	$197,000.	

TOTALS PAY IN:

FY 86	$330,000.	(2d Pmt from 84)
	124,000.	(1st Pmt from 84)
	$454,000.	
FY 87	$197,000.	(2d Pmt from 85)
	106,000.	(1st Pmt from 85)
	$303,000.	

FACT SHEET

PROPOSED 1981 LEGISLATION

SB 54

The Department of Military Affairs has asked the Governor to introduce one bill in the 1981 Legislation.

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Section 5 is identical to a bill submitted by the Governor last year and proposes a restructuring of the reenlistment bonus. A reenlistment bonus in the amount of $3,000 will be paid for the first 6 year reenlistment only. The payments will be $1,000 each, payable every two years. At the end of the initial reenlistment, the bonus stops. Payments would be made to the Guard members during their 6th through 12th year of total military service. This period has been determined as the "decision making" time for Guard members as to whether to stay until retirement or quit. We feel that paying this bonus during the decision years is the best possible use of a reenlistment bonus and conforms very closely to the bonus offered by the Federal Government for the active component personnel. Those members currently receiving a reenlistment bonus under AS 26.05.265 would continue to receive those bonus payments.

Section 6 proposes that the reimbursement of tuition and fees for members who attend an educational, vocational or training school in Alaska be extended to retired members. This proposal is designed to provide an additional incentive to stay in the Guard until retirement and reward, in a small way, those retired members who would like to continue their education. We anticipate that no more than 15 members would take advantage of this proposal each year. The average reimbursement is $125.00 per year per person, making the total cost of this proposal between 2 and 3 thousand dollars annually.

Sections 7 through 9 are administrative in nature.

140 retirees
8% factor apply

Analysis of state funded benefits the Alaska National Guard and Naval Militia now enjoy:

RETIREMENT SYSTEM

Current law passed in the last session of the legislature provides for a retirement payment of $100.00 for every month served in the Alaska National Guard or Naval Militia provided the retiree has a total of 20 years of service a minimum of five of which as a member of the guard

TUITION REIMBURSEMENT

The State of Alaska will pay an amount equal to 50% of all tuition and required fees paid by the member to schools in Alaska. The schools include all technical vocational or educational institutions. Eligibility requirements are, that the guard member attend 90% of all scheduled drills and 15 days of annual training each year. This eligibility is certified by the unit commander.

REENLISTMENT BONUS

Current statute provides that the state will pay the equivalent of 10 days base pay at the rank held upon satisfactory completion of a members initial enlistment who reenlists or extends that enlistment for any period of time. Average reenlistment bonus payment is approximately $350.00. Our proposal in SB 54 changes this to a $3,000 payment for the initial six year reenlistment after the completion of the initial contract.

VETERANS BENEFITS

Members of the Alaska National Guard and Naval Militia who have served five or more years with the Alaska National Guard or Naval Militia obtain veterans status for procurement of state loans.

NATIONAL GUARD LOSSES 1980

TOTAL LOSSES	110
DROP OUTS AT ETS	76

Of 76 lost, 52 dropped out during "Decision Making" period, or 68.4% could be saved by a larger reenlistment payment that can be used by the family group. In most cases the family makes the decision to leave or stay in the Guard.

3-10-81

SB-54

Col Compton

① Pay

now $65/day -

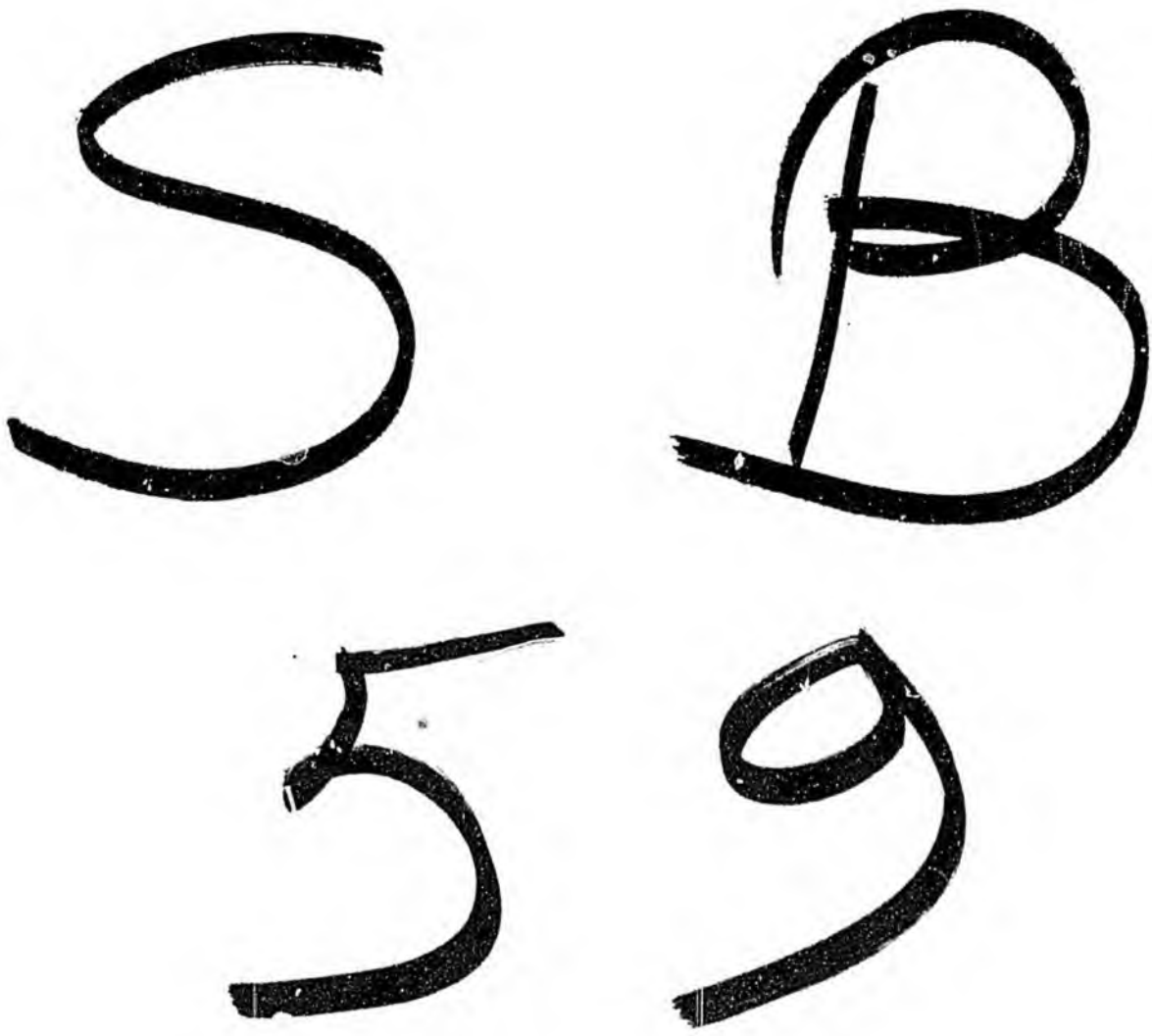
- none during last 5 ~~days~~ yrs over 3 days

- in past - up to 3 weeks - impact on family

~~Rec~~

Replacement trng - $8K

Recruit > $1,300 to replace.


SB
59

Alaska State Legislature

Senate

Committee on State Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

MEMORANDUM

DATE: 1/19/81

TO: Sen. Ray

FROM: Sen. Vic Fischer

RE: SB 59, "An Act relating to collective bargaining and providing for an effective date."

Senate Bill 59 has been referred to Senate State Affairs Committee. Please forward any information and statements of intent that would be helpful in committee analysis of the bill. My office is Room 205, Behrends Building; phone 465-4954.

Thank you.

SYNOPSIS OF SB NO. 59

Section 1: This section provides that once a collective bargaining agreement is negotiated with the administration, the agreement must be submitted to the legislature within thirty (30) days after it convenes. The monetary terms of the agreement may not take effect until approved by the legislature and the legislature may not adjourn until it either accepts or rejects the monetary terms of the agreement.

Section 2: This section provides that when a collective bargaining agreement is for more than one year, and does not provide for a wage reopener during the life of the agreement, the appropriation shall be for the entire cost of the contract during the life of the agreement. Thus the monetary package would only have to be funded once on a three-year agreement, rather than three times.

BACKGROUND INFORMATION

In 1977 the General Government Unit, represented by APEA, negotiated a three-year agreement. The first year of the agreement (1977) was funded by a supplemental appropriation, during the 1978 legislative session.

The second year of the contract (1978) provided for a five percent (5%) increase effective January 1, 1978 and the

following clause:

> Should the Consumer Price Index for Anchorage rise more than 5% during calendar year 1978, the Employer agrees that the salary schedule for year 1978, as adjusted effective January 1, 1978, shall be increased one percent for each full percentage point above five that the Consumer Price Index rises effective February 16, 1979, and shall be retroactive to the beginning of the calendar quarter in which the rise in the Anchorage Consumer Price Index exceeded five percent by a full percentage point.
>
> The salary schedule for calendar year 1979 shall be the salary schedule for year 1978, as adjusted on February 16, 1979, with the addition of 5% prepayment on the cost-of-living effective January 1, 1979. However, if the Anchorage Consumer Price Index fails to exceed 5% during calendar year 1978, the 1979 prepayment shall be reduced by each full percentage point the Consumer Price Index falls short of 5%.

During 1978 the Consumer Price Index for 1978 exceeded ten percent (10%). Thus the members of the General Government Unit were entitled to an additional five percent (5%) increase retroactive to July 1, 1978.

During the 1979 Legislative Session, a supplemental appropriation for the retroactive payment was introduced. Due to the controversy surrounding the payment and the contract, the Alaska State Senate adjourned the regular session without ever rejecting or accepting the supplemental appropriation. Also, the third year of the negotiated contract was not funded in the FY 79-80 operating budget. As a result of these events, there was a special session of the legislature in August 1979 to address the issue of negotiated salary increases.

The proposed legislation would assist in preventing situations which occurred in reference to the 1977-1979 General Government Agreement. Contracts would either be accepted or rejected by the legislature and multi-year agreements would be funded with one appropriation.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF ADMINISTRATIVE SERVICES
POUCH C – JUNEAU 99811
465-2277

March 2, 1981

Honorable Vic Fischer
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Fischer:

Re: SB59

In response to a request from your office, the following are the expiration dates of contracts with the various bargaining units:

General Government Unit	12-31-82
Supervisory Unit	12-31-82
Labor Trades & Crafts	12-31-82
Public Safety Unit	12-31-81
Confidential Employees Unit	12-31-82
Non-Licensed Ferry System Employees (IBU)	3-31-83
Masters, Mates & Pilots	3-31-83
Marine Engineers	6-30-80

Although the contract for Marine Engineers has expired, there is a letter of agreement which extends the contract on a day to day basis.

If I can answer any other questions, please call.

Sincerely,

Judy

Judy Crondahl
Director

JC/bc
cc: Sandra Withers
Director
Division of Labor Relations
Department of Administration

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K–STATE CAPITOL
JUNEAU, ALASKA 99811
465-3600

March 5, 1981

Hon. Vic Fischer
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: SB 59, collective bargaining
Our file: J-66-529-81

Dear Senator Fischer:

Reference is made to your letter dated February 2, 1981, inquiring about the constitutionality of SB 59. A copy of the bill is attached. Because of the novel approach taken by that bill to the problem of multi-year public sector collective bargaining agreements, we cannot opine with any great certainty the outcome of a legal confrontation. We attempt only to point out a number of serious questions.

Section 1 of SB 59 would forbid adjournment until the legislature has voted to accept or reject the monetary terms of a collective bargaining agreement; the matter could not be left unresolved.

We believe that section 1 of SB 59 may violate the separation of powers doctrine as well as sections 1, 10, and 12 of article II of the Alaska Constitution. These breaches might occur because the section cedes to the governor a larger measure of control over adjournment than the constitution otherwise provides. Should the legislature later decide to repeal this bill and adjourn without voting on a pay raise, the governor might block or delay adjournment by vetoing the bill or declining to sign it. This measure of executive control over legislative procedure is constitutionally suspect. See Bradner v. Hammond, 553 P.2d 1, 5, n. 8 (Alaska 1976).

We also note the very substantial problem of enforcement. It would be difficult indeed for the executive or judicial branches to force the legislature to vote on a particular bill. What if the houses could not agree on a resolution? Theoretically, there might be a remedy, but at what cost to the governmental fabric?

Section 2 of the bill appears to do two things:

first, it purports to command the legislature to appropriate money to fund all years of a multi-year collective bargaining agreement; second, it attempts to forbid repeal or reduction of that appropriation in the successive years of the agreement. We believe that these features run afoul of a well-established rule that a legislature cannot bind its successor legislatures. This rule has been applied in the appropriation context. In Re Advisory Opinion to the Senate, 275 A.2d 256, 257-258 (R.I. 1971); Baczensky v. Hose, 253 N.Y.S.2d 32, 35-36 (Sp. Term. 1964); Opinion of the Justices, 32 N.E.2d 298, 306 (Mass. 1941); Commonwealth v. Barker, 61 A. 253, 254 (Pa. 1905); McQuillan on Municipal Corporations § 39.66. See Orbison v. Welsh, 179 N.E.2d 727, 736 (Ind. 1962). Cf., State v. Lewis, 559 P.2d 630, 643 (Alaska 1977); Morris v. Williams, 433 P.2d 697, 708 (Cal. 1967). One court has declared that an appropriation may be repealed even if its recipient has entered into contracts in reliance thereon; the aggrieved contractor is left to sue or seek legislative relief. State v. Donald, 157 N.W. 782, 783 (Wis. 1916).

These cases may not be dispositive of the question, for they present a chicken and egg dilemma: does SB 59 undercut the rule of these cases, or do the cases condition the binding force of SB 59? We believe that the serious shadows cast by the cases should incline you to view section 2 of SB 59 with much suspicion.

If we may be of further assistance, please let us know.

Sincerely yours,

WILSON L. CONDON
ATTORNEY GENERAL

By: Thomas M. Jahnke
Thomas M. Jahnke
Assistant Attorney General

TMJ/pjg

Enc.

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

JAY S. HAMMOND, GOVERNOR

DIVISION OF ADMINISTRATIVE SERVICES
POUCH C – JUNEAU 99811
465-2277

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STATE OF ALASKA

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DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

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JUNEAU, ALASKA 99811
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We believe that section 1 of SB 59 may violate the separation of powers doctrine as well as sections 1, 10, and 12 of article II of the Alaska Constitution. These breaches might occur because the section cedes to the governor a larger measure of control over adjournment than the constitution otherwise provides. Should the legislature later decide to repeal this bill and adjourn without voting on a pay raise, the governor might block or delay adjournment by vetoing the bill or declining to sign it. This measure of executive control over legislative procedure is constitutionally suspect. See Bradner v. Hammond, 553 P.2d 1, 5, n. 8 (Alaska 1976).

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If we may be of further assistance, please let us know.

Sincerely yours,

WILSON L. CONDON
ATTORNEY GENERAL

By: Thomas M. Jahnke
Thomas M. Jahnke
Assistant Attorney General

TMJ/pjg

Enc.

SB
60

Quick review of other states benefit formulas.

State	Percentage or other	Salary basis	Years of Service
California.	2% ×	Final compensation ×	Years credited servic
Oregon	1% ×	✓ ✓ ×	First 10 yrs
✓	1.1% ×	✓ ✓ ×	Second 10 yrs
✓	1.3% ×	✓ ✓ ×	Third 10 yrs.
Alabama	2.0125% ×	✓ ✓ ×	Years of service
Kansas	2.0% ×	✓ ✓ ×	Years of service
New York State	Either 50% ×	✓ ✓	Based on 30 yrs servic
	↓ or 1/50 (2%) ×	✓ ✓	Years of service.
Utah	2.0% ×	✓ ✓	Years of service.

SURVEY OF OTHER STATES PROVISIONS FOR COST OF LIVING ADJUSTMENTS.

(PRPA)

STATE	REMARKS
ILLINOIS	POST RETIREMENT INCREASES OF 3% GRANTED EACH. JAN 1.
K[illegible]	[illegible] PROVISION FOR CO[illegible]
UTAH	COST OF LIVING IS 4% OF ORIGINAL RETIREMENT ALLOWANCE ANNUALLY.
CALIFORNIA	3% COMPOUNDED ANNUALLY.
NEW YORK STATE	4.1% POST RETIREMENT SUPPLEMENT WAS PAID IN FISCAL 79.

PRESENTLY There are 2 Retirement Adjustment systems enacted by Statute.

1. COST OF LIVING ALLOWANCE A retired Teacher whose permanent residence is in Alaska subsequent to retirement, or whose absence does not exceed 60 days, is entitled to recieve a cost of living allowance of 10 % of his retirement benefit. (in addition to this retirement)

A retired public employee who remains in Alaska is elligible for a cost of living allowance equal to 10% of his retirement benefit, or $50 a month, whichever is greater.

2. POST RETIREMENT PENSION ADJUSTMENT The commisioner of administration may recommend post-retirement increases, on account of increasing cost of living up to 4% per year. This Pension adjustment covers both TRS and PERS.

The commissioner of Administration recommended these increases for the years 1969-1977:

1969- 1½%
1970- 1½%
1971- 1½%
1972- none
1973- 2½%
1974- 3%
1975- none
1976- none
1977- none

} 10%

In 1978 the commissioner retroactively granted a 4% increase for each year since 1969. This was off-set by any previously granted pension adjustments. 4% increases were also granted for 1979 and 1980. The increase in benefits over this 12 year period was 48% while the total increase in the Anchorage CPI was 131.20%

PRESENT CONTRIBUTION RATES TO THE TRS:

The cost of the retirement system TRS is represented by a percentage of pay; presently

7% is contributed by employee from his pay
8.42% is contributed by the school district
8.42% is contributed by the State
Total: 23.84%

Alaska State Legislature

Senate

Committee on Labor & Commerce

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

SUMMARY SB 60

Upon determination by the administrator of TRS or PERS that there has been an increase in the cost of living (Anch CPI), then the administrators shall increase retirement benefits. TRS and PERS retirement increase will be the same as the Anchorage CPI percentage increase.

By aligning TRS and PERS retirement systems with the Anch CPI the following Fiscal Impacts would occur:

FISCAL IMPACTS:

PERS Increases:	FY 82:	$89,340,100.00
	FY 83:	$98,274,200.00
	FY 84:	$108,101,600.00
	FY 85:	$118,911,700.00
	FY 86:	$130,802,900.00
TRS Increases:	FY 82:	$75,452,300.00
	FY 83:	$82,997,500.00
	FY 84:	$91,297,200.00
	FY 85:	$100,426,900.00
	FY 86:	$110,469,600.00

TOTAL PERS Payroll: FY 82: $296,614,000.00

TOTAL TRS Payroll : FY 82: $261,775,000.00

The assumed 10% annual increase reflected in the Fiscal Note relates to salary increases through union negotiations, annual merit increases, and longevity and promotional increases.

ATTACHMENT

Bill/Resolution No. SB 60

ASSUMPTIONS:

1. Estimated FY 82 Payroll (Total System) = $261,775,000
2. State Contribution Rate to Fund Bill = 24.41%
3. State TRS Matching Rate to Fund Bill = 24.41%
4. School District Rate to Fund Bill = 24.41%

COST ANALYSIS:

Employer	Payroll		Rate	Cost	Appropriation
1. Department of Education	$ 4,712,000	X	24.41%	$ 1,150.2	To Their Budget
2. University of Alaska	$ 42,617,000	X	24.41%	$10,402.8	To Their Budget
				$11,553.0	
3. State TRS Matching	$261,775,000	X	24.41%	$63,899.3	To TRS Match
4. State TRS Regular Budget:					
Personal Services				$ -0-	To Personal
Travel				$ -0-	To Travel
Contractual				$ -0-	To Contractual
Commodities				$ -0-	To Commodities
Equipment				$ -0-	To Equipment
COST TO STATE IN FY 82				$75,452.3	
5. All School Districts	$214,446,000	X	24.41%	$ 52,346.3	
TOTAL COST IN FY 82				$127,798.6	

REMARKS:

II. FISCAL DETAIL

Agency Affected: Administration - Division of Retirement and Benefits

Program Category Affected: Labor Services

BRU, Program, or Subprogram(s) Affected: 02-96-8-01-01-01 (PERS)

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS		89,340.1	98,274.2	108,101.6	118,911.7	130,802.
TOTAL		89,340.1	98,274.2	108,101.6	118,911.7	130,802.

FUNDING (Thousands of Dollars)

GENERAL FUND		73,169.6	80,486.6	88,535.3	97,388.7	107,227.
FEDERAL FUNDS		4,109.6	4,520.6	4,972.7	5,469.9	6,016.
VETERAN'S FUND		178.7	196.5	216.2	237.8	261.
FISH & GAME FUND		536.0	589.6	648.6	713.5	784.
HIGHWAY FUND		1,161.4	1,277.6	1,405.3	1,545.9	1,700.
AIRPORT FUND		2,590.9	2,850.0	3,134.9	3,448.4	3,793.
CAPITAL FUND		7,593.9	8,353.3	9,188.6	10,107.5	11,118.
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. Estimate FY 82 covered State PERS payroll to be $296,614,000.
2. Increase in State contribution rate would be 30.12% of covered State PERS payroll
3. Estimate future State PERS payroll to increase 10% annually.
4. Estimate long-term inflation rate of 7.5%.
5. The cost to political subdivision is estimated to be $76.7 million in FY 82 increasing at 10% each year thereafter.

IV. DATE 2/23/81 PREPARED BY Paul B. Arnoldt, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Senator Ray

Office of the Governor (Keith Specking)

SYNOPSIS OF SENATE BILL NO. 60

SECTIONS 1 and 3

Upon determination by either the administrator of the Teachers Retirement System or the Public Employees Retirement System, that there has been an increase in the cost-of-living, based upon the Anchorage CPI, then the administrators shall accordingly increase retirement benefit payments.

SECTIONS 2 and 4

The TRS and PERS retirement benefit increase will be the same as the Anchorage CPI percentage increase.

Background Information

Under the current Alaska Statute, when the Commissioner of Administration determines that the cost-of-living has increased and he also determines that there is adequate money in the retirement fund - then he may recommend an increase in the pension payments to the Retirement Board. That increase, if recommended, cannot exceed 4 percent per year and would be effective on the first of January.

Obviously, the methodology to obtain cost-of-living retirement benefit increases for public employees is discretionary and ill-defined. The proposed legislation would tie retirement benefit increases to the Anchorage

CPI increases. These increases would be mandatory and predictable, rather than permissive and desultory.

The following information clearly underscores the need for mandatory increases:

The Commissioner of Administration recommended these increases for the years 1969-1977.

1969 - 1½ percent

1970 - 1½ percent

1971 - 1½ percent

1972 - none

1973 - 2½ percent

1974 - 3 percent

1975 - none

1976 - none

1977 - none

Total increase from 1969 - 1977 was only 10 percent.

In the 1978 election year, the Commissioner retroactively granted a 4 percent increase, for each year since 1969. This was offset by any previously granted pension adjustment. 4 percent adjustments were also granted in 1979 and 1980. Although it would appear benevolent and that the forgotten years were remembered and recompensed - the facts belie the inference because:

The total increase in benefits over this 12-year period was 48 percent. The total increase in the Anchorage CPI over this 12-year period was 131.20 percent.

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 60

Title An Act Requiring Annual Adjustments Under The TRS And PERS

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits

Program Category Affected Labor Services

BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 (PERS)

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

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	STATE TRS MATCHING						
100	BENEFITS		89,340.1	98,274.2	108,101.6	118,911.7	130,802.9
	TOTAL		89,340.1	98,274.2	108,101.6	118,911.7	130,802.9

FUNDING (Thousands of Dollars)

GENERAL FUND		73,169.6	80,486.6	88,535.3	97,388.7	107,127.7
FEDERAL FUNDS		4,109.6	4,520.6	4,972.7	5,469.9	6,016.9
VETERAN'S FUND		178.7	196.5	216.2	237.8	261.6
FISH & GAME FUND		536.0	589.6	648.6	713.5	784.8
HIGHWAY FUND		1,161.4	1,277.6	1,405.3	1,545.9	1,700.4
AIRPORT FUND		2,590.9	2,850.0	3,134.9	3,448.4	3,793.3
CAPITAL FUND		7,593.9	8,353.3	9,188.6	10,107.5	11,118.2
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. Estimate FY 82 covered State PERS payroll to be $296,614,000.
2. Increase in State contribution rate would be 30.12% of covered State PERS payroll.
3. Estimate future State PERS payroll to increase 10% annually.
4. Estimate long-term inflation rate of 7.1%.
5. The cost to political subdivision is estimated to be $76.7 million in FY 82 increasing at 10% each year thereafter.

Paul B. Arnoldt

IV. DATE 2/23/81 PREPARED BY Paul B. Arnoldt, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Senator Ray

Office of the Governor (Keith Specking)

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 60

Title An Act Requiring Annual Adjustments Under the TRS and PERS.

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits

Program Category Affected Labor Services and Elementary & Secondary Education

BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-02 (TRS) 02-11-8-02-01-00 (TRS MATCH)

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

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	STATE TRS MATCHING		63,899.3	70,289.2	77,318.1	85,049.9	93,554.9
100	BENEFITS		11,553.0	12,708.3	13,979.1	15,377.0	16,914.7
	TOTAL		75,452.3	82,997.5	91,297.2	100,426.9	110,469.6

FUNDING (Thousands of Dollars)

GENERAL FUND		75,452.3	82,997.5	91,297.2	100,426.9	110,469.6
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. Estimate long-term inflation rate of 7.5%.

2. An automatic PRPA with no ceiling will increase the contribution rate by 48.82% of covered TRS payroll (the TRS contribution rate is split 50/50 between the State matching contribution and the district contribution).

3. Estimate FY 82 TRS covered payroll @ $261,775,000.

4. Estimate the TRS covered payroll will increase at 10% annually.

Paul B. Arnoldt

IV. DATE 2/23/81 PREPARED BY Paul B. Arnoldt, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Senator Ray

Office of the Governor (Keith Specking)

ATTACHMENT

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ASSUMPTIONS:

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4. School District Rate to Fund Bill = 24.41%

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					$11,553.0	
3.	State TRS Matching	$261,775,000	X	24.41%	$63,899.3	To TRS Match
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	Personal Services				$ -0-	To Personal
	Travel				$ -0-	To Travel
	Contractual				$ -0-	To Contractual
	Commodities				$ -0-	To Commodities
	Equipment				$ -0-	To Equipment
	COST TO STATE IN FY 82				$75,452.3	
5.	All School Districts	$214,446,000	X	24.41%	$ 52,346.3	
	TOTAL COST IN FY 82				$127,798.6	

REMARKS:

SB

61

Synopsis Senate Bill No. 61

Section 1

This would increase the retirement benefit calculation formula from 2 percent to 2.5 percent in the Peace Officers Retirement system, for the first ten years of service. For service over ten years, it would increase from 2.5 percent to 3 percent. In the Public Employee Retirement System, the retirement benefit calculation formula would be increased from 2 percent to 2.5 percent.

Section 2

The retirement benefit formula is:

Percentage X years of service X average final salary for highest 3 years = retirement benefit.

This applies the increase percentages to the retirement benefit calculation formula.

Background Material

Cost-of-living in Alaska is the highest in the nation, yet some states, such as Colorado, Louisiana, Massachusetts and Nevada are using the 2.5 percent retirement benefit calculation formula in the public employment retirement systems. The 1/2 percent increase, will, of course, only partially negate the cost-of-living increase. However, it could prove to be an incentive for employees to view their

jobs as long-term careers and thus decrease the rapid employee turnover that has historically been a state administration problem. In addition, those retired employees who are forced to leave the state for economic reasons, could remain in Alaska after retirement. This would be in keeping with the state's consistent concern and provision for its Alaskan senior citizens.

Alaska State Legislature

Senate

Committee on Labor & Commerce

Pouch V
State Capitol
Juneau, Alaska 9981

Official Business

SUMMARY SB 61 by Ray

SEC. 1: Increase in retirement benefit calculation for the Peace Officers Retirement System. Increase from 2 to 2½ percent for first 10 years service; Increase from 2½ to 3 percent for service over 10 years. In the PERS, benefit calculation would increase from 2 to 2½ percent.

SEC. 2: Retirement benefit formula: Percentage X years of service X average final salary for highest 3 years= benefit amount.

RESEARCH: SB 61 would require 3 additional staff for 6 months to re-calculate benefits for 2,650 persons who are recieving benefits under PERS.

The cost to the State will be $15.8 million (FY82), and it will cost our political sub-divisions $13.5 million. Dept of Administration projects the cost to increase by at least 10% per year thereafter.

FISCAL IMPACTS

FY 82: $15,814,800.00
FY 83: $17,357,900.00
FY 84: $19,093,600.00
FY85: $21,003,000.00
FY 86: $23,103,300.00

FISCAL IMPACTS ON POLITICAL SUB-DIVISIONS:

FY 82: $13,500,000.00
FY 83: $14,850,000.00
FY 84: $15,335,000.00
FY 85: $15,868,500.00
FY 86: $17,445,000.00

RETIREMENT BENEFIT CALCULATION FORMULA:

(%)X (years of service)X(Avg. final salary-3highest years)= Benefit Amount

PROPOSED INCREASES:

Peace Officer Retirement System:

First 10 Years Service: Presently 2%; Increase to 2½%

Service over 10 Years: Presently 2½%; Increase to 3%

Public Employees Retirement System:

Presently 2%; Increase to 2½%

Additional Fiscal Impact:

SB 61 Requires 3 additional Staff for 6 months to recalculate retirement benefits for the 2,650 people recieving benefits under PERS. Each of the 3 benefit technicians would be paid $11,648.00 for their 6 month contract. Total of Labor $34,941.00.

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 61

Title An Act Adjusting Retirement Benefits For Public Employees

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits

Program Category Affected Labor Services

BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 (PERS)

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

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES		34.3				
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES		0.6				
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	STATE TRS MATCHING						
100	BENEFITS		15,779.9	17,357.9	19,093.6	21,003.0	23,103.
	TOTAL	-0-	15,814.8	17,357.9	19,093.6	21,003.0	23,103.

FUNDING (Thousands of Dollars)

GENERAL FUND		12,923.7	14,216.1	15,637.6	17,201.5	18,921.
FEDERAL FUNDS		725.9	798.5	878.3	966.1	1,062.
VETERAN'S FUND		31.6	34.7	38.2	42.0	46.
FISH & GAME FUND		94.7	104.1	114.6	126.0	138.
HIGHWAY FUND		205.1	225.7	248.2	273.0	300.
AIRPORT FUND		457.6	503.4	553.7	609.1	670.
CAPITAL FUND		1,341.3	1,475.4	1,623.0	1,785.3	1,963.
PERS		34.9				
TRS						

POSITIONS 3 employees for 6 months

FULL TIME						
PART TIME						
TEMPORARY		18 mos				

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

1. This bill provides increased benefits to active and retired PERS members. It does not provide increases for existing deferred (inactive) PERS members.

2. It is estimated that 70% of the existing deferred PERS members will return to covered PERS employment and qualify for the increased benefits.

3. The increased benefit formulas affect both future and past credited service.

4. The increase in State contribution rate would be 5.32% of covered State payroll (FY82 = $296,614,000) increasing at 10% annually.

5. The cost to political subdivisions is estimated to be $13.5 million in FY82 increasing at 10% each year thereafter.

IV. DATE 2/20/81

PREPARED BY Paul B. Arnoldt, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Senator Ray

	POSITION TITLE				RANGE/STEP	BARG. UNIT	LOCATION			
1	Retirement & Benefits Technician				12A	G	Juneau			
	TYPE OF POSITION	STAFF MONTHS	RP No.	PCN No.	PRIORITY		FORM 12 PAGE/LINE			
2	Project	6								

	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES: SALARY $1,761/Month	$10,566	
5	BENEFITS 2.21%	234	
6	MEA SBS 6.13%	648	
7	HEALTH INS.		
8	TOTAL PERSONAL SERVICES 01		$11,448
9	TRAVEL 02		
10	CONTRACTUAL 03		
11	COMMODITIES 04		$ 200
12	EQUIPMENT 05		
13	OTHER		
14	TOTAL COST		$11,648

	CODE	FUNDING SOURCE	
16		FED RCPTS. 1002	
18		GF MATCH. 1003	
17		GEN. FUND 1004	
19		I-A RCPTS 1005	
		PGM RCPTS 1020	
20		OTHER PERS	$11,648
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

AA KEY NUMBER [illegible] COLUMN NO. [illegible]

JUSTIFICATION:

Three (3) Project employees for six (6) months to recalculate the benefits for approximately 2,650 people wh are receiving benefits from the PERS. (This estimate is based upon the actual time required to calculate the $25 minimum benefit for approximately 1,016 individuals-- Chapter 146 SLA 1980.)

AGENCY Administration PROGRAM Labor Services

BRU Retirement & Benefits

COMPONENT PERS

13 REQUEST FOR NEW POSITION

FY 82

	POSITION TITLE			RANGE/STEP	BARG. UNIT	LOCATION
1	Retirement & Benefits Technician			12A	G	Juneau
	TYPE OF POSITION	STAFF MONTHS	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE
2	Project	6				

	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES: SALARY $1,761/Month	$10,566	
5	BENEFITS 2.21%	234	
6	MEDICARE 6.13%	648	
	HEALTH INS.		
8	TOTAL PERSONAL SERVICES	01	$11,448
9	TRAVEL	02	
10	CONTRACTUAL	03	
11	COMMODITIES	04	$ 200
12	EQUIPMENT	05	
13	OTHER		
14	TOTAL COST		$11,648

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	
19		I-A RCPTS. 1005	
		PGM RCPTS 1028	
20		OTHER PERS	$11,648
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

AA KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

Three (3) Project employees for six (6) months to recalculate the benefits for approximately 2,650 people who are receiving benefits from the PERS. (This estimate is based upon the actual time required to calculate the $25 minimum benefit for approximately 1,016 individuals--Chapter 146 SLA 1980.)

AGENCY Administration PROGRAM Labor Services

BRU Retirement & Benefits

COMPONENT PERS

13 REQUEST FOR NEW POSITION

REVISED

FY 82

1	POSITION TITLE: Retirement & Benefits Technician				RANGE/STEP: 12A	BARG. UNIT: G	LOCATION: Juneau	GOV. / APPROV. / DIS
2	TYPE OF POSITION: Project	STAFF MONTHS: 6	RP No.	PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG.

3	TYPE OF EXPENDITURE			AMOUNT
	1		2	3
4	PERSONAL SERVICES: SALARY	$1,761/Month	$10,566	
5	BENEFITS	2.21%	234	
6	VCA SBS	6.13%	648	
7	HEALTH INS.			
8	TOTAL PERSONAL SERVICES		01	$11,448
9	TRAVEL		02	
10	CONTRACTUAL		03	
11	COMMODITIES		04	$ 200
12	EQUIPMENT		05	
13	OTHER			
14	TOTAL COST			$11,648

	CODE	FUNDING SOURCE	
15		FED RCPTS 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER PERS	$11,648
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

4A KEY NUMBER ..... COLUMN NO. .....

JUSTIFICATION:

Three (3) Project employees for six (6) months to recalculate the benefits for approximately 2,650 people wh are receiving benefits from the PERS. (This estimate is based upon the actual time required to calculate the $25 minimum benefit for approximately 1,016 individuals--Chapter 146 SLA 1980.)

AGENCY Administration

PROGRAM Labor Services

BRU Retirement & Benefits

COMPONENT PERS

13 REQUEST FOR NEW POSITION

REVISED

FY 82

SB
62

SYNOPSIS OF SENATE BILL NO. 62

SECTION 1

A terminated employee who is re-employed within three years of termination, would be allowed to reinstate his/her banked medical leave.

SECTION 2

Section (a) An employee, upon retirement, shall receive retirement service credit for all accrued medical leave, at the same rate of pay as his salary upon retirement.

Section (b) A vested employee (5 years of service), upon termination for reasons other than retirement, shall receive retirement service credit for all accrued medical leave.

SECTION 3

An employee, upon retirement, may elect to receive retirement service credit for accrued medical leave.

BACKGROUND MATERIAL

SECTION 1 applies only to those employees not represented by a collective bargaining agreement. A personal leave system covers these employees. At the time of conversion from the annual leave system to the personal leave system 60 percent of the employee's accrued medical leave was banked for his/her use in the event of a serious illness. Banked medical leave can only be used if the employee does not have accrued personal leave and he/she has a medical disability exceeding 10

consecutive working days or a medical disability exceeding 30 consecutive working days.

SECTION 2 is a non-negotiable item as the AG's office maintains that retirement is a non-negotiable item and may only be addressed by the legislature.

APEA's interest in this bill is a two-fold one that would prove beneficial to the state, as well as the employee:

1. Many employees retire with hundreds of hours of accrued medical leave left on the books to their credit. It is manifest then that the employee has been conscientious in the usage of medical leave. When this type of employee retires, he/she has garnered a working record of high productivity. It follows that productivity would increase and absenteeism would decrease if all employees received retirement service credit for accrued medical leave. Additionally, it would certainly serve as a retirement incentive goal to accrue as many medical leave hours as possible.
2. Under the present system, there exists a real temptation for some employees close to retirement, to abuse the use of medical leave. Passage of this bill would eliminate all possibility of this eventuality.

I: REQUEST

Bill/Resolution No. Senate Bill No. 62

Title An Act Relating to Medical and Personal Leave

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits

Program Category Affected Labor Services

BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 (PERS)

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		28.3	30.0	31.8	33.8	35.9
200 TRAVEL						
300 CONTRACTUAL		22.7				
400 COMMODITIES		0.2	0.2	0.2	0.2	0.2
500 EQUIPMENT		1.8				
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS		796.4	876.0	963.6	1,060.0	1,166.0
TOTAL	-0-	849.4	906.2	995.6	1,094.0	1,202.0

FUNDING (Thousands of Dollars)

GENERAL FUND		652.2	717.3	789.3	868.1	955.0
FEDERAL FUNDS		36.6	40.3	44.3	48.8	53.6
VETERAN'S FUND		1.6	1.8	1.9	2.1	2.3
FISH & GAME FUND		4.8	5.3	5.8	6.4	7.0
HIGHWAY FUND		10.4	11.4	12.5	13.8	15.2
AIRPORT FUND		23.1	25.4	27.9	30.7	33.8
CAPITAL FUND		67.7	74.5	81.9	90.1	99.1
PERS		53.0	30.2	32.0	34.0	36.0
TRS						

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

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

1. Assumes current retirees will not be affected by this bill.
2. Estimate that the average State employee will receive an additional 4.7 days (unused medical leave) of service credit for each year of employment under PERS.
3. Estimate that 82% of State employees are covered under medical/annual leave and the remaining 18% are covered under personal leave.
4. Estimate FY 82 State covered payroll to be $296,614,000; increasing 10% annually.
5. Increase in State contribution rate would be .2685% of covered payroll.
6. Estimate Personal Services to increase at 6% per year.
7. Estimate costs for data processing system modifications (one time only) to be $20.0.
8. The costs to political subdivisions is estimated to be $683.8 in FY 82 increasing at 10% each year thereafter.

Paul B. Arnoldt

IV. DATE 2/25/81 PREPARED BY Paul B. Arnoldt, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Senator Ray

Office of the Governor (Keith Specking)

	POSITION TITLE			RANGE/STEP	BARG. UNIT.	LOCATION		APPROV.	DISAP.
1	Retirement & Benefits Technician			12/B	G	Juneau	GOV.		
	TYPE OF POSITION	STAFF MONTHS	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE			
2	PFT	12					LEG.		

	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES: SALARY $1,814/month	$21,768	
5	BENEFITS 15.79%	3,437	
6	SBS 6.13%	1,334	
7	HEALTH INS $150/month	1,800	
8	TOTAL PERSONAL SERVICES		$28,339
9	TRAVEL		
10	CONTRACTUAL Lease Space Costs		2,700
11	COMMODITIES		200
12	EQUIPMENT		1,800
13	OTHER		
14	TOTAL COST		$33,039

	CODE	FUNDING SOURCE	
15		FED RCPTS	
16		GF MATCH	
17		GEN. FUND	
18		I-A RCPTS	
19		PGM RCPTS	
20		OTHER PERS	$33,039
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

This employee will be responsible for verifying and recording the additional credited service granted for unused sick leave, for calculating the additional benefit, and for handling correspondence.

It is estimated that approximately 30% or 9,600 member of the entire current PERS membership will ultimately retire and will require crediting of unused sick leave under this bill.

AGENCY Administration PROGRAM Labor Services

BRU Retirement & Benefits

COMPONENT PERS

13 REQUEST FOR NEW POSITION.

SB 62

REVISED DATE _____

FY 82

SB
63

Synopsis Senate Bill No. 63

Section 1

(3) A terminated employee is eligible for a normal retirement benefit with at least 20 years of special credited service.

Section 2

An employee may contribute to his/her employee contribution account a percentage of his/her compensation towards a 20-year special credited service retirement plan. The administrator will determine the compensation percentage to be contributed by the employee. The employee may terminate his participation in special credit service at any time and the amount contributed will be treated as a voluntary contribution.

Background Material

This provides the 30-year employee with an option of 20-year retirement, under a special credited service plan, whereby he/she, in addition to regular retirement contributions, may contribute to the special account, an amount determined by the administrator.

I. REQUEST

Bill/Resolution No. Senate Bill No. 63

Title An Act creating a 20-year retirement option for Public Employees

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits

Program Category Affected Labor Services

BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 (PERS)

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

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES		39.8	30.0	31.8	33.8	35.8
200	TRAVEL						
300	CONTRACTUAL		52.7				
400	COMMODITIES		0.4	0.2	0.2	0.2	0.2
500	EQUIPMENT		1.8				
600	LAND & STRUCTURES						
700	STATE TRS MATCHING						
800	BENEFITS						
	TOTAL	-0-	94.7	30.2	32.0	34.0	36.0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS		94.7	30.2	32.0	34.0	36.0
TRS						

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY		6 mo.				

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

1. Estimate that approximately 10,000 members could potentially qualify for benefits under this bill.

2. The cost to modify our new Data Processing System to provide for contributions and indebtedness payments for the Special Credited Service is estimated to be approximately $50,000.

3. The cost of the benefits provided under this bill would be paid by the members' contributions to the Special Credited Service Account.

4. One project employee (6 months) to initialize the program and one full-time employee to maintain the program will be required.

5. Personal Services for the full-time employee increase at 6% per annum.

Paul B. Arnoldt pc

IV. DATE 2/24/81 PREPARED BY Paul B. Arnoldt, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Senator Ray

Office of the Governor (Keith Specking)

	POSITION TITLE			RANGE/STEP	BARG. UNIT.	LOCATION		APPROV.	DISAPP.
1	Retirement & Benefits Technician			12/B	G	Juneau	GOV		
	TYPE OF POSITION	STAFF MONTHS	RP No. / PCN No.	PRIORITY		FORM 12 PAGE/LINE			
2	PFT	12					LEG		

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
	PERSONAL SERVICES:		
4	SALARY $1,814/month	$21,768	
5	BENEFITS 15.79%	3,437	
6	SBS 6.13%	1,334	
7	HEALTH INS. $150/month	1,800	
8	TOTAL PERSONAL SERVICES 01		$28,339
9	TRAVEL 02		
10	CONTRACTUAL LEASE SPACE COSTS		2,700
11	COMMODITIES 04		200
12	EQUIPMENT 05		1,800
13	OTHER		
14	TOTAL COST		$33,039

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	
18		I-A RCPTS. 1005	
19		PGM RCPTS 1037	
20		OTHER PERS	$33,039
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

AA KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

This employee will be responsible for implementing the Special Credited Service program. This will involve ensuring that the data processing programs are established for record keeping, that past service indebtednesses are calculated, that future service contribution rates for individuals are established, and that members are informed and counceled regarding the Special Credited Service program.

AGENCY Administration PROGRAM Labor Services

BRU Retirement and Benefits

COMPONENT PERS

13 REQUEST FOR NEW POSITION

FY 82

REVISED DATE _____

SB 63

1	POSITION TITLE: Retirement & Benefits Technician			RANGE/STEP: 12/A	BARG. UNIT: G	LOCATION: Juneau	GOV	APPROV	DISAPP
2	TYPE OF POSITION: Project	STAFF MONTHS: 6	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG		

	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES: SALARY $1,761/month	$10,566	
5	BENEFITS 2.10%	222	
6	SBS 6.13%	648	
7	HEALTH INS.		
8	TOTAL PERSONAL SERVICES 01		$11,436
9	TRAVEL 02		
10	CONTRACTUAL 03		
11	COMMODITIES 04		200
12	EQUIPMENT 05		
13	OTHER		
14	TOTAL COST		$11,636

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	
18		I-A RCPTS. 1007	
19		PGM RCPTS 1028	
20		OTHER PERS	$11,636
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

This employee will assist the full-time Retirement and Benefit Technician during the initial 6 months while this program is being implemented.

The employee will assist in answering questions regarding the Special Credited Services benefit, will calculate indebtednesses for past service eligible for credit under the Special Credited Services Account, and will establish the contribution rate for future service for individual members.

AGENCY Administration PROGRAM Labor Services

BRU Retirement & Benefits

COMPONENT PERS

13 REQUEST FOR NEW POSITION

REVISED DATE _____

FY 82

SB 63

SB

66

Box 203
Petersburg, Ak 99833
April 23, 1981

The Honorable Jay Hammond
Governor, State of Alaska
Juneau, Ak 99801

Dear Governor Hammond:

As a voter registrar for the past several years, it is with regret that I will no longer be able to perform this service. I just get too upset and frustrated! If you politicians could see the abuses that go along with voter registration so that people are eligible for the "free stuff" that you are proposing, perhaps you would think before devising more ways to give cash, permanent fund dividends, etc. away. I must stress that the Election Office is doing an excellent job and all they are empowered to do under the present laws.

There is no way that proof of residency can be enforced! I see many summer people coming up here from the Lower 48 and the first stop is to register to vote - not to vote, but to get in line for the cash gifts that are proposed and that are read about in the media. I see many people that make their living here and go back to their homes down south after the season, but feel they are entitled to the cash ... if the State wants to give the money away. This money will not be spent in Alaska. Perhaps being in a small town knowing most of the people puts us in a unique position of seeing what is happening. In larger cities the registrar would not be aware of this.

Think of our image in the lower 48! Other states feel that we are so wealthy that we can reduce and/or eliminate taxes, while raising the oil tax; they feel we are increasing the cost of fuel at the expense of the users South. There are many capital projects needed in all our towns. Why can't the State go along with more revenue sharing for the communities and leave it up to the local people if they want to improve their streets, libraries, etc or reduce local taxes.

We should use the oil money in a wise way and leave a legacy for our children - hydro projects, capital improvements, developing renewable resources.

After talking with many people on how they feel about permanent fund dividends, you are underestimating the real residents that love Alaska. We don't want cash gifts, but to improve the quality of life in our communities for the benefit of all - permanent residents, seasonal residents and tourists.

Sincerely,

Karen Hofstad
Petersburg

CC: Legislators

STATE of ALASKA

MEMORANDUM

TO: Joseph K. Donohue
Deputy Commissioner
Department of Revenue

DATE: January 13, 1981

FILE NO:

TELEPHONE NO:

FROM: Fred P. Boetsch
Director
Enforcement Division

SUBJECT: Fiscal Note Regarding
Royalty Premium Payments

This bill provides for a one time payment to all residents of the state of $193 which derives from the sale of the state's royalty share of oil held on December 19, 1980. The only requirement is that they have been a resident for a minimum of 30 days and intend to remain a resident of the state as of the date of filing and application. Aside from the difference in residency requirement and the fact that the distribution applies to all residents of the state including minors, the rest of this distribution parallels in many respects the Permanent Fund Dividend Act, AS 43.23. The list of allowable absences is identical.

We anticipate that some 400 thousand applications would be filed under this bill. Phil Wall is preparing a fiscal note on the impact of such a filing on the Administrative Services Division which includes all of the paperwork processing, the computer processing, program development, etc. The Enforcement Division would be charged with conducting investigations of eligibility for applicants under this program.

Based on our experience with the investigations of the Permanent Fund Dividend program, we believe that, for the most part, the eligibility of applicants under this program could be investigated in the same way. The exception would be with respect to residents who only claim 30 day residency. I anticipate that fewer than 3% of the entire number of applicants would fall into this category. We could have a substantial problem with respect to military applicants who may be presently in the state for a brief period of time who could meet the thirty day residency requirement and claim, for purposes of this act, an intention to remain in the state even though they might not subsequently do so upon completion of their tour of duty here. Again, that would be a relatively small percentage of the total number of applicants and we could address a specific program to those applicants should a preliminary investigation indicate a substantial problem.

Accordingly, we believe that the addition of four Tax Collection Specialists supervised by a Tax Examiner III for a period of about 12 months would be adequate to conduct any investigations necessary under this program. In addition to the personal service costs of those individuals, we would need $20,000 in travel to assist people in rural areas. We would expect an increase in our phone bill due to both answering questions through the zenith phone number with regard to this program and using the telephone by the TCS's as a means of conducting the investigation. I estimate the additional telephone costs would be about $25,000. We would also have an increase in postage and printing costs for letters to be sent to applicants of about $2,500. Commodities would cost $2,000. Additional desks, chairs, typewriters, calculators, etc. would come to about $5,000. The total cost of the program would be $201,621 which would be distributed between fiscal years 1981 and 1982 in the following manner assuming an April 1, 1981 start-up date.

Fiscal Year 1981	3 months	$ 53,247
Fiscal Year 1982	9 months	148,374

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 66

Title An Act providing for royalty oil premium payments

Requested by Governor Date 01/13/81

II. FISCAL DETAIL

Agency Affected Revenue

Program Category Affected

BRU, Program, or Subprogram(s) Affected

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

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Millions ~~Thousands~~ of Dollars)

GENERAL FUND	77.0	→	ϕ			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

According to the Department of Natural Resources $77 million is the premium earned by the state in taking its oil in kind and selling at public auction rather than taking in value. The premium was figured by multiplying the average premium -- $2.57/barrel -- by the number of barrels available per day -- 84,375 b/d -- times 365 days. As the total amount of oil is not decontrolled until October 1981, a certain percentage is deducted to take that into account.

IV. DATE 01/13/81 PREPARED BY Joseph K. Donohue Joseph K Donohue

AGENCY Revenue

PHONE 465-2302

Original: Legislative Finance

cc. Budget and Management

Prime Sponsor (First Legislator Named)

38-001 (Rev. 12/80

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 66
Title Providing for Royalty Oil Premium payments to State residents.
Requested by Governor Jay S. Hammond Date 1/12/81

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected General Government
BRU, Program, or Subprogram(s) Affected Administration and Support, Management Services
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	237.2	→	ø			
200 TRAVEL	3.6	→	ø			
300 CONTRACTUAL	332.4	→	ø			
400 COMMODITIES	9.0	→	ø			
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	582.2	→	ø			

FUNDING (Thousands of Dollars)

GENERAL FUND	582.2	→	ø			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME	26/11 mm					
TEMPORARY						

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

The providing of Royalty Oil Premium payments is considered a one-time project which will begin in FY81 and end in FY82. The fiscal detail described, above, should be authorized through 6/30/82. It is assumed that supervisory, space and related needs will be available from existing resources. This funding will allow the design and operations required to print, distribute and process Royalty Premium Payment application forms. 400,000 residents are assumed.

Positions:

Design & Program: (1) Data Capture, 1 1/2 mm; (2) Edit and Error Correction, 1 1/2 mm; (3) Files and Storage, 1 mm; (4) Reports, 1 mm; (5) Enforcement Requirements, 1 mm; (6) Payments, 1 mm; and (7) Attachment Procedures, 1 mm.

IV. DATE January 13, 1981 PREPARED BY Philip A. Wall, Director
AGENCY Administrative Services, Dept. of Revenue
PHONE (907) 465-2313

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

33-001 (Rev. 12/80

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 66
Title Royalty Oil Premium Payment
Requested by Governor Date January 13, 1981

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected Revenue Collections and Management
BRU, Program, or Subprogram(s) Affected Enforcement Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES	36.7	110.4	Ø	Ø	Ø	Ø
200	TRAVEL	5.0	15.0	Ø	Ø	Ø	Ø
300	CONTRACTUAL	6.0	21.5	Ø	Ø	Ø	Ø
400	COMMODITIES	0.5	1.5	Ø	Ø	Ø	Ø
500	EQUIPMENT	5.0	Ø	Ø	Ø	Ø	Ø
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL	53.2	148.4	Ø	Ø	Ø	Ø

FUNDING (Thousands of Dollars)

GENERAL FUND	53.2	148.4	Ø	Ø	Ø	Ø
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	5	5	Ø	Ø	Ø	Ø
PART TIME						
TEMPORARY						

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

See memo from Fred Boetsch, Director of Enforcement to Joseph K. Donohue, Deputy Commissioner for Taxation, dated January 13, 1981, attached.

IV. DATE January 13, 1981 PREPARED BY Fred Boetsch
AGENCY Revenue
PHONE 465-2366

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

33-001 (Rev. 12/80

Positions: (cont.)

3 PPT @ 3, 2, & 2 mm = 8 mm @ 2640 (R18) plus 25%:	26.4
Data Capture: 400,000 applications. 10 PPT. 5 @ 5 mm and 5 @ 4 mm = 45 mm @ 1392 plus 25%:	78.4
Document Processing: (Mail Room, Pre-Edit, Batching and Warrant Control) 11 PPT. 6 @ 5 mm and 5 @ 4 mm = 50 mm @ 1392 plus 25%:	87.1
Inquiry Response: 1 PPT, 5 mm @ 1393 plus 25%:	8.7
Attachment Processing: 1 PPT, 5 mm @ 1393 plus 25%:	8.7
Overtime:	18.9
Shift Differential:	9.0
Travel:	3.6
Contractual:	
Forms: 1. 400,000 base distribution, 1 part @ $45M	18.0
2. 250,000 supplemental distribution, 1 part @ $45M	16.0
3. 400,000 warrants @ $25M	10.0
Postage: 1. Forms distribution, 6500,000 @ .15 each	97.5
2. 400,000 warrant payments @ .15 each	60.0
3. If postage increase to .20 each, .05 additional for 2.050,000 items	52.5
4. Inquiry response, 6 000 letters @ .15 each	1.0
DP Chargeback: Disk storage: 200 million bytes @ $4/mo/million bytes X 12	4.6
Processing charge @ 4 mos.	40.0
Terminal processing and long line @ 391 X 15 X 4 mos.	23.5
Storage of Forms: @ $170/Mo X 3 mos.	0.5
Machine Rental: 15 CRT @ 80/mo X 4 mos.	4.8
1 Controller @ 705/mo X 4 mos.	2.8
1 Printer @ 286/mo X 4 mos.	1.2
Commodities:	9.0

January 12, 1981

President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill to distribute to residents of the state the premium earned from the sale of the state's royalty oil held December 19, 1980. The purposes of this distribution are twofold: one relates to the reasons for having held the royalty oil sale, and the other relates to the delays we have encountered in distributing permanent fund dividends as a result of the pending litigation over that program.

A primary motivation for disposing of the uncommitted royalty oil by cash bid was to insure that the benefits of selling the state's oil would go to the largest possible number of Alaska residents. Had this oil been sold under a negotiated contract, benefits would certainly have accrued to some state residents. However, all residents would not necessarily have been benefited, and certainly not in equal measure. By distributing the premium obtained over current in-value prices directly to the residents of the state, residents will gain an increased awareness that the state's natural resources do in fact belong to them as residents of the state. Although I do not as a rule favor distributing revenues received directly from oil production (as opposed to earnings from the Permanent Fund), in this limited instance I believe distribution is appropriate and in the public interest.

A second purpose of the distribution is to fulfill to some degree the expectations raised by the enactment of the permanent fund dividend program, implementation of which continues to be delayed by litigation. A per capita distribution does not, of course, achieve the important goals that are furthered by a distribution plan tied to length of residency. But because it is important to provide for some immediate distribution, the distribution method in this bill is intended to avoid raising the legal issues raised by the dividend plan.

The bill provides for a single payment of $193 to each state resident, including those under 18 years of age. The amount of the payment is roughly equal to the $77 million premium from the oil sale divided by the current estimated state population of 400,000. A residency requirement of 30 days has been included as this is the shortest period we have determined is necessary to assure that all applicants are bona fide residents. The other eligiblity requirements, as well as the provision for forfeiture of the payment for fraudulent applications, are patterned after similar provisions in the permanent fund dividend statute.

Establishing an application deadline has been left flexible, to be determined and extended if necessary by the Department of Revenue, to insure that all residents have sufficient time to submit applications.

Sincerely,

S/JSH

Jay S. Hammond
Governor

SBGC

Editorial Opinion and Comment of

FAIRBANKS
Daily News - Miner

"Independent in All Things . . . Neutral in None"

Other opinions expressed on this page do not necessarily reflect those of the Daily News-Miner.

The next royalty sale

Are you enjoying the $193 Gov. Hammond promised you last fall when his administration decided to sell some of our royalty oil to the highest bidder? Is the money helping you pay for heating fuel that has increased in price 15 cents a gallon or more since then? Is it helping you pay for gasoline that has gone up by a comparable amount?

No Alaskan is getting that promised benefit and every indication is that none will for quite some time, if at all.

A brief history of the issue: Last fall state Natural Resources Commissioner Robert LeResche announced that some of our state's Prudhoe Bay royalty oil would be sold to the highest bidder in an attempt to get the most money possible for the state. Assurredly, the price would be somewhat over the in-value price of the oil—the average of the wellhead prices.

The problem with a sale of that sort is that none of the oil would be used in Alaska. In-state refiners were getting oil from the state at the cheaper in-value price under long-term contracts. The amount being offered could have been enough to prompt construction of one or more additional refineries, a move that would have reduced consumer prices a bit by bringing in some competition.

Several voices, including that of this newspaper, criticized Mr. LeResche's decision, and the governor agreed to take that criticism under consideration. The result was no change in the terms of the sale, but he did promise that whatever extra money the state got above the in-value price—which was then about $21 a barrel—would be divided among Alaskans.

The governor introduced the necessary legislation on Feb. 4, appropriating the resulting $193 for each Alaskan and setting up the distribution scheme. The bills got two committee referrals in each house and there they sit.

We can't predict what, if anything, the Legislature will do with Mr. Hammond's one-shot cash distribution proposal, but a look at the text of the distribution bill itself may be instructive. It's about as begrudging as any we've seen.

". . . this per capita distribution," it says, "does not provide an incentive for long-term residence in the state; it does not help to assure that the state will benefit in the future from a stable population; it does not encourage a long-term interest in prudent management of the Alaska Permanent Fund and the state's natural resources; and it does not recognize the many contributions, both tangible and intangible, that individuals have made to the Alaska community during their previous periods of residence in the state.

"Thus, the method of distribution provided in the Act is not the method preferred by the Legislature."

The only saving grace, again according to the text of the bill, is that it would help to assuage disappointed expectations over the indefinitely delayed Permanent Fund distribution plan. It seems to us unlikely that the Legislature would pass a bill that recognized all those deficiencies within itself.

So, while you're savoring the anticipation of your $193 royalty bonus, savor this, too:

If that royalty oil had been offered at a substantially reduced price to in-state refineries for making products to be used only in Alaska, by mid-year you would have some of that money in your pocket through a sharply reduced price for fuel.

And you'd have it all over again next year, and the year after that and on into the foreseeable future.

This missed opportunity is worth recalling now only because the state has another chance coming up soon and appears to be heading down more or less the same road. Another royalty sale is anticipated this spring. The oil will go to whomever negotiates the best deal with Mr. LeResche's department for instate use, but the price will still be high—the in-value price—and it will continue escalating.

Persistent reports that one oil firm has the inside track in this negotiated sale don't enhance the prospects for real benefits for Alaskans. Fortunately, the Legislature is in session now and has time to act to bring about the stable and low fuel prices we Alaskans could be enjoying from our royalty oil.

Today's Thought . . .

Some time ago the British Weekly conducted a questionnaire among its readers and asked, "What things have made you happy or unhappy?" Thousands of replies ascribed happiness to spiritual qualities such as love, friendship, trust, honor and service. Yes, happiness comes from the qualities of the spirit.



By Rev. Paul Osumi

Only 5 more days
left to file for your
1979 Alaska Tax
Return refund.

1983 Mazda (Off Auction)
April Special!
ENGINE STEAM CLEANING
Cars and up to
1 ton trucks..... $12.95
Get it washed inside and
out, and waxed, too!
452-6636 FOR AN APPOINTMENT
P.S. In your motorhome ready for
summer yet?

Editorial Opinion and Comment of

FAIRBANKS
Daily News - Miner

"Independent in All Things . . . Neutral in None"

Other opinions expressed on this page do not necessarily reflect those of the Daily News-Miner.

Money in your pocket

A group of Fairbanksans has scheduled a series of meetings over coming weeks to discuss the idea of providing some of our state's royalty oil at substantially reduced prices to Alaskan refiners who would make products for in-state use.

It's an idea we believe would be a wise use of some of our oil because it would result in sharply lower fuel prices for Alaskans. This use would provide a direct benefit to individuals from our oil wealth and could not be taxed away by the federal government. We hope you'll turn out for the next meeting, which is at 7 p.m. Wednesday at the Travelers Inn, to let the group know what you think of the idea.

Their goal is to put together a basic plan, then present it to the Legislature through a teleconference hearing.

In the past, our state's administration has balked at the idea of letting any of the royalty oil go for less than the market price. Their view is that doing so would treat some Alaskans differently from others. The amount of benefit each of us received would vary, depending on the amount of fuel each of us used.

State officials would rather sell the oil for the highest price possible, then try to distribute the money to the people in one form or another.

We can understand the desire to be fair, to try to treat all Alaskans equitably. After all, the royalty oil does belong to all the people of this state. Unfortunately, however, our state leaders have not yet found a way to treat all of us equally—nor are they likely to.

not happened yet, some will be spent on public works projects, some will be used to increase aid to local governments and perhaps reduce local taxes, and some will go to fuel the growth of state government.

It's our view that the oil benefits could be made available to Alaskans in a much more direct and meaningful way if the state were to sell this royalty oil at a substantially reduced price for refining into products for use only in Alaska. The proposed negotiated sale requires that the oil be processed here but there is no requirement that the products actually be sold in Alaska.

If cheap royalty oil were made available for in-state refining and use, we almost certainly would see at least one more refinery and perhaps more than one. Contracts with the existing refiners could be renegotiated to lower the price of that portion of the royalty crude they process for in-state use.

Because the crude oil would be relatively cheap, the resulting prices would be relatively low, too. Competition and public pressure would see to that.

Such a sale would bring about substantial savings in the price of fuel, a savings that could not help but touch every Alaskan. But we believe there also would be other benefits. The state certainly could sell the oil in such a way as to produce long-term stable prices. Alaskans' fuel budgets no longer would be at the unpredictable mercy of the OPEC countries.

Those electric utilities that depend on fuel oil, such as our own Golden Valley Electric Association and numerous small electricity plants in rural areas, could produce substantially cheaper power. Rates, which are ruinously high in some instances, could come down and become fairly stable.

A major source of state income—money that almost certainly would otherwise be taken for the growth of government—would wind up directly in the hands of individual Alaskans instead.

And, unlike most of the share-the-wealth proposals we've seen from the state administration and members of the Legislature, the benefits from this one would not be taxed away by the federal government. Alaskans would get the full benefit of whatever savings resulted and we would partially stop the drain of our state's wealth to the federal treasury.

Editorial Opinion and Comment of

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And, unlike most of the share-the-wealth proposals we've seen from the state administration and members of the Legislature, the benefits from this one would not be taxed away by the federal government. Alaskans would get the full benefit of whatever savings resulted and we would partially stop the drain of our state's wealth to the federal treasury.

The next royalty sale

Once again state officials are preparing to sell some of our Prudhoe Bay royalty oil and once again it appears they're going to do it in a way that guarantees Alaskans will continue to pay escalating prices for fuel.

The state Department of Natural Resources will be seeking proposals until April 1 to negotiate the sale of varying amounts of royalty oil, beginning a year from next July. About 84,000 barrels a day is expected to be available until 1986. Then the amount will be cut by the 25,000 barrels a day that is pledged to the Alaska Oil Co.

Whoever buys the oil must refine it in the state and the negotiated price will not be below the in-value price of the oil—that is it will be sold at no less than the average of the Prudhoe Bay wellhead values.

At the most recent royalty sale, last December, the state took bids on about this same amount of oil, and the resulting prices came in higher than the in-value price, thus assurring that the oil would not be used to start an additional refinery or two in Alaska to provide competition and perhaps bring down prices at bit.

While the contemplated sale this time probably will not result in prices higher than existing Alaskan refiners are paying for state royalty oil, and may lead the start of another refinery or two, it will not bring about the sort of relief Alaskans could be getting. The price for the oil will rise as world prices rise and so will the fuel prices Alaskans pay.

Basically what our present set of state officials seem bent on is selling our oil for the most money possible, then spending the money. Some of it may be given directly to individual Alaskans although that has

SB 66/67 VF file

House oil committee endorses idea of bonus payments

By JEAN KIZER
The Associated Press

JUNEAU — Legislation to hand every Alaskan $193 this year as a bonus from the December sale of state royalty oil won a unanimous endorsement from the House's special oil and gas committee Tuesday night.

The panel also took the first step toward creating a long-term royalty oil trust that would provide Alaskans a steady stream of income — possibly several hundred dollars per year — from the state's one-eighth royalty share of oil.

Committee members approved $500,000 for the Department of Revenue to study creation and implementation of a royalty trust. The department would be required to report to lawmakers in January on how a royalty trust should be set up to distribute a portion of the state's royalty oil income to residents each year.

The state takes in more than $1 billion per year in oil and gas royalties, not counting additional royalties that flow into the permanent fund.

Some lawmakers see the $193 per-person royalty payment proposed for this year as the forerunner of a permanent royalty trust program.

Gov. Jay Hammond first proposed the $193-per-head payments in December, when the state reaped a bonus of $77 million by selling 84,000 barrels per day of Prudhoe Bay royalty oil at auction, rather than selling it to North Slope producers at a set price.

Under Hammond's proposal, the state would hand out $193 payments — a total of $77 million — to every man, woman and child who has been a resident of the state for 30 days at the time of application and who intends to remain in Alaska.

If lawmakers approve the legislation (HB67, HB68), the Department of Revenue would be required to establish an application period, with payments to go out this year. The bill would allow parents to apply for payments on behalf of their children.

All members of the committee indicated support for the bill, which now goes to the Finance Committee. The only debate centered on a section stating the purpose of the distribution. At the urging of Rep. Hugh Malone, D-Kenai, the section was deleted.

It stated, in part, that the $193 per-capita distribution "provided in this act is not the method preferred by the legislature."

SB
67

JAY S. HAMMOND
GOVERNOR

SB 01-67

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 12, 1981

President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill to distribute to residents of the state the premium earned from the sale of the state's royalty oil held December 19, 1980. The purposes of this distribution are twofold: one relates to the reasons for having held the royalty oil sale, and the other relates to the delays we have encountered in distributing permanent fund dividends as a result of the pending litigation over that program.

A primary motivation for disposing of the uncommitted royalty oil by cash bid was to insure that the benefits of selling the state's oil would go to the largest possible number of Alaska residents. Had this oil been sold under a negotiated contract, benefits would certainly have accrued to some state residents. However, all residents would not necessarily have been benefited, and certainly not in equal measure. By distributing the premium obtained over current in-value prices directly to the residents of the state, residents will gain an increased awareness that the state's natural resources do in fact belong to them as residents of the state. Although I do not as a rule favor distributing revenues received directly from oil production (as opposed to earnings from the Permanent Fund), in this limited instance I believe distribution is appropriate and in the public interest.

A second purpose of the distribution is to fulfill to some degree the expectations raised by the enactment of the permanent fund dividend program, implementation of which continues to be delayed by litigation. A per capita distribution does not, of course, achieve the important goals that are furthered by distribution plan tied to length of residency. But because it is important to provide for some immediate distribution, the distribution method in this bill is intended to avoid raising the legal issues raised by the dividend plan.

The bill provides for a single payment of $193 to each state resident, including those under 18 years of age. The amount of the payment is roughly equal to the $77 million premium from the oil sale divided by the current estimated state population of 400,000. A residency requirement of 30 days has been included as this is the shortest period we have determined is necessary to assure that all applicants are bona fide residents. The other eligibility requirements, as well as the provision for forfeiture of the payment for fraudulent applications, are patterned after similar provisions in the permanent fund dividend statute.

Establishing an application deadline has been left flexible, to be determined and extended if necessary by the Department of Revenue, to insure that all residents have sufficient time to submit applications.

Sincerely,

Jay S. Hammond
Governor

STATE of ALASKA

MEMORANDUM

TO: Joseph K. Donohue
Deputy Commissioner
Department of Revenue

DATE: January 13, 1981

FILE NO:

TELEPHONE NO:

FROM: Fred P. Boetsch
Director
Enforcement Division

SUBJECT: Fiscal Note Regarding Royalty Premium Payments

This bill provides for a one time payment to all residents of the state of $193 which derives from the sale of the state's royalty share of oil held on December 19, 1980. The only requirement is that they have been a resident for a minimum of 30 days and intend to remain a resident of the state as of the date of filing and application. Aside from the difference in residency requirement and the fact that the distribution applies to all residents of the state including minors, the rest of this distribution parallels in many respects the Permanent Fund Dividend Act, AS 43.23. The list of allowable absences is identical.

We anticipate that some 400 thousand applications would be filed under this bill. Phil Wall is preparing a fiscal note on the impact of such a filing on the Administrative Services Division which includes all of the paperwork processing, the computer processing, program development, etc. The Enforcement Division would be charged with conducting investigations of eligibility for applicants under this program.

Based on our experience with the investigations of the Permanent Fund Dividend program, we believe that, for the most part, the eligibility of applicants under this program could be investigated in the same way. The exception would be with respect to residents who only claim 30 day residency. I anticipate that fewer than 3% of the entire number of applicants would fall into this category. We could have a substantial problem with respect to military applicants who may be presently in the state for a brief period of time who could meet the thirty day residency requirement and claim, for purposes of this act, an intention to remain in the state even though they might not subsequently do so upon completion of their tour of duty here. Again, that would be a relatively small percentage of the total number of applicants and we could address a specific program to those applicants should a preliminary investigation indicate a substantial problem.

Accordingly, we believe that the addition of four Tax Collection Specialists supervised by a Tax Examiner III for a period of about 12 months would be adequate to conduct any investigations necessary under this program. In addition to the personal service costs of those individuals, we would need $20,000 in travel to assist people in rural areas. We would expect an increase in our phone bill due to both answering questions through the zenith phone number with regard to this program and using the telephone by the TCS's as a means of conducting the investigation. I estimate the additional telephone costs would be about $25,000. We would also have an increase in postage and printing costs for letters to be sent to applicants of about $2,500. Commodities would cost $2,000. Additional desks, chairs, typewriters, calculators, etc. would come to about $5,000. The total cost of the program would be $201,621 which would be distributed between fiscal years 1981 and 1982 in the following manner assuming an April 1, 1981 start-up date.

Fiscal Year 1981	3 months	$ 53,247
Fiscal Year 1982	9 months	148,374

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 66
Title An Act providing for royalty oil premium payments
Requested by Governor Date 01/13/81

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected
BRU, Program, or Subprogram(s) Affected
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600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Millions ~~Thousands~~ of Dollars)

GENERAL FUND	77.0	→	ϕ			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
According to the Department of Natural Resources $77 million is the premium earned by the state in taking its oil in kind and selling at public auction rather than taking in value. The premium was figured by multiplying the average premium -- $2.57/barrel -- by the number of barrels available per day -- 84,375 b/d -- times 365 days. As the total amount of oil is not decontrolled until October 1981, a certain percentage is deducted to take that into account.

IV. DATE 01/13/81 PREPARED BY Joseph K. Donohue Joseph K Donohue
AGENCY Revenue
PHONE 465-2302

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

33-001 (Rev. 12/80

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 66
Title Providing for Royalty Oil Premium payments to State residents.
Requested by Governor Jay S. Hammond Date 1/12/81

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected General Government
BRU, Program, or Subprogram(s) Affected Administration and Support, Management Services
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	237.2	→	ø			
200 TRAVEL	3.6	→	ø			
300 CONTRACTUAL	332.4	→	ø			
400 COMMODITIES	9.0	→	ø			
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	582.2	→	ø			

FUNDING (Thousands of Dollars)

GENERAL FUND	582.2	→	ø			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME	26/113mm					
TEMPORARY						

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

The providing of Royalty Oil Premium payments is considered a one-time project which will begin in FY81 and end in FY82. The fiscal detail described, above, should be authorized through 6/30/82. It is assumed that supervisory, space and related needs will be available from existing resources. This funding will allow the design and operations required to print, distribute and process Royalty Premium Payment application forms. 400,000 residents are assummed.

Positions:

Design & Program: (1) Data Capture, 1 1/2 mm; (2) Edit and Error Correction, 1 1/2 mm; (3) Files and Storage, 1 mm; (4) Reports, 1 mm; (5) Enforcement Requirements, 1 mm; (6) Payments, 1 mm; and (7) Attachment Procedures, 1 mm.

IV. DATE January 13, 1981 PREPARED BY Philip A. Wall, Director
AGENCY Administrative Services, Dept. of Revenue
PHONE (907) 465-2313

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

33-001 (Rev. 12/80

TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 66

Title Royalty Oil Premium Payment

Requested by Governor Date January 13, 1981

II. FISCAL DETAIL

Agency Affected Revenue

Program Category Affected Revenue Collections and Management

BRU, Program, or Subprogram(s) Affected Enforcement Division

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	36.7	110.4	Ø	Ø	Ø	Ø
200 TRAVEL	5.0	15.0	Ø	Ø	Ø	Ø
300 CONTRACTUAL	6.0	21.5	Ø	Ø	Ø	Ø
400 COMMODITIES	0.5	1.5	Ø	Ø	Ø	Ø
500 EQUIPMENT	5.0	Ø	Ø	Ø	Ø	Ø
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	53.2	148.4	Ø	Ø	Ø	Ø

FUNDING (Thousands of Dollars)

GENERAL FUND	53.2	148.4	Ø	Ø	Ø	Ø
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	5	5	Ø	Ø	Ø	Ø
PART TIME						
TEMPORARY						

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

See memo from Fred Boetsch, Director of Enforcement to Joseph K. Donohue, Deputy Commissioner for Taxation, dated January 13, 1981, attached.

IV. DATE January 13, 1981 PREPARED BY Fred Boetsch

AGENCY Revenue

PHONE 465-2366

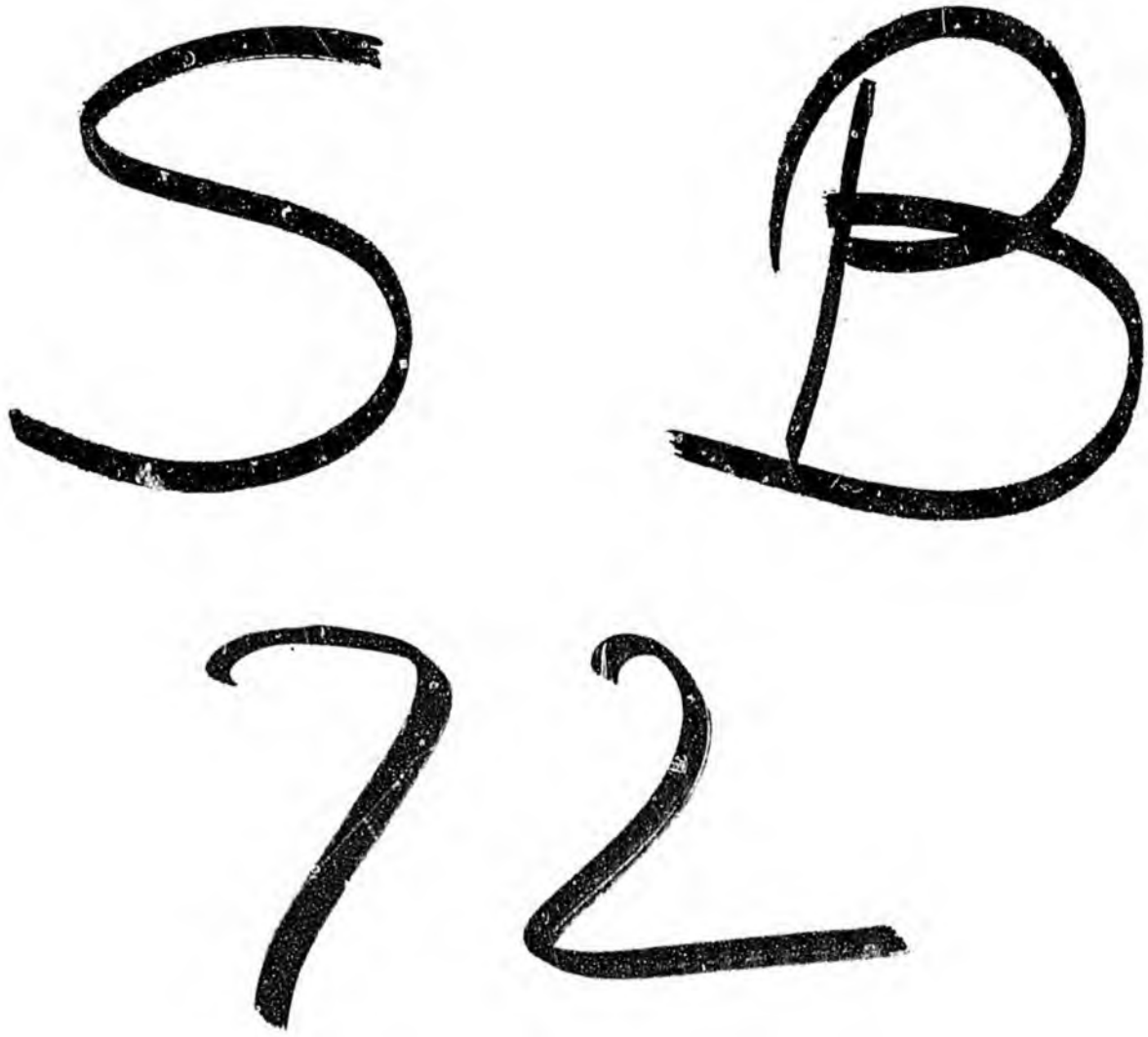
Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/80

3 PPT @ 3, 2, & 2 mm = 8 mm @ 2640 (R18) plus 25%:		26.4
Data Capture: 400,000 applications. 10 PPT. 5 @ 5 mm and 5 @ 4 mm = 45 mm @ 1392 plus 25%:		78.4
Document Processing: (Mail Room, Pre-Edit, Batching and Warrant Control) 11 PPT. 6 @ 5 mm and 5 @ 4 mm = 50 mm @ 1392 plus 25%:		87.1
Inquiry Response: 1 PPT, 5 mm @ 1393 plus 25%:		8.7
Attachment Processing: 1 PPT, 5 mm @ 1393 plus 25%:		8.7
Overtime:		18.9
Shift Differential:		9.0
Travel:		3.6
Contractual:		
Forms:	1. 400,000 base distribution, 1 part @ $45M	18.0
	2. 250,000 supplemental distribution, 1 part @ $45M	16.0
	3. 400,000 warrants @ $25M	10.0
Postage:	1. Forms distribution, 6500,000 @ .15 each	97.5
	2. 400,000 warrant payments @ .15 each	60.0
	3. If postage increase to .20 each, .05 additional for 2,050,000 items	52.5
	4. Inquiry response, 6,000 letters @ .15 each	1.0
DP Chargeback:	Disk storage: 200 million bytes @ $4/mo/million bytes X 12	4.6
	Processing charge @ 4 mos.	40.0
	Terminal processing and long line @ 391 X 15 X 4 mos.	23.5
Storage of Forms:	@ $170/Mo X 3 mos.	0.5
Machine Rental:	15 CRT @ 80/mo X 4 mos.	4.8
	1 Controller @ 705/mo X 4 mos.	2.8
	1 Printer @ 286/mo X 4 mos.	1.2
Commodities:		9.0


SB
72

AMENDMENT

OFFERED IN THE SENATE: BY: Bradley

To: _____ SENATE BILL No. 72

HOUSE BILL No. _____

PAGE: 1 LINE: _____

Line 21	Delete [WORLD WAR I] and add UNITED STATES MILITARY SERVICE.
Line 22	Delete [were] and add are
Line 24	Delete [or Marine Corps] and add , Marine Corps, Air Force, Coast Guard or Alaska National Guard

ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill No. ""
Title "An Act relating to veterans and public records"
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Department of Health and Social Sevices
Program Category Affected Administrative Services
BRU, Program, or Subprogram(s) Affected Vital Statistics
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT			6			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			$600			

FUNDING (Thousands of Dollars)

GENERAL FUND			.6			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITION:

FULL TIME						
PART TIME						
TEMPORARY						

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

Two or three filing cabinets for record storage.

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

Prepared by: [signature] Date: Jan 30 198
Division/Office: _____ /PH: _____
Department of Health & Social Services

Approval DHSS Mgt. & Bdgt: [signature] Date: 4/30/81

33-001 (Rev. 12/79)
Modify by DHSS (11-28-79)

Page

Introduced: 1/14/81
Referred: State Affairs

IN THE SENATE BY BRADLEY

SENATE BILL NO. 72

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to veterans and public records."

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

* Section 1. AS 09.25 is amended by adding a new section to read:

Sec. 09.25.123. COPIES OF PUBLIC RECORDS FOR VETERANS. When a copy of a public record is required by the Department of Commerce and Economic Development division of veterans' affairs or by the United States Veterans' Administration to be used in determining the eligibility of a person to participate in benefits made available by the division of veterans' affairs or by the United States Veterans' Administration, the official custodian of the public record shall, without charge, provide the applicant for the benefits, a person acting on his behalf, or an authorized representative of the division of veterans' affairs or the United States Veterans' Administration with a certified copy of the record.

* Sec. 2. AS 26.10.070 is amended to read:

Sec. 26.10.070. RECORD OF VETERANS OF ~~WORLD WAR I~~. The Bureau of Vital Statistics shall compile a record of all persons who are bona fide residents of [THE TERRITORY OF] Alaska and who actively served in the United States Army, Navy, ~~or~~ Marine Corps since [BETWEEN] April 6, 1917 [, AND NOVEMBER 11, 1918]. The record shall be kept on file at the office of the bureau and shall be available and open to the inspection of anyone desiring to inspect it. The record shall contain the name, age and place of residence at the time of entering service, place and date of commission, enlistment or induction, branch of service,

record of service and the date, place and nature of discharge.

Introduced: 2/27/81
Referred: State Affairs

IN THE SENATE BY BRADLEY

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 72

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to veterans and public records."

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

* Section 1. AS 09.25 is amended by adding a new section to read:

Sec. 09.25.123. COPIES OF PUBLIC RECORDS FOR VETERANS. When a copy of a public record is required by the division of veterans' affairs, Department of Commerce and Economic Development or by the United States Veterans' Administration to be used in determining the eligibility of a person to participate in benefits, the official custodian of the public record shall, without charge, provide the applicant for the benefits, a person acting on his behalf, or an authorized representative of the division of veterans' affairs or the United States Veterans' Administration with a certified copy of the record.

* Sec. 2. AS 26.10.070 is amended to read:

Sec. 26.10.070. RECORD OF VETERANS OF THE ARMED FORCES OF THE UNITED STATES [WORLD WAR I]. (a) A veteran may record without fee his armed forces report of separation at a recorder's office of the Department of Natural Resources. Each recorder's office shall periodically submit to the Bureau of Vital Statistics copies of the reports of separation which it records.

(b) The Bureau of Vital Statistics shall keep [COMPILE] a record from copies of reports received under (a) of this section and from information voluntarily submitted to the bureau by veterans of all persons who are [WERE] bona fide residents of [THE TERRITORY OF] Alaska

LEGISLATIVE COPY

(or Coast Guard

and who actively served in the organized state militia as described under AS 26.05.010 or the United States Army, Navy, ~~or~~ Marine Corps since [BETWEEN] April 6, 1917 [, AND NOVEMBER 11, 1918]. [THE RECORD SHALL BE KEPT ON FILE AT THE OFFICE OF THE BUREAU AND SHALL BE AVAILABLE AND OPEN TO THE INSPECTION OF ANYONE DESIRING TO INSPECT IT.] The record shall contain the name, age and place of residence at the time of entering service, place and date of commission, enlistment or induction, branch of service, record of service and the date, place and nature of discharge.

CONFIDENTIAL COPY

POSITION PAPER/Department of Health & Social Services

POSITION PAPER

SENATE BILL NO. 72

"An Act relating to veterans and public records."

The Bureau of Vital Statistics currently is custodian of two bound volumes of records of 2,088 members of the armed forces. The books were given to the Bureau with the following inscription:

> "The following is a list of the men and women who served in the Army, Navy or Marine Corps of the United States during the World War between April 1917 and November 1919 and who gave Alaska as their place of residence at the time of enlistment.
>
> This list is compiled from the records of the Adjutant General's Office, Bureau of Navigation and the Headquarters of the United States Marine Corps."

Provided that these records can be obtained from the United States Army, Navy and Marine Corps, the Department of Health and Social Services recommends passage of Senate Bill No. 72.

Recommended by: Joan P. Brooks

Joan P. Brooks
State Registrar
Bureau of Vital Statistics

Date: Jan. 30, 1981

Approved by:

Helen D. Beirne
Commissioner

Date 1/30/81

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER / POUCH C—JUNEAU 99811

465-2200

January 29, 1981

Honorable Brad Bradley
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Bradley:

Re: Senate Bill No. 72

In regard to your request for a position paper on Senate Bill 72, this bill would have little or no impact on the Department of Administration. Therefore. we take no position on the bill.

Thank you for your request. If you have any questions, please call me or Judy Crondahl, Legislative Liaison for the Department.

Respectfully,

W. R. Hudson
Commissioner

WRH/mjc
cc: Keith Specking
Judy Crondahl

SB

73

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 73
Title "An Act classifying murder in the first degree as a capital felony,
Requested by Sen. Fischer Date 1/20/81
and establishing sentencing prodecures for capital felonies."

II. FISCAL DETAIL
Agency Affected Department of Law
Program Category Affected Administration of Justice
BRU, Program, or Subprogram(s) Affected Prosecution
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS Unknown

FULL TIME						
PART TIME						
TEMPORARY						

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

This bill requires imposition of capital punishment for the crime of first degree murder in the presence of certain aggravating factors enumerated in section 12.55.180 of the bill. Obviously, should these factors be present, a most vigourous and lengthy defense can be expected from defendants' counsel. The amount of state resources required to prosecute capital cases is unquantifiable at this time. It is bound, however, to be considerable, both at the trial and appellate levels. Recent experience in other states suggests that very protracted and expensive litigation may be necessary to implement the provisions of the Act.
The Territorial Legislature abolished the death penalty in Alaska in 1957, and we simply do not have any historic data upon which we can make an accurate projection.

IV. DATE January 21, 1981 PREPARED BY Richard I. Pegues, Dir Admin Services
AGENCY Department of Law
PHONE 465-3695

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

33-001 (Rev. 12/80

SB

78

COMMISSIONERS
JOHN W. ABBOTT - CHAIRMAN
SUSAN A. BURKE - VICE CHAIRMAN
PATRICK M. RODEY
FRED E. BROWN
L.S. KURTZ, JR.
WM. GRANT CALLOW

ALASKA STATE LEGISLATURE
POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-4878

EXECUTIVE SECRETARY
BILLY G. BERRIER

MEMORANDUM

TO: Chairman, Alaska Legislative Council

FROM: John W. Abbott, Chairman
Alaska Code Revision Commission

DATE: January 9, 1981

RE: Bill on recording and recorded documents

Pursuant to authority granted in AS 24.20.075(c), the Alaska Code Revision Commission has prepared the attached bill on recording and recorded documents and asks that it be introduced in the legislature.

The bill was transmitted previously near the end of the 1980 session. Although the review process was completed in the Legislative Affairs Agency, the bill was not intr duced. Apparently it was not practi al to introduce it in the last legislature, since there was not enough time remaining for committee work and passage. It is offered now for submission to the new legislature.

Although many provisions in the bill come from, or are based upon, the Uniform Simplification of Land Transfers Act, that Act has not been adopted in any state and is not suitable for adoption as a whole.

As noted in the attached commentary, the bill gathers together and clarifies provisions on recording that are scattered throughout Alaska Statutes, and lays a suitable framework for future use of technological advances in a centralized recording system.

The state recorder, title companies, banks and bar association representatives have participated in meetings with the commission while the bill was being drafted. Many of the suggestions of these participants have been incorporated in the draft bill.

JWA/dr/chw

Enclosures

cc: Hon. Jay S. Hammond, Governor
Hon. Jay A. Rabinowitz, Chief Justice
Myrton R. Charney, Executive Director
Legislative Affairs Agency

SB

82

Introduced: 1/14/81
Referred: Finance

IN THE SENATE SB 53 BY COLLETTA

SENATE BILL NO. 82

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act repealing the campaign contribution tax credit for individuals; and providing for an effective date."

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

* Section 1. AS 43.20.013 is repealed.

* Sec. 2. This Act is retroactive to January 1, 1981, and applies to individual tax years after December 31, 1980.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-070(c).

TELEGRAM

ALASCOM, INC.
PHONE: 586-6442
JUNEAU, AK 99802

#

02093 POM ANCHORAGE AK 15 03-04 ¶1P AST

PMS SENATOR VIC FISCHER

JUNEAU AK

APPRECIATE YOUR CONCERNED REVIEW OF SB82. IF REPEALED EFFECTIVE DATE 1-82. PREFER NO REPEAL. RESPECTFULLY,

KEVIN (PAT) PARNELL

BOX 1776 ANCHORAGE AK 99510

(f) Repealed by § 10 ch 1 SSSLA 1980 and § 9 ch 2 SSSLA 1980. (§ 1 ch 70 SLA 1975; am § 2 ch 110 SLA 1978; am §§ 8—11 ch 113 SLA 1980; am § 10 ch 1 SSSLA 1980; am § 9 ch 2 SSSLA 1980)

Effect of amendments. — The 1978 amendment added a former third sentence of subsection (e).

Section 8, ch. 113, SLA 1980, the first 1980 amendment, effective June 21, 1980, and retroactive to January 1, 1980, in former subsection (c), made numerous changes in the tax column of the table. Sections 9 and 10 of ch. 113 rewrote former subsection (d) and subsection (e). Section 11 of ch. 113, effective June 21, 1980, and retroactive to January 1, 1979, added former subsection (f).

The second 1980 amendment, effective September 25, 1980 and retroactive to January 1, 1980, repealed subsections (a)-(d) and (f), concerning income tax on individuals and fiduciaries.

The third 1980 amendment, effective September 25, 1980, and retroactive to January 1, 1979, made the same changes as the second 1980 amendment.

Editor's note. — As to legislative findings and intent, see § 1, ch. 110, SLA 1978, in the 1978 Temporary and Special Acts and Resolves.

Section 4, ch. 110, SLA 1978, provides: "This Act applies to taxable income earned or received after December 31, 1977."

Section 52, ch. 113, SLA 1980, effective June 21, 1980, makes sections 8—10 of the Act applicable to tax years beginning after December 31, 1979. Section 51 of the Act, effective June 21, 1980, makes section 11 of the Act applicable to tax returns for tax years beginning after December 31, 1979.

For legislative findings and purpose of the second and third 1980 amendments, see § 1, ch. 1, SSSLA 1980, and § 1, ch. 2, SSSLA 1980, in the 1980 Temporary and Special Acts and Resolves.

Sec. 43.20.012. Limitation on application of chapter; credits. The tax imposed by this chapter does not apply to individuals or to fiduciaries. However, an individual may file a return under this chapter in order to receive a tax credit under AS 43.20.013. (§ 2 ch 1 SSSLA 1980; § 2 ch 2 SSSLA 1980)

Effective date. — Section 13, ch. 1, SSSLA 1980, and § 11, ch. 2, SSSLA 1980, provide that this section take effect September 25, in accordance with AS 01.10.070(c). Section 12 of ch. 1 provides that this section is retroactive to January 1, 1980, and § 10 of ch. 2, provides that this section is retroactive to January 1, 1979.

Editor's note. — For legislative findings and purpose of the enacting legislation, see § 1, ch. 1, SSSLA 1980, and § 1, ch. 2, SSSLA 1980, in the 1980 Temporary and Special Acts and Resolves.

Sec. 43.20.013. Individual tax credits. (a) [Effective until January 1, 1981] A resident individual is entitled to a tax credit not to exceed $50 for

(1) A contribution made in a calendar year to a person or organization for use exclusively

(A) for a political campaign for a candidate for

(i) President or Vice President of the United States, whether or not the candidate will be voted on in a primary election in Alaska;

(ii) United States senator from Alaska;

(iii) United States representative from Alaska;

(iv) governor or lieutenant governor of Alaska;

(v) the Alaska legislature;

(vi) delegate to an Alaska constitutional convention;

(vii) electoral confirmation as a judge or justice of a court in Alaska; or

(viii) municipal office in Alaska; or

(B) by a group seeking to influence the outcome of a ballot proposition or question in Alaska; and

(2) dues paid in a calendar year to a nonprofit organization organized primarily for the purpose of influencing elections in Alaska.

(a) **[Effective January 1, 1981]** A resident individual is entitled to a tax credit not to exceed $100 for

(1) a contribution made in a calendar year to a person or organization for use exclusively

(A) for a political campaign for a candidate for

(i) President or Vice President of the United States, whether or not the candidate will be voted on in a primary election in Alaska;

(ii) United States senator from Alaska;

(iii) United States representative from Alaska;

(iv) governor or lieutenant governor of Alaska;

(v) the Alaska legislature;

(vi) delegate to an Alaska constitutional convention;

(vii) electoral confirmation as a judge or justice of a court in Alaska; or

(viii) municipal office in Alaska; or

(B) by a group seeking to influence the outcome of a ballot proposition or question in Alaska; and

(2) dues paid in a calendar year to a nonprofit organization organized primarily for the purpose of influencing elections in Alaska.

(b) A resident individual is entitled to a tax credit equal to 16 percent of the tax credit claimed by the individual on his federal income tax return for household and dependent care services necessary for his gainful employment.

(c) The commissioner of revenue shall pay the amount of a tax credit allowed by this section to a resident individual who makes a return as provided in AS 43.20.012. A credit under this section shall be paid in the manner provided in AS 43.20.030(e) for the payment of refunds and payment may not be made without an appropriation for that purpose. (§ 2 ch 1 SSSLA 1980; am § 9 ch 1 SSSLA 1980; § 2 ch 2 SSSLA 1980)

Effect of amendment. — Section 9, ch 1, SSSLA 1980, effective January 1, 1981, substituted "$100" for "$50" in the introductory language of subsection (a).

Effective date. — Section 13, ch. 1, SSSLA 1980, and § 11, ch. 2, SSSLA 1980, provide that this section take effect September 25, in accordance with AS 01.10.070(c). Section 12 of ch. 1 provides that this section is retroactive to January 1, 1980, and § 10 of ch. 2, provides that this section is retroactive to January 1, 1979.

Editor's note. — For legislative findings and purpose of the enacting legislation, see § 1, ch. 1, SSSLA 1980, and § 1, ch. 2, SSSLA 1980, in the 1980 Temporary and Special Acts and Resolves.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S
JUNEAU, ALASKA 99811

February 4, 1981

The Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Room 205 - Behrends Building
Juneau, Alaska

Re: Senate Bill No. 82

Dear Senator Fischer:

Senate Bill No. 82, an Act repealing the campaign contribution tax credit for individuals, was introduced in the Senate on February 14, 1981 and was referred to the Senate Finance Committee. Subsequently, an January 16, 1981 the Bill was given an additional referral to the Senate State Affairs Committee.

For the consideration of the Senate State Affairs Committee, I am enclosing copies of Fiscal Notes prepared by Mr. Gary Jenkins, Director, Audit Division and Vincent Wright, Research Section of the Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson

R. D. Stevenson
Special Assistant

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

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Gary Jenkins, Director
Audit Division
Department of Revenue

Vincent Wright
Research Section
Department of Revenue

04-D2LH

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 82
Title An Act repealing the campaign contribution tax credit for individuals
Requested by Senate Finance Committee Date 1/22/81

II. FISCAL DETAIL
Agency Affected Department of Revenue
Program Category Affected Revenue Collection And Management
BRU, Program, or Subprogram(s) Affected Audit Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars) - None

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

FUNDING (Thousands of Dollars) - None

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS - None

FULL TIME						
PART TIME						
TEMPORARY						

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

There will be no effect on the administrative costs of the audit division from the repeal of the refundable credit provisions. This bill would repeal both the political contribution and child care credits.

IV. DATE 2/3/81 PREPARED BY [signature]
AGENCY Audit Division
PHONE 465-2320

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

33-001 (Rev. 12/80

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 82

Title Repealing the campaign contribution tax credit for individuals

Requested by Senate Finance Committee Date 1/21/81

II. FISCAL DETAIL

Agency Affected

Program Category Affected

BRU, Program, or Subprogram(s) Affected

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

EXPENDITURES (Thousands of Dollars)

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

FUNDING (~~Thousands~~ Millions of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
Savings to the State (Political contributions and child care.)		(1.63)	(2.8)	(2.8)		

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The aforementioned figures reflect the projected upward adjustment in the political contribution credit from $50 to $100.

The figures indicated the savings to the State as a result of repeal of the refundable credit portion of AS 43.20.013. Claims for refundable tax credits for 1979 and 1980 would be permitted and payments would be made on those claims.

IV. DATE 1/21/81 PREPARED BY Vincent D. Wright

AGENCY Revenue

PHONE 465-2391

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

33-001 (Rev. 12/80

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M April 14, 1981

SUBJECT: State campaign funding
(Work Order No. 12-1439)

TO: Senator Vic Fischer

FROM: Richard A. Bradley
Legislative Counsel

Nancy Groszek asked for a copy of the notes Jack made of his conversation with Jamie Love.

Because there are some gaps in the proposal, a statement of the premises of this kind of bill may be useful:

(1) Personal contributions are permitted. Corporate are not. What about unions? I assume that the corporate/union prohibition applies only if a candidate agrees to accept financing. If a candidate does not, then whatever would otherwise be permitted is acceptable.

(2) The proposal states flat limits. Are these for the primary and the general, for each, or what. The usual concept (the Federal and HB 492 at least) is matching after a threshold is reached, and 100 percent funding in the general.

(3) The latter concept of 100 percent funding in the general election is not stated as part of the request. Is this intentional?

(4) As noted, no thresholds for matching contributions are stated. Parker's bill (HB 492) used a concept of $15,000 raised from candidates in two-thirds of the state election districts in a campaign for governor/lieutenant governor. Do you want thresholds?

(5) What about governor/lieutenant governor candidacies. Suppose one accepts, the other does not. What happens?

(6) Funds raised before the act takes effect. ???

(7) Tax credits: available generally or denied to candidates not accepting limits.

(8) To what extent are political party expenditures under the limits? Are the political parties to be permitted back-door contributions?

HB 492 states a number of these concerns; a copy is enclosed. The bill was not enthusiastically received, in part because it seemed so impenetrable. It may be possible to trim it, based on a judgment of sorts that the mechanisms are unnecessary.

But Jamies's proposal is somewhat skeletal at this point.

I believe four states use public funding at this time: New Jersey (19:44A), Michigan (169.261), Minnesota (10A), and Wisconsin (citation unavailable).

RAB:ljb

Enclosures

Campaign legislation:

Ban corporate contributions -- Limit personal contributions to $500

As to personal contributions, at time candidate files he would have to elect to raise money on his own or opt for public financial support. Could opt out of receiving public financial support until he receives first payment, after which he is bound.

If candidate opts to accept support from public sources, he would have to stay within limits of

governor -- $400,000	state senate -- $50,000
lt. governor -- $200,000	state house -- $25,000

adjusted annually by APOC to reflect increases in cost of living (presumably for Anchorage) with 1980 as base.

Public financing would be payable by APOC, who would implement all this by regulation. The match would be limited to the first $100 received by the candidate from an individual. Amounts above $100 would not be matched. The match would be dollar-for-dollar.

Legitimate campaign expenses which would be matched would be those incurred until the tenth day after election. Thereafter, if there were money left over, a candidate would have to repay the overage to the state, to the extent of the contributions received.

Penalties for violation would track the penalties now applicable to violations of state campaign practices laws.

Jamie Love
617-628-4345
13 Adams Street
Somerville, MA 02145

of ALASKA

MEMORANDUM

TO: William A. Egan
Governor

DATE : December 6, 1973

FROM: H. A. Boucher
Lieutenant Governor

SUBJECT: Initiative Applications

During the past months, my office has received three initiative applications for possible placement on the 1974 primary and/or general election ballot. An outline of the contents of each petition follows.

Proposition #1

A PETITION FOR MOVING THE CAPITAL OF THE STATE OF ALASKA

This initiative bill calls for construction of a new Alaskan capital city at one of two or three sites nominated by a selection committee appointed by the Governor. Each site must include at least 100 square miles of donated and public land, in Western Alaska at least thirty miles from Anchorage and Fairbanks. The final selection will be made, after a committee report and hearings, by plurality vote in a general election. Construction must allow movement of offices to begin by October 1, 1980. Funding for committee activity and construction of capitol facilities is to be provided by the Legislature.

Proposition #2

A PETITION RELATING TO CONFLICT OF INTEREST OF PUBLIC OFFICIALS

This initiative, declaring as one of its purposes, "to discourage public officials from acting upon a private or business interest in the performance of a public duty," would require disclosure by State officials of their private financial interests. Officials covered by the initiative are the Governor, Lieutenant Governor, legislators, judges, department heads, and each member of a state commission or board. Also, each candidate for the state elected office must file a disclosure statement within twenty days of filing for office. Information required to be disclosed include the sources of all income received by the official during the preceding 12 months, the identity of each business in which he has an interest, and the identity and nature of each interest in real property. In addition to an initial disclosure, each of the covered officials would be required to file updating disclosure statements in each subsequent year that the official holds office. The initiative also allows an official to place his assets in a "blind trust" for the duration of his service as a public official. Here, full control of the

of the assets would be in the hands of a trustee. Automatic penalties are provided to operate against those who refuse or fail to file. Generally, any official who fails to file is guilty of a misdemeanor, and may not receive any salary, per diem or travel expenses until he complies. In addition, the initiative provides that any official who has not yet assumed his duties "shall forfeit his nomination to office if he has not complied."

Proposition #3

A PETITION RELATING TO CAMPAIGN CONTRIBUTIONS, EXPENDITURES AND THEIR LIMITATIONS

This initiative includes among its findings "that the people have a right to be informed of the sources of significant election campaign contributions and the manner in which they are spent." Thus, the initiative requires candidates for elective office in Alaska and political committees to file reports disclosing the sources and amounts of all campaign contributions and sets limits on spending for each state elective office. Further, campaign spending may only take place through the candidate. The disclosure requirements also apply to local elections, but no limits on spending are set for local elections. Statements are required to be filed periodically before an election so that the electorate receives the information prior to voting. The spending limits for state offices are as follows:

(a) $125,000 if the candidacy is for Governor or Lieutenant Governor, of which sum no more than $50,000 may be spent on the primary campaign.
(b) $8,000 if the candidacy is for the State Senate.
(c) $6,000 if the candidacy is for the State House of Representatives.

All amounts are exclusive of the candidates personal travel and living expenses. In addition to the reports required of candidates and political committees, individual contributors who make contributions in excess of $100 must file a report, and commercial advertisers who provide advertising for candidates and political committees must file statements disclosing the kind of advertising provided, and the amount received for the advertising. The initiative also provides for appointment by the Governor of a "watchdog committee" composed of members of each political party selected from names submitted by the parties, and of three independents from a list submitted by the League of Women Voters. The committee's general duty is to inspect the various required statements for possible violations. If a violation is found, the committee has the power to initiate legal action against a violator. In addition, any

person may bring an action to enforce the provisions of the initiative bill. The bill also establishes a general criminal penalty of a fine of not less than $1,000 nor more than $5,000 for any person who fails to file a statement required by the bill.

Following is an outline of requirements necessary to place these initiatives on a 1974 ballot.

1. In accordance with AS 15.45.140, the sponsors must file the initiative petition within one year from the date that the sponsors received notice from the Lieutenant Governor that the petitions were ready for delivery.

2. In accordance with AS 15.45.140, the petitions must be signed by qualified voters equal in number to 10 percent of those who voted in the preceding general election and resident in at least two-thirds of the election districts of the State. For each petition, 9,851 qualified signatures representing at least 13 election districts are required.

3. In accordance with AS 15.45.190, the petition cannot be placed on an election ballot unless the legislature has convened and adjourned after receipt of the petition. Therefore, the petition must be filed with my office prior to the legislature convening on January 21, 1974, for placement on the first statewide general, special, or primary election. In addition, 120 days must expire after the legislature adjourns before the initiative can be placed on the election ballot. Therefore, for these initiative petitions to be placed on the primary election ballot, the legislative sessions must adjourn by April 29, 1974.

My staff is expediting all matters pertaining to the petitions as quickly and efficiently as possible. We all recognize the necessity of remaining "on top" on this matter.

Keep your eyes open

Alaska State Legislature

Senator Vic Fischer • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

MEMORANDUM

TO: Sen. Jalmar Kerttula
Senate President

FROM: Sen. Vic Fischer

DATE: Feb. 24, 1982

RE: Tax credit for political campaign contributions

SB 82, dealing with the subject, is in State Affairs.

We held extensive hearings on this matter last session and have been doing both interim and current in-depth anaylsis of the subject.

If and when HB 137, dealing with tax credits for political contributions, comes over from the House, I would appreciate you assigning it to State Affairs.

Thanks.

Campaign rebate faces budget ax

IRA/NARL

By JON MATTHEWS
Daily News reporter

JUNEAU — State rebates for Alaskans contributing to political campaigns, millions of dollars in state administrative costs and seven attorneys within the state Department of Law may be eliminated or reduced by the House Finance Committee today, according to lawmakers and other officials.

The cuts may be proposed in an afternoon meeting as part of the largest effort yet by the House majority coalition to reduce Gov. Jay Hammond's proposed state operating budget by nearly $300 million.

According to documents released by finance committee members Wednesday, the panel today may consider a $15.3 million cut from Hammond's $265 million request to run the Department of Revenue. The cut would leave the revenue agency with about $9 million less than what it received this year.

But a large share of the reduction — about $11 million — actually may be required by law due to a drop in oil taxes designated for specific state municipal assistance, lawmakers said.

Also under consideration will be a proposed $1.3 million reduction in Hammond's request of $15.2 million to run the Department of Law during the coming fiscal year — a move that could leave the department with about 1 percent less funding than it received this year.

Although proposals could change by this afternoon, specific cutbacks that may be recommended by finance subcommittees today include:

2-11-82

See Back Page, HOUSE

House panel ready to act on budget cuts

Continued from Page A-1

• Reduction or elimination of $100 state rebates to individual Alaskans contributing to political campaigns. The contribution program was started as a tax credit before lawmakers repealed the state's income tax and has been continued thereafter as a flat reimbursement to political contributors.

• A possible 15.8 percent reduction in Hammond's $3.4 million request for child support payment enforcement efforts by the state Department of Revenue. But the possible reduction would leave the program with about $400,000 more than the $2.6 million it received this year.

• A possible 56 percent reduction in the $1.3 million requested by Hammond to run the state's permanent fund savings account during the coming fiscal year.

• A 28 percent reduction in the $2.3 million requested by Hammond for administrative services within the Department of Revenue.

• A 34 percent decrease in the $1.2 million requested by Hammond for administration and support services in the Department of Law.

Ronald Lorenson, deputy state attorney general, said he had not been informed as of Wednesday afternoon about what specific cuts may be considered in his agency by the House panel.

Van

M E M O

RE: SB 82

Alternative approach to public financing of election campaigns.

An idea; state provides X dollars per registered voter in each part. party?

Require that each party provide for equal distribution of such funds per candidate: certain percentage for primary, for general election.

This will provide incentives for parties to register and recruit voters who will declare party preference.

Result:

Increased voter registration, increased role of parties, greater accountability of parties and candidates, etc., etc.

3-10-81 SB 82

Susan Clark, AAUW
- cost of day care - high cost
- need support in area of child care

Solutions -
- grandparents / elderly - provide child care
- staff salaries, stf trng
- food subsidies
- incr. job sharing, part-time work - so parents can participate
- incentives for bus. to est daycare
- facilities in stf bldgs for child care
- care of elderly, not just children

Common Cause - supports publ. funding -

Dove M. Kull
- pay relatives for child care
(help take that person of welfare ?)

Margaret Holland LWV

+ tax contribs for camp. contribs + daycare
- keep daycare credit on books in case tax reinstated -
→ in st off bldgs

LWV position on camp. financing.
support publ. financing

/82

-82 back door entry into publicly financed campaigns

any group could form - charge dues - infl legislation - & get refunds

C. Financing individuals vs. org.

Only an indiv. who pd tax

E. Allow some amount of public financing

Dena Klein - Dep't of Rev.

for ~~Dep~~ Admn -

Repeal campaign & child care credit.

Gov. would consider another method

Child care credit -

1980 - applic 44K - 836 people

640 people for 79 - 30K

est. 400K

2

Gov. - may be some merit for public fin of camp. - would be willing to consider another method, other than credit against non-existing taxes

Bradley - tax credits not best way.

SB 165 -

- organiz. assembly in capital - ~~prior~~.

July 4

1

3-3-81

Keith Speckamp

Pete Rouse

→ Tony Miller - re publ. fin of camp.
→ CRA — Child care

Terry Miller — will put staff on it. 1 week

SB 82

4/15/81

PUBLIC FINANCE ELECTIONS

See attached re [illegible]

Dick Bradley is on hold until hears from us.

Says the bill is really complex — would take lots of time & research. I agree

Interim Project??? 2 ove, Nan

SB

86

Alaska State Legislature

Senate

Committee on State Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

FEB. 13, 1981 SENATE STATE AFFAIRS COMMITTEE REPORT

ON

CSSB 86 ENTITLED "AN ACT RELATING TO EXPENDITURE OF STATE MONEY FOR RELOCATION OF THE STATE CAPITAL, AND AMENDING THE LAW ADDED BY THE INITIATIVE POPULARLY KNOWN AS THE 'FRANK INITIATIVE'; AND PROVIDING FOR AN EFFECTIVE DATE."

BILL SUMMARY

The Committee Substitute for Senate Bill 86 would amend AS 44.06.196, popularly known as the "FRANK Initiative", in the following ways:

1) It specifies that the proposition that must be put before the voters prior to any expenditures for capital relocation would include all "bonded and appropriated" costs, rather than "bondable" costs;

2) The Legislature would determine the total cost to the state for the move; and

3) It removes the requirement that the new capital city be planned for a population of 30,000 people.

These amendments are necessary if the existing statutes for capital relocation are to be pursued.

BACKGROUND

In 1974 Alaskan voters approved an initiative to move the capital (AS 44.06.100 - 44.06.190). Two years later the same voters selected Willow as the new capital site. The New Capital Site Planning Commission was then established to plan the new city and to determine its cost (AS 44.06.200 - 44.06.260). By law, the new capital city had to be designed for a population of 30,000 people. Using some of the best talent in the country, the New Capital Site Planning Commission completed its work in time to put a bond proposition before the voters in 1978. The bond proposition amounted to more than $900,000,000 and the proposition was defeated.

At this same election in 1978, Alaskans approved what is popularly known as the "FRANK Initiative". This law required that before any state monies could be expended on the capital move, voters would have to approve the bondable costs of capital relocation. "Bondable costs" has since been interpreted to cover not just actual but all potential costs to the state, so that making realistic cost estimates has become virtually impossible.

PURPOSE OF COMMITTEE SUBSTITUTE SB 86

The committee feels that there has been an effective standoff on the capital relocation since the 1978 bond proposition. In view of the fact that Alaskans have voted for relocation, the standoff must be resolved.

The first step in resolving this issue is revising the "FRANK Initiative" to provide the basis for a workable solution. The committee substitute allows for a reasonable size capital move proposition to go before the voters. This proposition would allow the voters to vote on all actual projected costs of relocation by amending the term "bondable" to include all bonded and appropriated costs of relocation. This substitute also gives the Legislature the authority to determine the size and cost of the move. The Capital Site Planning Commission is not a practical vehicle for deciding the size and cost of the move, in that it is no longer a functioning body.

CSSB 86 maintains 1992 as the time to which costs of relocation are to be calculated, as in the original "FRANK Initiative"; SB 86 would have used 1986 for this purpose. In view of previous delays and projected schedules of site development, it is not likely that the Willow capital site would be first occupied until 1985 at the earliest, more likely not until 1986. Using a date prior to 1992 for cost calculations could readily leave the impression that only initial 1986 relocation costs would be subjected to voter approval, with higher costs being sneaked in immediately thereafter. Since the intent is to achieve a minimum cost move -- and to also be completely honest with the public -- full costs of capital relocation will be best reflected by using the 1992 date.

The State Affairs Committee is currently working on preparing legislation for the proposition to go before the voters. One

member of the committee questioned whether the proposition should give the comparative costs between maintaining the capital in Juneau versus the cost of moving to Willow. The committee is also analyzing all the alternatives, so that the move can have a minimal impact on Juneau. The intention of the committee is that this "FRANK Initiative" amendment would assure that a basis will exist for further action on "move legislation" during this session of the Legislature.

SECTION ANALYSIS

Section 1 amends AS 44.06.196 entitled "Capital Relocation Expenditures".

Lines 17 and 18 are amended to allow voters to vote on all bonded and appropriated costs of capital relocation. The existing law states that the voters must approve a bond issue of all bondable costs of relocation.

Lines 19, 20, and 21 state that the Legislature will determine all bonded and appropriated costs. The existing law states that the Capital Relocation Commission would determine the bondable costs to be voted on at an election.

In lines 27, 28, and 29 the language "having facilities equal to those provided by the present capital city and those required by the 1974 capital move initiative" has been deleted. This deletion removes the requirement that the new capital city be planned for a population of 30,000 people.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 86

Title Act relating to expenditure of state money [for capital relocation]

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Revenue

Program Category Affected _____

BRU, Program, or Subprogram(s) Affected _____

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
	0	0	0	0	0	0

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

IV. DATE January 29, 1981 PREPARED BY Thomas R. Wilson

AGENCY Revenue

PHONE 465-2300

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

33-001 (Rev. 12/80

MEMORANDUM State of Alaska

TO: Hon. Jay S. Hammond
Governor

DATE: March 25, 1981

FILE NO: J-66-611-81 and
J-66-598-81

TELEPHONE NO: 465-3666

FROM: WILSON L. CONDON
ATTORNEY GENERAL

By:
Rodger W. Pegues
Assistant Attorney General

SUBJECT: Capital move legislation, HB 351 and CSSB 86 (Rules, revised)

This responds to your request for an analysis of HB 351 and the latest version of CSSB 86 (Rules). The analysis is in two parts: first, a brief comparison of each bill to your five equirements, and second, an expanded discussion of the defects or problems.

1. True costs:

HB 351 covers costs of public facilities and improvements through the year 1992. It includes relocation costs but not indemnification costs.

CSSB 86 (Rules)(new version) covers only the "net cost of relocation."

2. Method of Determining Costs:

HB 351 provides for a joint interim committee of the legislature to determine costs. No objective measure is prescribed for costs or inflation.

CSSB 86 (Rules)(new version) provides for the Capital City Development Corporation to estimate costs. No objective measure is prescribed for costs or inflation.

3. Ballot Question, Specific Costs, and
4. Ballot Question, Jobs to be Relocated:

HB 351 provides only for voting on costs and does not require any information on specifics of the move to be on the ballot.

CSSB 86 (Rules)(new version) provides for voting on "net cost" and for stating the number of "central state employees" to be relocated from Juneau and Anchorage. However, it will cover only the gover-

nor's office, the legislature, and offices of the heads of the principal departments.

5. Laying the Issue to Rest:

Neither bill provides a mechanism for laying the issue to rest.

It appears that the most substantive defects are the failures to provide mechanisms in the bill for using objective measures of costs and inflation, for stating the specifics on the move on the ballot (the Senate version is much better but still lacking on this point), and for laying the issue to rest.

As you will recall, the Capital Site Planning Commission had an objective measure to follow in making its construction costs estimates. No objective measure was prescribed for inflationary effects. The result was a substantially low estimate of inflation. Hence, there is a need for an objective measure of costs to be prescribed for construction, relocation, and inflation to be prescribed by law if your goal of placing the true costs before the voters is to be achieved. This means the actual costs of facilities to be financed by the public.

The House bill does not require that information of the total costs to achieve a specific result be on the ballot. The Senate bill does require "net costs" to achieve a specific result to be placed on the ballot, but that result -- providing facilities to relocate only the tip of the state government iceberg -- would only provide for the "token move" against which you warned in your State of the State message. Your goals here, therefore, will not be achieved by either bill.

Additionally, neither bill provides a mechanism for laying the issue to rest, that is, neither bill provides for the ballot question to present the alternative of laying the issue to rest as opposed to voting to spend the money to move the capital.

Finally, HB 351 introduces a new problem. The entity which determines the costs to be placed on the ballot is carrying out the law on the subject. HB 351 provides for a special interim committee of the legislature to make that determination. As a general rule, however, a legislative agency or committee can be empowered to carry out the law only insofar as it is incidental to, or in support of, the exercise of the power to make law. Buckley v. Valeo, 424 U.S. 1, 137-142

(1976). Here, the committee will be carrying out the law not in support of the law making function, e.g., to make an appropriation by law, but rather, to develop information for the executive to place on an election ballot. */ The legislature, however, cannot write a law and then appoint one of its committee's to carry it out. State ex rel. Anderson v. State Office Bldg. Comm'n, 345 P.2d 674 (Kan. 1959); Book v. State Office Bldg. Comm'n, 149 N.E.2d 273 (Ind. 1958); Stockman v. Leddy, 129 Pac. 220 (Colo. 1912). We know of no exception for determining costs to be placed on a ballot. Under the constitution, ballot preparation is an executive function. Alaska Const., art. XI, §§ 2, 6, art. XIII, § 1. As a general rule, the legislature can share an executive function only to the extent that it is expressly authorized to do so by the constitution. Bradner v. Hammond, 553 P.2d 1 (Alaska 1976).

The legislature itself may adopt a law which prescribes the terms of the ballot proposition, but it cannot appoint a committee of its members to do so. If prescribing the terms of the ballot is a legislative function, it cannot be exercised by a legislative committee. If it is an executive function, it cannot be performed by the committee. See People v. Tremaine, 252 N.Y. 27, 168 N.E. 817 (1929). Accordingly, as now written, HB 351 appears to be unconstitutional.

RWP/pjg

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*/ A committee could be appointed to develop the financial information for the legislature, and the legislature could then, by law, prescribe the figure to be placed on the ballot.

Capital Relocation Committee SB 86

610 Firewead Lane
Anchorage, Alaska 99503
Phone C/O 272-840[illegible] – 279-1925

To:
Sen Kerttula
Sen Fischer
Sen Pankworth
Sen Colletta
Sen Bradley
Sen Stimson

Rep Joe Hayes
Rep Sam Cotton

STURGULEWSKI
NOT KELLY
RODEY

Gentlemen,

Please forgive this "form type" letter with which I am enclosing the portion of Governor Hammonds address on the State of the State message. This portion deals with the capital move question.

As you will note on page 25, any attempt to amend the FRANK initiative or the original 1974 initiative in order to vote on the question of whether the capital should be moved to Anchorage, Fairbanks, Willow, or not at all, will almost certainly will be threatened with a veto by Governor Hammond.

On page 20, (yellow emphasis); I believe that statewide this might be true....though perhaps not so in the Cook Inlet area. In the event that you can amend the FRANK initiative, it would be almost a certainty if this requires bonded costs; which could be determined by a commission or corporation. Their report to the legislature naturally would say it will require a total of "X" numbers of dollars for the move...then it would be up to the legislature to determine as to how many dollars might be in cash appropriation or in necessary general obligation bonds, ..(but not revenue bonds)...the general obligation bonds would naturally have to go on the ballot.

If this goes on the ballot...which apparently is a must with Governor Hammond; the ballot proposition also should state the total cost of the move, with estimated land sales deducted from this total cost, the necessary G.O. bond costs (not revenue however), and also a statement as to what the costs will be to leave it in Juneau, of course based on the same longevity of the investment in Willow. This can all be determined by the Commission or Corporation, once they are funded and thence report back to the Legislature in the 1982 session.

On page 21: All of this should be in the report to the Legislature in the 1982 session.

Page 22: If necessary, all of this can be accomplished in the 1982 session, so that, if necessary it could be on the November 1982 ballot.

Namely to accomplish anything in this session, it would appear that the firstly important item is the amendment of the "FRANK" initiative, pretty much in line with Senate Bill 86 which is now in the Senate State Affairs Committee.

Thank you sincerely for your attention.

Very truly yours,

Frank W. Harris

Frank W. Harris
Chairman

MUNICIPAL SCHOOL CONSTRUCTION OBLIGATIONS DETER MANY AREAS FROM FORMING LOCAL GOVERNMENTS. REMOVAL OF THIS PENALTY, ACCOMPANIED WITH PROSPECTS OF EXPANDED MUNICIPAL ASSISTANCE, SHOULD PROVE ATTRACTIVE TO THOSE WISHING TO ACQUIRE LOCAL SELF-DETERMINATION.



ANOTHER CHALLENGE FOR THE 80'S IS RESOLUTION OF THE CAPITAL MOVE NOW STALEMATED BY TWO CONFLICTING PUBLIC VOTES. THOUGH 46,659 VOTED TO MOVE THE CAPITAL, 69,414 ASKED THAT BEFORE THE MOVE COMMENCED THEY BE ALLOWED TO VOTE ON THE BONDABLE COSTS, WHICH WERE THEN VOTED DOWN. TO RESOLVE THIS STALEMATE REQUIRES THAT THOSE CONFLICTING VOTES BE RECONCILED.

SOME ARGUE THAT NO LONGER DO MOST WANT TO MOVE THE CAPITAL TO WILLOW SOUTH. THEY ATTRIBUTE THIS IN PART TO GROWING AWARENESS OF PROSPECTIVE BUSINESS LOSSES INCURRED BY

ANCHORAGE, AS WELL AS JUNEAU, SHOULD THE CAPITAL MOVE. THEY ASSERT THAT IF ONLY 1,500 OF THE MORE THAN 4,000 ANCHORAGE EMPLOYEES MOVE IT COULD MEAN A LOSS OF 40 MILLION SALARY DOLLARS; THE VACATING OF MORE THAN 1,000 HOMES; LOST SHARED REVENUES ATTENDING POPULATION REDUCTION OF ABOUT 4,000 PEOPLE; PLUS LOSS OF MILLIONS OF DOLLARS SPENT BY THOSE WHO NOW FLY INTO ANCHORAGE RENTING CARS, HOTEL ROOMS AND BUYING MEALS WHILE ON GOVERNMENT BUSINESS. OTHERS DISAGREE. THEY URGE LEGISLATORS TO REPEAL THE FRANK INITIATIVE AND PROVIDE DIRECT FUNDING FOR THE MOVE. I DON'T PRESUME TO KNOW WHICH VIEW NOW PREVAILS. HOWEVER, INDISPUTABLY, VOTERS CLEARLY STATED THEY WISHED TO VOTE ON THE BONDABLE COSTS OF MOVING. I BELIEVE MOST ALASKANS STILL WISH TO VOTE ON THE COST WHETHER FUNDED BY BONDS OR DIRECT APPROPRIATION. SHOULD THAT WISH BE DENIED, THIS ISSUE WILL CONTINUE TO

FESTER. HEALING CAN START ONLY IF THE PEOPLE ARE ALLOWED TO VOTE ON THE TRUE COSTS OF A SPECIFIC, REALISTIC MOVE BASED ON FACTS, NOT PRESSURE GENERATED BY THOSE WHO WOULD STAND TO GAIN PERSONALLY BY EITHER THE MOVE OR THE STAT 'S QUO. THIS REQUIRES PROVIDING A COMMISSION WIT . FUNDING AND A BROADENED MANDATE TO DETERMINE FACTS. AFTER DOING SO, THIS QUESTION SHOULD BE PLACED UPON THE BALLOT: "SHALL X DOLLARS BE SPENT TO ACCOMMODATE THESE SPECIFIC ELEMENTS OF STATE GOVERNMENT IN WILLOW SOUTH?" THEN LISTED SHOULD BE THE NUMBER AND/OR CLASS (CENTRAL VS. REGIONAL) OF EMPLOYEES TO BE MOVED FROM BOTH ANCHORAGE AND JUNEAU. ABSENT SPECIFICS AS TO THOSE STATE EMPLOYEES WHO WOULD BE RELOCATED, IT IS IMPOSSIBLE TO PLAN FOR THE FUTURE OF NOT ONLY WILLOW SOUTH BUT ALSO ANCHORAGE AND JUNEAU. FOR EXAMPLE, WE SHOULD CONSOLIDATE STATE FUNCTIONS IN ANCHORAGE, BUT WHY TRY IF THEY'RE TO MOVE TO WILLOW SOUTH?

ON THE OTHER HAND, IF WE'RE NOT GOING TO MOVE THEM OR THEIR COUNTERPARTS FROM JUNEAU, VOTERS SHOULD BE AWARE. PAST VOTES HAVE BEEN ON THE PRESUMPTION THAT A FULL-FLEDGED, RATHER THAN TOKEN CAPITAL MOVE WAS TO OCCUR.

TO LAY THE ISSUE TO REST ONE WAY OR THE OTHER, THE BALLOT SHOULD STIPULATE THAT IF MOST SUPPORT FUNDING SUCH A SPECIFIC MOVE, WE MUST GET ON WITH IT. HOWEVER, IF REJECTED, ALL PRIOR INITIATIVES WOULD BE REPEALED.

MEANWHILE, I MUST ASSUME FROM THEIR VOTE TO MOVE A FUNCTIONAL CAPITAL TO WILLOW SOUTH THAT MOST ALASKANS STILL WISH TO DO SO. HOWEVER, I'M EQUALLY COMPELLED TO ASSUME BY THEIR LATER VOTE FOR THE FRANK INITIATIVE AND AGAINST $900 MILLION IN BONDABLE COSTS THAT THE MAJORITY OF ALASKANS STILL WISH TO VOTE ON FUNDING. I'M DETERMINED THEY BE SO PERMITTED. JUST AS SOME ARGUE THAT

BONDABLE COSTS TO ACCOMPLISH A CAPITAL MOVE AS OUTLINED IN THE FRANK INITIATIVE WERE EXCESSIVE, EFFORTS TO PROMOTE A NON-SPECIFIC, TOKEN CAPITAL MOVE WHICH IS LESS THAN FUNCTIONAL IN HOPE THAT SUBSEQUENT PRESSURES WILL PROMPT ADDITIONAL EXPANSION AND FUNDING NOT REQUIRING APPROVAL BY THE PEOPLE, WILL BE VIEWED WITH A JAUNDICED EYE.

THAT THIS ISSUE REMAINS UNRESOLVED IS NOT ONLY DIVISIVE BUT IN SOME RESPECTS LUDICROUS. THE ONLY WAY IT CAN BE RESOLVED TO THE SATISFACTION OF MOST IS BY A VOTE DESIGNED TO UNDO THE CURRENT STALEMATE. YET PRO-MOVERS RESIST SUCH ASSERTING: "WE VOTED TO MOVE IT, WHY VOTE AGAIN?" WHILE ANTI-MOVERS SAY: "WE VOTED AGAINST THE COSTS, WHY VOTE AGAIN?" BOTH SEEM FEARFUL THEY'LL LOSE NEXT TIME. RATHER THAN ACKNOWLEDGE THOSE FEARS OR START AN INITIATIVE DESIGNED TO RESOLVE THEM, MANY PREFER TO BLAME SOMEONE

ELSE: PERSONALLY, I GET A BIT TIRED OF THOSE COMPLAINING BECAUSE I'LL NOT BREAK THE LAW AND MOVE THE CAPITAL.

TO THOSE WHO WONDER WHY I'VE NOT PITCHED MY TENT IN WILLOW SOUTH, THERE'S ONE SIMPLE ANSWER. YOU MADE THAT ILLEGAL WHEN YOU PASSED A LAW WHICH READS:

"STATE MONEY MAY BE EXPENDED TO RELOCATE PHYSICALLY THE PRESENT FUNCTIONS OF STATE GOVERNMENT . . . INCLUDING THE GOVERNOR . . . ONLY AFTER A MAJORITY OF THOSE VOTING IN A STATEWIDE ELECTION HAVE APPROVED THE BOND ISSUE. . ." BY ITS REJECTION, YOU DENIED ME THE RIGHT TO PITCH THAT TENT. I'M SURE THAT IGNORANCE OF THE LAW, RATHER THAN POLITICS OR STUPIDITY, PROMPTS SOME TO KEEP DEMANDING THAT I BREAK IT.

THE PUBLIC, NOT THE LEGISLATURE, VOTED TO MOVE THE CAPITAL. THE PUBLIC, NOT THE LEGISLATURE, VOTED AGAINST MOVING IT UNTIL THEY HAD APPROVED THE BONDABLE COSTS. THEREFORE,

THE LEGISLATURE SHOULD NO MORE AMEND THE FRANK INITIATIVE IN SUCH A WAY AS TO BY-PASS PUBLIC DESIRE TO VOTE ON MOVE COSTS THAN THEY SHOULD AMEND THE MOVE INITIATIVE TO REQUIRE THE CAPITAL TO MOVE, SAY, TO ANCHORAGE OR NOT AT ALL. ONCE ISSUES HAVE BEEN ADDRESSED BY CONFLICTING PUBLIC INITIATIVES, LEADERSHIP HAS BEEN TAKEN FROM ELECTED OFFICIALS SAVE FOR THE OBLIGATION OF SHOWING THE PUBLIC MEANS OF RESOLVING STALEMATES.



ALSO STALEMATED ARE PERMANENT FUND DIVIDENDS. ALTHOUGH I BELIEVE THE U.S. SUPREME COURT WILL RULE FAVORABLY, AS DID OUR STATE SUPREME COURT, MANY COUNTED ON RECEIVING DIVIDENDS. THEREFORE, AS A STOPGAP TO HELP MEET THIS EXPECTATION, I'M SUBMITTING LEGISLATION WHICH WOULD GRANT EACH ALASKAN A SHARE OF THE PREMIUM PAID RECENTLY FOR THEIR ROYALTY OIL.



ALASKA PUBLIC EMPLOYEES ASSOCIATION
State Headquarters: 340 North Franklin Street, Juneau, Alaska 99801 • Tel: (907) 586-2334

MEMORANDUM

To: Nancy Groszek, A.A.
State Affairs Committee

From: Cherie Shelley
Executive Director

Subject: SB 90

Date: April 3, 1981

You have asked me to review the provision in this bill providing for disclosure of personnel records of public employees and applications for public employment.

Initially it should be noted that some of the matters enumerated for disclosure are already made available, e.g., salary and job descriptions. However, background information provided in an application for employment or otherwise is submitted with a reasonable expectation of privacy. This legislation would defeat that expectation of current employees who accepted their positions with this understanding, express or implied, in mind.

It should be noted that the Alaska Constitution, Article I, Section 22 guarantees all persons in this State the right to privacy that "shall not be infringed." The Alaska Supreme Court has provided some guidance in determining what is "private" information in Falcon v. Alaska Public Offices Commission, 570 P.2d 469 (AK 1977). If it is information "which a person desires to keep private and which, if disseminated, would tend to cause substantial concern, anxiety or embarrassment to a reasonable person," then it is protected by this provision. This becomes especially important when one considers the provisions providing for disclosure of disciplinary action and performance evaluations.

Of course, once some information is protected by this right of privacy, it is not automatically barred from disclosure. What must then be done is compare the invasion of privacy, its nature and extent, with the strength of the state interest in disclosure-Falcon, p. 476. In the circumstances now under consideration, it seems the state's interests are not served by disclosure.

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The obvious opportunities for interference in the state's efforts to encourage and assist its employees in improving performance will hinder honest efforts to reach this goal. A reviewing supervisor will be less likely to be free and frank in the evaluation process knowing his or her comments may one day appear in the newspaper. On the other hand, a person may be subjected to ridicule and embarrassment in the community if those comments are less than complimentary, whether true or not.

The mere fact that a person accepts employment with the state should not operate to deprive that person of treatment in a dignified, respectful manner. No one disputes the public interest in seeing that the state's business is handled in an efficient manner, but this provision will operate against that interest.

"Public officials must recognize their official capacities often expose their private lives to public scrutiny. However, we see a great difference between 'unavoidable exposure' and 'compelled disclosure.'" Advisory Opinion on Constitutionality of 1975 PA 227, 242 N.W. 2d 3, 19 (Mich. 1976), cited at 570 P. 2d 474.

The point where freedom of information is no longer beneficial to the effective conduct of state business has been passed in this bill. The need for privacy in matters as sensitive as these should not be overlooked. "Some aspects of the lives of even the most public man fall outside the area of matters of general or public concern." Rosenbloom v. Metromedia, Inc., 403 U.S. 48 (1971).

Finally, it should be noted that the question of whether employment applications are "public information" is currently being reviewed by the State Supreme Court. City of Kenai v. Kenai Peninsula Newspapers, Inc., S. Ct. no. 4954. This decision will undoubtedly shed further light in this area.

CHARLIE PARR

ALASKA LEGISLATURE

S. R. Box 50599
Fairbanks, Alaska 99701
456-5029

Pouch V
Juneau, Alaska 99811
465-4908

January 29, 1981

M E M O R A N D U M

TO: Senator Vic Fischer, Chairman
Senate State Affairs Committee

FROM: Senator Charles H. Parr

SUBJECT: Senate Bill No. 90

The following is a brief summary of the key points in SB 90 relating to privacy and public information.

Section 010 gives the State policy of openness, and is also found in existing statutes dealing with the open meeting clause.

Section 015 provides that all records are open to inspection and copying, and provides that fees must be limited to reasonable costs of duplication.

Beginning with (e) at page 2, line 23, there is a list of items which are exempted from disclosure. These may be grouped as protecting the right of privacy guaranteed in the Alaska Constitution, or as matters of public policy where the Legislature has found the greater benefit to be withholding information.

Section 020, beginning on page 6, provides that a record which can be made open by deleting certain confidential parts will be released after the deletions are made. It also says that refusal to release records must be made in writing.

Section 025 establishes a mechanism for obtaining a court order to require the government agency to release the information. A court may examine the records in camera to determine whether they should or should not be released.

Section 035 gives a civil cause of action against a person wrongfully withholding records, and protects the person who is withholding them in good faith.

Section 040 is the definition section.

Sections 2 and 3 of the bill, beginning on page 9, line 22, deal with the State open-meeting law and remove the authority of a municipality to hold executive sessions other than in accordance with State law.

CHP:vc

kmxt 100.1 fm

Kodiak Public Broadcasting Corporation

P. O. Box 484, Kodiak, Alaska 99615 (907) 486-3181

Febuary 12,1981

Senate Affairs and Judiciary Committee
Pouch V (MS 3100)
Juneau, Alaska 99811

Honorable Chairperson:

I would like to submit this as written testimony in addition to the oral testimony I presented during the teleconferance on Senate Bill 90.

Overall, I am in favor of the bill. I am the News Director at KMXT radio, and former News Director at KFSK radio in Petersburg. Both KMXT and KFSK are members of the Freedom of Information Task Force.

On page four of the bill (40.25.015 (e) 13 (a,b,c)) I am concerned about who is going to determine what will "interfer with enforcement proceedings;", as well as the other conditions listed. Many of the requests for information in this area will be made to the Police Chief. If he/she is the final word on the meaning of these conditions, this could lead to abuse. A system for appeal should be given in the bill. The appeal process would probably end in the courts.

40.25.015 17 I and J, on page 6, may clear up the above concerns. Both of these sections are very good!

On pages 7 and 8 (40.25.025) the section offers a Superior Court injuction as enforcement. In Anchorage, Fairbanks, and Juneau this would work well. However, in smaller communities this is difficult. Kodiak does have a Superior Court, but the judge also covers the Dillingham area, which means he is out of town frequently. In Petersburg the Superior Court judge comes to town once a month for two days.

This section of the bill would require a Petersburg resident to travel to Juneau, or to hire an attorney. I would recommend a proceedure that would allow the Magistrates office to do the initial paperwork. The burden would then be on the court system to contact the Superior Court. This does, unfortunatly, place the extra work on an already overworked court system.

An alternative would be to make violations of the bill a misdemenor offense. A complaint court be sworn at the District Court level and the normal justice system would take over. The question of an injuction is not addressed in this plan, however.

My major concern with this section is that small town citizens have the same opportunity for enforcement as do their city counterparts.

kmxt 100.1 fm

Kodiak Public Broadcasting Corporation

P. O. Box 484, Kodiak, Alaska 99615 (907) 486-3181

On pages 9 and 10 I think section 3 44.62.310 (c) (3) is a very good change to the current statute. This would still allow executive sessions but eliminate the chance for easy abuse. This would reduce the number of unnecessary executive sessions.

Thoughout the bill I would recommend the pronouns "he","him" and "his" be changed to "he/she","him/her" and "his/hers". Often it is a City Clerk who is the custodian of records. Traditionally women are in this position.

The area of "administrative fees" needs to be adressed. A women in Kodiak recently told me she was charge a $20 "administrative fee". She explained that she copied the information she needed by hand, but was still charged. this was justified by the agency as payment for the time of the employee who watched her. This is, I hope, a violation of the spirit of this bill.

I would also like to recommend a poster be prepared that would simply outline: 1) How to request information/copies. 2) Costs per page. 3) The public's right to know. 4) And what to do for enforcement.

This poster could be up in all state offices that have records, City and Borough Clerks offices, and courts. This would be an easy way to inform the public of its rights.

In conclusion I will quote from the bill and AS 44.62.312 (5) "THE PEOPLES RIGHT TO REMAIN INFORMED SHALL BE PROTECTED SO THAT THEY MAY RETAIN CONTROL OVER THE INSTRUMENTS THEY HAVE CREATED."

Thank You.

Sincerly,

Jon Newstrom
News Director

cc: Freedom of Information Task Forse
Kodiak Daily Mirror
KFSK Radio, Peterburg

CENTRAL ALASKA
BROADCASTING, INC.

Duane L. Triplett
President and
General Manager

February 9, 1981

Senator Vic Fischer
Senate State Affairs Committee
Alaska State Legislature
Juneau, Alaska 99811

Dear Senator Fischer,

Let me take a few moments of your time to comment on Senate Bill 90 as it was introduced on January 15, 1981.

On behalf of KIMO-TV and its President, Duane L. Triplett and its News Director, John Vallentine, I would like to express our support for SB-90 with the following exceptions:

1) Most "exceptions" to the act are based on the right of privacy and guarantees no unjustifiable intrustians. A clear definition of this right should be included and used as the basis for the legislated exceptions.

2) On page 3 at line 22, Sec. 40.25, 015(e)(8) is much to broad and should be stricken.

3) On page 4 at line 11, Sec. 40.25, 015(13) appears to exclude those records prepared by a police officer at the time the action is taken. This implies that only "filtered" versions, if any would be available. Our free society depends on free press having the information on the activities of our government especially our law enforcement agencies.

The Society of Professional Journalists, Sigma Delta Chi, Fairbanks Chapter, has recommended to you that independent contractors paid with government funds should be included in the definition of governmental unit. I could support that position only to the extent that those records pertinent to a government contract might need to be available but certainly those nongovernment contract related activities of independent contractors should not be included.

....continued

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In conclusion, please consider that the "business of the people" (our government) is the peoples business. We, they, have a right to know. Do not confuse this issue as one only for the rights of reporters. The mass media happens only to be the most visible of petitioners.

Thank you for this opportunity for input.

Sincerely yours,

CENTRAL ALASKA BROADCASTING, INC.

David L. Geesin,
Director of Community Affairs

DLG:bke

Society of Professional Journalists

Farthest North Chapter
Box 74573
Fairbanks, Ak. 99707

Sigma Delta Chi

February 1, 1981

Sen. Vic Fischer
State Legislature
Pouch V
Juneau, AK 99811

Dear Sen. Fischer:

I understand that my written testimony arrived via telecopier barely legible. If I knew who to blame I would get you an apology. Lacking that, I apologize that there wasn't more time to mail it down in time for the hearing. I hope this arrives in advance of the teleconference on Thursday. If not, I plan to be present in Fairbanks for the hearing and will present this testimony orally if you have not received it and any additional comments if you have.

If there is anything I or the Task Force can do to help pass this important legislation we stand ready to help. Please don't hesitate to call on us.

Again, my apologies.

Sincerely yours,

Dean M. Gottehrer
Chairman
Alaska Freedom of Information Task Force

Society of Professional Journalists

Farthest North Chapter
Box 74573
Fairbanks, Ak. 99707

Sigma Delta Chi

January 26, 1981

Members
Senate State Affairs Committee
Alaska State Legislature
Juneau, Alaska

Dear Committee Members:

On behalf of the Alaska Freedom of Information Task Force, I thank you for the opportunity to submit written testimony on Senate Bill 90. The FOI Task Force was organized by the Farthest North Chapter of the Society of Professional Journalists and numbers nearly 40 members, among them most of the state's daily newspapers, many weekly papers, broadcast stations, magazines and other media organizations. The Task Force is dedicated to seeking the passage of a Freedom of Information bill that will bring government out of the shade where the people's business is being hidden and keep it in the sunshine where that is presently the case.

I have urged our members to judge any proposed legislation against the current law. On that standard I believe SB 90 rates high. It includes all branches of state government, covers municipal and borough governments and provices for speedy access to inspect government documents. Generally, it sides with free and open government so that the people may know what is being done in their name. For the most part the exclusions listed in the bill are rational and legitimate and balance the sometimes conflicting rights of freedom of information and the right to privacy of the individual.

There are, however, some areas of the bill we would like to see changed. Presently the bill contains no definition of the right of privacy. We believe the Legislature, following the constitutional mandate should define that right. We suggest the following definition from the Restatement of Torts: Privacy is that right of an individual to be protected against publicity of a matter concerning that individual's private life when the matter publicized is of a kind that (a) would be highly offensive to a reasonable person and (b) is not of legitimate concern to the public.

We believe the exclusion listed in Sec. 40.25.015 (e)(8) should be stricken from the bill. It is of such a general nature that many records the Legislature would probably want public could be withheld under that exclusion. Sec. 40.25.015 (13) concerns us for two reasons. First, it potentially excludes original entry police records--those documents completed when a suspect is taken into custody. One of the roles of the press historically has been to see that no individual is held by the police unjustly and closing original entry records makes that a much greater potential hazard. Second, (C) of (13) speaks of an unjustifiable intrusion into a person's right of privacy. If that language is to remain here and in other sections of the bill we believe a definition is needed of what is a justifiable intrusion. Since that seems almost impossible, we would prefer to see

that language removed. We don't want to see the police or other governmental unit employees left with the impression that anything unflattering is private.

In a suit for disclosure, the burden of proof should rest with the governmental unit to prove it was required not to release requested information. The courts should be instructed to presume in favor of disclosure.

Each governmental unit should be required to keep a file of letters of denial of information requests that should itself be public. This would allow easy monitoring of governmental units to determine whether they are complying with the law.

The bill does not clearly include computer maintained records as it should. The section defining records should be amended to include "information stored in a computer system." Independent contractors paid with government funds should also be included in the bill's coverage. The definition of governmental unit should include "independent contractor paid with public money in whole or in part and under the supervision of any of the above groups or units."

Whether the state should charge for document copies and how much is a question that has plagued us for some time. Some members believe the media should not be charged since they are doing the public's business when requesting documents while researching a story. Others are willing to pay. No one, however, believes a governmental unit should charge more than the actual copying cost. The method contained in the Governor's proposed regulations is a good compromise. Each requestor receives 20 pages free of charge in any 24 hour period. Above that the charge is 10 cents per page. Currently a great variety of charges exists among agencies. It would help all if the Legislature standardized these charges.

Finally, one last concern. Sec. 4 of the bill on page 10 makes a good faith reliance on AS 40.25 or other law governing confidentiality of public records a defense against the crime of tampering with public records. This defense should be clearly limited as applying only to impairing the availability of a public record and not to any of the other actions listed in AS 11.55.820.

The task you have before you is not an enviable one. You will be urged to exclude this or that branch of government, this or that agency, one or another of a multitude of types of records from coverage under the bill. As you address each of these requests, I ask that you recall that all of these governmental units exist because they are supported with public monies. The public has a right to know what is being done with these funds. Government in the sunshine is best for all people. Keeping government open primarily benefits the people--not the media. Remember that 75 percent of all requests under the federal freedom of information laws come from non-media sources and only 25 percent from the media.

Sincerely yours,

Dean M. Gottehrer
Chairman
Alaska Freedom of Information Task Force

CAP 118

LEGISL. TELECONF. NETWORK

Vic - your role is to thank the witnesses and to ask questions. Debra will control the flow.

VP, CHM N-ST. AFFRS

1) Open the meeting. Mention that this is a State Affairs Committee all-sites teleconference on SB 90. Introduce yourself and the members absent and present.

"FREEDOM OF INFORMATION BILL"

OTHER MEM SEN. BRADLEY, COLLETTA, ELIASON, STEVENS

SEN. PARR - AUTHOR . . .

2) Summary of the bill

" SB 90, entitled "an Act relating to privacy and public information; and changing Rule 65 of the Alaska Supreme Court Rules of Civil Procedure" is a bill dealing with the disclosure of documents in the possession of the Alaska State government. ~~If enacted, it would be our state's Freedom of Information Act.~~ The intent of SB 90 is that all documents in the possession of governmental units belong to the public. This bill ~~does~~ provides for exclusions when disclosure would infringe on the right to privacy of the individual. The right of privacy is guaranteed in our Alaska Constitution. This bill outlines the procedures for speedy access to inspect and duplicate documents and to delete confidential information. It establishes a mechanism for obtaining a court order to require the government to release the information and provides for a civil cause of action against a person wrongfully withholding records. ~~This~~ bill covers all branches of state government including municipal and borough governments..

A bill of this same subject was first introduced in 1972 and has gone through numerous revisions. Last week, our committee heard testimony from Juneau. Basically, all people spoke in favor of the concept of the bill, but numerous amendments were proposed. Our committee is scheduling a mark-up session, Tuesday evening February 17, at 7:00 PM in Juneau. If you do not have the opportunity to fully present your views today, you may sent written comments to my office. Your Legislative Information Office has my address and phone number.

3) ~~Turn the mike over to~~ At this point → Debra ~~so that she can~~ poll the number of people who want to testify.

LIMITED AMOUNT OF TIME - 3 PM.

4) Limit the amount of time for each person to testify.

NOTE: Listen for Lucinda Hites from Sitka. She has the tendency to ramble.

D R A F T

COMMENTARY TO PROPOSED COMMITTEE SUBSTITUTE FOR SB 90

February 6, 1981

D R A F T

COMMENTARY TO PROPOSED
COMMITTEE SUBSTITUTE FOR
SB 90

Sec. 40.25.010. State Policy.

No change from SB 90.

Sec. 40.25.015. Records To Be Open To Inspection.

The reference to "exceptions" in the title has been eliminated since a separate exemption section now appears in sec. 40.25.030. The reference to inspections that infringe on a person's right to privacy has been deleted from subsection (a) since a separate exemption on this subject appears in sec. 40.25.030. Subsection (d) has been amended to allow a person to receive 20 pages of a record copied without charge during any 24-hour period and to permit the waiver of fees in the public interest.

Sec. 40.25.020. Duties Of Governmental Unit.

This new section takes the place of Sec. 40.25.020. Requests For Records, in SB 90. It provides a reasonable time frame for an agency to search for, locate and determine whether a record is subject to disclosure. It also allows sufficient time for the agency to determine whether a specific exemption to disclosure applies and, in particular, whether disclosure would constitute an unwarranted invasion of personal privacy. The time frame specified is consistent with the administration's recently proposed procedural regulations on public information as well as CSHB 131

(Judiciary, 1977) and SCS CSHB 75 (1980). It does, however, add a fourth circumstance justifying extension of the ordinary 10-day period in which to respond to a public request: the need to notify a person and provide him with an opportunity to be heard when his privacy interests may be invaded through disclosure of the record. See sec. 40.25.030(c).

Sec. 40.25.030. Exemptions.

This section lists 12 exemptions from the duty to make records public.

Exemption (1) now includes records exempt from disclosure by federal law and regulation (which are currently exempt from disclosure under existing law) as well as records exempt from disclosure by court rule.

Exemption (2)(tax returns) remains identical to former exemption (2), but the clause pertaining to subject access has been deleted as the issue of subject access is covered generally under sec. 41.25.040.

Former exemptions (3)-(8) are now covered under the general privacy exemption in exemption (12) and are discussed under the commentary pertaining to that exemption.

Former exemption (9)(archival records) now appears without change as exemption (3).

Former exemption (10)(library records) now appears without change as exemption (4).

Former exemption (11)(trade secrets) now appears as exemption (5). The exemption has been redrafted to conform more closely with the companion federal provision

and to protect trade secrets and other confidential business information developed by government. The term "trade secrets" is intended to include any formula, pattern, device or compilation of information which is used in a commercial setting which gives the owner an opportunity to obtain an advantage over competitors who do not know or use it.

The definition of the term confidential has been clarified by several major cases arising under the federal exemption, and those cases should serve as persuasive authority in interpreting the Alaska provision. Material has been held to be confidential if: (1) it would not customarily be released to the public by the person from whom it was obtained, Sterling Drug, Inc. v. FTC, 450 F.2d 698, 709 (D.C. Cir. 1971); (2) disclosure would impair an agency's ability to obtain similar information in the future, National Parks & Conservation Association v. Morton, 498 F.2d 765, 770 (D.C. Cir. 1974); or (3) disclosure would cause substantial harm to the competitive position of the person from whom the information was obtained, National Parks & Conservation Association v. Klepoe, 547 F.2d 673, 679 (D.C. Cir. 1976).

Former exemption (12)(test questions) now appears as exemption (6) and has been narrowed to provide that the exemption only applies if disclosure would compromise the objectivity of the examination process.

Former exemption (13)(law enforcement files) now appears as exemption (7). The introductory section has been modified slightly to more closely parallel the corresponding

section in the federal act with the general reference to "other governmental unit" eliminated. Former subsection (H) has been deleted as unnecessary as the exemption is already covered by exemption (1).

Paragraph (G) of former exemption (13)(crime victims) has been deleted as it implies that the names of victims of crimes other than sexual assault are subject to public disclosure. In the proposed committee substitute the names of all crime victims would be protected from disclosure under both exemption (12) and subsection (h) of this section, until open court proceedings were initiated where the victim was identified. The right of the public to know other basic information about a crime (original entry records) is emphasized in subsection (h) of this section, and reference is made to the commentary accompanying that subsection.

The attorney work product exemption (former exemption (15)) now appears as exemption (9). The limitation in SB 90 requiring disclosure of attorney work product after the litigation has ended has been eliminated. Materials prepared by an attorney in preparation of possible litigation have been exempt from discovery since the landmark decision in Hickman v. Taylor, 329 U.S. 495 (1947). In that opinion the court noted the general policy against invading the privacy of an attorney's preparation of a case is essential to the orderly working of our legal system. Additionally, the attorney work product exemption has been held to apply to discovery of attorney work product in cases that have already been terminated, In Re Murphy, 560 F.2d 326 (8th Cir. 1977).

Consequently, in permitting discovery of attorney work product once the litigation has ended, SB 90 may be in contradiction to the Alaska Court Rules of Civil Procedure.

Former exemption (16)(judge's opinions) now appears as exemption (10), but the prior limitation in the exemption (once the case has been decided, prior draft opinions become public) has been eliminated for the same reasons as discussed under the attorney work product exemption above.

Former exemption (17) (internal security procedures) appears without change as exemption (11).

Exemption (12) exempts from disclosure records that would constitute an unwarranted invasion of personal privacy. This exemption is broad enough to take the place of the general "infringes on a person's right to privacy" exemption specified in sec. 40.25.015(a) of SB 90, and the specific exemptions in former subsections (a)(3)-(8). In using the term "unwarranted invasion of privacy" the proposed committee substitute emphasizes that even in instances where disclosure would constitute an invasion of privacy, disclosure is required if the public interest in disclosure outweighs the privacy interest.

The deletion of the specific exemptions previously found sec. 40.25.015(a)(3)-(8) of SB 90 does not make any substantive change in the bill. While SB 90 appears to provide that all information referred to in exemptions (3)-(8) are exempt from disclosure, each exemption requires that the information constitute "personal information" for it to be exempt from disclosure. That term was defined in former

sec. 40.25.040(4) as "information about an individual person, the disclosure of which would constitute an unjustifiable invasion into a person's right to privacy". Consequently, rather than blanketly exempt from disclosure the categories of records listed in exemptions (3)-(8), SB 90 requires the agency to first balance the two competing interests involved (the public's right to access to information concerning the conduct of governmental affairs and a person's privacy interests) in making a determination whether to disclose a particular record. The specific exemptions in (3)-(8) are therefore unnecessary under both SB 90, which exempts from disclosure in sec. 40.25.015(a) records that would infringe on a person's right to privacy and, under exemption (12) of the proposed committee substitute, which exempts from disclosure records that would constitute an unwarranted invasion of privacy.

Subsection (b) is new to SB 90. It is intended to: (1) state the general test to be used by a governmental unit in determining whether disclosure would constitute an unwarranted invasion of privacy; and (2) provide guidelines to be used in applying that test. Subsection (b) does not, however, define the right to privacy. Because of the wide ranging circumstances where the right to privacy can be asserted, and the competing public interests involved, the term is not susceptible to a single and uniform definition. However, in the context of disclosure of public records, specified guidelines can be provided to governmental units, and ultimately the courts, as an aid in determining whether

disclosure of a particular record would constitute an unwarranted invasion of personal privacy. The proposed committee substitute adopts this approach.

The guidelines listed in paragraphs (1)-(9) are not necessarily listed in order of importance nor are they to be viewed as having equal weight in arriving at a decision regarding disclosure. For example, if the information was of a personal nature under paragraph (1), but the individual was notified, or reasonably could have concluded, that the information would be subject to public review at the time he provided the information, the guideline in paragraph (7) would clearly take precedence and require disclosure.

The factors listed in guideline (1) are taken from AS 39.26.010, which prohibits the government from inquiring into certain personal matters concerning state employees except as directly related to the performance of their official duties. Subparagraph (E) is based on former sec. 40.25.015(e)(6).

The most important consideration in guideline (2) is whether the person could reasonably assert an option to withold embarrassing information from the public. A critical factor in arriving at the determination would be the relationship between the information and the person's ability to perform in the governmental capacity he may hold. In such a case, the information, though embarrassing, could not be witheld. Again, as with the other guidelines, each must be considered in relationship to other considerations. For example, embarrassing information about an individual that was merely rumor or conjecture would result in a much more substantial

privacy claim pursuant to guideline (8).

As is apparent from guideline (3), in many instances it is relevant to consider the standing of the person who has requested the information. It will sometimes be impossible to determine if a given disclosure will produce an unwarranted invasion of privacy without considering what the requesting party intends to do with the information. For example, a compilation of the home addresses of all state employees listing their salaries would not be exempt from a newspaper reporter doing a story on the "average" state employee, while the compilation should be exempt from release to an advertising agency intending to use the list for purposes of commercial solicitation.

Guideline (4) is largely self-explanatory. The fact that the information was voluntarily furnished by an individual reduces his privacy claim while the fact that he may have been compelled to furnish the information increases his privacy claim.

The guideline in paragraph (5) is intended to emphasize that personal information supplied by applicants or recipients of basic social service programs, such as public assistance, are entitled to substantial privacy protection as the information was submitted in order to obtain minimum social benefits, and the individual had little choice but to submit the required information. This compares, however, with the privacy claim of individuals who supply information to government in an effort to obtain substantial government benefits or subsidies. Their privacy

claim is significantly reduced since the decision to apply and supply the information was a voluntary one on the part of the individual. Additionally, there is a significant public interest in monitoring governmental programs that distribute substantial amounts of state wealth to relatively few individuals.

The fact that the information requested was readily available from non-governmental sources reduces an individual's privacy claim pursuant to guideline (6), as does notification to the person at the time he supplies the information that the record will be subject to public disclosure pursuant to guideline (7).

An individual's privacy claim will be substantially greater under guideline (8) when the requested personal information consists of unverified information or rumor. The substantial damage that uncorroborated information about an individual can do to personal reputation weighs heavily against disclosure.

Guideline (9) is self-explanatory.

Subsection (c) is also new to SB 90. It establishes notice procedures to protect individual privacy interests. The duty under subsection (c) arises whenever the governmental unit has decided to disclose material that may come within exemption (a)(7)(C) or (a)(12) and there is a <u>substantial probability</u> that the person identified in the record will object to disclosure. The "substantial probability" language emphasizes that the notice requirement does not apply every time there is a possibility that a privacy exemption may be

applicable. If the governmental unit applies the guidelines specified in subsection (b), notification should only be required in a small minority of cases. However, in cases, for example, where there is significant disagreement in the governmental unit itself as to whether the public interests in disclosure outweigh any applicable privacy interests, the agency should be fully apprised of all considerations favoring non-disclosure before declining to assert an applicable exemption.

Subsection (d)(all records became public after 20 years) is identical to Sec. 40.25.015(f) in SB 90.

Subsection (e)(research)is identical to Sec. 40.25.015(g) in SB 90 but in paragraph (2), reference has been made to federal law or regulation and court rule, consistent with exemption (1).

Subsection (f)(subpoenaed records) is similar to sec. 40.25.015(b) in SB 90 but emphasizes that other state laws pertaining to the confidentiality of public records cannot be raised to prevent disclosure once a subpoena has been issued.

Subsection (g), pertaining to employee personnel records, is based on sec. 40.25.015(i) but more clearly defines the types of employment personnel records subject to disclosure and exempts from disclosure personnel performance evaluations. While there is substantial disagreement on this issue, the proposed committee substitute reflects the view that the disclosure of such information constitutes an unwarranted invasion of the employee's right to privacy and

unnecessarily hampers the ability of government to use the performance evaluation as an effective supervisory tool to insure adequate job performance.

Subsection (h), pertaining to crime information, is identical to sec. 40.25.015(j), but does not provide that the name of the victim of a crime is a matter of public information. The proposed committee substitute adopts the approach that until open court proceedings commence where the victim is identified, the release of the victim's name would constitute an unwarranted invasion of privacy.

Sec. 40.25.040. Access To Records By Record Subject.

This section, which is new to SB 90, gives the individual or his duly authorized representative the right of access to any accessible record pertaining to him. "Accessible record" is defined in sec. 40.25.090(1) as a record that refers to a particular individual that can be retrieved as a result: (1) of the governmental unit's use of a retrieval scheme or index based on the identity of the individual; or (2) of the requester providing sufficiently detailed information to enable the governmental unit to locate the record without an unreasonable expenditure of time, effort, money or other resources. The compliance timetable and procedures of secs. 40.25.015--40.25.020 are incorporated by reference. Consequently, the same procedures apply if the individual is requesting access to any record whether or not his own.

Subsection (b) imposes limits on the individual's right of access to his personal records. Paragraph (1)

incorporates the relevant freedom of information exemptions of secs. 40.25.030(a)(1)--40.25.030(a)(11). Additionally, paragraph (1) allows disclosure of information that would otherwise be exempt under AS 40.25.030(a)(1)--40.25.030(a)(11) if the information was originally submitted to the governmental unit by the requester.

Paragraph (2) limits an individual's access to his personal records to the extent necessary to prevent an unwarranted invasion of another individual's personal privacy. The agency should, of course, balance the public interest in disclosure against the privacy interest of the individual to whom the records pertains. See sec. 40.25.030(b).

Paragraph (3) protects the anonymity of individuals who write letters of recommendation or provide character and fitness evaluations. A record requester is entitled to access, however, provided that the identity of the source of the evaluation is not revealed. This section also confirms that an individual shall have access to his own test questions and answers in any examination used for licensing or public employment. This applies to examinations that the individual must take and pass in order to practice a trade or profession such as bar and real estate examinations. This right is limited to access and does not include copying. This limitation enables government agencies to protect the integrity of test questions that may be used for future examinations.

Subsection (c) is intended to be consistent with protections existing for the confidentiality of records of minors who may seek counselling for or treatment of conditions

such as venereal disease, pregnancy, or alcohol or other drug abuse. The purpose of these provisions is to remove the fear of parental discovery and thus encourage minors to seek appropriate aid. This provision prevents parents and guardians from circumventing these statutes by asserting, in a representative legal capacity, the access rights of their children.

Subsection (d) is similar in intent to sec. 40.25.020(c).

Sec. 40.25.060. Correction and Amendment of Records.

This section, which is new to SB 90, provides an individual with the right to correct or amend any incomplete or inaccurate information contained in a record accessible to him under sec. 40.25.040.

Subsection (b) specifies that a request to correct or amend must be in writing and requires a governmental unit to respond within twenty days after receipt of the request. If the governmental unit makes the correction or amendment or does not maintain the record, the matter comes to an end. If the agency refuses to correct or amend as requested, it must inform the individual in writing of its decision and state the reasons.

If the governmental unit refuses to order the correction or amendment, subparagraphs (b)(3)(A)-(B) permit the individual to file a statement of disagreement with his record and requires the governmental unit to notify the individual of his right to bring a judicial action pursuant to sec. 40.25.070. Whenever a governmental unit discloses

disputed information to a third party, subsection (c) compels it to: (1) identify the disputed information; (2) provide a copy of the individual's statement of disagreement or pending request for amendment or correction; and (3) provide a statement of the agency's current position concerning the requested amendment or correction, including final action if any has been taken. The agency must also transmit a copy of the statement of its current position to the last known address of the individual whose record is released.

Sec. 40.25.070. Enforcement: Injunctive Relief.

This section remains largely unchanged from sec. 40.25.025 in SB 90, but reflects the ability of an individual to require a governmental unit to correct or amend incomplete or inaccurate information pertaining to him.

Sec. 40.25.080. Civil Action For Obstruction Of Access To Records.

No change from SB 90.

Sec. 40.25.090. Definitions.

A definition of "accessible records" appears in paragraph (1). That term is used in sec. 40.25.040 and is discussed in the commentary under that section.

The definition of "governmental unit" remains identical to the definition in SB 90 and specifically includes municipalities.

The definition of "personal information" has been eliminated as that term is not used in the proposed committee substitute.

A new definition of "individual" is provided. That term is used in the section on individual access to records concerning themselves, and is intended to exclude organizations, such as corporations and partnerships.

Sections 2 - 5.

The amendments in sections 2-5 of SB 90 appear without modification in the committee substitute with the exception of former section 4, providing an affirmative defense to the crime of Tampering With Public Records. In view of the requirement in the definition in the crime that the public servant "know" that conduct is improper, the affirmative defense has been eliminated.

Section 6. Effective Date.

A delayed effective date is provided to allow sufficient time to identify and propose amendments to the Act as a result of oversights in co erage.

Work Draft

COMMENTS ON SB 90 entitled "An Act relating to privacy and public information; and changing Rule 65 of the Alaska Supreme Court Rules of Civil Procedure."

Page 1 - No suggested changes

Page 2

line 16 - add the words "in person" (2 comments)

line 17 - add "The request can be made verbally or in writing."

beginning line 19 through 22 - a fee should be charged for searching for the records

bill should permit municipalities to establish a charge for documents which does not exceed the actual cost of producing and duplicating the documents.

establish a uniform fee schedule similiar to the regs proposed by the governor. - 20 pages free within a 24 hour period

Less than 100 copies free - Commissioner of Administration shall by regulation provide a method by which indigent persons may secure information without payment of fees.

Fee should be waived in the public interest.

Fees should not be used to discourage the public

Fees currently charged are prohibitive.

line 25 - add federal law or regulation

add "or required to be kept confidential by federal law or regulation.

Page 3

lines 19 through 21 - Include "applicants" ; expand social services to include public benefits

lines 22 through 25 - exemption too broad; should be deleted (2 comments)

Page 4

lines 5 through 8 - Who decides what are trade secrets, etc?

lines 9 through 10 - Current driver's manual contains sample questions which are in some cases, actual questions on drivers license test.

line 11 - "intelligence" needs to be defined.

Excludes those records prepared by a police officer at the time the original action is taken.

Excludes original entry police records - doesn't allow the press to be a watchdog to see that police do not violate civil rights.

Do not alter section must be read in tandem with page 6, line 8 through 12.

Page 5
lines 1 through 6 - Who makes the decision?

line 29 - rewrite subsection (h) to read:
(h) The exceptions provided under this section do not preclude

(1) production and release of subpoenaed records or information to a state or municipal agency during the course of an investigation;

(2) production and release of records to the ombudsmanwhen requested during the course of an investigation by him; records released to the ombudsman shall be kept confidential by him while the records are in his custody, except the ombudsman may, upon prior notice to the agency, release the records to the court for in camera review pursuant to AS 40.25.025(d).

Page 6
lines 3 through 7 - Oppose access to an employee's record of current performance on the job. (3 comments).

Each municipality should make the decision on personnelrecords.

beginning line 27 - ....the records shall be made [promptly] available to the person making the request <u>within 10 days of the receipt of the request.</u>

.....as soon as practible but no more than 10 days.

Must allow for 10 days because it places the request over all othergovernment business.(2 comments)

Page 7
lines 1 through 11 - the use of the word "suitable" is too vague. Should use Federal FOIA "reasonable segregability".

Any governmental unit that is applying an exemption should be required to include a packet of instructions, including the form drawn up by the Superior Court, on how to proceed in court without counsel to challenge the exemption.

lines 15 through 29 - smaller communities don't have Superior Court Judge full time. Suggestion that the magistrate's office do initial paperwork.

line 26 - change to "actual" attorney fees.

Page 8
line 25 through 29 - Who is the "head" of a governmental unit? What is an a "agency? If an agency is a department, the commissioner would be the "head"; if agency means the division, the director would be the "head". Who is the "head" of for example, the Human Rights Commission - the Executive Director or the Chair?

Would you need a "designee" in each office location - for example, an employee in Fairbanks Natural Resources office need to contact a designated custodian in Anchorage before releasing a record?

Page 8 con't
line 7 - case should be heard as a priority matter. 10 - 30 days maximum to hear trial.

line 16 - change reasonable to actual attorney fees and other actual litigation costs.

line 27 - definition of "governmental unit" should include "governmental instrumentality", "public corporation", "REAA" and "independent contractors paid with government funds but limited only to those activities related to the government contracts."

Page 9
line 11 - include "computer maintained records and information stored in a computer system"

line 24 - What is a "public body?" Would, for example, this section apply in a meeting between several state agencies and the U.S. Army?

beginning at line 28 - delete entire section - Repeals present authority of state or local government body to go into executive session to discuss matters which are required or authorized by federal law to be discussed in executive session. Would also repeal the present authority of municipalities to establish by charter or ordinance additional subjects which may be discussed in executive session.
(Above supported by Juneau, Kodiak, Nome and Municipal League)

OTHER COMMENTS

Exempt municipalities (Kodiak, Juneau, Municipal League)

Don't exempt municipalities (8 comments)

Allow municipalities to opt out after adopting similar ordinance.

Include an Administrative Appeal process.

Define "right to privacy" and "unjustifiable intrusion into a person's right of privacy."

Someone who would be adversely affected by disclosure of an arguably exempt record should be allowed to intervene in a case involving the application of an exemption.

Change pronouns to read he/she, him/her

Witnesses will not be protected if names, addresses & other personal info can be given to the public.

Recommend preparing poster to be hung in each office - 1) how to request info; 2)cost per page; 3) public's right to know; 4) what to do for enforcement.

Each governmental unit should be required to keep a file of letters of denial that should itself be made public.

Burden of proof should rest with the governmental unit. Presumption in favor of disclosure

Preliminary labor negotiations should be private.

Public is not even aware of what is available.

Public will be paying additional "thousands of dollars" to staff a government unit to produce these records.

Page 10, Section 4 - good faith defense should be clearly limited as applying only to impairing the availability of a public record.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

CRIMINAL DIVISION

POUCH KC – STATE CAPITOL
JUNEAU, ALASKA 99811

February 6, 1981

The Honorable Vic Fischer
Chairman, Senate State Affairs Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Re: SB 90

Dear Senator Fischer:

At the January 29, 1981 meeting of the Senate State Affairs Committee you requested that I provide the Committee with proposed amendments to SB 90, An Act relating to privacy and public information. Additionally, you requested that I incorporate as many suggestions for amendments that were raised during public testimony that would be consistent with the administration's proposed procedural regulations on public records and the general approach to the subject adopted by the Department of Law after consulting with other state agencies.

To this end, I have drafted and enclosed for your Committee's consideration a proposed committee substitute for SB 90. Additionally, I have prepared a draft of commentary to accompany the legislation. The commentary should naturally be expanded and revised to provide evidence of legislative intent as the bill itself is revised. The draft commentary highlights the differences between the proposed committee substitute and SB 90.

While the proposed committee substitute makes a number of substantive and technical changes to SB 90, the following changes should be noted:

1. The proposed committee substitute permits a reduction or waiver of copying fees in the public interest, consistent with public testimony and the administration's proposed regulations on the subject. Sec. 40.25.015(d).

2. The proposed committee substitute allows a person to obtain 20 pages of a record copied without charge within any 24-hour period, consistent with public testimony and the administration's proposed regulations on the subject. Sec. 40.25.015(d).

3. The proposed committee substitute specifies a reasonable time frame to permit a governmental unit to search for and locate a requested record and to determine whether an exemption to disclosure applies. This approach is consistent with the administration's proposed regulations on the subject, prior versions of the bill, and the federal act. Sec. 40.25.020.

4. The proposed committee substitute reduces the number of exemptions from the duty to make disclosure from 17 to 12. This approach is consistent with general public testimony on the bill. Sec. 40.25.030(a).

5. The proposed committee substitute specifies guidelines that are to be used by government in determining whether disclosure of a particular record would constitute an unwarranted invasion of privacy. Though not specifically defining the "right to privacy", the guidelines are consistent with public testimony that has requested clarification on this issue. Sec. 40.25.030(b).

6. The proposed committee substitute provides a mechanism to allow a person whose privacy interests may be invaded unwarrantly by disclosure of a public record to present arguments against disclosure to the governmental unit. Sec. 40.25.030(c).

7. The proposed committee substitute provides a mechanism whereby individuals can compel government to correct or amend incomplete or innaccurate information in records pertaining to them. Sec. 40.25.060.

It also should be noted that the proposed committee substitute retains those sections of SB 90 that received virtually unanimous support during public testimony, including: (1) the prohibition against charging the public for the costs of document searches; (2) the inclusion of municipalities within the coverage of the bill; and (3) the simplified injunctive relief provisions.

There is likely to be some disagreement as to several of the changes made by the proposed committee substitute. Most notably, employee personnel evaluations and the names of crime victims are exempt from public disclosure under the proposed committee substitute. However, these relatively minor areas of disagreement should not detract from the general consensus that has developed on the need for legislation on the subject and the significant areas of agreement among all proposals.

I will, of course, be available to discuss this matter further with you at your convenience and to answer any questions that the proposed committee substitute may raise. In the meantime, I look forward to working with the committee during mark-up of SB 90. I have taken the liberty of copying Senator Parr with this letter, the proposed committee substitute and the draft commentary, as I know that as the bill's primary sponsor he will take particular interest in reviewing the changes made to SB 90 by the proposed committee substitute.

Very truly yours,

WILSON L. CONDON
ATTORNEY GENERAL

DANIEL W. HICKEY
CHIEF PROSECUTOR

By: _____
Barry Jeffrey Stern
Assistant Attorney General

BJS:dm

cc: The Honorable Charles H. Parr
Alaska State Senate

Wilson L. Condon
Attorney General

Jerry Reinwand
Executive Assistant to Governor

Keith Specking
Legislative Assistant

Art Peterson
Assistant Attorney General

STATE OF ALASKA

JAY S. HAMMOND, Governor

ALASKA PUBLIC UTILITIES COMMISSION

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

1100 MacKay Building
338 Denali Street
Anchorage, Alaska 99501

Phone (907) 276-6222

May 27, 1981

Honorable Pat Rodey, Majority Leader
Chairman, Senate Judiciary Committee
Alaska State Legislature
Pouch V - State Capitol
Juneau, Alaska 99811

Re: CSSB 90 (Judiciary) - Privacy/Public Information
(Public Records Act)

Dear Pat:

It has been called to our attention that Committee Substitute for Senate Bill 90(Judiciary), a revision of the State's public records laws, as it emerged from the Senate Judiciary Committee and presently is pending before Senate Rules Committee, presents a problem with regard to the way our commissions work. APUC Commissioner Stuart C. Hall spoke with a member of your staff Friday afternoon, May 22, concerning this matter.

On page 6, lines 26-29, inclusive, of the Committee Substitute, proposed AS 40.20.020(a)(10) would exempt "notes, memoranda, draft decisions, opinions, or other similar documents prepared by a justice or a judge, or a person "working under the supervision of either," in the process of deciding a legal issue." Our concern is whether the Judiciary Committee considered the inclusion of members of the quasi-judicial regulatory bodies within the ambit of this exemption. We believe they should be included.

AS 44.62.310(d)(1) makes the State's "Open Meeting Law" inapplicable to "judicial or quasi-judicial bodies when holding a meeting solely to make a decision in an adjudicatory proceeding". Although CSSB 90(Jud) would exempt the work product of justices, judges and their law clerks, etc., that emanate from such meetings within the court system, it would not exempt similar work products that emanate from comparable deliberative sessions of the principal quasi-judicial regulatory agencies that act in a court-like manner under the delegated powers of the legislature. Thus, as currently drafted, CSSB 90(Jud) would produce a result in the new Public Records Act inconsistent with that achieved under the Open Meeting Law.

SLH

While the Commissions support the protection of personal privacy, and at the same time want to ensure full public access to information, as contemplated under CSSB 90(Jud), the legislation as presently written would inhibit, if not stifle, the deliberative process, particularly the free exchange of ideas so essential to a decision in the public interest. Because the regulatory commissioners, at this stage, act in a manner very much like judges their deliberations, and the subsequent written work product -- draft orders, decisions, etc. -- should be as fully protected as those of justices and judges. Full public access to these drafts, notes, memoranda, etc. prior to issuance of an order or decision seriously would impede, if not prejudice, the deliberative process in a manner probably not intended under the legislation.

There is yet another incongruity that results from the omission of an exemption for the members of the quasi-judicial regulatory bodies: proposed AS 40.020.030(a)(9) would exempt the work products of agency attorneys leading up to the determination of legal issues. What would occur is that our staff counsel, whether assisting the staff in the preparation of its case, or working with the Commissioners in the preparation of an order, would be exempt vis a vis their written memoranda, notes, drafts, etc., but the work product of the Commissioners by and for whom they are employed would not be. Again, we are confident this is an unintended result.

Accordingly, we would request the adoption of a corrective amendment -- one that would limit the application of the exemption we propose to members of the principal quasi-judicial regulatory agencies: The Alaska Public Utilities Commission, the Alaska Pipeline Commission, and the Alaska Transportation Commission. We enclose our proposed amendment and request its early, favorable consideration. If you have any questions relative to our concerns or to our proposed amendment, please contact either Commissioner Stuart C. Hall of the APUC or Commissioner Jan Williams of the APC.

Cordially yours,

Carolyn S. Guess

Carolyn S. Guess, Chairman
Alaska Public Utilities Commission

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954
Interim office: 511 West 4th Ave., Suite 5,
Official Business Anchorage, Alaska 99501 phone: 278-3654

M E M O R A N D U M

TO: Anchorage area senators

FROM: Sen. Vic Fischer

DATE: November 20, 1981

SUBJECT: Jails and corrections

I had a singularly valuable afternoon yesterday: I spent it visiting the Eagle River Correctional Center. I urge each of my colleagues who have not already done so to spend some time at this facility as well as the 3rd and 6th Avenue jails.

It is clear that the issue of providing adequate incarceration capacity will be with us next session and in the years to come. In this context, the Eagle River Correctional Center provides an example of the potentials of an effective program and the dangers of substandard facilities.

The new women's facility is great. The men's program facility is an indication of what can be done in corrections, even though it is understaffed and will have its common spaces quite overextended once the two additional housing units are completed.

The most serious problem evident is in the special treatment unit, where 52 men are housed in a facility designed for 20: one man cells are being used for two people and "temporary" double-decker bunks have been constructed in the corridors. All this accompanied by minimum available guards. (The men's facility actually has fewer staff now than when it was initially opened.)

Aside from all this creating a potentially explosive situation, the sad aspect is that people are being warehoused and prevent the facility functioning as a correctional center, especially if adequate staff were available.

If you manage to visit Eagle River, be sure to talk to the superintendents of the men's and women's facilities and also to some of the other senior staff. I did it and gained alot of insights into the extent to which presumptive sentencing is causing an increasing load and potentially creates some extremely serious problems. People are staying in the system much longer, and the probation load is also increasing. Uncertainty of length of incarceration meantime causes people to be brought into the correctional center who are not on a correctional track.

INCORRECT — SENTENCE LENGTHS HAVE DECREASED

I also came to the conclusion that further attention must be given to the location of the correctional system within the executive branch of state government. Potentials for an effective and constructive system are there, but they will be realized only with appropriate management, staffing, and interrelationship with related function.

Finally, the correctional system provides an excellent example of the interrelationship between capital construction and state personnel requirements. As facilities are expanded and more people are incarcerated, there simply will have to be more staff to serve as guards, provide counseling and other rehabilitation services, and generally make the system work.

These are just a few impressions gained from a visit to Eagle River. I strongly urge you to visit the correction center if you have not recently done so.

Very best regards.

Alaska State Legislature

Senate

Committee on State Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

March 3, 1981 SENATE STATE AFFAIRS

COMMITTEE REPORT

ON

CSSB 90 ENTITLED "AN ACT RELATING TO PRIVACY AND PUBLIC INFORMATIION; CHANGING RULE 65 OF THE ALASKA SUPREME COURT RULES OF CIVIL PROCEDURE; AND PROVIDING FOR AN EFFECTIVE DATE."

Committee Substitute Bill Summary

The committee substitute makes a number of substantive and technical changes to the original SB 90. The following changes should be noted:

1) The committee substitute permits a reduction or waiver of copying fees in the public interest or if the requester is indigent. Sec. 40.25.015(d).

2) The committee substitute allows a person to obtain 20 pages of a record copied without charge within any 24-hour period. Sec. 40.25.015(d).

3) The committee substitute specifies four "unusual circumstances" which allow the governmental unit additional time to produce the records. Sec. 40.25.020(e).

4) The committee substitute reduces the number of exemptions from the duty to make disclosure from 17 to 12. Sec. 40.25.030(a).

5) The committee substitute states that all records become public after they are 50 years old unless specifically exempted from disclosure by state statute. Sec. 40.25.030(c).

6) The committee substitute provides a mechanism to allow a person whose privacy interests may be invaded unwarrantedly by disclosure of a public record to present arguments against disclosure to the governmental unit. Sec. 40.25.030(b).

7) The committee substitute provides a mechanism whereby individuals can compel government to correct or amend incomplete or inaccurate information in records pertaining to them. Sec. 40.25.060.

Background

The current statutes AS 09.25.110 and AS 09.25.120 addressing access to public records were adopted in 1962. AS 09.25.125 concerning enforcement and injunctive relief was added in 1975.

A bill relating to privacy and public information was first introduced in the 9th Legislature, 1st Session by the then Representative Parr. From first introduction in 1975 and throughout each subsequent legislative session, the proposed legislation received exhaustive study by standing committees of each house and Free-Conference committees.

SB 90 was introduced on January 15, 1981, and referred to the State Affairs and Judiciary Committees. A Senate State Affairs Committee hearing was held on January 29, 1981 (see attached minutes - Exhibit A) and an all-sites teleconference on February 5, 1981 (see attached minutes - Exhibit B). A mark-up session was held on Tuesday evening, February 17, 1981. Consistent with public testimony and the committee input, CSSB 90 was drafted.

It is the Committee's intent that CSSB 90, or a form thereof, be enacted by this legislative session.

Purpose of Committee Substitute SB 90

It is the intention that this legislation be interpreted and implemented in light of the policy that all records of governmental units are open to the public unless specifically exempted by provisions of this bill. The provisions exempting records should be interpreted in the narrowest possible sense, so that in cases of any doubt, the information should be made open to public inspection. The exclusions listed in the bill balance the sometimes conflicting rights of freedom of information and the right to privacy of the individual.

The committee substitute retains those sections of SB 90 that received virtually unanimous support during public testimony, including: (1) the prohibition against charging the public for

the costs of document searches; (2) the inclusion of municipalities within the coverage of the bill; and (3) the simplified injunctive relief provisions.

Major substantive changes to the original SB 90 include: (1) a reduction or waiver of copying fees in the public interest or if the requester is indigent; (2) allows a person to obtain 20 pages of a record copied without charge within any 24-hour period; (3) specifies four "unusual circumstances" which allow the governmental unit additional time to produce the records; (4) reduces the number of exemptions from the duty to make disclosure from 17 to 12 with the twelfth exemption exempting records from disclosure which would constitute an unjustifiable invasion of privacy; (6) all records become public after they are 50 years sold unless specifically exempted from disclosure by state statute; (7) provides a mechanism to allow a person whose privacy interests may be invaded unwarrantedly by disclosure of a public record to present arguments against disclosure to the governmental unit; and (8) provides a mechanism whereby individuals can compel governmental units to correct or amend incomplete or inaccurate information in records pertaining to them.

It is the committee's desire that the Judiciary Committee consider the following when analyzing CSSB 90: whether medical records should be specifically exempted in light of the provision that all records become public after they are 50 years old and whether independent contractors paid with government funds should be included in the definition of governmental unit. Other concerns were the inclusion of original police entry records in the exemption section and whether there was a need to include a definition of "the right to privacy".

Section Analysis

Sec. 1.

Sec. 40.25.010. Specifies the Findings and Purpose.

Sec. 40.25.015. Provides that all records are open to inspection and copying, and provides for a uniform fee schedule which may be varied in the public interest or if the requester is indigent.

Sec. 40.25.020. Establishes the duties and procedures of a governmental unit to follow when a request for documents is made.

Sec. 40.25.030. Specifies the exemptions.

Sec. 40.25.040. Allows individuals to have access to records that pertain to them.

Sec. 40.25.060. Provides a mechanism whereby individuals can compel governmental units to correct or amend incomplete or inaccurate information in records pertaining to them.

Sec. 40.25.070. Establishes court procedures to require the governmental unit to release the records.

Sec. 40.25.080. Gives a civil cause of action against a person wrongfully withholding records.

Sec. 40.25.090. Definitions section.

Sec. 2 and 3. Amends existing law AS 44.62.310 entitled "Agency meetings public" to remove the authority of a municipality to hold executive sessions other than in accordance with state law and adds a new subsection dealing with the State open-meeting law.

Sec. 4. Changes Rule 65 of the Alaska Supreme Court Rules.

Sec. 5. Repeals the existing "open records" statutes.

Sec. 6. Provides for the effective date of July 1, 1981.

SEN. FISCHER, CHAIR

SEN. BRADLEY

SEN. COLLETTA

SEN. ELIASON

SEN. STIMSON

Barry Stern, representing the Dept. of Law, emphasized in his testimony that existing statutes addressing freedom of information are inadequate. He further remarked that the constitutional provision for a right to privacy frequently conflicts with the public's right to know. The concept of the right to privacy is left up to the agency to decide. Mr. Stern stressed the need for guidelines in determining the scope of a person's right to privacy. He also maintained that the exemptions section of the legislation is too specific, and agreed to transmit to the committee written suggested language to amend this section.

Elizabeth Cuadra, of the League of Women Voters of Alaska, gave brief testimony expressing support for SB 90 and for accessibility of records.

Patty Moriarty, of the Ombudsman's office, provided testimony from two perspectives: that of the Ombudsman's office, and that of the complainant seeking assistance from the Ombudsman's office. She read from the Ombudsman's report of Hawaii which bore the premise that information should be shared between the people and their elected representatives for decision-making purposes. Ms. Moriarty proposed language changes for specific sections of SB 90.

Earl Deater, of the Operating Engineers Union-302, testified in favor of SB 90, pointing out passage of such a measure would assist people in many professions in obtaining information.

Lee Sharp, attorney for the City and Borough of Juneau, provided testimony on the bill regarding the effect it would have on municipalities. Mr. Sharp maintained that local government should make decisions on how local records should be made available. He pointed out that additional costs would be created by the passage of SB 90 in terms of "search costs" and duplication costs. Mr. Sharp concluded his testimony with the statement that he agreed that public records should be made public, but that some things must rest at the local level.

Roland Shanks, of the Alaska Environmental Lobby, provided brief testimony in support of the bill and the intent behind it, noting that "public corporations" were not included in the list of people and agencies covered by the bill.

Chairman Fischer adjourned the meeting in light of the fact that scheduled time had expired.

Alaska State Legislature

Senate

Committee on State Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

Feb. 5, 1981 — Capitol Building

1:30 p.m. — Room 118

MEMBERS PRESENT	MEMBERS ABSENT
SENATOR FISCHER, CHAIRMAN	SENATOR ELIASON
SENATOR BRADLEY	SENATOR STIMSON
SENATOR COLLETTA	

AGENDA — All-sites teleconference on SB90 "An Act relating to privacy and public information; and changing Rule 65 of the Alaska Supreme Court Rules of Civil Procedure."

Chairman Fischer opened the meeting and introduced SB90. He also called for those testifying and any others to send in written comments by the end of next week.

Testimony was received from the following:

From Fairbanks:

Dean Gottehrer, Task Force for
Professional Journalists
Box 74573
Fairbanks 99701

Susan Fischer
Society of Professional Journalists
Box 710
Fairbanks 99701

From Anchorage:

Howard Weaver
Daily News
Pouch 6616
Anchorage 99502

From Ketchikan:

Lew Williams, Editor
Ketchikan Daily News
501 Dock Street
Ketchikan 99901

Exhibit B

From Kodiak:
Jon Newstrom
KMXT Radio
P. O. Box 484
Kodiak 99615

Deborah Nelson
Kodiak Daily Mirror
P. O. Box 1307
Kodiak 99615

From Homer:
Annabel Lund
Managing Editor
Homer News
Box 254
Homer 99603

From Fairbanks:
Scott Sterling
224 Nerland
Fairbanks 99701

Jamie Bryson
860B Yak Estates
Fairbanks 99701

From Sitka:
Ray Medlin
Box 1339
Sitka 99835

From Skagway:
Lucinda Hites
Box Three
Skagway 99840

From Soldotna:
Steve Rinehart
The Peninsula Clarion
Box 1341
Kenai, Alaska 99611

From Anchorage:
Bob Lohr
Rural Cap
327 Eagle St.
Anchorage

From Palmer/Wasila: Mark Harris

From Haines:
Leo Land
Box 122
Haines 99827

From Nome:
Stanley Summers
KICY AM/FM
Box 820
Nome, Alaska 99762

From Fairbanks: Kent Sturgis
Box 710
Fairbanks 99701

From Anchorage: Kay Fanning
Alaska Newspaper Assoc. & Daily News
Pouch 6616
Anchorage 99502

Ted Berns, Attorney
Mun. of Anchorage
Pouch 6-650
Anchorage 99501

From Fairbanks: Tom Knapp
Box 970
Fairbanks 99701

Bruce Wammack
913 Noble St.
Fairbanks 99701

From Anchorage: Matt Zencey
AKPIRG
Box 1093
Anchorage 99510

Mark Beltz
343 W. 12th Ave.
Anchorage 99502

From Ketchikan: Christine M
KINB Radio
Ketchikan 99901

Their comments are summarized as follows:

All testimony was in favor of the bill and strongly endorsed its passage. The majority felt that a definition of "right of privacy" needed to be established, that the question of fees for documents be looked at (it should not be a barrier), and that local municipalities and boroughs should not be able to opt out. Other testimony addressed the problem of tampering with public records and the problems that would occur if

if original entry police records were exempt from disclosure. Further testimony touched on difficulties with "sexist pronouns" in the language of the bill and the inclusion of state employees' performance records as public documents.

Chairman Fischer concluded the teleconference thanking participants for their constructive comments and requested written testimony be sent to the Senate State Affairs Committee by the end of next week.

M E M O R A N D U M

To: Senator Fischer

From: Nan Groszek

Date: 1/28/81

Re: Overview of Senate Bill 90, "An Act relating to privacy and public information; and changing Rule 65 of the Alaska Supreme Court Rules of Civil Procedure."

AS 40.25.010

Sec. 40.25.010 states the policy of the Act. The intention is that all documents in the possession of governmental units belong to the public. A person's right to privacy pursuant to constitutional mandate is specifically stated in subsection AS 40.25.010 (5). delete line

AS 40.25.015

Sec. 40.25.015 (a) states that all records of governmental units except those exempted by law are open to any person for inspection and copying during regular business hours. The section would exempt those records that infringe on a person's right to privacy. The custodian of the records is also held responsible for the preservation and the safekeeping of these records.

(b) This section states that the custodian of the records has a duty to make the records available for inspection and reproduction. It allows the custodian to charge a fee for furnishing a copy of the record. The custodian would also have the duty to provide facilities for the inspection so that the

records are protected, and to prevent interference with the day to day work activities of the office. It further states that if a certified copy of the record is requested that the copy furnished by the custodian would in all cases be evidence of the original.

(c) This section states that copies of the records may be requested by telephone, electronic communication, and by mail. It further states that these requests shall be treated in the same way as requests made in person.

(d) This section states that the commissioner of the Department of Administration shall prescribe a uniform schedule of fees. The payment of fees shall be limited to the reasonable standard charge for document duplication, and only the direct cost of duplication will be charged. (There is no charge for searching for the documents.)

(e) Provides seventeen specific exemptions for not disclosing public documents. These are self-explanatory

(f) States that all records become public documents after they are twenty years old unless they are specifically exempted from disclosure by statute.

(g) States that information contained in records exempted from disclosure under the seventeen exemptions may be released for valid statistical or other information-gathering purposes if: (1.) any of the information which would tend to identify the person would be deleted and (2.) disclosure would be made in a manner which would not compromise or defeat the purposes of any statute designed to maintain the confidentiality of the

information.

(h) This part allows exempted information to be subpoenaed during the course of an investigation of a state or municipal agency.

(i) This part allows all personnel records including salaries and information regarding job performance and abilities to carry out the duties and responsibilities of the job to be made available for inspection. It specifically states that this accessibility to the public is not an infringement of a person's right to privacy.

(j) This part outlines what information is public with regard to the commission of a crime. It specifically exempts the release of the victim's name in a criminal sexual assault case or the release of the name of a minor charged with a crime.

AS 40.25.020

(a) This part states that upon request each governmental unit shall produce the records immediately or, if the record is currently being used or is in storage and not available at the time of the request, the custodian shall notify the applicant in writing and the applicant may then set a date and an hour at which time the record can be inspected.

(b) This part covers the area of exhaustion of administrative remedies. This means that if a governmental unit fails to comply with a person's request for documents, that person is considered to have exhausted his or her administrative remedies and can then go directly to court to force the governmental unit to comply. When the court action is filed, if the governmental unit can show that exceptional circumstances exist, the court can grant the governmental unit additional time to find or review the record.

(c) This part deals with the procedures the custodian of the record must follow when he determines that the contents of the record are exempt under the seventeen provisions. It states that if the custodian finds exempt provisions, the custodian must delete these provisions and release the record with a note stating that exempt material has been removed. It also states that if the custodian determines that the record or a portion of it is not open to inspection, he shall inform the person making the request in certified writing of this determination and of that part of the exempt provisions that he

is relying on. The custodian, in the certified writing, must also state that a lawsuit may be brought to compel production of records which are improperly withheld.

(d) In the certified writing of the denial of request under the previous section the names and titles of positions of each person responsible for the denial of the request must be noted.

AS 40.25.025

(a) This part states that a custodian of the record or an accomplice may be enjoined by the Superior Court from obstructing or attempting to obstruct the lawful inspection of records.

(b) This part states that the court may not charge a filing fee or the Department of Public Safety may not charge for service of process for an applicant seeking injunctive relief under this section. This section also states that the court may not require a security bond, which is usually required in a suit for injunctive relief. If the applicant is granted injunctive relief he shall be entitled to recover costs and reasonable attorney's fees, as stated in Rule 82 of the Civil Rules of Procedure, from the governmental unit.

(c) States that the Superior Court shall provide forms which allow for an applicant to file for injunctive relief without a lawyer. These forms are simplified to include only the identification of the applicant, the name of the custodian

who is allegedly improperly withholding the record, and a simple explanation of the record sought. This is done to do away with needing an attorney to file the suit.

(d) This part states that the court may compel the reproduction of records improperly withheld. It also allows the court to examine withheld documents en camera (which means the judge may do this in his chambers) to determine whether or not the record or portions of the record have been improperly withheld. The burden is put on the agency to prove its reason for withholding the requested document.

AS 40.25.035 Civil Action for Obstruction of Access to Records.

(a) This part allows a person who has been wrongfully denied access to records to file a civil action in court against the person responsible for the violation. The applicant, if he prevails in the suit, is entitled to recover actual damages and reasonable attorney's fees and other reasonable costs of litigation.

(b) This part states that a good faith reliance upon the provisions in the exemption is a defense to a civil action brought under this section.

AS 40.25.040 Definitions

There are five categories of definitions which are self-explanatory. Definitions are provided for "attorney work products", "custodian", "governmental unit", "personal information", and "record".

Section 2 of the bill amends AS 44.62.310, which is entitled "Agency Meetings: Public" by adding a new section which allows

the holding of conferences between two or more public bodies or their representatives. It further states that these conferences are subject to the same regulations which are outlined in AS 44.62.310 for holding executive or closed sessions.

Section 3 amends AS 44.62.310 (c) (3) to read "Matters which by state statute LAW, MUNICIPAL CHARTER, OR ORDINANCE are required to be confidential." This section would stop any governmental unit or political subdivision from drafting their own laws with regards to confidental matters to be discussed in executive session.

Section 4 amends AS 11.56.820 entitled "Tampering with Public Records". This section adds a new clause which states that a good faith reliance upon the provisions outlined in this chapter is an affirmative defense to criminal prosecution. Tampering with public records under current statute is a Class A misdemeanor.

Section 5. This section has the effect of changing Rule 65 of the Alaska Supreme Court Rules of Civil Procedure relating to the security deposits required in civil actions.

Section 6 repeals AS 9.25.110 entitled "Inspection and Copying of Public Records". Repeals AS 9.25.120 entitled "Inspection and Copying of Public Records" and AS 9.25.125 entitled "Enforcement: Injunctive Relief".

Grogle

PROPOSED COMMITTEE SUBSTITUTE

SENATE BILL NO. 90

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to privacy and public information; changing Rule 65 of the Alaska Supreme Court Rules of Civil Procedure and providing for an effective date."

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

* Section 1. AS 40 is amended by adding a new chapter to read:

CHAPTER 25. PRIVACY AND PUBLIC INFORMATION.

Sec. 40.25.010. STATE POLICY. It is the policy of the state that

(1) all governmental units exist to aid in the conduct of the people's business;

(2) the people of this state do not yield their sovereignty to the agencies which serve them;

(3) the people, in delegating authority, do not give their public servants the right to decide what is best for the people to know and what is best for them not to know;

(4) the people's right to remain informed shall be protected so that they may retain control over the instruments they have created;

(5) the people's right to privacy as provided by the constitution is recognized and shall not be infringed;

(6) the records of governmental units shall be open for public inspection unless the inspection infringes on a person's right to privacy or is otherwise prohibited by statute.

Sec. 40.25.015. RECORDS TO BE OPEN TO INSPECTION. (a) Except as otherwise specifically provided by statute, all records are open to

inspection and copying by any person during the regular office hours of the lawful custodian of the records or his designee. The custodian of the records shall take all necessary precautions for their preservation and safekeeping.

duty to search - comments

(b) Every custodian of records shall make them available for public inspection and shall give a copy of the record on request and [redacted]. A custodian shall permit memoranda, transcripts, and copies of the public writings and records in his office to be reproduced in any reasonable manner. In addition, a custodian shall furnish proper and reasonably accessible facilities for inspection of records, subject to reasonable restrictions as are necessary for the protection of the writings and records and to prevent interference with the regular discharge of the duties of the custodian and his employees. If a certified copy is requested, that copy is in all cases evidence of the original.

(c) Copies of records may be requested in person or by telephone, electronic communication, or by mail. These requests shall be treated in accordance with the provisions of (a) and (b) of this section.

verbally or in writing

(d) The commissioner of administration shall prescribe a uniform schedule of fees to be limited to reasonable standard charges for document duplication, and provide for recovery of only the direct costs of the duplication. The commissioner may reduce or waive the payment of fees if a reduction or waiver would be in the public interest. A person can obtain 20 pages of a record copied without charge within any 24-hour period.

in digest

Sec. 40.25.020. DUTIES OF GOVERNMENTAL UNIT. (a) Promptly, but no later than 10 days after receiving a request for a public record, the custodian of the record shall

(1) make the record available;

(2) inform the requester that unusual circumstances, as defined in (d) of this section, have delayed or impaired the handling of the request and specify in writing the earliest time and date, not later than [redacted] after receipt of the request, when the record will be available;

(3) inform the requester that the governmental unit does not maintain the record, and provide, if known, the name and location of the governmental unit maintaining the record; or

(4) deny the request.

50 days to give info

(b) If a request for access to a public record is denied, in whole or part, the governmental unit shall in writing notify the requester of the specific reasons for the denial, and identify by name and position or title of the person responsible for the denial. In addition, the governmental unit shall inform the requester that review of the denial may be sought from the head of the governmental unit and that a request for review must be filed within 30 days after notification of the denial. The head of the governmental unit within 30 days after a request for review is filed, shall decide whether to uphold the denial of access. If the decision is to disclose, the governmental unit shall immediately notify the requester and make the record available. If the denial of access is upheld, in whole or in part, the head of the governmental unit in writing shall notify the requester of the decision, the specific reasons for the decision, and of the right to bring a judicial action under AS 40.25.070.

(c) When the governmental unit determines that contents of a record exempt it under the provisions of AS 42.25.030, it shall also determine whether a deletion of the exempt parts of the record will make the record suitable for release, and, if so, the deletion shall be made and the record released, with the notation that exempt material

has been removed. If the governmental unit determines that the record, or a portion of the record, is not open to inspection, it shall, in a certified writing, inform the person requesting the records of its determination, of the statutory basis for this decision, and that under AS 40.25.070 a suit may be brought to compel production of records that are improperly withheld.

(d) As used in (a) of this section, "unusual circumstances" means, but only to the extent reasonably necessary to the proper processing of the particular request,

(1) the need to search for and collect the requested records from field facilities or other establishments that are separate from the office processing the request;

(2) the need to search for, collect, and appropriately examine a voluminous amount or variety of separate and distinct records which are demanded in a single request;

(3) the need for consultation, which shall be conducted with all practicable speed, with another governmental unit or among two or more components of the governmental unit having a substantial interest in the determination of the request; or

(4) the need to notify a person and afford him an opportunity to be heard pursuant to AS 40.25.030(c).

Sec. 40.25.030. EXEMPTIONS. (a) The following records are excluded from the provision of AS 40.25.015 -- 40.25.070:

(1) records that are exempted from disclosure by state statute, ~~federal law or regulation, or court rules~~;

(2) any tax or information return, or record or report relating to that return, which is required to be filed in accordance with the provisions of AS 43 or municipal ordinance;

(3) archival materials donated by individuals to the extent

of any written limitations placed on them as a condition of of the contribution; however, all archival materials become public information after not more than 50 years and any statement of limitations must be produced upon denial of access;

(4) circulation records maintained by public libraries, public school libraries, and University of Alaska libraries showing personal transactions by those borrowing from them;

(5) trade secrets and confidential commercial, financial, geological, or geophysical data that is furnished to a governmental unit ~~or developed by a governmental unit~~;

(6) materials used to administer a licensing, employment, or academic examination if disclosure would compromise the fairness or objectivity of the examination process;

(7) investigatory, intelligence, and original entry records complied for law enforcement purposes, but only to the extent that production of the records would

(A) interfere with enforcement proceedings;

(B) deprive a person of a right to a fair trial or an impartial adjudication;

(C) constitute an unwarranted invasion of personal privacy;

(D) disclose the identity of a confidential source and, in case of a record compiled by a criminal law enforcement authority in the course of a criminal investigation, confidential information furnished only by the confidential source;

(E) disclose investigative techniques and procedures; or

(F) endanger the life, property, or physical safety of a person;

(8) records of security systems and procedures established

for the purpose of the protection of persons or property, or securing a penal institution or place of detention of persons accused or convicted of a crime or persons under the jurisdiction of the court under AS 47.10, but only to the extent that disclosure would compromise the effectiveness of the system;

(9) attorney work product in the possession of a governmental unit;

(10) any notes, memoranda, draft decisions, opinions, or other similar documents prepared by a justice or a judge, or a person working under ~~his~~ their supervision, in the process of deciding any legal issue;

(11) records related solely to the internal practices of a governmental unit where the effect of disclosure would be to enable law violators to escape detection; and

(12) records, the disclosure of which would constitute an unwarranted invasion of personal privacy.

~~(b) In applying the exemption specified in (a)(12) of this section, the governmental unit shall determine whether the public interest in disclosure outweighs the privacy interest of the person to whom the record pertains. In making this determination, the governmental unit shall consider:~~

~~(1) whether the record is of a personal nature, including records concerning~~

~~(A) the person's personal relationship with any person related to him by blood or marriage;~~

~~(B) the person's religious beliefs or practices;~~

~~(C) non-criminal sexual matters;~~

~~(D) the person's political affiliation or philosophy;~~

~~(E) medical, psychiatric, or psychological history,~~

diagnosis, condition, treatment or evaluation;

(2) whether the person could reasonably assert an option to withhold information contained in the record from the public because of its intimacy or its possible adverse effects upon himself or his family;

(3) the extent to which disclosure furthers the public interest in the disclosure of information concerning the conduct of governmental affairs as opposed to the requester's private interests;

(4) whether the information in the record was voluntarily provided by the person to whom the record pertains or whether he was compelled to provide the information;

(5) whether the information in the record was supplied by the person in an attempt to obtain a valuable governmental benefit, other than basic social services or assistance;

(6) whether the information in the record is readily available from other than governmental sources;

(7) whether the person was notified or reasonably could have concluded at the time he provided the information that the record would be available for public inspection;

(8) whether the information in the record consists of verified or undisputed information about a person or is rumor, conjecture, or uncorroborated hearsay; and

(9) whether the information in the record was collected or maintained for the purpose of making information available to the general public.

(c) If a governmental unit initially decides to disclose a record to which the exemptions specified in (a)(7)(C) or (a)(12) of this section may apply, and to the extent that it concludes that there is a substantial probability that a person to whom the record pertains

Law

Sealed by law

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would object to disclosure, it shall make reasonable efforts to notify that person and provide him with an opportunity to argue against disclosure. If the governmental unit decides to grant disclosure over objection, it shall notify the objector of its decision. If the governmental unit decides not to grant disclosure, and an action is subsequently brought pursuant to AS 40.25.070 to compel disclosure, it shall make reasonable efforts to inform the objector of the suit.

intervene

(d) Unless specifically exempted from disclosure by state statute, ~~federal law or regulation, or court rule,~~ all records become public after they are 50 years old. medical records

(e) Information contained in records exempted from disclosure under (a) of this section may be released for valid statistical or other information-gathering purposes if

(1) any information which would tend to identify the person to whom the record pertains is deleted; and

(disclosure is made in a manner which would not compromise or t the purposes of any state statute, federal law or regulation ourt rule designed to maintain the confidentiality of the information.

(f) The exemptions from public disclosure provided in this section, or by other state law pertaining to the confidentiality of records, do not preclude the release or production of subpoenaed records or information to a state or municipal agency during the course of an investigation.

combine the two applicants finalists notify

(g) All information in personnel records of public employees showing salary or compensation, job description, education and training background, previous work experience, & current evaluation and the status of any formal charges against the employee and disciplinary action taken is a matter of public information and record.

Personal Rule 14.07.0. Except for examination materials, performance evaluations, personal history or other confidential materials so designated by the Dir., employee records shall be public records

(h) The fact that a crime has been committed, the name of the crime, the time of commission and location, and the name of any person who is charged with a crime is a matter of public information and record, except as provided in AS 47.10.090.

Sec. 40.25.040. ACCESS TO RECORDS BY RECORD SUBJECT. (a) Except as provided in (b) of this section, an individual or his duly authorized representative may examine or copy during the regular business hours of the governmental unit, any accessible record that pertains to him. In implementing this section, the governmental unit shall follow the procedures established in AS 40.25.015 -- 40.25.020.

(b) A governmental unit is not required under (a) of this section to disclose:

(1) information that may be withheld pursuant to AS 40.-25.030(a)(1) -- 40.25.030(a)(11), except to the extent that the information was submitted by the requester; however, for purposes of information that may be withheld pursuant to AS 40.25.030(a)(6), under appropriate safeguards designed to protect the integrity of the examination process, an individual may examine, ~~but not copy~~ his own test questions and answers in any examination used for licensing or employment;

(2) information that may be withheld pursuant to AS 40.-25.030(a)(12) that does not relate directly to the requester, and which if disclosed, would constitute an unwarranted invasion of another person's personal privacy; or

(3) information collected and used solely to evaluate the character and fitness of persons, but only to the extent that disclosure would identify the source of the information.

(c) This section does not abridge any state statute, ~~federal law or regulation, or court rule~~ that authorizes an agency to withhold information from the parent or legal guardian of a child.

(d) If an individual requests an accessible record containing information the governmental unit is not required to disclose under (b) or (c) of this section, the agency shall provide any reasonably segregable portion of the record to the requester after deleting the undisclosable material.

Sec. 40.25.060. CORRECTION AND AMENDMENT OF RECORDS. (a) An individual may request a governmental unit to correct or amend any incomplete or inaccurate information pertaining to him if it is contained in a record available under AS 40.25.050.

(b) Not later than twenty days after receiving a request from an individual to correct or amend an accessible record pertaining to him, the governmental unit shall

(1) make the requested correction or amendment and inform the individual of the action;

(2) inform the individual that the governmental unit does not maintain the record and, if it knows, provide the name and location of the governmental unit maintaining it; or

(3) inform the individual in writing of its refusal to correct or amend the record as requested and the reason for the refusal. If the governmental unit refuses to correct or amend the record, it shall

(A) permit the individual to file with the record a concise statement of his reasons for the requested correction or amendment and his reasons for disagreement with the refusal by the governmental unit; and

(B) notify the individual of his right to bring an action pursuant to AS 40.25.070.

(c) Whenever a governmental unit discloses information to a third party about which an individual has filed a statement pursuant to

(b)(3)(A) of this section, the governmental unit shall

(1) clearly identify the disputed portion of the information;

(2) furnish a copy of the individual's statement; and

(3) furnish a concise statement of the governmental unit's current position with respect to the request for correction or amendment and transmit a copy of this statement to the last known address of the individual whose record is disclosed.

Sec. 40.25.070. ENFORCEMENT: INJUNCTIVE RELIEF. (a) A person having custody or control of a record, or a person not having custody or control who aids or abets a person having custody, may be enjoined in superior court from

(1) obstructing or attempting to obstruct the inspection of a record subject to inspection under this chapter;

(2) failing to correct or amend a record pursuant to AS 40.-25.060.

(b) The court may charge no filing fee, and the Department of Public Safety may charge no fee for service of process, from an applicant seeking an injunction under this section. No security may be required by the court from an applicant seeking an injunction under this section. If the applicant is granted the injunction, he shall be entitled to recover costs and ~~reasonable~~ actual attorney fees from the governmental unit.

(c) The superior court shall make available to an applicant, free of charge, a simplified form for proceeding without counsel under this section. The form shall require only identification of the applicant and the name of the custodian alleged to be acting improperly, and a simple explanation of the records sought or the correction or amendment requested.

(d) In a suit brought under this section, the court may enjoin withholding of the records and order the production to the complainant of records improperly withheld or order that the correction or amendment be made. The court shall determine the matter de novo, and may examine the contents of any records in camera to determine whether the records or any portion of them may be withheld under any of the exemption specified in AS 40.25.030 or not corrected or amended under AS 40.25.060. The burden is on the agency to sustain its action.

Sec. 40.25.080. CIVIL ACTION FOR OBSTRUCTION OF ACCESS TO RECORDS. (a) A person who has been wrongfully denied access to a record under this chapter has a civil cause of action against the person responsible for the violation and is entitled to recover actual damages and ~~reasonable~~ attorney fees and other ~~reasonable~~ litigation costs.

(b) A good faith reliance upon the provisions of this chapter or of applicable law governing the confidentiality of public records is a defense to a civil action brought under this section.

Sec. 40.25.090. DEFINITIONS. In this chapter, unless the context otherwise requires,

(1) "accessible record" means any item or collection of information in a record that refers to a particular individual that is

(A) maintained according to an established retrieval scheme or indexing structure on the basis of the identity of, or so as to identify, individuals; or

(B) otherwise retrievable because a governmental unit is able to locate the record through the use of information provided by a requester without an unreasonable expenditure of time, effort, money, or other resources;

(2) "attorney work product" means documents and tangible

things prepared by or for a governmental unit in anticipation of or during litigation;

(3) "custodian" means the head of any governmental unit or his designee;

(4) "governmental unit" means an agency, political subdivision, legislative body, board of regents, or an administrative body, board, commission, committee, subcommittee, authority, council, agency, or other organization, including subordinate units of the above groups, of the state or any of its political subdivisions, including but not limited to municipalities, boroughs, school boards, and all other boards, agencies assemblies, councils, departments, divisions, bureaus, commissions organizations, advisory or otherwise, of the state or local government supported in whole or in part by public money or authorized to spend public money;

(5) "individual" means a natural person;

(6) "record" means any document, paper, memoranda, book, letter, drawing, map, plat, photo, photographic file, motion picture, film, microfilm, micr hotograph, exhibit, magnetic or paper tape, punched card, or other document of any other material, regardless of physical form or characteristic, developed or received under law or in connection with the transaction of official business and preserved or appropriate for preservation by a governmental unit as evidence of the organization, function, policies, decisions, procedures, operations or other activities of the state or political subdivision or because of the informational value in them; it also includes staff manuals and instructions to staff that directly or indirectly affect the public.

* Sec. 2. AS 44.62.310 is amended by adding a new subsection to read:

(g) Nothing in this section may be construed to prevent the holding of conferences between two or more public bodies, or their

representatives, but these conferences are subject to the same regulations for holding executive or closed sessions as are applicable to any other public body.

* Sec. 3. AS 44.62.310(c)(3) is amended to read:

(3) matters which by state statute [LAW, MUNICIPAL CHARTER, OR ORDINANCE] are required to be confidential.

* Sec. 4. In sec. 1 of this Act, AS 40.25.025(b) has the effect of changing Rule 65 of the Alaska Supreme Court Rules of Civil Procedure relating to security deposits required in civil actions.

* Sec. 5. AS 09.25.110, 09.25.120, and 09.25.125 are repealed.

* Sec. 6. This Act takes effect July 1, 1981.

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PROPOSED COMMITTEE SUBSTITUTE

SENATE BILL NO. 90

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to privacy and public information; changing Rule 65 of the Alaska Supreme Court Rules of Civil Procedure and providing for an effective date."

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

* Section 1. AS 40 is amended by adding a new chapter to read:

CHAPTER 25. PRIVACY AND PUBLIC INFORMATION.

Sec. 40.25.010. STATE POLICY. It is the policy of the state that

(1) all governmental units exist to aid in the conduct of the people's business;

(2) the people of this state do not yield their sovereignty to the agencies which serve them;

(3) the people, in delegating authority, do not give their public servants the right to decide what is best for the people to know and what is best for them not to know;

(4) the people's right to remain informed shall be protected so that they may retain control over the instruments they have created;

(5) the people's right to privacy as provided by the constitution is recognized and shall not be infringed;

(6) the records of governmental units shall be open for public inspection unless the inspection infringes on a person's right to privacy or is otherwise prohibited by statute.

Sec. 40.25.015. RECORDS TO BE OPEN TO INSPECTION. (a) Except as otherwise specifically provided by statute, all records are open to

inspection and copying by any person during the regular office hours of the lawful custodian of the records or his designee. The custodian of the records shall take all necessary precautions for their preservation and safekeeping.

(b) Every custodian of records shall make them available for public inspection and shall give a copy of the record on request and payment of fees, if any. A custodian shall permit memoranda, transcripts, and copies of the public writings and records in his office to be reproduced in any reasonable manner. In addition, a custodian shall furnish proper and reasonably accessible facilities for inspection of records, subject to reasonable restrictions as are necessary for the protection of the writings and records and to prevent interference with the regular discharge of the duties of the custodian and his employees. If a certified copy is requested, that copy is in all cases evidence of the original.

(c) Copies of records may be requested by telephone, electronic communication, or by mail. These requests shall be treated in accordance with the provisions of (a) and (b) of this section.

(d) The commissioner of administration shall prescribe a uniform schedule of fees to be limited to reasonable standard charges for document duplication, and provide for recovery of only the direct costs of the duplication. The commissioner may reduce or waive the payment of fees if a reduction or waiver would be in the public interest. A person can obtain 20 pages of a record copied without charge within any 24-hour period.

Sec. 40.25.020. DUTIES OF GOVERNMENTAL UNIT. (a) Promptly, but no later than 10 days after receiving a request for a public record, the custodian of the record shall

(1) make the record available;

(2) inform the requester that unusual circumstances, as defined in (d) of this section, have delayed or impaired the handling of the request and specify in writing the earliest time and date, no later than 20 days after receipt of the request, when the record will be available;

(3) inform the requester that the governmental unit does not maintain the record, and provide, if known, the name and location of the governmental unit maintaining the record; or

(4) deny the request.

(b) If a request for access to a public record is denied, in whole or part, the governmental unit shall in writing notify the requester of the specific reasons for the denial, and identify by name and position or title of the person responsible for the denial. In addition, the governmental unit shall inform the requester that review of the denial may be sought from the head of the governmental unit and that a request for review must be filed within 30 days after notification of the denial. The head of the governmental unit within 30 days after a request for review is filed, shall decide whether to uphold the denial of access. If the decision is to disclose, the governmental unit shall immediately notify the requester and make the record available. If the denial of access is upheld, in whole or in part, the head of the governmental unit in writing shall notify the requester of the decision, the specific reasons for the decision, and of the right to bring a judicial action under AS 40.25.070.

(c) When the governmental unit determines that contents of a record exempt it under the provisions of AS 42.25.030, it shall also determine whether a deletion of the exempt parts of the record will make the record suitable for release, and, if so, the deletion shall be made and the record released, with the notation that exempt material

has been removed. If the governmental unit determines that the record, or a portion of the record, is not open to inspection, it shall, in a certified writing, inform the person requesting the records of its determination, of the statutory basis for this decision, and that under AS 40.25.070 a suit may be brought to compel production of records that are improperly withheld.

(d) As used in (a) of this section, "unusual circumstances" means, but only to the extent reasonably necessary to the proper processing of the particular request,

(1) the need to search for and collect the requested records from field facilities or other establishments that are separate from the office processing the request;

(2) the need to search for, collect, and appropriately examine a voluminous amount or variety of separate and distinct records which are demanded in a single request;

(3) the need for consultation, which shall be conducted with all practicable speed, with another governmental unit or among two or more components of the governmental unit having a substantial interest in the determination of the request; or

(4) the need to notify a person and afford him an opportunity to be heard pursuant to AS 40.25.030(c).

Sec. 40.25.030. EXEMPTIONS. (a) The following records are excluded from the provision of AS 40.25.015 -- 40.25.020:

(1) records that are exempted from disclosure by state statute, federal law or regulation, or court rule;

(2) any tax or information return, or record or report relating to that return, which is required to be filed in accordance with the provisions of AS 43 or municipal ordinance;

(3) archival materials donated by individuals to the extent

of any written limitations placed on them as a condition of of the contribution; however, all archival materials become public information after not more than 50 years and any statement of limitations must be produced upon denial of access;

(4) circulation records maintained by public libraries, public school libraries, and University of Alaska libraries showing personal transactions by those borrowing from them;

(5) trade secrets and confidential commercial, financial, geological, or geophysical data that is furnished to a governmental unit [or developed by a governmental unit;] delete

(6) materials used to administer a licensing, employment, or academic examination if disclosure would compromise the fairness or objectivity of the examination process;

(7) investigatory, intelligence, and original entry records compiled for law enforcement purposes, but only to the extent that production of the records would

(A) interfere with enforcement proceedings;

(B) deprive a person of a right to a fair trial or an impartial adjudication;

(C) constitute an unwarranted invasion of personal privacy;

(D) disclose the identity of a confidential source and, in case of a record compiled by a criminal law enforcement authority in the course of a criminal investigation, confidential information furnished only by the confidential source;

(E) disclose investigative techniques and procedures; or change

(F) endanger the life, property, or physical safety of a person;

(8) records of security systems and procedures established

for the purpose of the protection of persons or property, or securing a penal institution or place of detention of persons accused or convicted of a crime or persons under the jurisdiction of the court under AS 47.10, but only to the extent that disclosure would compromise the effectiveness of the system;

(9) attorney work product in the possession of a governmental unit;

(10) any notes, memoranda, draft decisions, opinions, or other similar documents prepared by a justice or a judge, or a person working under his supervision, in the process of deciding any legal issue;

(11) records related solely to the internal practices of a governmental unit where the effect of disclosure would be to enable law violators to escape detection; and

(12) records, the disclosure of which would constitute an unwarranted invasion of personal privacy.

(b) In applying the exemption specified in (a)(12) of this section, the governmental unit shall determine whether the public interest in disclosure outweighs the privacy interest of the person to whom the record pertains. In making this determination, the governmental unit shall consider:

(1) whether the record is of a personal nature, including records concerning

(A) the person's personal relationship with any person related to him by blood or marriage;

(B) the person's religious beliefs or practices;

(C) non-criminal sexual matters;

(D) the person's political affiliation or philosophy;

(E) medical, psychiatric, or psychological history,

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diagnosis, condition, treatment or evaluation.

(2) whether the person could reasonably assert an option to withhold information contained in the record from the public because of its intimacy or its possible adverse effects upon himself or his family;

(3) the extent to which disclosure furthers the public interest in the disclosure of information concerning the conduct of governmental affairs as opposed to the requester's private interests;

(4) whether the information in the record was voluntarily provided by the person to whom the record pertains or whether he was compelled to provide the information;

(5) whether the information in the record was supplied by the person in an attempt to obtain a valuable governmental benefit, other than basic social services or assistance;

(6) whether the information in the record is readily available from other than governmental sources;

(7) whether the person was notified or reasonably could have concluded at the time he provided the information that the record would be available for public inspection;

(8) whether the information in the record consists of verified or undisputed information about a person or is rumor, conjecture, or uncorroborated hearsay; and

(9) whether the information in the record was collected or maintained for the purpose of making information available to the general public.

(c) If a governmental unit initially decides to disclose a record to which the exemptions specified in (a)(7)(C) or (a)(13) of this section may apply, and to the extent that it concludes that there is a substantial probability that a person to whom the record pertains

would object to disclosure, it shall make reasonable efforts to notify that person and provide him with an opportunity to argue against disclosure. If the governmental unit decides to grant disclosure over objection, it shall notify the objector of its decision. If the governmental unit decides not to grant disclosure, and an action is subsequently brought pursuant to AS 40.25.070 to compel disclosure, it shall make reasonable efforts to inform the objector of the suit.

(d) Unless specifically exempted from disclosure by state statute, ~~federal law or regulation, or court rule~~, all records become public after they are ~~20~~ 50 years old. (Medical records, etc. may be exempted by other statute.)

(e) Information contained in records exempted from disclosure under (a) of this section may be released for valid statistical or other information-gathering purposes if

(1) any information which would tend to identify the person to whom the record pertains is deleted; and

(2) disclosure is made in a manner which would not compromise or defeat the purposes of any state statute, federal law or regulation, or court rule designed to maintain the confidentiality of the information.

(f) The exemptions from public disclosure provided in this section, or by other state law pertaining to the confidentiality of records, do not preclude the release or production of subpoenaed records or information to a state or municipal agency during the course of an investigation.

SB90 p6 l 3

(g) All information in personnel records of public employees showing salary or compensation, job description, education and training background, previous work experience, current performance evaluation, and the status of any formal charges against the employee and disciplinary action taken is a matter of public information and record.

(h) The fact that a crime has been committed, the name of the crime, the time of commission and location, and the name of any person who is charged with a crime is a matter of public information and record, except as provided in AS 47.10.090.

Sec. 40.25.040. ACCESS TO RECORDS BY RECORD SUBJECT. (a) Except as provided in (b) of this section, an individual or his duly authorized representative may examine or copy during the regular business hours of the governmental unit, any ~~accessible~~ record that pertains to him. In implementing this section, the governmental unit shall follow the procedures established in AS 40.25.015 -- 40.25.020.

(b) A governmental unit is not required under (a) of this section to disclose:

(1) information that may be withheld pursuant to AS 40.-25.030(a)(1) -- 40.25.030(a)(11), except to the extent that the information was submitted by the requester; however, for purposes of information that may be withheld pursuant to AS 40.25.030(a)(6), under appropriate safeguards designed to protect the integrity of the examination process, an individual may examine ~~but not copy~~ his own test questions and answers in any examination used for licensing or employment;

(2) information that may be withheld pursuant to AS 40.-25.030(a)(12) that does not relate directly to the requester, and which if disclosed, would constitute an unwarranted invasion of another person's personal privacy; or

(3) information collected and used solely to evaluate the character and fitness of persons, but only to the extent that disclosure would identify the source of the information.

(c) This section does not abridge any state statute, federal law or regulation, or court rule that authorizes an agency to withhold information from the parent or legal guardian of a child. ? About fed. statute

(d) If an individual requests an ~~accessible~~ record containing information the governmental unit is not required to disclose under (b) or (c) of this section, the agency shall provide any reasonably segregable portion of the record to the requester after deleting the undisclosable material.

Sec. 40.25.060. CORRECTION AND AMENDMENT OF RECORDS. (a) An individual may request a governmental unit to correct or amend any incomplete or inaccurate information pertaining to him if it is contained in a record available under AS 40.25.050.

(b) Not later than twenty days after receiving a request from an individual to correct or amend an accessible record pertaining to him, the governmental unit shall

(1) make the requested correction or amendment and inform the individual of the action;

(2) inform the individual that the governmental unit does not maintain the record and, if it knows, provide the name and location of the governmental unit maintaining it; or

(3) inform the individual in writing of its refusal to correct or amend the record as requested and the reason for the refusal. If the governmental unit refuses to correct or amend the record, it shall

(A) permit the individual to file with the record a concise statement of his reasons for the requested correction or amendment and his reasons for disagreement with the refusal by the governmental unit; and

(B) notify the individual of his right to bring an action pursuant to AS 40.25.070.

(c) Whenever a governmental unit discloses information to a third party about which an individual has filed a statement pursuant to

(b)(3)(A) of this section, the governmental unit shall

(1) clearly identify the disputed portion of the information;

(2) furnish a copy of the individual's statement; and

(3) furnish a concise statement of the governmental unit's current position with respect to the request for correction or amendment and transmit a copy of this statement to the last known address of the individual whose record is disclosed.

Sec. 40.25.070. ENFORCEMENT: INJUNCTIVE RELIEF. (a) A person having custody or control of a record, or a person not having custody or control who aids or abets a person having custody, may be enjoined in superior court from

(1) obstructing or attempting to obstruct the inspection of a record subject to inspection under this chapter;

(2) failing to correct or amend a record pursuant to AS 40.-25.060.

(b) The court may charge no filing fee, and the Department of Public Safety may charge no fee for service of process, from an applicant seeking an injunction under this section. No security may be required by the court from an applicant seeking an injunction under this section. If the applicant is granted the injunction, he shall be entitled to recover costs and reasonable attorney fees from the governmental unit.

(c) The superior court shall make available to an applicant, free of charge, a simplified form for proceeding without counsel under this section. The form shall require only identification of the applicant and the name of the custodian alleged to be acting improperly, and a simple explanation of the records sought or the correction or amendment requested.

(d) In a suit brought under this section, the court may enjoin withholding of the records and order the production to the complainant of records improperly withheld or order that the correction or amendment be made. The court shall determine the matter de novo, and may examine the contents of any records in camera to determine whether the records or any portion of them may be withheld under any of the exemption specified in AS 40.25.030 or not corrected or amended under AS 40.25.060. The burden is on the agency to sustain its action.

Sec. 40.25.080. CIVIL ACTION FOR OBSTRUCTION OF ACCESS TO RECORDS. (a) A person who has been wrongfully denied access to a record under this chapter has a civil cause of action against the person responsible for the violation and is entitled to recover actual damages and reasonable attorney fees and other reasonable litigation costs.

(b) A good faith reliance upon the provisions of this chapter or of applicable law governing the confidentiality of public records is a defense to a civil action brought under this section.

Sec. 40.25.090. DEFINITIONS. In this chapter, unless the context otherwise requires,

(1) "accessible record" means any item or collection of information in a record that refers to a particular individual that is

(A) maintained according to an established retrieval scheme or indexing structure on the basis of the identity of, or so as to identify, individuals; or

(B) otherwise retrievable because a governmental unit is able to locate the record through the use of information provided by a requester without an unreasonable expenditure of time, effort, money, or other resources;

(2) "attorney work product" means documents and tangible

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things prepared by or for a governmental unit in anticipation of or during litigation;

(3) "custodian" means the head of any governmental unit or his designee;

(4) "governmental unit" means an agency, political subdivision, legislative body, board of regents, or an administrative body, board, commission, committee, subcommittee, authority, council, agency, or other organization, including subordinate units of the above groups, of the state or any of its political subdivisions, including but not limited to municipalities, boroughs, school boards, and all other boards, agencies, assemblies, councils, departments, divisions, bureaus, commissions or organizations, advisory or otherwise, of the state or local government supported in whole or in part by public money or authorized to spend public money;

(5) "individual" means a natural person;

(6) "record" means any document, paper, memoranda, book, letter, drawing, map, plat, photo, photographic file, motion picture, film, microfilm, microphotograph, exhibit, magnetic or paper tape, computer tape/printout computer maintained records or computer stored info punched card, or other document of any other material, regardless of physical form or characteristic, developed or received under law or in connection with the transaction of official business and preserved or appropriate for preservation by a governmental unit as evidence of the organization, function, policies, decisions, procedures, operations or other activiteis of the state or political subdivision or because of the informational value in them; it also includes staff manuals and instructions to staff that directly or indirectly affect the public.

* Sec. 2. AS 44.62.310 is amended by adding a new subsection to read:

(g) Nothing in this section may be construed to prevent the holding of conferences between two or more public bodies, or their

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representatives, but these conferences are subject to the same regulations for holding executive or closed sessions as are applicable to any other public body.

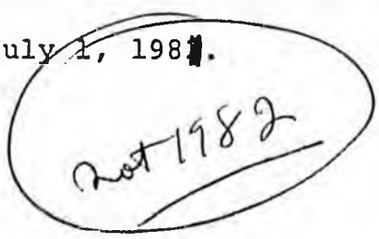
* Sec. 3. AS 44.62.310(c)(3) is amended to read:

(3) matters which by state statute [LAW, MUNICIPAL CHARTER, OR ORDINANCE] are required to be confidential.

* Sec. 4. In sec. 1 of this Act, AS 40.25.025(b) has the effect of changing Rule 65 of the Alaska Supreme Court Rules of Civil Procedure relating to security deposits required in civil actions.

* Sec. 5. AS 09.25.110, 09.25.120, and 09.25.125 are repealed.

* Sec. 6. This Act takes effect July 1, 1982.



meeting with Nancy Grosyek

PROPOSED COMMITTEE SUBSTITUTE

SENATE BILL NO. 90

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to privacy and public information; changing Rule 65 of the Alaska Supreme Court Rules of Civil Procedure and providing for an effective date."

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

* Section 1. AS 40 is amended by adding a new chapter to read:

CHAPTER 25. PRIVACY AND PUBLIC INFORMATION.

Sec. 40.25.010. STATE POLICY. It is the policy of the state that

(1) all governmental units exist to aid in the conduct of the people's business;

(2) the people of this state do not yield their sovereignty to the agencies which serve them;

(3) the people, in delegating authority, do not give their public servants the right to decide what is best for the people to know and what is best for them not to know;

(4) the people's right to remain informed shall be protected so that they may retain control over the instruments they have created;

(5) the people's right to privacy as provided by the constitution is recognized and shall not be infringed;

(6) the records of governmental units shall be open for public inspection unless the inspection infringes on a person's right to privacy or is otherwise prohibited by statute.

Sec. 40.25.015. RECORDS TO BE OPEN TO INSPECTION. (a) Except as otherwise specifically provided by statute, all records are open to

inspection and copying by any person during the regular office hours of the lawful custodian of the records or his designee. The custodian of the records shall take all necessary precautions for their preservation and safekeeping.

(b) Every custodian of records shall make them available for public inspection and shall give a copy of the record on request and payment of fees, if any. A custodian shall permit memoranda, transcripts, and copies of the public writings and records in his office to be reproduced in any reasonable manner. In addition, a custodian shall furnish proper and reasonably accessible facilities for inspection of records, subject to reasonable restrictions as are necessary for the protection of the writings and records and to prevent interference with the regular discharge of the duties of the custodian and his employees. If a certified copy is requested, that copy is in all cases evidence of the original.

(c) Copies of records may be requested ~~by~~ orally or in writing, in person, by telephone, electronic communication, or by mail. These requests shall be treated in accordance with the provisions of (a) and (b) of this section.

(d) The commissioner of administration shall prescribe a uniform schedule of fees to be limited to reasonable standard charges for document duplication, and provide for recovery of only the direct costs of the duplication. The commissioner may reduce or waive the payment of fees if a reduction or waiver would be in the public interest. A person can obtain 20 pages of a record copied without charge within any 24-hour period. or if the requester is indigent.

Sec. 40.25.020. DUTIES OF GOVERNMENTAL UNIT. ~~(a) Promptly, but~~ (a) Immediately ~~not later than 10 days~~ after receiving a request for a public record, the custodian of the record shall

(1) make the record available;

(2) inform the requester that unusual circumstances, as defined in (@) of this section, have delayed or impaired the handling of the request and specify in writing the earliest time and date, not later than ~~10~~ 5 days after receipt of the request, when the record will be available;

(3) inform the requester that the governmental unit does not maintain the record, and provide, if known, the name and location of the governmental unit maintaining the record; or

(4) deny the request.

(b) If a request for access to a public record is denied, in whole or part, the governmental unit shall in writing notify the requester of the specific reasons for the denial, and identify by name and position or title of the person responsible for the denial. In addition, the governmental unit shall inform the requester that review of the denial may be sought from the head of the governmental unit and that a request for review must be filed within 30 days after notification of the denial. The head of the governmental unit within 30 days after a request for review is filed, shall decide whether to uphold the denial of access. If the decision is to disclose, the governmental unit shall immediately notify the requester and make the record available. If the denial of access is upheld, in whole or in part, the head of the governmental unit in writing shall notify the requester of the decision, the specific reasons for the decision, and of the right to bring a judicial action under AS 40.25.070.

(c) When the governmental unit determines that contents of a record exempt it under the provisions of AS 42.25.030, it shall also determine whether a deletion of the exempt parts of the record will make the record suitable for release, and, if so, the deletion shall be made and the record released, with the notation that exempt material

has been removed. If the governmental unit determines that the record or a portion of the record, is not open to inspection, it shall, in a certified writing, inform the person requesting the records of its determination, of the statutory basis for this decision, and that unde AS 40.25.070 a suit may be brought to compel production of records tha are improperly withheld. ~~over add subsection (d)~~ Add subsection (d) ~~add~~ over

(e) As used in ~~(a) of~~ this section, "unusual circumstances" means, but only to the extent reasonably necessary to the proper processing of the particular request,

(1) the need to search for and collect the requested records from field facilities or other establishments that are separate from the office processing the request;

(2) the need to search for, collect, and appropriately examine a voluminous amount or variety of separate and distinct records which are demanded in a single request;

(3) the need for consultation, which shall be conducted with all practicable speed, with another governmental unit ~~or among two or more components of the governmental unit~~ having a substantial interest in the determination of the request; or

~~(4) the need to obtain the record from active use or storage;~~

(4) the need to notify a person and afford him an opportunity to be heard pursuant to AS 40.25.030(c).

Sec. 40.25.030. EXEMPTIONS. (a) The following records are excluded from the provision of AS 40.25.015 -- ~~40.25.020~~:

(1) records that are exempted from disclosure by state statute, ~~federal law or regulation, or court rule;~~

(2) any tax or information return, or record or report relating to that return, which is required to be filed in accordance with the provisions of AS 43 or municipal ordinance;

(3) archival materials donated by individuals to the extent

denies the request or fails to comply with (a)(1)-(3) of this section

(e) A person making a request to a governmental unit for records under AS 40.25.015--40.25.030 is considered to have exhausted his administrative remedies with respect to the request if the governmental unit fails to

continue to

comply with this section. If the governmental unit can show that unusual exceptional circumstances exist and that it is exercising due diligence in responding to the request, the court may retain jurisdiction and allow the governmental unit additional time to complete its review of the records. Upon a determination by a governmental unit to comply with a request for records, the records shall be made promptly available to the person making the request.

as defined in (c) of this section

under AS 40.25.020

of any written limitations placed on them as a condition of of the contribution; however, all archival materials become public information after not more than 50 years and any statement of limitations must be produced upon denial of access;

(4) circulation records maintained by public libraries, public school libraries, and University of Alaska libraries showing personal transactions by those borrowing from them;

(5) trade secrets and confidential commercial, financial, geological, or geophysical data that is furnished to a governmental unit, ~~or developed by a governmental unit;~~

(6) materials used to administer a licensing, employment, or academic examination if disclosure would compromise the fairness or objectivity of the examination process;

(7) investigatory, intelligence, and original entry records complied for law enforcement purposes, but only to the extent that production of the records would

(A) interfere with enforcement proceedings;

(B) deprive a person of a right to a fair trial or an impartial adjudication;

(C) constitute an unwarranted invasion of personal privacy;

(D) disclose the identity of a confidential source and, in case of a record compiled by a criminal law enforcement authority in the course of a criminal investigation, confidential information furnished only by the confidential source;

(E) disclose investigative techniques and procedures; or

(F) endanger the life, property, ~~or~~ physical safety of a person;

(8) records of security systems and procedures established

however, once the legal issue has been decided, all notes, memoranda, draft decisions, opinions, or similar documents become public records under rules established by the supreme court

for the purpose of the protection of persons or property, or securing a penal institution or place of detention of persons accused or convicted of a crime or persons under the jurisdiction of the court under AS 47.10, but only to the extent that disclosure would compromise the effectiveness of the system;

(9) attorney work product in the possession of a governmental unit; however, once the litigation has been terminated, attorney work product that does not reveal litigation strategy or mental impressions or opinions of an attorney or a person working under his direction

(10) any notes, memoranda, draft decisions, opinions, or other similar documents prepared by a justice or a judge, or a person working under their supervision, in the process of deciding any legal issue; become public records,

(11) records related solely to the internal practices of a governmental unit where the effect of disclosure would be to enable law violators to escape detection; and In applying this exemption, the governmental unit shall determine whether the public interest in disclosure outweighs

(12) records, the disclosure of which would constitute an unjustifiable invasion of personal privacy. the privacy interest of the person to whom the record pertains

leave in

(b) In applying the exemption specified in (a)(12) of this section, the governmental unit shall determine whether the public interest in disclosure outweighs the privacy interest of the person to whom the record pertains. In making this determination, the governmental unit shall consider:

(1) whether the record is of a personal nature, including records concerning

(A) the person's personal relationship with any person related to him by blood or marriage;

(B) the person's religious beliefs or practices;

(C) non-criminal sexual matters;

(D) the person's political affiliation or philosophy;

(E) medical, psychiatric, or psychological history,

03-038

diagnosis, condition, treatment or evaluation;

(2) whether the person could reasonably assert an option to withhold information contained in the record from the public because of its intimacy or its possible adverse effects upon himself or his family;

(3) the extent to which disclosure furthers the public interest in the disclosure of information concerning the conduct of governmental affairs as opposed to the requester's private interests;

(4) whether the information in the record was voluntarily provided by the person to whom the record pertains or whether he was compelled to provide the information;

(5) whether the information in the record was supplied by the person in an attempt to obtain a valuable governmental benefit, other than basic social services or assistance;

(6) whether the information in the record is readily available from other than governmental sources;

(7) whether the person was notified or reasonably could have concluded at the time he provided the information that the record would be available for public inspection;

(8) whether the information in the record consists of verified or undisputed information about a person or is rumor, conjecture, or uncorroborated hearsay; and

(9) whether the information in the record was collected or maintained for the purpose of making information available to the general public.

(c) If a governmental unit initially decides to disclose a record to which the exemptions specified in (a)(7)(C) or (a)(12) of this section may apply, and to the extent that it concludes that there is a substantial probability that a person to whom the record pertains

would object to disclosure, it shall make reasonable efforts to notify that person and provide him with an opportunity to argue against disclosure. If the governmental unit decides to grant disclosure over objection, it shall notify the objector of its decision. If the governmental unit decides not to grant disclosure, and an action is subsequently brought pursuant to AS 40.25.070 to compel disclosure, it shall make reasonable efforts to inform the objector of the suit.

(d) Unless specifically exempted from disclosure by state statute, ~~federal law or regulation, or court rule,~~ all records become public after they are 50 ~~20~~ years old.

(e) Information contained in records exempted from disclosure under (a) of this section may be released for valid statistical or other information-gathering purposes if

(1) any information which would tend to identify the person to whom the record pertains is deleted; and

(2) disclosure is made in a manner which would not compromise or defeat the purposes of any state statute, federal law or regulation, or court rule designed to maintain the confidentiality of the information.

(f) The exemptions from public disclosure provided in this section, or by other state law pertaining to the confidentiality of records, do not preclude the release or production of subpoenaed records or information to a state or municipal agency during the course of an investigation.

(g) All information in personnel records of public employees showing salary or compensation, job description, education and training background, previous work experience, and the status of any formal charges against the employee and disciplinary action taken, ~~is a matter of public information and record.~~

employees cur...

the duties and responsibilities of ~~the~~ their job shall be open ~~to~~ for public inspection. Applications ~~sub~~ for public employment submitted by ~~the~~ finalists for employment are also open to public inspection, ~~provided~~ but ~~the~~ potential finalists shall be notified of this fact and of their right to withdraw their application prior to public inspection. As ~~used in this section, "finalist" means the final five ten percent of the original applications originally submitted to the governmental unit that remain under consideration after~~

~~of applicants whose applications for employment are remain in the~~

under consideration for employment or those applicants

~~of these applicants~~ the final three

~~form~~

used in this section, "finalist" means ~~the~~ ~~[illegible]~~ ~~[illegible]~~ applicants ~~[illegible]~~ who remain under consideration for employment after ninety percent of the original applicants have been ~~[illegible]~~ eliminated from consideration by the governmental unit, whichever is ~~[illegible]~~ greater.

(h) The fact that a crime has been committed, the name of the crime, the time of commission and location, and the name of any person who is charged with a crime is a matter of public information and record, except as provided in AS 47.10.090.

Sec. 40.25.040. ACCESS TO RECORDS BY RECORD SUBJECT. (a) Except as provided in (b) of this section, an individual or his duly authorized representative may examine or copy during the regular business hours of the governmental unit, any ~~accessible~~ record that pertains to him. In implementing this section, the governmental unit shall follow the procedures established in AS 40.25.015 -- 40.25.020.

(b) A governmental unit is not required under (a) of this section to disclose:

(1) information ~~that may be withheld pursuant~~ exempt from disclosure to AS 40.-25.030(a)(1) -- 40.25.030(a)(11), except to the extent that the information was submitted by the requester; however, for purposes of information that may be withheld pursuant to AS 40.25.030(a)(6), under appropriate safeguards designed to protect the integrity of the examination process, an individual may examine~~, but not copy,~~ his own test questions and answers in any examination used for licensing or employment; ~~or~~

(2) information that may be withheld pursuant to AS 40.-25.030(a)(12) that does not relate directly to the requester, and which if disclosed, would constitute an ~~unwarranted~~ unjustifiable invasion of another person's personal privacy; ~~or~~ or

(3) information that is subject to regulation under AS 12.62 X

~~(3) information collected and used solely to~~ evaluate the character and fitness of persons, but only to the extent that disclosure would identify the source of the information.

(c) This section does not abridge any state statute~~, federal law or regulation, or court rule~~ that authorizes an agency to withhold information from the parent or legal guardian of a child.

Access to this information is reserved by the [illegible]

(d) If an individual requests a record containing information the governmental unit is not required to disclose under (b) or (c) of this section, the agency shall provide any reasonably segregable portion of the record to the requester after deleting the undisclosable material.

Sec. 40.25.060. CORRECTION AND AMENDMENT OF RECORDS. (a) An individual may request a governmental unit to correct or amend any incomplete or inaccurate information pertaining to him if it is contained in a record available under AS 40.25.050.

(b) Not later than twenty days after receiving a request from an individual to correct or amend an record pertaining to him, the governmental unit shall

(1) make the requested correction or amendment and inform the individual of the action;

(2) inform the individual that the governmental unit does not maintain the record and, if it knows, provide the name and location of the governmental unit maintaining it; or

(3) inform the individual in writing of its refusal to correct or amend the record as requested and the reason for the refusal. If the governmental unit refuses to correct or amend the record, it shall

(A) permit the individual to file with the record a concise statement of his reasons for the requested correction or amendment and his reasons for disagreement with the refusal by the governmental unit; and

(B) notify the individual of his right to bring an action pursuant to AS 40.25.070.

(c) Whenever a governmental unit discloses information to a third party about which an individual has filed a statement pursuant to

(b)(3)(A) of this section, the governmental unit shall

(1) clearly identify the disputed portion of the information;

(2) furnish a copy of the individual's statement; and

(3) furnish a concise statement of the governmental unit's current position with respect to the request for correction or amendment and transmit a copy of this statement to the last known address of the individual whose record is disclosed.

Sec. 40.25.070. ENFORCEMENT: INJUNCTIVE RELIEF. (a) A person having custody or control of a record, or a person not having custody or control who aids or abets a person having custody, may be enjoined in superior court from

(1) obstructing or attempting to obstruct the inspection of a record subject to inspection under this chapter;

(2) failing to correct or amend a record pursuant to AS 40.-25.060.

(b) The court may charge no filing fee, and the Department of Public Safety may charge no fee for service of process, from an applicant seeking an injunction under this section. No security may be required by the court from an applicant seeking an injunction under this section. If the applicant is granted the injunction, he shall be entitled to recover costs and reasonable attorney fees from the governmental unit.

(c) The superior court shall make available to an applicant, free of charge, a simplified form for proceeding without counsel under this section. The form shall require only identification of the applicant and the name of the custodian alleged to be acting improperly, and a simple explanation of the records sought or the correction or amendment requested.

(d) In a suit brought under this section, the court may enjoin withholding of the records and order the production to the complainant of records improperly withheld or order that the correction or amendment be made. The court shall determine the matter de novo, and may examine the contents of any records in camera to determine whether the records or any portion of them may be withheld under any of the exemption specified in AS 40.25.030 or not corrected or amended under AS 40.25.060. The burden is on the agency to sustain its action.

Sec. 40.25.080. CIVIL ACTION FOR OBSTRUCTION OF ACCESS TO RECORDS. (a) A person who has been wrongfully denied access to a record under this chapter has a civil cause of action against the person responsible for the violation and is entitled to recover actual damages and reasonable attorney fees and other reasonable litigation costs.

(b) A good faith reliance upon the provisions of this chapter or of applicable law governing the confidentiality of public records is a defense to a civil action brought under this section.

Sec. 40.25.090. DEFINITIONS. In this chapter, unless the context otherwise requires,

(1) "accessible record" means any item or collection of information in a record that refers to a particular individual that is

(A) maintained according to an established retrieval scheme or indexing structure on the basis of the identity of, or so as to identify, individuals; or

(B) otherwise retrievable because a governmental unit is able to locate the record through the use of information provided by a requester without an unreasonable expenditure of time, effort, money, or other resources;

(2) "attorney work product" ~~means~~ means documents and tangible

things prepared by or for a governmental unit in anticipation of or ~~during litigation~~ a legal issue decided or terminated litigation

(3) "custodian" means the head of any governmental unit or his designee;

(4) "governmental unit" means an agency, political subdivision, legislative body, board of regents, or an administrative body, board, commission, committee, subcommittee, authority, council, agency, or other organization, including subordinate units of the above groups, of the state or any of its political subdivisions, including but not limited to municipalities, boroughs, school boards, and all other boards, agencies, assemblies, councils, departments, divisions, bureaus, commissions or organizations, advisory or otherwise, of the state or local government supported in whole or in part by public money or authorized to spend public money;

(5) "individual" means a natural person;

(6) "record" means any document, paper, memoranda, book, letter, drawing, map, plat, photo, photographic file, motion picture, film, microfilm, microphotograph, exhibit, magnetic or paper tape, computer tape or information stored in a computer system punched card, or other document of any other material, regardless of physical form or characteristic, developed or received under law or in connection with the transaction of official business and preserved or appropriate for preservation by a governmental unit as evidence of the organization, function, policies, decisions, procedures, operations or other activiteis of the state or political subdivision or because of the informational value in them; it also includes staff manuals and instructions to staff that directly or indirectly affect the public.

* Sec. 2. AS 44.62.310 is amended by adding a new subsection to read:

(g) Nothing in this section may be construed to prevent the holding of conferences between two or more public bodies, or their

representatives, but these conferences are subject to the same regulations for holding executive or closed sessions as are applicable to any other public body.

* Sec. 3. AS 44.62.310(c)(3) is amended to read:

(3) matters which by state statute [LAW, MUNICIPAL CHARTER, OR ORDINANCE] are required to be confidential.

* Sec. 4. In sec. 1 of this Act, AS 40.25.072(b) has the effect of changing Rule 65 of the Alaska Supreme Court Rules of Civil Procedure relating to security deposits required in civil actions.

* Sec. 5. AS 09.25.110, 09.25.120, and 09.25.125 are repealed.

* Sec. 6. This Act takes effect July 1, 1981.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 90

Title "An Act relating to privacy and public information; and changing Rule 6 of the Alaska Supreme Court Rules of Civil Procedure."

Requested by Sen. Fischer Date

II. FISCAL DETAIL

Agency Affected Department of Law

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Legal Services

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

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars)

GENERAL FUND	Ø	Ø	Ø	Ø	Ø	Ø
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	Ø	Ø	Ø	Ø	Ø	Ø
PART TIME						
TEMPORARY						

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

None of the Department of Law's BRU's, Legal Services, Prosecution and Consumer Protection, expect that any significant fiscal impact would result from the passage and implementation of SB 90.

IV. DATE January 21, 1981 PREPARED BY Richard I. Pegues

AGENCY Department of Law

PHONE 465-3695

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

33-001 (Rev. 12/80

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

M E M O R A N D U M

February 23, 1981

SUBJECT: Definition of "Governmental Unit" in SB 90

TO: Senator Vic Fischer

FROM: John B. Chenoweth
Legislative Counsel

You have asked whether the definition of "governmental unit" appearing in SB 90 is sufficient to cover the records of the Commercial Fisheries and Agriculture Bank, the Capital City Development Corporation, and related entities which have in common a designation as a "public corporation" or "government instrumentality" of the state.

SB 90 defines "governmental unit" to include

> "an agency, political subdivision, legislative body, board of regents, or an administrative body, board, commission, committee, subcommittee, authority, council, agency, or other organization, including subordinate units of the above groups, of the state or any of its political subdivisions, including but not limited to municipalities, boroughs, school boards, and all other boards, agencies, assemblies, councils, departments, divisions, bureaus, commissions or organizations, advisory or otherwise, of the state or local government supported in whole or in part by public money or authorized to spend public money."

The definition of "governmental unit" in SB 90 is lifted virtually verbatim from AS 44.62.310(a). The lifting appears to be deliberate.

It is a general rule of statutory interpretation that statutes relating to the same subject matter may be considered in pari materia as an aid to ascertaining the

intended effect of an ambiguous statute. D. Sands, Sutherland Statutory Construction, Sec. 51.03 (4th Ed. 1972). In the present inquiry, AS 44.62.310 and the subject matter of SB 90 both concern the manner of conducting public affairs by agencies of state and local government. There is a relationship sufficiently close to permit an interpretation applicable to AS 44.62.310 to apply also to a like term in AS 40.25, added by SB 90.

There is no definition of the the term "agency" provided in SB 90. The term is defined for purposes of AS 44.62.310(a) at AS 44.62.640(a):

> In AS 44.62.010 -- 44.62.320, unless the context otherwise requires,
>
> * * *
>
> (4) "state agency" means a department, office, agency, or other organizational unit of the executive branch, except one expressly excluded by law, but does not include an agency in the judicial or legislative branches of the state government.

Under this interpretation, an entity which is identified as a public corporation of the state shall comply with the provisions of SB 90 if

> (1) the entity is assigned to a department with the executive branch; and
>
> (2) the entity is supported in wh[illegible] or in part by public money or authorized to spend public money.

Both the bank and the capital city corporation are specifically designated "public corporations and government instrumentalities . . . [having] legal existence independent of and separate from the state." AS 44.07.010; AS 44.81.-010. This artful bit of legislative drafting leaves unanswered the question of whether each is intended to be within, or apart from, the executive branch of state government. However, as to the Capital City Development Corporation, it is certain that the entity cannot operate without the appropriation to it of "public money," for the chief source of its operating revenue is the state's capital

city revolving loan fund, AS 44.07.160. As an entity expending public money -- or at least money derived from the public purse -- the Capital City Development Corporation is an agency of the state supported in part by public money, and therefore subject to the provisions of AS 40.25 added by SB 90.

The situation with respect to the bank is little different, at least at the current time. The bank was started with the assistance of a state general fund appropriation (sec. 13, Chapter 113, SLA 1978), and several subsequent general fund appropriations have allowed the bank to continue its work (sec. 25, Chapter 80, SLA 1979; sec. 3, Chapter 33, SLA 1980). While the bank operates with "public money", it remains subject to the provisions of AS 40.25. There is provision in law for the bank to terminate operation under the charter granted by legislation and operate as a private cooperative without connection to a state department. At that point, presumably, the provisions added by SB 90 would not longer apply.

Your question concerned only the specific entitites mentioned. Other state corporations would be subject to the same analysis. In addition, SB 90 would not apply where other provisions of law specifically exempt the public corporation from disclosure of the information contained within particular kinds of documents and records.

JBC:blg

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Speak for yourself

Whether they were based on his experiences or on some other wisdom, we believe Juneau City-Borough Attorney Lee Sharp's testimony on a state freedom of information bill was an affront to the city-borough assembly and the people of this municipality. .

According to Mr. Sharp's opinion, city officials and no one else should determine which information is open to the public. For the purposes of freedom of information, municipalities are not a part of the state of Alaska, says Mr. Sharp. Rather, they are independent feifdoms in which local assembly members can open and close local records at will. This feudal concept of freedom of information position has consistently been rejected by state courts. Nevertheless, Mr. Sharp continues to insist it is a viable modus operandi for local governments.

We couldn't disagree more. Local governments receive a major portion of their funding from the state. In fact, local governments are created by the state. In every area we can think of, local governments must comply with state law. According to Mr. Sharp's position, however, local governments should be free to close all of their records, if they so desire.

That simply isn't a proper way to run a government. The city-borough government, as well as the state and federal governments, are governments of the people. To argue a group of elected or appointed government officials can combine to hide information from the rest of the people is a concept we and all Alaskans must reject outright, with very few exceptions.

As Mr. Sharp fully knows, according to current state law, "The people, in delegating authority, do not give their public servants the right to decide what is good for them to know and what is not good for them to know." It is the law which includes that statement which Mr. Sharp seeks to

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repeat on the local level.

Generally speaking, the local city-borough assembly has been relatively responsive to freedom of information requests — especially after they were taken to court and lost. Last summer, the Juneau Empire was forced to seek a preliminary injunction against the city-borough to obtain public information, the names and qualifications of applicants for city-borough manager, police chief and fire chief. At the urging of Mr. Sharp, the assembly and city-borough manager had refused our requests.

As occurred in the three previous statewide cases and one since, the preliminary injunction ordering the city-borough to hand over the applicants was granted over the protests of Mr. Sharp.

Now we find Mr. Sharp advocating that municipalities be given the right to exempt themselves from any state freedom of information law. And, shockingly, some members of the city-borough assembly — Mr. Sharp's bosses — were unaware of his anti-freedom of information lobbying efforts. At least one city-borough assembly member told us the assembly at no time has discussed or laid out a position on the subject.

"I didn't agree with what he said, and it (Sharp's testimony) doesn't represent my position ... I would hope it does not represent the assembly's position," said Assembly member Dianne Bergstrom.

According to City Manager Carl Laird, "It hasn't been brought up at an assembly meeting ... the assembly (members) are the policy-makers. I'm not going to get involved in a policy decision."

Therefore, we can only assume that Mr. Sharp's comments are either his personal opinions or the official position of the assembly. If they are his personal opinions, he has no right spending city-borough time—and money—by offering them. If they are not the assembly's official position why are they being offered as such?

As far as we have been able to determine, the assembly has not adopted an official policy on freedom of information.

Until the assembly publicly discusses and adopts a position on the freedom of information bill, we have some respectful advice for Mr. Sharp: speak for yourself.

JUNEAU EMPIRE

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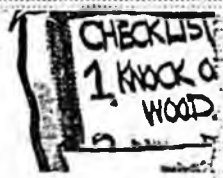

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A black child still lack
and contribute in America

So asserts the Children's advocacy group, in a new Black and White Childre findings:

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By DONAI
AP P

WASHINGTON (AP) — Ro a rush of visual and verbal i

There was the new presi Cabinet, welcoming the freed his first news conference. A firming the nation's military

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At his first news conferenc plagued him during the presi "trigger happy."

Now that the hostages are revenge for their long ordeal

Reagan was the voice of re "I don't think revenge is v Restrained toward Iran, F

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 90

Title "An Act relating to privacy and public information; and changing Rule 65 of the Alaska Supreme Court Rules of Civil Procedure."

Requested by Sen. Fischer Date

II. FISCAL DETAIL

Agency Affected Department of Law

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Legal Services

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

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars)

GENERAL FUND	Ø	Ø	Ø	Ø	Ø	Ø
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	Ø	Ø	Ø	Ø	Ø	Ø
PART TIME						
TEMPORARY						

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

None of the Department of Law's BRU's, Legal Services, Prosecution and Consumer Protection, expect that any significant fiscal impact would result from the passage and implementation of SB 90.

IV. DATE January 21, 1981 PREPARED BY Richard I. Pegues

AGENCY Department of Law

PHONE 465-3695

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

33-001 (Rev. 12/80

MEMORANDUM

TO: Sen. Vic Fischer, Chairman
Senate State Affairs Committee

FROM: Joe La Rocca

SUBJECT: Written Testimony on SB 90 (Relating to privacy and public information).

This is primarily to note my strong disagreement with what was the virtually unanimous opposition among my fellow journalists to Section 1, sub-section 13 (Page 4, line 11) dealing with intelligence, investigatory and original entry records. Firstly, the section is lifted almost verbatim from the federal Freedom of Information Act of 1966, as amended and has, in general, withstood the tests of time and experience in that context. Secondly, I believe that opponents of this section either have not read it in tandem with, or fail to apprehend its connection with sub-section (j) (Page 5, line 8). Thirdly, it's incomprehensible to me that anyone, even news journalists, could object to the withholding of information which, if disclosed, would (1) interfere with enforcement proceedings; (2) deprive a person of a right to a fair trial or an impartial adjudication; (3) constitute an unjustifiable intrusion into a person's right of privacy (here I prefer the federal act's language "an unwarranted invasion of the right to privacy" largely because it's a term of art for which juridical standards have already been established in case law); (4) disclose the identity of a confidential source (Mark how journalists themselves equate when ordered to disclose the identity of a confidential source); (5) disclose investigative techniques and procedures (On-the-job training for budding investigative journalists?); endanger the life, property or physical safety of a person (Let it be the life, property or physical safety of a news journalist, and watch the opposition shrivel), or (6) identify a victim of a criminal sexual assault. (If it were their wife, sister or mother, would they be so anxious to spew it into print?); particularly when these highly sensitive withholdings are subject to prompt and costless judicial review. I hope the committee will resist pressures to remove or substantially alter sub-section 13.

Joe La Rocca

TO: Nancy Groszek, Staff Member, Senate State Affairs Committee

FROM: Dean M. Gottehrer, Alaska Freedom of Information Task Force
P. O. Box 74573, Fairbanks 99707

Society of Professional Journalists

Farthest North Chapter
Box 74573
Fairbanks, Ak. 99707

Sigma Delta Chi

January 26, 1981

Members
Senate State Affairs Committee
Alaska State Legislature
Juneau, Alaska

Dear Committee Members:

On behalf of the Alaska Freedom of Information Task Force, I thank you for the opportunity to submit written testimony on Senate Bill 90. The FOI Task Force was organized by the Farthest North Chapter of the Society of Professional Journalists and numbers nearly 40 members, among them most of the state's daily newspapers, many weekly papers, broadcast stations, magazines and other media organizations. The Task Force is dedicated to seeking the passage of a Freedom of Information bill that will bring government out of the shade where the people's business is being hidden and keep it in the sunshine where that is presently the case.

I have urged our members to judge any proposed legislation against the current law. On that standard I believe SB 90 rates high. It includes all branches of state government, covers municipal and borough governments and provides for speedy access to inspect government documents. Generally, it sides with free and open government so that the people may know what is being done in their name. For the most part the exclusions listed in the bill are rational and legitimate and balance the sometimes conflicting rights of freedom of information and the right to privacy of the individual.

There are, however, some areas of the bill we would like to see changed. Presently the bill contains no definition of the right of privacy. We believe the Legislature, following the constitutional mandate should define that right. We suggest the following definition from the Restatement of Torts: Privacy is that right of an individual to be protected against publicity of a matter concerning that individual's private life when the matter publicized is of a kind that (a) would be highly offensive to a reasonable person and (b) is not of legitimate concern to the public.

We believe the exclusion listed in Sec. 40.25.015 (e)(8) should be stricken from the bill. It is of such a general nature that many records the Legislature would probably want public could be withheld under that exclusion. Sec. 40.25.015 (13) concerns us for two reasons. First, it potentially excludes original entry police records--those documents completed when a suspect is taken into custody. One of the roles of the press historically has been to see that no individual is held by the police unjustly and closing original entry records makes that a much greater potential hazard. Second, (c) of (13) speaks of an unjustifiable intrusion into a person's right of privacy. If that language is to remain here and in other sections of the bill we believe a definition is needed of what is a justifiable intrusion. Since that seems almost impossible, we would prefer to see

that language removed. We don't want to see the police or other governmental unit employees left with the impression that anything unflattering is private.

In a suit for disclosure, the burden of proof should rest with the governmental unit to prove it was required not to release requested information. The courts should be instructed to presume in favor of disclosure.

Each governmental unit should be required to keep a file of letters of denial of information requests that should itself be public. This would allow easy monitoring of governmental units to determine whether they are complying with the law.

The bill does not clearly include computer maintained records as it should. The section defining records should be amended to include "information stored in a computer system." Independent contractors paid with government funds should also be included in the bill's coverage. The definition of governmental unit should include "independent contractor paid with public money in whole or in part and under the supervision of any of the above groups or units."

Whether the state should charge for document copies and how much is a question that has plagued us for some time. Some members believe the media should not be charged since they are doing the public's business when requesting documents while researching a story. Others are willing to pay. No one, however, believes a governmental unit should charge more than the actual copying cost. The method contained in the Governor's proposed regulations is a good compromise. Each requestor receives 20 pages free of charge in any 24 hour period. Above that the charge is 10 cents per page. Currently a great variety of charges exists among agencies. It would help all if the Legislature standardized these charges.

Finally, one last concern. Sec. 4 of the bill on page 10 makes a good faith reliance on AS 40.25 or other law governing confidentiality of public records a defense against the crime of tampering with public records. This defense should be clearly limited as applying only to impairing the availability of a public record and not to any of the other actions listed in AS 11.56.820.

The task you have before you is not an enviable one. You will be urged to exclude this or that branch of government, this or that agency, one or another of a multitude of types of records from coverage under the bill. As you address each of these requests, I ask that you recall that all of these governmental units exist because they are supported with public monies. The public has a right to know what is being done with these funds. Government in the sunshine is best for all people. Keeping government open primarily benefits the people--not the media. Remember that 75 percent of all requests under the federal freedom of information laws come from non-media sources and only 25 percent from the media.

Sincerely yours,

Dean M. Gottstein
Chairman
Alaska Freedom of Information Task Force

ALASKA PUBLIC EMPLOYEES ASSOCIATION
State Headquarters: 340 North Franklin Street, Juneau, Alaska 99801 • Tel: (907) 586-2334

TO: The Members of the Senate State Affairs Committee

FROM: Cherie Shelley CS
Executive Director, APEA

CONCERNING: Aspects of Senate Bill NO. 90

SENATE BILL NO. 90

This is an act, relating, in part, to privacy and public information. Under Section 1 (i), it states that all personnel records showing salary or compensation or that which concerns the employee's current performance or ability to perform the duties and responsibilities of his job, shall be open for public inspection.

APEA readily recognizes the validity of public inspection of salaries or compensation. APEA concurs that an employee's record showing that he/she met the minimum qualifications required for the position held, should be available for public scrutiny

However, APEA vigorously opposes public access to an employee's record of current performance or ability on the job. This aspect presents a real and threatening infrignement of a person's right to privacy. Evaluations, reprimands and consubstantial records are, and should be treated as confidential reports.

ANCHORAGE FIELD OFFICE
833 GAMBELL STREET, SUITE A
ANCHORAGE, ALASKA 99501
TELEPHONE: (907) 274-1688

FAIRBANKS FIELD OFFICE
825 - D COLLEGE ROAD
FAIRBANKS, ALASKA 99701
TELEPHONE: (907) 456-5412

JUNEAU FIELD OFFICE
227 4TH STREET
JUNEAU, ALASKA 99801
TELEPHONE: (907) 586-6305

To open these records to the public will be to open a flood-gate of additional paperwork for individual departments and the Division of Personnel and in all probability to neccesitate the hiring of employees to process the paperwork.

Public employees will be subjected to unsubstantiated public criticism, media castigation, personal grudge retribution and an assortment of besetting conditions.

Unauthorized, hap-hazard perusal of the records will undermine the credibility and question the judgment of the supervisory employer. An employee is retained because the employer has evaluated that employee as capable, progressive and responsible.. Accessibility to a confidential evaluation for the purpose of public debate, 'watch-dogging' or reversal, will disparage and minimize the role of the employer.

1/28/81

SENATE STATE AFFAIRS

COMMITTEE MEETING SCHEDULE

TUESDAY — Feb. 3
1:30 p.m.

EXEC. ORDER #48
Relating to the transfer of the Alaska Council on Science and Technology from the Department of Environmental Conservation to the Department of Administration.

Hearing

SENATE BILL 54

"An Act relating to the Alaska National Guard and Naval Militia; and providing for an effective date. "

Hearing

SENATE BILL 72

"An Act relating to veterans and public records. "

Hearing

THURSDAY — Feb. 5
1:30 p.m.

SENATE BILL 90

"An Act relating to privacy and public information; and changing Rule 65 of the Alaska Supreme Court Rules of Civil Procedure. "

All-sites teleconference hearing

ALL HEARINGS WILL BE CONDUCTED IN THE SENATE STATE AFFAIRS COMMITTEE ROOM, BEHRENDS BLDG., FIRST FLOOR. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SEN. FISCHER'S OFFICE (465-4954,4955).

Vic,

I don't believe I can keep these constituents from out of town waiting any longer. Since we will have another shot at this controversial bill later, I feel I must go.

Brad

PROPOSED AMENDMENTS TO SENATE BILL NO. 90

January 29, 1981

Proposed by:
Bruce Horowitz, Supervising Attorney
Alaska Legal Services Corporation
419 6th Street, Suite 322
Juneau, Alaska 99801
(907)586-6425

* § 40.25.015(d) should be amended, as follows: [p. 2]

(d) The commissioner of administration shall prescribe a uniform schedule of fees to be limited to reasonable standard charges for document duplication, and provide for recovery of [ONLY] the direct cost of the duplication only when more than one hundred copies per request are made. The commissioner of administration shall by regulation, provide a method by which indigent persons may secure information without payment of fees. ?

* § 40.25.015(c)(7) should be amended, as follows: [p. 3]

(7) personal information in files maintained on applicants for, or recipients of, social services or public benefits, except that access may not be denied to the person who is the subject of the records, or his designee;

* § 40.25.020(b) should be amended by adding to the last sentence, as follows: [p. 6, beginning line 27]

... Upon a determination by a governmental unit to comply with a request for records, the records shall be made [PROMPTLY] available to the person making the request within ten days of the receipt of the request.

* § 40.25.020(c), should be amended, as follows: [p.7]

(c) When the lawful custodian of the record determines that contents of a record exempt it under the provisions of AS 42.05.015, he shall delete the exempt contents and release the remaining contents of the record [ALSO DETERMINE WHETHER A DELETION OF THE EXEMPT PARTS OF THE RECORD WILL MAKE THE RECORD SUITABLE FOR RELEASE, AND, IF SO, THE DELETION SHALL BE MADE AND THE RECORD RELEASED], with the notation that exempt material has been removed. If the custodian determines that the record, or a portion of the record, is not open to inspection, he shall, in a certified writing, inform the person requesting the records of his determination, of the statutory basis for this decision, and that under AS 40.25.105 a suit may be brought to compel production of records that are improperly withheld.

* § 40.25.025 (b) should be amended in its last sentence, as follows: [p. 7, beginning line 26]

... If the applicant is granted the injunction, he shall be entitled to recover costs and [REASONABLE] actual attorney fees from the governmental unit.

* § 40.25.025 (d) should be amended in part, as follows: [p. 8, beginning line 7]

... In such a case the court, as a priority matter, shall determine the matter de novo, and may examinethe contents of any records in camera to determine whether any of the exceptions set out in AS 40.25.015, and the burden is on the agency to sustain its action

* § 40.25.035(a) should be amended, as follows: [p. 8]

(a) A person who has been wrongfully denied access to a record under this chapter has a civil cause of action against the person responsible for the violation and is entitled to recover actual damages and [REASONABLE] attorney fees, and other reasonable litigation costs.

Ombudsman

Frank Flavin

State of Alaska

Reply to:

☐ 840 K Street, Room 203
Anchorage, Alaska 99501
(907) 276-4011

☐ Pouch WO
Juneau, Alaska 99811
(907) 465-4970

☐ P.O. Box 74358
Fairbanks, Alaska 99707
(907) 452-4001

January 29, 1981

Senator Victor Fischer
and Members
Senate State Affairs Committee
Pouch V
Juneau, Ak. 99811

RE: SB 90

Dear Senator Fischer:

Since investigation is a basic function of the Ombudsman, enabling legislation typically gives him broad authority to make inquiries, obtain relevant information, and compel information and testimony.

In an investigation, the Alaska Ombudsman is empowered (in AS 24.55.160 (a) (1 - 3)) to "make inquiries and obtain information he considers necessary; enter without notice to inspect the premises of an agency . . . and hold private hearings."

AS 24.55.170 (a) (1) authorizes the Ombudsman to "compel by subpoena . . . the appearance and sworn testimony of a person who the ombudsman reasonably believes may be able to give information relating to a matter under investigation." Subsection (2) similarly authorizes subpoenas for production of "documents, papers or objects."

In AS 24.55.100, the Ombudsman is <u>required</u> to investigate complaints within his jurisdiction unless specific exemptions apply. YET THERE ARE NUMEROUS COMPLAINTS, THE INVESTIGATION OF WHICH IS IMPOSSIBLE WITHOUT OMBUDSMAN ACCESS TO ALL RELEVANT DOCUMENTS, EVEN THOSE DETERMINED TO BE CONFIDENTIAL.

Examples abound:

child in need of aid
foster parents
Trooper investigations
vocational rehabilitation
certification and licensing of nursing homes
fish ticket information used by limited entry

business license information
public assistance
juvenile corrections
personnel files
testing materials
tax payments
driving records
unemployment insurance

Although it is sometimes possible for Ombudsman staff to gain access to required documents by obtaining the signed release of the complainant, often an investigation requires examination of more than just the complainant's file. For example, a person may allege that although similarly situated, she received different treatment than another. Investigation of such a complaint would require review of numerous files to determine if equity in administration of a program had occurred.

Access to child in need of aid files is also a continuing problem. From whom must we obtain a release to gain access -- the child, the parent, the guardian, a court, or some combination?

We believe that the Ombudsman Act currently authorizes access to confidential documents. Unfortunately some agencies disagree.

We have attempted through regulation and formal agreements with agencies to further assure (in addition to AS 24.55.160 (b)) that the Office will afford records the same degree of confidentiality as required of the providing agency. Ad hoc arrangements with some agencies have been negotiated, but the possibility to delay or hault an investigation looms. The problem remains, as the attached Attorney General opinions demonstrate.

To remedy this situation, we urge the adoption of the following amendment:

page 5 line 29 rewrite subsection (h) to read:

(h) The exceptions provided under this section do not preclude

(1) production and release of subpoenaed records or information to a state or municipal agency during the course of an investigation;

(2) production and release of records to the ombudsman when requested during the course of an investigation by him; records released to the ombudsman shall be kept confidential by him while the records are in his custody, except the ombudsman may, upon prior notice to the agency, release the records to the court for in camera review pursuant to AS 40.25.025 (d).

We appreciate the opportunity to offer comments on this proposed legislation. If we can provide additional information, please do not hesitate to ask.

Sincerely,

for Frank Flavin
Ombudsman

PM:ss

Attachments

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K-STATE CAPITOL
JUNEAU, ALASKA 99811

May 7, 1979

Duncan C. Fowler
Regional Representative
Ombudsman
Pouch WO
Juneau, Alaska 99811

Re: Confidentiality of Records
Relating to Nursing Home
Licensure
Our File No. J-66-804-78

Dear Duncan:

This letter is intended to follow up on our recent conversations regarding the ability of your office to inspect records maintained by the Department of Health and Social Services which relate to the licensure of individual nursing homes.

As I have pointed out, AS 18.20.090 provides that "[t]he department may not publicly disclose information received by it in a manner identifying an individual or hospital except in a proceeding involving the question of licensing." In the licensure context, of course, the term "hospital" includes a nursing home. See, AS 18.20.130. On the basis of these provisions I have advised the Department of Health and Social Services to deny your office general access to the records it maintains in this limited area.

I understand, however, you have reviewed other records maintained by the Department of Health and Social Services and have obtained the information you desired. Those records, generated pursuant to Section 1864 of the Social Security Act, are subject to public inspection in accordance with provisions of federal law with which I assume you are now relatively familiar.

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JUNEAU
OFFICE OF THE OMBUDSMAN

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I would appreciate it if you would let me know whether you have any remaining problems in this regard. I would like, specifically, to repeat my oral invitation for you to inform the Department of Health and Social Services of any facts which might bear on the continued licensure of particular nursing homes.

Your cooperation in this matter has been greatly appreciated. I will proceed to close my file if I do not hear further from you in the next day or so.

Very truly yours,

AVRUM M. GROSS
ATTORNEY GENERAL

By: Thomas H. Robertson
Assistant Attorney General

THR:jrb
cc: Portia Kaufman
Dept. of Health and Social Services

TATE
F ALASKA

MEMORANDUM

Hon. B. B. Allen
Commissioner
Dept. of Administration

DATE: March 15, 1978

FILE NO:

TELEPHONE NO:

SUBJECT: Ombudsman access to personnel files; our file J-66-359-78

G. Thomas Koester
Assistant Attorney General

Communications from Ken Kareen of your office and Michael G. Harper of the Office of the Governor have indicated a desire for information regarding the power of the Ombudsman and various state auditors to have access to employee personnel files.

It is our opinion that the Ombudsman and the legislative auditor have virtually unlimited access to state employee personnel files.

"The legislative Budget and Audit Committee has the power to: . . . (3) require all state officials and agencies of state government to give full cooperation to the committee or its staff in assembling and furnishing requested information; . . ." AS 24.22.010(a). "The legislative audit division shall . . . (5) require the assistance and cooperation of all state officials and other state employees in the inspection, examination and audit of state agency books and accounts; (6) have access at all times to the books, accounts, reports or other records, whether confidential or not, of every state agency; . . ." AS 24.22.271. These provisions appear to grant virtually blanket authority to the legislative auditor to have access to state employee personnel files.

"In an investigation, the Ombudsman may (1) make inquiries and obtain information as he considers necessary; (2) enter without notice to inspect the premises of an agency, but only when agency personnel are present; . . ." AS 24.55.160(a). Under AS 24.55.170, the Ombudsman has the power to subpoena any files which he reasonably believes may relate to a matter under investigation; this would include state employee personnel files. While the statute giving the Ombudsman power does not make it clear that the Ombudsman's authority is as broad as that afforded the legislative auditor, we believe it is virtually equivalent. AS 24.55.160 gives the Ombudsman power to inspect the premises of an agency at any time as long as agency personnel are present. We believe the power to inspect the premises of an agency includes the power to inspect a state employee's personnel file possessed by the agency. In the alternative, AS 24.55.-170 gives the Ombudsman the power to compel the production

of that personnel file at a time and place specified by the Ombudsman.

In conclusion, we do not believe that there are any restrictions on the power of the legislative auditor or the Ombudsman to inspect state employee personnel files. Particularly when their powers of investigation are linked with AS 39.25.080 (providing that state personnel records are public records and open to public inspection), we believe there is absolutely no question that they may have access to state employee personnel files.

We hope this answers your questions.

GTK:chp

cc: Michael G. Harper, Administrative Ass't.
Office of the Governor

Sue Greene, Special Assistant
Office of the Governor

Carl Gonder, Deputy Commissioner
Dept. of Community & Regional Affairs

TO: Don Candey
Administrative Officer
Support Services
Central Region
DOT/PF

DATE: February 20, 1980

FILE NO. A66-281-80

TELEPHONE NO.

FROM: Avrum M. Gross
Attorney General
BY: Martha T. Mills
Assistant Attorney General

SUBJECT: Ombudsman's Access to Personnel Records

You inquired whether the Ombudsman's Office has unlimited access to personnel records of the Department of Transportation and Public Facilities. The Ombudsman may have access only to the information in personnel files which is generally available to the public. However, if regulations are adopted whereby the Ombudsman must maintain the same confidentiality for personnel records as required by State law, then the Ombudsman may have access to confidential information in personnel files. A similar approach has been taken with respect to the legislative auditor, who has adopted confidentiality procedures. This memorandum supercedes a prior memorandum of advice to B. B. Allen by G. Thomas Koester dated March 5, 1978.

Employee personnel records are protected by the laws of Alaska. Article I, Section 22 of the Alaska Constitution provides:

> "Right of Privacy". The right of the people to privacy is recognized and shall not be infringed. The legislature shall implement this section."

Alaska Statute 39.25.080 provides:

> "Public Records. The state personnel records, except those records which the rules require to be held confidential for reasons of public policy, are public records and are open to public inspection, subject to reasonable regulations as to the time and manner of inspection."

The "rules" referred to by the statute are the personnel rules. Personnel Rule 14.07.0 entitled "Public Records", provides:

> "Except for examination materials, performance evaulations, personal history, or other confidential materials so designated by the Director, employee records shall be public records. Such

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> records shall be available for inspection in the presence of authorized personnel by the public during regular office hours in accordance with such procedure as the Director may establish."

On April 14, 1970, the attached memorandum on employee records policy and procedure was issued by the Director, Department of Administration, Division of Personnel. The memorandum sets out public policy pursuant to AS 39.25.080, providing that whereas information such as employee name, class title, salary, length of State employment, name of immediate supervisor, office address, office phone number, and (in some instances) home phone number, mailing address, and residence address are available to the public, all other more personal information is confidential.

As evidenced by the April 14, 1970 memorandum, most of the confidential information is available to the state employee and the people employed in the personnel office. Other information, such as background investigations, grievances, appeals, and letters and reports of personnel reference, are unavailable even to the employee. Matters such as applications, personnel actions, educational background, medical reports, performance evaluations, test scores and disciplinary letters or memoranda are confidential. Of course, the employee could waive the right to keep the information available to him or her confidential.

The Ombudsman has broad investigative powers. AS 24.55.160(a) provides:

> "In an investigation, the ombudsman may (1) make inquiries and obtain information as he considers necessary; (2) enter without notice to inspect the premises of an agency, but only when agency personnel are present; . . . ."

Under AS 24.55.170, the Ombudsman has the power to subpoena any person or documents which he reasonably believes may provide information relating to the matter under investigation. The statutes relating to the Ombudsman do not specifically state that he has access to confidential personnel records, but the authority of the Ombudsman to investigate is very broad.

The only mention of confidentiality in the Ombudsman enabling statutes is in AS 24.55.160(b), which states:

> "The ombudsman shall maintain confidentiality with respect to all matters and the identities of the complainants or witnesses coming before him except insofar as disclosures may be necessary to enable him to carry out his duties and to support his recommendations."

The section does not require the Ombudsman to maintain the confidentiality of personnel records and it is within his discretion to decide what disclosures may be necessary to carry out his duties and support his recommendations.

In Falcon v. Alaska Public Offices Commission, 570 P.2d 469 (Alaska 1977), the Alaska Supreme Court balanced the constitutional provision guaranteeing the right of privacy with the public disclosure of income requirements of the Alaska conflict of interest law for public officials. In physician-patient situations where disclosure of the patient's identity might reveal the nature of the treatment, the court held that:

> "In these situations, at least, we find that the extent to which the governmental interest in promoting fair and honest government would be impeded, does not outweigh the individual's privacy interest in protecting sensitive personnel information from public disclosure." Id. at page 480.

The court went on to hold that regulations exempting certain classes of patients, physicians, or others from disclosure would be appropriate.

Given the Falcon decision, if the Ombudsman promulgates regulations which would assure the same confidentiality for personnel records as state law requires, then access to those records would be appropriate.

AMG/MTM/sls

cc: Ombudsman

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S JUNEAU 99811

June 12, 1979

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JUN 15 1979
ANCHORAGE
OFFICE OF THE OMBUDSMAN

Francis M. Flavin
Ombudsman
840 K Street, Room 203
Anchorage, Alaska 99501

Attention: Rolfe Buzzell

Dear Mr. Flavin:

I regret to inform you that the Department of Revenue will not be able to execute the inter-agency agreement which was proposed to allow your staff investigators to review confidential Department of Revenue materials. The Department of Law's opinion on this subject is attached.

The Department of Revenue, of course, will continue its present policy of full cooperation with your office's investigations to the maximum extent permitted by law.

Sincerely,

Joseph K. Donohue
Deputy Commissioner

Attachments

04-02LH

ALASKA

TO: Joseph K. Donohue
Deputy Commissioner
Department of Revenue

DATE: June 7, 1979

FILE NO.:

TELEPHONE NO.:

FROM: AVRUM M. GROSS
ATTORNEY GENERAL

SUBJECT: Proposed Agreement of Ombudsman's Office

By:
Teo C. Spengler
Assistant Attorney General

You have requested that this department review the agreement proposed by the Ombudsman's Office which would permit the Department of Revenue to disclose information on tax forms which would otherwise be confidential. It is our opinion that there are serious statutory problems with the agreement.

AS 43.05.230 prohibits disclosure of tax returns and reports, except in certain circumstances. That statute provides, in pertinent part:

> Except in connection with official investigations or proceedings of the department, whether judicial or administrative, involving taxes due under this title, except in connection with official investigations or proceedings of the Child Support Enforcement Agency, whether judicial or administrative, involving child-support obligations imposed or imposable under AS 25 or AS 47, and except as otherwise provided in this section, it is unlawful for an officer, employee or agent of the state to divulge the amount of income or the particulars set out or disclosed in a report or return made under this title.

In fact, AS 43.05.230(f) makes a willful violation of the provisions of that section punishable by a fine or imprisonment.

Additionally, AS 09.25.100 requires that the particulars of the business or affairs of the taxpayer be kept confidential. That statute specifies that tax information is not a matter of public record.

The powers and duties of the Ombudsman are set out in AS 24.55.010-.340. While the Ombudsman has the authority to investigate agency action, there is nothing in the statute which specifically exempts his investigations from the disclosure prohibitions of AS 43.05.230. As AS 43.05.230 was enacted after the ombudsman statutes (2 ch 166 SLA 1976; am § 32 ch 126 SLA 1977. as compared to 1 ch 32 SLA 1975), any provisions in the latter found to conflict with the disclosure prohibition will be held impliedly repealed. See Peter v. State, 531 P.2d 1263 (Alaska 1975).

Thus, the Department of Revenue is prohibited from disclosing particulars set out in a return or report, and nothing in the Ombudsman's provisions dictates otherwise. While a case may arise where disclosure of tax information to the Ombudsman might be permissible, (i.e., disclosure of a taxpayer's forms pursuant to written permission and waiver by the particular taxpayer) it certainly would not be true in most cases. Therefore, we cannot recommend that the standardized agreement regarding disclosure be signed.

TCS/lm

Sharon Andrew, Director
Division of Occupational Licensing
Department of Commerce

April 6, 1977

AVRUM M. GROSS
ATTORNEY GENERAL

Public Access to Occupational Licensing Investigatory Files
Our File: J-66-401-77

By:
G. Thomas Koester
Assistant Attorney General

You requested an opinion regarding the requirements of AS 09.25.110, the current open records law, as it applies to open investigative files of the Division of Occupational Licensing.

We believe your March 11, 1977 response to Mr. Frank Flavin, State Ombudsman, regarding this issue was absolutely correct. We also agree with the two basic reasons for maintaining confidentiality of investigatory files which you advanced in your response to Mr. Flavin.

As you note, the state is obligated to protect the rights of its citizens. In Title 8 of the Alaska Statutes, the Department of Commerce is charged with providing support services to the various professional licensing boards established in it. To successfully discharge its duty of ensuring that only qualified professionals serve citizens of Alaska, a certain degree of confidentiality for records generated during the course of investigations must be maintained while that investigation is still in progress. If it has not already done so, we suggest that the Department adopt regulations regarding the confidentiality of investigatory files under the authority granted it in AS 08.01.080.

We believe the second reason you state in your letter to Mr. Flavin is a much stronger reason for not disclosing records relating to an investigation in progress, and it certainly provides much stronger legal justification for not providing those records. Article I, section 22 of the Alaska Constitution established a constitutional right of privacy. While the legislature has not implemented this constitutional provision, we believe it certainly extends to

unsubstantiated allegations of professional misconduct such as those giving rise to an investigation. Until the investigation is concluded and the relevant facts are presented at a public hearing, they are no more than unsubstantiated allegations. The subject of those allegations, we believe, has a constitutional right not to have that material made public, and the state arguably would be violating the subject's constitutional right to privacy by making them public.

Under AS 09.25.125, a person seeking those records may apply to the courts for an injunction compelling their release. If Mr. Flavin or the complainant who prompted his letter brings such an injunctive action, we would seek to have the subject of the investigation made a party to that action in order to protect his own constitutional right to privacy. In the meantime, however, we believe that the release of records relating to an investigation of that individual by a board or commission arguably would constitute a violation of the individual's constitutional right to privacy, and you have no choice but to refuse to disclose such records.

We hope this answers your questions.

GTK:jec

Ombudsman

Frank Flavin

State of Alaska

Reply to:

☐ 840 K Street Room 203
Anchorage, Alaska 99501
(907) 276-4011

☐ Pouch WO
Juneau, Alaska 99811
(907) 465-4970

☐ P.O. Box 74358
Fairbanks, Alaska 99707
(907) 452-4001

January 28, 1981

Senator Victor Fischer
and Members
Senate State Affairs Committee
Pouch V
Juneau, AK. 99811

Subject: SB 90

Dear Senator Fischer:

In his Third, and again in his Sixth Annual Report to the Hawaii Legislature, Ombudsman Doi has noted increased interest and involvement of people in their government. Citizens have encountered two primary areas of difficulty in their attempts to learn about the workings of government through the inspection of records and files: 1. access to some records is denied, and 2. excessive delays occur before the records are released. The experience of the Alaska Ombudsman office has been similar.

Mr. Doi points out that "the less information is shared, the more power those that possess such information retain for themselves." He takes the position, as does the Policy section of SB 90, that "democratic institutions are founded on the premise that information should be shared among the citizenry and their representatives for decision-making purposes." In arguing for freedom of information legislation, Ombudsman Doi urges

--that governmental records and materials be open to the fullest extent possible,

--that exclusions be limited, be specifically listed and strictly defined, and be legislatively authorized,

--that strict time limits be established within which agencies either provide requested records or formally deny a request,

--that prompt and covenient appeal procedures be available,

--and that fair and uniform fees for reproduction of written documents be charged.

We agree with these guidelines and support SB 90 in its attempt to strengthen the people's right to information about their government.

Freedom of information complaints to the Alaska Ombudsman office include:

--Veterans Affairs' denial of the request of a son, with his father's general power of attorney, to inspect the father's loan payment history

--Motor Vehicles' charging of $2 for the name and address of the registered owner of a vehicle, when the complainant didn't want a copy of any document

--Administration Personnel's denial of copies of preliminary studies leading to a position reclassification

--ASHA's refusal to give a resident a copy of an incident report concerning an altercation she had been involved in

--Division of Social Services' refusal to permit prospective foster parents viewing of personal references written about them

--DOT's refusal to provide a citizen with a copy of the tape of a public meeting for use on a radio broadcast (they would provide a transcript)

Although some of these complaints have been found to be justified, and others unsupported, they serve to exemplify the spectrum of types of information sought and the number of different agencies involved.

With regard to SB 90, the following specific suggestions and questions are offered for your consideration:

page 2 line 25
(1) those exempted from disclosure by state statute (;), federal law or regulation

This language is closer to the current AS 09.25.120 (4) and should preclude conflicts between federal and state laws.

page 4 lines 5 and 6
Who decides what are "trade secrets, privileged information, and confidential commercial, financial, geological or geophysical data?"

page 4 lines 9 and 10
The current drivers manual contains sample questions which are, in some cases, actual questions on drivers license tests.

page 8 lines 25 through 29 and page 9 lines 1 through 7
Who is the "head" of a governmental unit?" What is an "agency?" If an agency is a department, the commissioner would be the "head;" if agency means a division, the director would be its "head."

Who is the "head" of for example, the Human Rights Commission -- the Executive Director or the Chair?

Should it be required that there be "designees" in each office location, or will, for example, an employee in the Fairbanks Natural Resources

office need to contact a designated custodian in Anchorage before releasing a record?

In the definition of "governmental unit" perhaps "governmental instrumentality," "public corporation," and "REAA" should be specifically included.

page 9 line 24
What is a "public body?" Would, for example, this section apply in a meeting between several state agencies and the U.S. Army?

More generally, you may wish to include an administrative appeal prior to filing an action in court to compel the release of records. Such an appeal would require a different decision maker and strict adherence to reasonable time frames.

Also, the legislative adoption of a uniform fee schedule similar to that proposed by the Governor might be advisable. This proposed regulation provides for the copying of 20 pages free within a 24 hour period, and a fee of 10¢ for each additional page.

Our most pressing concern, however, is the repeated use of "right to privacy" in this proposed legislation. Absent any attempt at definition or case law clarifying this Constitutional protection, we are left only with case by case interpretation. The diversity of opinion is particularly evident in responses from the Attorney General's Office on cases arising from Ombudsman complaints.

In opinions issued on April 17, 1979 (concerning release of mailing lists of those receiving senior citizen property tax exemptions to a senior citizen organization) and on February 21, 1980 (concerning the release to Legislators of the names of those receiving Longevity Bonus payments) an Assistant Attorney General advised that the former be denied, while there was no privacy issue in the latter. He argued that there would be no anxiety or embarassment caused to Longevity Bonus recipients if their names were to be released to members of the Legislature, whereas it would violate the privacy of senior citizens claiming property tax exemptions if a list of their names and address were released. When in doubt, this opinion states, it is better to err on the side of non-disclosure. A factor in the senior citizen decision was the possible use of the list by vendors.

On a similar issue, and on the basis of the same legal advice, the Division of Retirement and Benefits has refused to relase a list of TRS retirees to a retired teacher organization. The division explains that although this group might not "misuse" the list, it if were released to one organization, how could the division refuse to provide it to another which might put it to questionable use.

In another opinion issued July 31, 1978 on the release of the name and address of the registered owner of a motor vehicle (attached), the

same Assistant Attorney General argues that despite the absence of current statutory language allowing the keeper of a record to inquire as to its possible use, the Attorney General's office has taken the position that right of privacy takes precedence over freedom of information. "When the two come in conflict, the keeper of the records can facilitate or cause a person's privacy to be invaded only to the extent that a legitimate public interest requires it." He concludes that the release of motor vehicle registration information is generally "harmless," since "persons requesting the information will have an interest sufficient to justify the information's release..." Absent "any pattern of misuse of information or any serious or persistent problem," the opinion finds that "the statute controls" and the information is public. "We do not believe that...administrators have the authority to carve out their own exceptions from the statutory dictates of AS 09.25.110." Yet this is exactly what he has advised the Department of Community and Regional Affairs and the Division of Retirement and Benefits to do in the previously cited opinions.

We expect ultimate resolution of these differing interpretations to come through litigation, perhaps to be facilitated by the simplified civil procedures in SB 90. They are brought to your attention as a reminder of just how gray the "right to privacy" area is and, therefore, how subject to individual interpretation the sections in SB 90 which use this language will be.

Sincerely,

Frank Flavin
Ombudsman

Attachment

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL / POUCH K — STATE CAPITOL
JUNEAU 99811

July 31, 1978

Mr. Francis M. Flavin, Ombudsman
340 'K' Street, Suite 203
Anchorage, Alaska 99501

Re: Ombudsman Complaint
#A78-0655 (license
plate information)
Our File: J-66-787-78

Dear Mr. Flavin:

Your letter to the Attorney General on this matter has been referred to me for reply. The issue presented is whether the adoption of the Privacy Amendment to the Alaska Constitution, art. I, § 22, impliedly amended AS 09.25.110. */

Often called the Alaska Freedom of Information Act, AS 09.25.110 **/ provides generally that, absent a "specific" dictate to the contrary, all public records are open to public inspection and copying. Nothing in the section requires (or

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*/ A threshold question is whether AS 44.23.020 allows the Attorney General to provide the Ombudsman with legal advice. We believe that, as an agency of the Legislature, AS 24.55.110, the Office of Ombudsman is entitled to a written legal opinion under AS 44.33.020(b)(4). Even in the absence of that statute, the Attorney General's common law powers would appear to authorize the opinion. Public Defender Agency v. Super. Ct., 1st Jud. Dist., 534 P.2d 947 (Alaska 1975).

**/ The section reads as follows:

> Sec. 09.25.110. INSPECTION AND COPIES OF PUBLIC RECORDS. Unless specifically provided otherwise the books, records, papers, files, accounts, writings, and transactions of all agencies and departments are public records and are open to inspection by the public under reasonable rules during regular office hours. The public officer having the custody of public records shall give on request and payment of costs a certified copy of the public record.

even authorizes) the keeper of the records to inquire into the bona fides of the request for a record or other information. Nothing in the section allows the keeper of the records to reject a request simply because he doubts that it is legitimate or even if he is convinced on the basis of the information available to him that the request is illegitimate. The statute is Kantian in its dictate. If a rapist asks for a girl's name and address, under the statute's plain language, the keeper of the records must reveal them.

This office has, however, consistently rejected the Kantian formulation and taken the position that the constitutional right of privacy takes precedence over the Freedom of Information Act. When the two come in conflict, the keeper of the records (the state) can facilitate or cause a person's privacy to be invaded only to the extent that a legitimate public interest requires it. Falcon v. A.P.O.C., 570 P.2d 469 (Alaska 1977). Hence, if a public release of information would result in a disclosure which would stigmatize one or subject one to opprobrium or otherwise disclose matters which an ordinary, reasonable person would prefer remain private, then there must be a legitimate public interest in releasing the information sufficient to justify the invasion of privacy before the information can be released. Falcon v. A.P.O.C., supra; cf., Ravin v. State, 537 P.2d 494 (Alaska 1975) (balancing of interests).

With respect to motor vehicle registration, as a general rule, the release of the information is in itself harmless. The probability of serious misuse does not appear to be great. The likelihood of potentially obnoxious use (e.g., an unsolicited offer to purchase) does not appear much greater. As a general rule, persons requesting the information will have an interest sufficient to justify the information's release, i.e., hit-and-run victims, seekers of witnesses to accidents, junkyard dealers, auto towers, and creditors. Even a would-be, albeit unsolicited, purchaser has a legitimate interest. */ No one has suggested that there is any pattern of misuse of

*/ We cannot agree with your assumption that the only legitimate use of registration information is to futher its major purpose, i.e., revenue and law enforcemen It is, for instance, used to establish ownership. AS 28.10.560; State Farm Mut. Auto Ins. Co. v. Clark, 397 F.Supp. 745 (D. Alaska 1975).

information or any serious or persistent problem in the misuse of information which would support an imposition of administrative restrictions on the release of information under AS 09.25.100 and 110. If such a pattern or problem existed, then the protections of the Privacy Amendment could be invoked. But absent both, the statute controls.

It would certainly be possible, if it chooses to do so, for the legislature to amend title 28 to provide for the administrators to devise regulations or forms for protecting motor vehicle registrants (and others) from constitutionally permissible but nevertheless unwanted intrusions into their privacy. We do not believe that, absent a change in the law or the existence of an actual and serious problem involving someone's privacy, the administrators have the authority to carve out their own exceptions from the statutory dictates of AS 09.25.110. That would be a real abuse of discretion, an abuse which you would, undoubtedly, soon be called upon to examine.

Sincerely yours,

AVRUM M. GROSS
ATTORNEY GENERAL

By: Rodger W. Pegues
Assistant Attorney General

RWP:md

CHARLIE PARR

ALASKA LEGISLATURE

S. R. Box 80599
Fairbanks, Alaska 99701
456-5029

Pouch V
Juneau, Alaska 99811
465-4908

January 29, 1981

M E M O R A N D U M

TO: Senator Vic Fischer, Chairman
Senate State Affairs Committee

FROM: Senator Charles H. Parr

SUBJECT: Senate Bill No. 90

The following is a brief summary of the key points in SB 90 relating to privacy and public information.

Section 010 gives the State policy of openness, and is also found in existing statutes dealing with the open meeting clause.

Section 015 provides that all records are open to inspection and copying, and provides that fees must be limited to reasonable costs of duplication.

Beginning with (e) at page 2, line 23, there is a list of items which are exempted from disclosure. These may be grouped as protecting the right of privacy guaranteed in the Alaska Constitution, or as matters of public policy where the Legislature has found the greater benefit to be withholding information.

Section 020, beginning on page 6, provides that a record which can be made open by deleting certain confidential parts will be released after the deletions are made. It also says that refusal to release records must be made in writing.

Section 025 establishes a mechanism for obtaining a court order to require the government agency to release the information. A court may examine the records in camera to determine whether they should or should not be released.

Section 035 gives a civil cause of action against a person wrongfully withholding records, and protects the person who is withholding them in good faith.

Section 040 is the definition section.

Sections 2 and 3 of the bill, beginning on page 9, line 22, deal with the State open-meeting law and remove the authority of a municipality to hold executive sessions other than in accordance with State law.

CHP:vc

Alaska Newspaper Association

c/o Box 710, Fairbanks, AK 99707

FOUNDING MEMBERS
Incorporated Dec. 6, 1980

ROBERT B. ATWOOD
The Anchorage Times

KATHERINE FANNING
Anchorage Daily News

LOREN STEWART
Cheechako News, Kenai

MAX SWEARINGEN
Peninsula Clarion, Kenai

GLEN COBB
The Frontiersman, Palmer

TOM GIBBONEY
Homer News

JIM C. MARTIN
Alaska Journal of Commerce

G. KENT STURGIS
Fairbanks Daily News-Miner

LEW WILLIAMS
Ketchikan Daily News

CARL SAMPSON
Juneau Empire

TOM SNAPP
All Alaska Weekly

January 27, 1980

Sen. Vic Fischer, chairman
State Affairs Committee
Alaska State Senate
Pouch V
Juneau, AK 99811

Re: Senate Bill 90

Dear Sen. Fischer:

I'm unable to attend your committee's hearing Thursday on SB90, the FOI and privacy bill, but wanted you to know our organization will be following this legislation closely and look forward to helping improve it.

Also, we appreciate the fact you have demonstrated the importance of the FOI-privacy issue by scheduling a hearing so early in the session.

The Alaska Newspaper Association has not taken a position on SB90 but is encouraging its members to study the measure and offer comments and suggestions on an individual basis. In the meantime, we endorse the suggestions made by Prof. Dean Gottehrer of the Alaska Freedom of Information Task Force, of which the ANA is a member.

Generally speaking, it's our belief SB90 is a step in the right direction.

Thank you again.

Sincerely,

Kent Sturgis

Kent Sturgis, chairman
ANA Legislative Committee

cc: Kay Fanning, Anchorage
Dean Gottehrer, Fairbanks

THE CITY AND BOROUGH OF JUNEAU

CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801
LAW DEPARTMENT (907) 586-3300

February 3, 1981

The Honorable Victor Fischer
Chairman, Senate State Affairs Committee
Alaska State Legislature
Pouch V State Capitol Building
Juneau, Alaska 99811

FILE: Legislature--1981

SUBJECT: Senate Bill 90
(Privacy and Public Information Act)

Dear Senator Fischer:

A bill dealing with privacy and public information has been before the Legislature for several years. Senate Bill 90 is a refinement of those prior unsuccessful attempts. The positions expressed in this letter are those which the Assembly of the City and Borough of Juneau, acting through its Legislative Committee, has adopted in the past and which the committee has not changed this year.

On page 2, beginning at line 19, charges for duplication of public records is limited to recovery of direct cost of duplication. This cost, very often, is the least of the costs involved in providing a copy of a public record. Search cost can be substantial, particularly where the requested record has been moved to an inactive file. It would seem to be questionable public policy to require the tax payers of the state or municipality to assume the burden of searching and reproducing a record when the production will not benefit the general tax paying public, but is for the benefit of the person seeking the record. While the state may have sufficient income to assume this burden, municipalities must still levy taxes to support their operations. For that reason, we request that this section of the bill be amended to permit municipalities to establish a charge for documents which does not exceed the actual cost of producing and duplicating the documents. The federal Freedom of Information Act permits the federal government to recover such costs and this appears to be the more appropriate public policy. The burden of satisfying someone's idle curiosity and of producing records which are solely or primarily for the benefit of the person requesting them should not be borne by the general tax payer but should be borne by the person making the request.

On page 6, lines 13 through 15, the bill provides that upon a request for a public record, the governmental unit must produce the record immediately. This varies considerably from the federal Freedom of Information Act which allows ten days for the agency to determine whether the record is to be produced. Requiring the immediate production of a record places the establishment of the priority of the conduct of the government's business in the hands of the individual requesting a record. If "immediately" is to have any meaning, it must mean "now" and not "as soon as I can get to it." If the custodian of a record is involved in a time-

FORM NO. CBJ 3

critical project, the language of the bill would require the custodian to set aside the project in order to search for the record. Not only does record search and production take priority over all other government business, it does not allow a reasonable period of time for the custodian to seek legal advice as to whether a particular record is a public record or falls under one of the exemptions. The ten days allowed in the federal Freedom of Information Act accommodates both of these considerations. We request that the approach taken in the federal Freedom of Information Act be followed in this bill.

Section 3 of the bill (beginning at line 28 on page 9) would repeal the present authority of a state or local government public body to go into executive session to discuss matters which are required or authorized by federal law to be discussed in executive session. More importantly, this section of the bill would repeal the present authority of a municipality to establish by charter or ordinance additional subjects which may be discussed in executive session. If there is no charter provision or ordinance of any municipality in the state which appears to create an abuse of this authority, one can certainly question the need for the removal of this authority. Even if one were able to point to a charter provision which was believed to be an abuse, it should also be remembered that the charter is something which was adopted by the citizens of the municipality. If one is able to point to an ordinance which is believed to be an abuse, it should be remembered that the ordinance can be reached by a referendum. Because we are not aware of any municipality having abused this authority under the present state law and because both mechanisms for the creation of additional subjects for executive session can be reached by the electorate of that municipality, we recommend that Section 3 of the bill be deleted.

Parenthetically, I would point out that in analyzing the deletion of Section 3, one should be careful to distinguish between the authority of a municipality to establish additional subjects for executive session by charter or ordinance on the one hand and the actual use of an executive session for purposes which are not authorized either by law, charter, or ordinance. For example, the fact that a committee of the Legislature has gone into executive session for a purpose not authorized under the Open Meetings Law has no bearing on the fact that the Legislature has authority to amend the statute to provide additional subjects which may be discussed in executive session. Similarly, the fact that the city council may have gone into executive session for some unauthorized purpose, should have no bearing on the council's authority to establish, by ordinance, an additional subject which may be discussed in executive session.

The version of this bill which was adopted by the Senate last year excluded municipalities from the operation of the bill. The Senate State Affairs Committee version of the bill removed municipalities from the bill. It appeared to be the consensus of that committee that local records were a local problem to be dealt with at the local level without state intrusion. The City and Borough of Juneau supports the philosophy that the state should maximize local authority to deal with local problems, particularly for home rule municipalities. For this reason, the City and Borough of Juneau supports the approach taken by the Senate and the Senate State Affairs Committee last session. Just as, I am sure, the Legislature believes that the State of Alaska is in the best position vis-a-vis the federal government to determine which of the State's records should be protected and which should be made public, municipalities

are likewise in the best position to determine which of their records should be protected and which should be made public. It is the municipality, not the State of Alaska, which knows what types of records it generates or comes into possession of. The Legislature has, in the past, demonstrated a total indifference to the need for municipalities to protect certain of their records. One will search the Alaska statutes in vain in an attempt to find a statute dealing specifically with protected municipal records. In that search, however, one will find numerous exceptions for records kept by specific state agencies. Even though municipalities may keep identical records, the Legislature has never seen fit to provide protection for such records in the hands of a municipality. When the the Legislature establishes a program which will involve records which should be protected, it is in a position to address the public records problems at the time it creates the program. Under Senate Bill 90, a municipality would not have that option. It would have to wait to create its program until it had authority from the Legislature to protect the records the program would generate. For the foregoing reasons, we request that Senate Bill 90 be amended to eliminate its coverage of municipalities in the same manner as was done in the bill which was adopted by the Senate last year.

While we believe that the approach requested in the preceding paragraph is the better approach, we also recognize that many of the concerns expressed in that paragraph could also be met by an amendment which would provide for an additional exception at the end of the present 17 exceptions in the bill. The 18th exception would be added after line 18 on page 5 and would read substantially as follows:

(18) Records of a political subdivision which have been specifically declared by ordinance or charter to be protected records.

If this approach is taken, the provisions of the bill would be applicable to municipalities but the municipality would, nevertheless, retain authority to deal with those records of the municipality which the assembly or council determines should be protected. The creation of a protected class of records by the municipality would have to be accomplished through the ordinance process which involves notice, public hearings, and public input. As a minimum, municipalities should be given the opportunity to deal with their own records in this fashion. If at some time in the future the Legislature determines that municipalities in general have gone "too far" in protecting their records, it can deal with that problem at that time. In the meantime, the Legislature should refrain from encroaching on local autonomy any more than is absolutely necessary.

There are a number of problems which will exist for public servants who are charged with administering public records under this bill. The most severe is the lack of any definition or standards by which one can guage whether or not the release of a record would constitute either an infringement upon a person's right to privacy or an unjustifiable intrusion into a person's right of privacy. The bill uses both terms but defines neither. Also, we find no clue as to why these different terms are used. Further, the use of the word "unjustifiable" to modify the phrase implies that the public official is to balance the individual's right of privacy against some other unstated consideration. Too much is at stake to place this burden upon a public employee without additional definitions, standards, or guidance. If the Legislature prescribes a balancing test to determine whether records should be disclosed or not, it, rather than the courts, should provide the standards under which the balancing will take place.

I hope you will give serious consideration to the foregoing comments. If you have any questions, please do not hesitate to call me.

Very truly yours,

Gerald L. Sharp
City-Borough Attorney

GLS:pjl

cc: Mike J. Colletta
Brad Bradley
Richard I. Eliason
Terry Stimson
Assembly
Ginny Chitwood, Alaska
Municipal League

OFFICE OF THE FEDERAL INSPECTOR
ALASKA NATURAL GAS TRANSPORTATION SYSTEM
POUCH 6619, ANCHORAGE, ALASKA 99502
907-271-3668

4 FEB 1981

The Honorable Vic Fischer
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Fischer:

The State Affairs Committee is holding public hearings on Senate Bill No. 90 introduced by you, Senators Farr, Stimson and Rodey. The Office of the Federal Inspector, Alaska Natural Gas Transportation System (ANGTS) has reviewed the bill and urges the State Affairs Committee to consider its comments. AS 09.25.120, one of the statutes which would be repealed by SB 90, sets out various exceptions to public disclosure. One category of documents excepted from public disclosure by AS 09.25.120 is "documents required to be kept confidential by a federal law or regulation..." This exception should be included in any legislation addressing freedom of information in this State.

This exemption is important both to the current Alaska natural gas pipeline construction project and to other relations with the federal government. The State Pipeline Coordinator's Office and the Federal Inspector's Office enjoy a free flow of information between them which helps both agencies to adequately monitor construction of the gasline. The State and the Federal Inspector's Office are negotiating a joint agreement which in part addresses the confidentiality of documents exchanged between them, and the agreement depends on the existence of a State statute exempting such documents from public disclosure. Any change will jeopardize this interchange of documents between the Federal Inspector and the State Pipeline Coordinator.

With these concerns in mind, the Federal Inspector's Office recommends that the legislature clearly include this exemption in SB 90 by changing the proposed Sec. 40.25.015(e)(1) to read as follows:

(1) Those exempted from disclosure by State statute or required to be kept confidential by federal law or regulation;

Thank you for the opportunity comment on SB 90.

Sincerely,

Cheri C. Jacobus

Cheri C. Jacobus
Attorney

ALASKA PUBLIC INTEREST RESEARCH GROUP
Post Office Box 1093/Anchorage, Alaska 99510/(907) 278-3661

February 6, 1981

Sen. Vic Fischer, Chair
Senate State Affairs Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Fischer:

We would like to reiterate and expand upon our comments at the teleconference hearing of February 5, 1981 on SB 90, Freedom of Information Act.

As an impressive array of witnesses has illustrated, there is a strong need for a Freedom of Information Act. SB 90, with a few relatively minor improvements will fill that need.

Public access to information compiled by and for its government is a basic requirement of the democratic process of government. This is not special interest legislation for the press. Rather, this is legislation which ensures that the public, including the press, can hold its government accountable.

Our specific suggestions follow:

Sec. 40.25.010(d) does not contain a fee waiver for requests in the public interest by those unable to pay, such as non-profit groups or individuals. We support a change along the lines of the federal FOIA, which contains the following language: "Documents shall be furnished without charge or at reduced charge where the agency determines that waiver or reduction of the fee is in the public interest because furnishing the information can be considered as primarily benefiting the general public."

We support the goal of releasing non-exempt portions of records to which some exemption otherwise applies (Sec. 40.25.020(c)). The proposed standard (that the lawful custodian of the record determine whether deletion of the exempt part will make release "suitable") is vague and possibly too discretionary as a standard. We support a change along the lines of the federal FOIA's use of the standard of "reasonable segregability" to govern provision of records after an exemption has been determined to apply.

We support the existing provisions which allow requestors whose request has been denied easy and cheap access to the courts: filing and service fees are waived and the court provides a simple form which instructs complaining parties how to proceed without a lawyer. The governmental unit has the burden of proof to show the exemption applies. We suggest that any notice by the governmental unit that it is applying an exemption be required to include a packet of instructions, including the form drawn up by the superior court, on how to proceed in court without counsel to challenge the exemption. In this way we can ensure that citizens are fully aware of their rights under the law without the need to turn to legal specialists. In the interest of speedy processing of the court case, we suggest that the legislature consider requiring that the court hear the case within a specified short period (e.g. 10-30 days). Otherwise, backlogs in the court can hamper the speed with which the citizen can gain access to the information.

Another legal issue is whether someone who would be adversely affected by the disclosure of an arguably exempt record should be allowed to intervene in a case involving the application of an exemption. If this standing to intervene is not otherwise provided by the Alaska Administrative Procedures Act, it should be provided in the bill. The interests of fairness require that one who is affected by disclosure be given a voice in the process, especially since the government may not pursue the case with the same vigor as the affected party. This change should not cause delay or make access more difficult as long as the burden of proof remains solidly on those who would apply the exemption.

Sec. 40.25.115(c) should allow copies to be requested in person. When the requestor's needs are urgent enough to merit an in person request, he or she should be able to get immediate action by making the request in person.

We support several changes from previous versions of the bill:

*Exclusion of search costs in the charges to the requesting party (Sec. 40.25.015).

*Exemption for attorney work product in possession of the governmental unit only until the matter is closed (Sec. 40.25.015(e)(15)).

*Broad definition of governmental unit to which the Act applies. We urge the Committee to resist any change which would exclude local governmental units from coverage under the bill (Sec. 40.25.040 (3).

The inclusion of these changes in SB 90 strengthens the bill.

We close with the strong recommendation that the Senate pass a Freedom of Information Act substantially similar to SB 90.

Sincerely,

ALASKA PUBLIC INTEREST RESEARCH GROUP

Matthew Zencey

Matthew Zencey

alaska
state
hospital
association

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REPRESENTING ACUTE, LONG TERM AND OUTPATIENT FACILITIES

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Fairbanks

Secretary/Treasurer
Ron Pavelas
Alaska Hospital & Medical Center
Anchorage

Immediate Past President
L. Camosso
Providence Hospital
Anchorage

Executive Director
Dennis L. DeWitt
Juneau

February 17, 1981

The Honorable Charlie Parr
Alaska State Senate
Pouch V, State Capitol Building
Juneau, Alaska 99811

Dear Senator Parr:

The Alaska State Hospital Association has reviewed Senate Bill 90 and recommends that the following amendments be adopted.

1. Page 3 Lines 13-18
The exemption found in Subsection (6) should include patient financial information and the reference to autopsy reports ought to be moved from this section to a separate section.

Rational: a) Patient financial data while not part of a medical record, remains personal data about a patient, not the facility and as such should be protected.

b) Autopsy reports should be accessible when a court has determined the need for an inquest pursuant to AS 12.65.020. A requirement that autopsy reports should be public records simply because the person had not recently seen a physician, seems to serve no apparent public good.

2. Page 5 Lines 19-20
Subsection (f) should include an exemption for medical records and read as follows:

(f) Unless specifically exempted from disclosure by statute, all records except those specified under (c) of this section, become public after they are 20 years old.

Rational: Patient medical records are private and ought be disclosed only at the direction of the person subject to the record.

3. Page 6 Lines 3-7
Subsection (i) ought to be rewritten to include only managerial positions where the person has discretionary power over the operation of the entity and the reference to job performance and ability to perform the job ought to be struck.

Rational: Governmental employees ought not be treated differently than non-governmental employees unless there is a specific public good to be served. We can see no good and potential exposure to harassment by the disclosure of the compensation of a cook, janitor, clerk, nurse or other non-management personnel. The references to job review and ability to perform is a type of information exempted under (3)-(8) of Section .015 and as such ought to be protected for public employees as well.

Thank you for your consideration of these items. We will be happy to respond to any questions you may have.

Sincerely,

Dennis L. DeWitt
Executive Director

DLD/b

cc: Senator Vic Fischer



CITY OF NOME

P.O. BOX 281 - NOME, ALASKA 99762
TELEPHONE (907) 443-5242

February 11, 1981

Senator Vic Fischer, Chairman
Senate State Affairs Committee
State Capitol
Pouch V
Juneau, Alaska 99811

Dear Senator Fischer:

I am writing you about 2 bills you are currently considering. These are SB90 and SB153.

SB90 might open up government, but would be harmful in the process. Executive sessions are a must to insure that the legal & personnel aspects of governments are not endangered. This is especially true in smaller communities where it is difficult to keep anything "private".

The City's personnel records must also be closed. If they become open records, then very little will be put in them for reference purposes and the general administration of the personnel function.

While it might seem simple or easy for larger communities to produce records on request, smaller ones with only one or two employees in the clerk's office can't comply in that fashion. Many records are stored away in boxes and old files and are not easily accessible.

Regarding SB153, the City of Nome is presently in court with the Methodist, Lutheran and Catholic churches over similar issues. We have 14 churches in Nome, almost all of them in "missionary status". They have had a great deal of their land and property exempt until recently when the City said that we couldn't afford it any longer. In 1978, this exempt property was valued at $2,300,000. That was when our total real property was $29,000,000. If anything should be done to the statutes regarding non-profit religious property, it should be to clarify and strengthen them.

Thank you for the opportunity to comment.

Sincerely,

Ivan L. Widom

Ivan L. Widom
City Manager

cc: Mayor & City Council
Bob Hicks

CITY OF SEWARD

P. O. BOX 337
SEWARD, ALASKA 99664

CITY MANAGER 224-5214
COMPTROLLER 224-5216
INFORMATION 224-5215
CITY POLICE 224-5201

2/11/81

State Affairs Committee
Pouch V
Juneau, Ak 99811

Dear Mr. Chairman:

I am presenting written testimony concerning the Privacy and Public Information Act. If this bill passes, next year you will be taking more testimony on what to do about the great apathy of witnesses to crimes. Most people will not be cooperating with police if they are aware that their names, addresses, and other personal information can be given to the public. We will be unable to protect any witness that does not come under the heading of "confidential informant."

My second concern is this: Will the public be made aware that they will be paying additional thousands of dollars a year to staff a governmental unit to produce these records in each community, since they will be charged only "direct" costs such as copy fees, etc.

Who will be making the public aware of what this bill provides? Any informant of any crime will no longer have any right to privacy, except during investigations. Unlike the news media, we do not have a conflict of interest issue here, except that we would like to protect the people from testifying to police under any air of vendetta that this bill will harbor.

Sincerely,

Louis A. Bencardino, Chief
Seward Police Department



THE JUDITH GROUP INC.

P.O. Box 2334 Soldotna, AK 99669

PHONE: 283-4359

February 8, 1981

Senator V. Fischer
Chairman
Senate State Affairs Committee
Pouch V
Juneau, Ak. 99811

Dear Mr. Chairman,

In listening to the testimony on SB 90, February 5, 1981 via Teleconference, we were struck by the similarity of frustration levels to our own experience. Enclosed are copies of correspondence with:

Department of Health & Social Services.....A. Holmburg, Director March 12/79

At the time of the letter to Mr. Holmburg the Judith Group was involved with the Alaskan Family Violence Project, Grant #78-DF-AX-0107 from Law Enforcement Assistance Association awarded to the Alaska Department of Health & Social Services/Ak. Family Violence Program/Judith Group. Portion of the Grant Objectives as they involved the Judith Group included.

Mr. Holmburgs reply.....April 3/79

Response to Mr. Tom Janadlo telephone request (this request stressed need for immediate response on agency knowledge of incest. Not to include Judith Groups stats) We as yet have to have a response from anyone at Division of Social Services on our letter.....April 4/79

Individual testomy of my own to the White House Conference on Families, Ak. From it is apparent that until the Legislative Auditor, Mr. Wilkinson published there was no way the Judith Group was able to secure any information, stats, whatever. The HSS Statistical report is not comprehensive enough.

All of the questions addressed to Mr. Holmburg should have been answered. According to our understanding the answers were mandated by law; Federal or State. This information should have been available. Unfortunately, Mr. Wilkersons report are mandated only every 3rd. year. The question of due process are very interesting.

Thank you,

Joan Bennett Schrader, Secretary
The Judith Group, Inc.

cc: Sen. C. Parr Sponsor
B. Bradley
R. Eliason
T. Stimson
M. Colletta

LOCALE	OBJECTIVES	DATA COLLECTED	MEASURES OF SUCCESS
Kenai/ Women's Resource Center		-number and case histories of post-crisis assistance -number of victims transported to Anchorage AWAIC -follow up evaluation of victims who remain in Kenai	
Kenai/ Judith Croup	To provide intra-family violence victim assistance, public information, and education. To research, analyze and document the incidence of incest in one Alaskan community and to collect, develop, and distribute information and materials on incest throughout the state.	-number of volunteer hours -report on incidence of incest in Kenai Peninsula including: -number reported to police -number reported to hospitals -number reported to social service agencies -number which come to attention of Women's Resource Center -comparison to availabe national statistics -actions taken in response to reports -profiles of victims and offenders -random surveys of public opinion to measure awareness, concerns, and attitudes regarding incest - process for collecting and analyzing data concerning repeat rates of known offenders, relation to other crimes, and relation to alcohol will be developed	-documentation that incest is a problem which may be used in program planning -an increase in public awareness of incest, consequences, and services available for victims and offender

March 12, 1979
Box 2334
Soldotna, Alaska 99669

Mr. Arthur C. Holmburg, Director
Department of Health and Social Services
Pouch H O 5
Juneau, Alaska 99811

Dear Mr. Holmburg,

On the 7th of March The Judith Group spoke with Ms. Faye Guthrie, Regional Office Manager, Department of Health and Social Services, in her Anchorage Office. As a result of that meeting we realize that there are many needs we, as a group have.

The most crucial need is to know what is the disposition of those children who are the victims of incest. When we report a case to your office (thru our local workers) it is as if these children no longer exist for us. Now, we understand the need for confidential records, but, there must be some method of finding out what care is taken of these children.

Are there case plans for these children, whether they remain in their homes or are placed out of their homes?

Is there regular follow-up?

Are there preventative services available to the family on a monitored basis?

What reviews are mandated; how regular?

Can the Judith Group expect to gain the following information from your data system?

Date of birth, sex, age, race and religion.
Family structure, including nuclear and extended family.....and here we view it as critical to know the length of time a step-parent or guardian relationship has existed.
Any handicapped condition, physical, emotional, educational, has the child been evaluated and what free, special services have been provided.

Has the child entered care (court order or voluntary placement) and the nature of the custody agreement. Was the victim of incest or sexual abuse provided with a attorney to ensure compliance with their right to the same interest the child in a divorce case would have. The nature of the custody agreement. Is there monitoring, on a continual basis, of the offender, if the offender remains in the home with the child.

Geographic locations upon entry into care.

How placement is funded. Where placement (in the childs home area)

Reason for placement (here we would need to know—if incest or sexual abuse has occurred, what "acting out" the child has done.

Date and type of initial placement

Services provided to child and family prior to placement.

Services provided to child and family (whether foster family, guardian, etc) during ~~prior to~~ placement. Here we want to be able to pick up on the incidence of incest as it is defined in the Alaska Revised Criminal Code Commentarty, Section 11.41.450 INCEST and also Section 11.41.430, subsection (a) (1). Section 11.41.410 Subsection (a) (4).

Placement status of sibling.

Dispositional goal for the child and time by which the goal should be attained.

Other agencies providing to or having responsibility for the child and the family....what monitoring is done on these agencies; ex: if the therapy of the child and the offender is carried on by a Freudian analysist.

Do the records of case transactions include:

dates and changes in legal status.
date, type and location of subsequent placements. Reason for change.
dates of case reviews.
dates and description of of outcomes of dispositional reviews.
dates and description of services provided to the child and family by the responsible agency and other agencies with which the child and family has contact. In this area include foster or guardian.
dates of visits between agency and child, agency and natural parents, (and here it would be helpful to know if the natural parents are seperated (living apart) is the other parent informed of the issue and the childs placement) agency and foster parents, and child and natural parents, extended family in the case of no natural parents available.
date and termination of parental rights.
barriers to adoption when parental rights are terminated (here again did the child have a attorney to protect his/her rights.....property-wise as well as otherwise).
date of discharge, and discharge status (e.g. with natural parents or relatives, adoptive placement, transferred to another agenc has reached majority, death, marriage, other (here: what is other)
whether child was adopted with the assistance of a subsidy and by whom (foster parents, relatives, others, were relatives informed of the adoption prior if foster parents are the party who does adopt).
dates child enters placement thru any agency.
when the offender is involved with the court system as a offender.
What avenues of complaints does the child have? The family have?

We are attempting to work up a reporting sheet for police, physician, crisis workers, etc. and we must have some idea of what your data will reveal to mesh these reporting sheets with your records.

Was the offender thru the court system or involved only in therapy, what monitoring? and What monitoring is done on out-of-state placement or adoption.

Thank you very much for your time and effort on this matter. It is important to The Judith Group that we have this information. There was a meeting of the various law enforcement agencies in Juneau in February and we have requested copies of that meeting. They have not arrived as yet but we will wait patiently, I guess. What else is new.

Anyway, thank you in advance. Hopefully everything we have asked you about is already either in your data system or is being programmed in.

Next, how do we go about receiving this data?

Sincerely,

Joan Bennett Schrader

Joan Bennett Schrader, Sec.
The Judith Group

cc; Faye Gutherie
Dr. McGinnis
Kenai-Soldotna WRC
Kenai Social Service Office
Alaska Family Violence Program; S. Lederman
URSA
All Advocates
Richard C. Hacker
Commissioner H. Beirne

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF SOCIAL SERVICES

JAY S. HAMMOND, GOVERNOR

Pouch H-05
Juneau, Alaska 99811

April 3, 1979

Ms. Joan Bennett Schrader
Secretary
The Judith Group
Box 2334
Soldotna, Alaska 99669

Dear Ms. Schrader:

We appreciate your concern for victims of incest who are referred to the Division of Social Services. The primary concern of all social service workers within the Division is to protect any child who is in danger of harm in his living situation. Therefore, when referral is received the social service worker investigates as is needed to assess the immediate danger to the child. If a child is found to be in need of removal from his home, he will be placed in a foster family. The worker develops a specific case plan, given the facts of the situation, which is based at efforts to rehabilitate and reunite the family. Workers provide services to children in foster care as well as to the families of the children.

In cases where removal of a child from his home is not required but there is need for protective intervention, the worker's efforts will be focused at working with the family to improve the situation which brought them to the agency's attention. Case reviews occur every three months to insure that all needed services are being brought to bear to remediate the situation.

For reasons of confidentiality, we cannot provide specific details on cases handled by our workers. Information can only be shared on an aggregate basis, as through the Monthly Statistical Report produced by the Division of Social Services. As requested, we are enclosing a copy of the latest Monthly Statistical Report and will be happy to add you to the mailing list for future copies.

Sincerely,

Art Holmberg
Director

Enclosure

AH:NK:kk

08-F13LH

March 18, 1980 Soldotna Hearing on the

White House Conference on Famlies.

I am Joan Bennett Schrader and I am testifying on my on behalf.

As a member of this community I have grave concern over the follow-thru on the care our youngsters in the Corrections Institutions and Foster Homes receive.

To secure any information on what happens to them is extremely difficult. The reports made available by the DOC are not as comprehensive as I should like to see.

My first reccommendation is to have

Easily accessable information on the placement of these young people. I am not advocating identifiable information but, rather the knowledge communities should have on hand the placement be in fosger-care, that a worker has formated a caseplan, that the worker is in contact on a monthly basis with the young person. Further-more, that monthly personal reports, where possible, be made to the family of the young person by the same worker or in the case where one worker cannot handle this that the DOC workers are able to assure the family of some worker in the DOC has seen and spoken with the young person. That the worker be identified by name, and a phone number or address be made available to the family

In the Preformance Review of the Department of Health & Social Services, Juvenile Confinement Programs, dated September 28, 198[illegible] and signed by Gerald Wilkerson, CPA. ~~fxthx~~ on behalf of the Legislative Auditor, Division of Legislative Audit, page 10, listed under

D. Juvenile Treatment Plan

"60% of the Department and child care facilitie juvenile files ~~xixxxxx~~ tested did not contain a detailed treatment plan for the juveniles.

In order to assure that juvenile needs are met while in institutional care, a through evaluation of needs and a method of meeting these needs should be prepared by either the Departments caseworker or the institutions staff. If the plan is ~~xxxxxxxxxx~~ developed by the institution, it should be subject to review by the Departments caseworker."

Page 11

"Although DOC has a formal decision process for placing juveniles in child care facilities, 57% of the DOC files tested did not indicate how the placement decision was reached. At DSS 54% of the tested files did not indicate the basis for the placement decision.

Although consideration of all alternative placements is necessary to assure the best possible care by the juveniles. The alternati considered and the reasons for the final selection should be documented to ensure juveniles receive due process."

F. Caseworker contact with the juvenile

"67% of the Department and child care facility files tested indicated the Department's caseworker had very limited, if any, contact with juveniles after placement. Also, DOC practice precludes probation officer involvement with juveniles placed at McLaughlin Youth Center."

G. Evaluation of the juveniles' progress

"Half of the DOC and 30% of the DSS files tested did not contain any institutional evaluation of the juvenile. Additionaly, 75% and 37% of the DOC and DSS files, respectively, did not contain an evaluation of the juvenile by the Departments caseworker. Testing of the institutions files indicated 18% of the juveniles had not been evaluated. Another 44% of the files contained evaluations which did not address the progress of the juvenile. Most of those only addressed the juvenile's status without relating the status to any identifiable problems."

Page 12

"Our testing found that 76% of the cases reviewed did not indicate regular progress reports were sent to parents. The Department should forward copies of all evaluations to the juveniles' parents including any necessary explanations or comments."

end of quotes from evaluation

The above are only some of the problems with DSS and DOC. I believe that communities should be informed on what the DOC and DSS are doing with children and young people.

We dom have a right to information from them and it should not take a copy of the auditors report to finally enable us to put our finger on what is happening to these children.

Last year a request was placed before the DSS, Juneau, for inform on what happens tochildren who are within the child care system.

They werex asked.....

Are there case plans for these children, whether they remain in their homes or are placed out of their homes?

Is there regular follow-up?

Are there preventative services available to the family on a monitored basis? (This is the case of child abuse/neglect)

What reveiws are mandated? How regular?

Can the following information beg gained from yourx data system.....

Date of birth, sex, age, race religion.

Family structure, including nucular and extended family; length of time a step-parent or guardianship relation has existed?

Any handicapped condition, physical, emotional, educational.

Has the child been evaluated and what free, special services have been provided?

Has the child enter Care (court order or voluntary placement) and the nature of the custody agreement. Was the victim of incest or sexual abuse provided with a attorney to insure compliance with their right to the same interest the child in a divorce case would have? The nature of the custody agreement. Is there monitoring? On a continual basis? Of the offender if the offender remains within the home with the child?

How placement is funded. Where placement (foster care) in the childs home area.

Reason for placement of child. If incest or sexual abuse has occu what acting out the child has done.

Date and type of initial placement.

Services provided to the child and family prior to the placement?

Services provided to the child and family (whether foster family, guardian, etc.) during placement. Placement status of siblings.

Dispositional goal of child and date by which the goal should be attained.

Other agencies provided to or having responsibility for the child and family, what monitoring is done on these agencies?

Do the records of case transactions include:

dates and changes in legal status.
date, type and location of subsequent placements. Reason for the change.
Dates of case reviews.
Dates and description of outcomes of disposition reviews.

Dates of visits between child and agency, natural parents and agency. Here it would be helpful to know if the natural parents are seperated, (living apart) is the other parent informed of the issue and the childs placement? Visits between foster parent and agency. Between child and natural parents, child and extend family in the case no natural parents are available.

Date of termination of parental rights.

Barriers to adoption when parental rights are terminated, did an attorney protect the childs rights, property-wise as well as other-wise?

Date of discharge and discharge status. With whom? Natural parents, foster parents, relatives, adoption placement, transferred to another agency, reached majority, death, marriage, other, what is other?

Whether child was adopted with assistance of subsidy? By whom? (foster, relatives, others?) Were relatives infprmed of the adopti prior if foster parents ar others are the party who dom adopt.

Dates child enters placement thru any agency.

Is the offender in cases of child abuse, sexual abuse, involved with the court? As an offender? How?

What avenues of complaint does the child have? The family have?

If the offender is involved in the court system is it xx by therapy, monitoring done....what and by whom?

What monitoring is done in out of state placement?

These were questions placed before the DSS a year ago and for reasons of confidentiality they were not answered. I believe we have a right to this information. On a ~~agency~~ basis only, not on individual cases. Everything asked should have been available to any person. It was not then, and after readirg the Auditors report, I can understand why.

In order for community members to support a reasonable and usefull program for aid to children and families, records must be kept.

My reccommendation would be for the DSS and DOC to be directed to keep them and to make their data system have spaces for the questions they were asked.

Thank you for listening.

Respectfully submitted,

Jaon Bennett Schrader

Jaon Be.nett Schrader
P.O. Box 1264
Kenai, Alaska 99611

The Judith Group, Inc.
Box 2334
Soldotna, Alaska 99669
April 4, 1979

Division of Social Service
400 Gambell
Anchorage, Alaska 99501

Attention: Tom Janidlo:

Dear Mr. Janidlo,

The following are the population resolutions from the Kenai Peninsula Borough for this area of the Borough.

The City of Kenai	4374
The City of Soldotna	2368
Sterling	1374
Ninilchik	470

Because of the scarcity of time statistics for the Homer and Seward areas, with one exception, are not included. The term Minor used here includes all up to 18 yr

From the Soldotna Police	(1977-78)	No involvement of Minors in any crime of a sexual nature. (as victim)
Alaska State Police (Kenai-Soldotna area)	(1978)	No involvement of a Minor in any crim of a sexual nature. (as victim)
Kenai City Police	(1977-78)	Four (4) to six (6) seperate incidents during 1977 - 78. There are no figures for how many children were involved in each incident. To secure more stats on this would necessitate a "hand search" of over eight (8) thousand cases. The Kenai Police do not have the staff need for such a process. The 4-6 cases were Child Molestation.
Seward City Police	(1978)	One (1) case of incest (Female) that resulted in Court Action, not on the incest related area, but on a "Contributing To The Delinquency of a Minor" by others. This matter was reported as required by Law, to the Social Service.

District Attorney Office (Kenai)	1977-78 to end of March	Cases reaching formal stage Lewd & Lascivious Three (3) Statutory Rape Two (2) Rape (possible Minor Invol no way to tell from Four (4) Contrib. Del. of a Minor Three (3) Felony (Defin Ten (10) Misdemeanor (no way to know if th were sex involvement Office Contacts Two (2) sexual involv (alleged
Social Service Kenai Office	1977-78	Seventeen (17) alleged incest cases, Female One (1) sent Prosecutors Office.

Tom, you will appreciate the hurry that this involved and that had we more time we (The Judith Group) would have had all of these reports much more comprehensive.

Hope this will assist you and let us know what happens.

Sincerely,

Joan Bennett Schrader, Sec.
The Judith Group

cc; Juv. Intake Officer (Kenai)
Social Service (Kenai)
Seward Police
Kenai Police
Kenai Care Center
District Attorneys (Kenai)
Alaska State Police (Soldotna)
Soldotna Police
Division of Corrections (Kenai)
Central Peninsula Mental Health
Kenai Peninsula School District (B. Taeschner)
Alaska Court System (Kenai)

February 13, 1981

To: Senate State Affairs Committee
Senator Vic Fischer, Chairman
All Members of the Committee

From: Ginny Chitwood, Executive Director
Alaska Municipal League

Re: S 90 - Privacy and Information Act

Municipalities realize the need for the public to have reasonable access to municipal records. However, the provisions in SB 90 go further than what the Alaska Municipal League considers reasonable. We can forsee many unfair burdens being placed on municipalities if this bill passes in its present form. Some are as follows:

Records produced "immediately" - This would place the request for a public document as first priority over all other conduct of the government's business. A more reasonable approach would be to allow ten days as provided by the federal government. This, at least would allow determination as to whether or not the document being requested would fall under the list of exemptions and therefore not be required to be produced or whether or not it was in the public's interest to be produced. If illegal releasing of information is done by a municipal employee, the municipality would be open to a fine which means the municipal attorney would have to review all requests.

"Direct cost" - Some documents are readily available. However, it is possible and likely that to produce other documents would involve a great deal of time; searching thru archives, records of years past in storage, etc. Most of our communities do not have sophisticated retrieval systems and the amount of time needed to locate said document could take up a good portion of the employees time. The League feels the word "direct" should be deleted from page 2, line 21, or at least defined to include labor involved by the municipal employee in the search for the document that has been requested.

Subjects for executive session - The League feels the municipality is the best judge of what should be considered confidential and objects to the deletion of the right to establish these subjects by charter or ordinance (page 9, lines 28 and 29.) Procedures for charter ratification and ordinance adoption afford adequate safeguards ensuring that local actions reflect local opinion.

Secs. 140 and 150 establish the requirements of financial disclosure. Note that financial disclosure is by "category" rather than by dollar amount. Sec. 150(a).

Sec. 160 details prohibitions on activity considered a conflict of interest. Special conflict of interest provisions for legislators appear at Sec. 170. Government contracting is regulated as Sec. 180. Conflicts of interest in employment are covered in Sec. 190. A state official or state employee other than legislator who has a personal situation that presents ethical problems is directed to a course of conduct under Sec. 210.

Sec. 220 deals with similar problems for a legislator.

Disclosure of confidential information is regulated under Sec. 240.

Sec. 250 regulates the conduct of former state officials or state employees for two years after termination of state service. Penalties are established in Sec. 260. Commission remedies for violations are established under Sec. 270, including civil penalties. Direct citizen action is authorized under Sec. 280.

The definitions section, Sec. 400 is a mix of the familiar and the new. Essentially no change was made in the list of public officials for whom financial disclosure is required. The term "candidate" is defined.

The term "gift" excludes campaign contributions reported under AS 15.13.

Secs. 3 - 19 of the bill respond to the implications of the repeal of AS 39.50 and portions of AS 15.13 and 24.45.

The Act takes effect July 1, 1981.

RAB:1jb



February 11, 1981

State Affairs Committee
Pouch V (MS 3100)
Juneau, AK 99811

The City of Kodiak would like to voice our strong objection to both the passage of SB 90 - Privacy and Public Information Act, and also to consider including municipalities under this act.

Of first concern would be the requirement to immediately produce records, specifically the personnel records. Most employees with municipal government have assigned responsibilities for eight hours, and occasionally ten or 12 hours a day. If this standard were approved there would be an immediate requirement for additional help to retrieve and produce records. Plus, the direct cost would be unrealistic due to the need for additional employees; an additional tax burden to the taxpayer.

Next would be to take away the Councils right to executive session. This would leave every municipal government wide open for a law suit, or prevent them from transacting business. Executive sessions were established for the protection of an individuals character, their tax dollars or legal matters. The general public, and most importantly the press, should be knowledgeable of why executive sessions are held. The failure to transact business because a municipality could be held liable for a "defamation of character" or "misappropriation of funds" law suit would be ever present.

Another very important item would be the disclosure of an applicants resume for municipal positions. We strive to employ the highest caliber of personnel, but just to reveal their names could prevent a well qualified individual from applying due to reprisal with a present employer. If the legislature allows this bill to become law they will deny an individual his or her right to privacy. When reviewing personnel records "that" individual should be the one to approve such action.

POST OFFICE BOX 1397. KODIAK . ALASKA 99615 PHONE (907) 486-3224

Historically the City Clerk's office has been open to the public, supplying all information with the exception of documents that would injure an individuals character, harm the municipality financially, or matters that are pending litigation. We see no valid justification for this procedure to change.

Sincerely,

CITY OF KODIAK

Kay M. Baker

Kay M. Baker
City Clerk

KMB/d

cc: Alaska Municipal League

Original sponsors: Parr, Fischer, Stimson and Rodey

Offered: 5/14/81
Referred: Rules

IN THE SENATE BY THE JUDICIARY COMMITTEE

CS FOR SENATE BILL NO. 90 (Judiciary)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to privacy and public information; changing Rule 65 of the Alaska Supreme Court Rules of Civil Procedure; and providing for an effective date."

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

* Section 1. AS 40 is amended by adding a new chapter to read:

CHAPTER 25. PRIVACY AND PUBLIC INFORMATION.

Sec. 40.25.010. STATE POLICY. It is the policy of the state that

(1) all governmental units exist to aid in the conduct of the people's business;

(2) the people of this state do not yield their sovereignty to the agencies which serve them;

(3) the people, in delegating authority, do not give their public servants the right to decide what is best for the people to know and what is best for them not to know;

(4) the people's right to remain informed shall be protected so that they may retain control over the instruments they have created;

(5) the people's right to privacy as provided by the constitution is recognized and shall not be infringed;

(6) the records of governmental units shall be open for public inspection unless the inspection infringes on a person's right to privacy or is otherwise prohibited by statute.

Sec. 40.25.015. RECORDS TO BE OPEN TO INSPECTION. (a) Except as otherwise provided by AS 40.25.030, all records are open to inspection and copying by any person during the regular office hours of the lawful

custodian of the records or the custodian's designee. The custodian of the records shall take all necessary precautions for their preservation and safekeeping.

(b) Every custodian of records shall make them available for public inspection and shall give a copy of the record on request and payment of fees, if any. A custodian shall permit memoranda, transcripts, and copies of the public writings and records in the custodian's office to be reproduced in any reasonable manner. In addition, a custodian shall furnish proper and reasonably accessible facilities for inspection of records, subject to reasonable restrictions as are necessary for the protection of the writings and records and to prevent interference with the regular discharge of the duties of the custodian and the employees of the custodian. If a certified copy is requested, that copy is in all cases evidence of the original.

(c) Copies of records may be requested orally or in writing, in person or by telephone, electronic communication, or by mail. These requests shall be treated in accordance with the provisions of (a) and (b) of this section.

(d) The commissioner of administration shall prescribe a uniform schedule of fees to be limited to reasonable standard charges for document duplication, and provide for recovery of only the direct cost of the duplication and the actual postage costs if the documents are mailed. The commissioner may reduce or waive the payment of fees if a reduction or waiver would be in the public interest or if the requester is indigent.

Sec. 40.25.020. DUTIES OF GOVERNMENTAL UNIT. (a) Immediately after receiving a request for a public record, the custodian of the record shall

(1) make the record available;

(2) inform the requester that unusual circumstances, as defined in (e) of this section, have delayed or impaired the handling of the request or that the record is in active use or storage and not immediately available and specify in writing the earliest time and date, not later than five working days after receipt of the request, when the record will be available;

(3) inform the requester that the governmental unit does not maintain the record, and provide, if known, the name and location of the governmental unit maintaining the record; or

(4) deny the request.

(b) If a request for access to a public record is denied, in whole or part, the governmental unit shall in writing, notify the requester of the specific reasons for the denial, and identify by name and position or title the person responsible for the denial. In addition, the governmental unit shall inform the requester that review of the denial may be sought from the head of the governmental unit and that a request for review must be filed within 30 days after notification of the denial. The head of the governmental unit shall decide within five working days after a request for review is filed whether to uphold the denial of access. If the decision is to disclose, the governmental unit shall immediately notify the requester and make the record available. If the denial of access is upheld, in whole or in part, the head of the governmental unit shall notify the requester in writing of the decision, the specific reasons for the decision, and of the right to bring a judicial action under AS 40.25.070.

(c) When the governmental unit determines that contents of a record exempt it under the provisions of AS 40.25.030, it shall also determine whether a deletion of the exempt parts of the record will make the record suitable for release, and, if so, the deletion shall be

made and the record released, with the notation that exempt material has been removed. If the governmental unit determines that the record or a portion of the record is not open to inspection, it shall provide written notification to the person requesting the record of its determination, of the statutory basis for this determination, and that under AS 40.25.070 a suit may be brought to compel production of records that are improperly withheld. If at the time of the determination the requester is present in the office of the custodian, the notification required by this subsection shall be provided by the custodian directly to the requester; if the requester is not present in the office of the custodian, the notice required by this subsection shall be by certified mail.

(d) Making a request to a governmental unit for a record under AS 40.25.015 is considered to exhaust a person's administrative remedies with respect to the request if the governmental unit denies the request or fails to comply with (a)(1) - (3) of this section. If the governmental unit can show that unusual circumstances, as defined in (e) of this section, continue to exist and that it is exercising due diligence in responding to the request, the court under AS 40.25.070 may retain jurisdiction and allow the govermental unit additional time to complete its review of the record. Upon a determination by a governmental unit to comply with a request for a record, the record shall be made promptly available to the person making the request.

(e) As used in this section, "unusual circumstances" means

(1) the need to search for and collect a requested record from a field facility or other establishment that is separate from the office processing the request;

(2) the need to search for, collect, and appropriately examine a voluminous amount or variety of separate and distinct records

which are demanded in a single request;

(3) the need for consultation, which shall be conducted with all practicable speed, with another governmental unit having a substantial interest in the determination of the request; or

(4) the need to notify a person and afford the person an opportunity to be heard under AS 40.25.030(b).

Sec. 40.25.030. EXEMPTIONS. (a) The following records are excluded from the provisions of AS 40.25.015:

(1) records exempted from disclosure by state statute, court rule, or federal law or regulation;

(2) any tax or information return, or record or report relating to that return, which is required to be filed in accordance with the provisions of AS 43 or municipal ordinance;

(3) archival materials donated by individuals to the extent of any written limitations placed on them as a condition of the contribution; however, all archival materials become public information after not more than 50 years and any statement of limitations must be produced upon denial of access;

(4) circulation records maintained by public libraries, public school libraries, and University of Alaska libraries showing personal transactions by those borrowing from them;

(5) trade secrets and confidential commercial, financial, geological or geophysical data furnished to a governmental unit;

(6) materials used to administer a licensing, employment, or academic examination if disclosure would compromise the fairness or objectivity of the examination process;

(7) investigatory, intelligence, and original entry records, compiled for law enforcement purposes, but only to the extent that production of the records would

(A) interfere with enforcement proceedings;

(B) deprive a person of a right to a fair trial or an impartial adjudication;

(C) constitute an unwarranted invasion of personal privacy;

(D) disclose the identity of a confidential source and, in case of a record compiled by a criminal law enforcement authority in the course of a criminal investigation, confidential information furnished only by the confidential source;

(E) disclose investigative techniques and procedures, or

(F) endanger the life, physical safety, or property of a person; or property value

(8) records of security systems and procedures established for the purpose of the protection of persons or property, or securing a penal institution or place of detention of persons accused or convicted of a crime or persons under the jurisdiction of the court under AS 47.-10, but only to the extent that disclosure would compromise the effectiveness of the system;

(9) attorney work product in the possession of a governmental unit; however, once the legal issue has been decided, or the litigation has been terminated, attorney work product that does not involve litigation strategy, mental impressions, or professional opinions of an attorney, or a person working under the attorney's direction become public records;

(10) any notes, memoranda, draft decisions, opinions, or other similar documents prepared by a justice or a judge, or a person working under the supervision of a justice or a judge, in the process of deciding a legal issue;

(11) records related solely to the internal practices of a governmental unit where the effect of disclosure would be to enable law violators to escape detection;

(12) personal information in medical, psychological, and sociological files maintained on individual persons, exclusive of autopsy reports, except that access may not be denied to the person who is the subject of the record, or the person's designee;

(13) records the disclosure of which would constitute an intrusion into the collective bargaining process between public employers and employees, including but not limited to grievance files and materials used in contract negotiations; and

(14) records the disclosure of which would constitute an unjustifiable invasion of personal privacy; in applying this exemption, the governmental unit shall determine whether the public interest in disclosure outweighs the privacy interest of the person to whom the record pertains.

(b) If a governmental unit initially decides to disclose a record to which the exemptions specified in (a)(7)(C) or (a)(14) of this section may apply, and to the extent that it concludes that there is a substantial probability that a person to whom the record pertains would object to disclosure, it shall, in conformity with the time limitations specified in AS 40.25.020, make diligent efforts to notify that person and provide that person with an opportunity to argue against disclosure. An affidavit of inquiry shall be made if the person is not located. If the governmental unit decides to grant disclosure over objection, it shall notify the objector by certified mail of its decision. If the governmental unit decides not to grant disclosure, and an action is subsequently brought under AS 40.25.070 to compel disclosure, it shall make diligent efforts to inform the objector of

the suit.

Sec. 40.25.035. PROVISIONAL RELEASE OF INFORMATION.

(a) Unless specifically exempted from disclosure by state statute, all records become public after they are 50 years old.

(b) Information contained in records exempted from disclosure under AS 40.25.030(a) may be released for valid statistical or other information-gathering purposes if

(1) any information which would tend to identify the person to whom the record pertains is deleted; and

(2) disclosure is made in a manner which would not compromise or defeat the purposes of a state statute designed to maintain the confidentiality of the information.

(c) The exemptions from public disclosure provided in AS 40.25.-030 or by other state law pertaining to the confidentiality of records, do not preclude the release or production of subpoenaed records or information to a state or municipal agency during the course of an investigation.

(d) All information in personnel records of public employees showing salary or compensation, job description, education and training background, and previous work experience shall be open for public inspection. Applications for public employment submitted by finalists for employment are also open to public inspection, but potential finalists shall be notified of this fact and of their right to withdraw their application before public inspection. As used in this subsection, "finalists" means the final three applicants under consideration for employment or those applicants who remain under consideration for employment after 90 percent of the original applicants have been eliminated from consideration by the governmental unit, whichever is greater.

(e) The fact that a crime has been committed, the name of the crime, the time of commission and location, and the name of any person who is charged with a crime is a matter of public information and record, except as provided in AS 47.10.090.

Sec. 40.25.040. ACCESS TO RECORDS BY RECORD SUBJECT. (a) Except as provided in (b) of this section, an individual or the individual's authorized representative may examine or copy during the regular business hours of the governmental unit, any record that pertains to the individual. In implementing this section, the governmental unit shall follow the procedures established in AS 40.25.015 - 40.25.020.

(b) A governmental unit is not required under (a) of this section to disclose

(1) information exempt from disclosure under AS 40.25.-030(a)(1) - (13), except to the extent that the information was submitted by the requester; however, for purposes of information that may be exempt under AS 40.25.030(a)(6), under appropriate safeguards designed to protect the integrity of the examination process, an individual may examine that individual's test questions and answers in an examination used for licensing or employment;

(2) information exempt from disclosure under AS 40.25.030-(a)(14) that does not relate directly to the requester and which if disclosed would constitute an unjustifiable invasion of another person's personal privacy; or

(3) information that is subject to regulation under AS 12.-62; access to this information is governed by the provisions of AS 12.62.

(c) This section does not abridge any state statute that authorizes an agency to withhold information from the parent or legal guardian of a minor.

(d) If an individual requests a record containing information the governmental unit is not required to disclose under (b) or (c) of this section, the agency shall provide any reasonably segregable portion of the record to the requester after deleting the undisclosable material.

Sec. 40.25.060. CORRECTION AND AMENDMENT OF RECORDS. (a) An individual may request a governmental unit to correct or amend incomplete or inaccurate information pertaining to that individual if it is contained in a record available under AS 40.25.040.

(b) Not later than 20 days after receiving a request from an individual to correct or amend a record pertaining to that individual, the governmental unit shall

(1) make the requested correction or amendment and inform the individual of the action;

(2) inform the individual that the governmental unit does not maintain the record and, if it knows, provide the name and location of the governmental unit maintaining it; or

(3) inform the individual in writing of its refusal to correct or amend the record as requested and the reason for the refusal; if the governmental unit refuses to correct or amend the record, it shall

(A) permit the individual to file with the record a concise statement of that individual's reasons for the requested correction or amendment and that individual's reasons for disagreement with the refusal by the governmental unit; and

(B) notify the individual of the right to bring an action under AS 40.25.070.

(c) Whenever a governmental unit discloses information to a third party about which an individual has filed a statement under (b)(3)(A) of this section, the governmental unit shall

(1) clearly identify the disputed portion of the information;

(2) furnish a copy of the individual's statement; and

(3) furnish a concise statement of the governmental unit's current position with respect to the request for correction or amendment and transmit a copy of this statement to the last known address of the individual whose record is disclosed.

Sec. 40.25.070. ENFORCEMENT: INJUNCTIVE RELIEF. (a) A person having custody or control of a record, or a person not having custody or control who aids or abets a person having custody may be enjoined in superior court from

(1) obstructing or attempting to obstruct the inspection of a record subject to inspection under this chapter;

(2) failing to correct or amend a record under AS 40.25.060.

(b) The court may charge no filing fee, and the Department of Public Safety may charge no fee for service of process, from an applicant seeking an injunction under this section. No security may be required by the court from an applicant seeking an injunction under this section. An applicant granted an injunction under this section is entitled to recover costs and reasonable attorney fees from the governmental unit.

(c) The superior court shall make available to an applicant, free of charge, a simplified form for proceeding without counsel under this section. The form shall require only identification of the applicant and the name of the custodian alleged to be acting improperly, and a simple explanation of the records sought or the correction or amendment requested.

(d) In a suit brought under this section the court may enjoin withholding of the records and order the production to the complainant

of records improperly withheld or order that the correction or amendment be made. The court shall determine the matter de novo, and may examine the contents of any records in camera to determine whether the records or any portion of them may be withheld under any of the exemptions specified in AS 40.25.030 or not corrected or amended under AS 40.25.060. The burden is on the agency to sustain its action.

Sec. 40.25.080. CIVIL ACTION FOR OBSTRUCTION OF ACCESS TO RECORDS. (a) A person who has been wrongfully denied access to a record under this chapter has a civil cause of action against the person responsible for the violation and is entitled to recover actual damages and reasonable attorney fees and other reasonable litigation costs.

(b) A good faith reliance upon the provisions of this chapter or of applicable law governing the confidentiality of public records is a defense to a civil action brought under this section.

Sec. 40.25.090. DEFINITIONS. In this chapter, unless the context otherwise requires,

(1) "attorney work product" means documents and tangible things prepared by or for a governmental unit in anticipation of or during litigation;

(2) "custodian" means the head of any governmental unit or the designee of the head of a governmental unit;

(3) "governmental unit" means an agency, political subdivision, legislative body, board of regents, or an administrative body, board, commission, committee, subcommittee, authority, council, agency, or other organization, including subordinate units of these groups, of the state, or any of its political subdivisions, including but not limited to municipalities, boroughs, school boards, and all other boards, agencies, assemblies, councils, departments, divisions, bureaus, commissions or organizations, advisory or otherwise, of the state or

local government, or any organization supported in whole or in part by public money or authorized to spend public money;

(4) "individual" means a natural person;

video voice recording

(5) "record" means any document, paper, memoranda, book, letter, drawing, map, plat, photo, photographic file, motion picture, film, microfilm, microphotograph, exhibit, magnetic or paper tape, punched card, computer tape or information stored in a computer system, or other document of any other material, regardless of physical form or characteristic, developed or received under law or in connection with the transaction of official business and preserved or appropriate for preservation by a governmental unit as evidence of the organization, function, policies, decisions, procedures, operations or other activities of the state or political subdivision or because of the informational value in them; it also includes staff manuals and instructions to staff that directly or indirectly affect the public.

* Sec. 2. AS 44.62.310 is amended by adding a new subsection to read:

(g) Nothing in this section may be construed to prevent the holding of conferences between two or more public bodies, or their representatives, but these conferences are subject to the same regulations for holding executive or closed sessions as are applicable to any other public body.

* Sec. 3. AS 44.62.310(c)(3) is amended to read:

(3) matters which by <u>state statute</u> [LAW, MUNICIPAL CHARTER, OR ORDINANCE] are required to be confidential.

* Sec. 4. In sec. 1 of this Act, AS 40.25.070(b) has the effect of changing Rule 65 of the Alaska Supreme Court Rules of Civil Procedure relating to security deposits required in civil actions.

* Sec. 5. AS 09.25.110, 09.25.120, and 09.25.125 are repealed.

* Sec. 6. This Act takes effect July 1, 1981.

2-17-81
Laura

Attending Senate State Affairs
Mark-Up SB 90

REED SCHONFELDT	DH&SS POUCH H-01G
Earl Dexter	114 2nd J[illegible]
Elaine Dexter	114 2nd St Juneau
Don M Berry	1220 Glacier Ave # 111 Juneau

1

Mark Up SB 90 FOIA

Members Present Sen. Fischer

Sen. Charlie Parr, Mark Widdow

Chairman Fischer outlines material: ① SB 90, ② proposed CSSB 90,
③ Barry Stearns version (Dept. of Law amendments)
④ 1 w/commentary
Sec. 1

{ - page 6 lines 15+16 + Throughout page 7
Barry outlines critical nature

SB 90 p 2 line 19-22 fees
— CSSB 90 p. 2 l. 19-25

at Van's request — CSSB 90 p. 2. l. 16+17 add "in person" + "verbally or in writing")

— CSSB 90 p. 2 ~~line~~ subsection (b) — Duty to search will be outlined in commentary

{ - Van - fees - Akhegal Sucs. rec. - Waiving fees for the indigent CSSB 90 (d) page 2, line 19-25

SF Covering exemptions will wait until later →

SB 90 40.25.020 - Requests for records, line 15 p. 6
CSSB 90 page 6, line ~~15~~ allows 10 days

Administrative remedies - CSSB 90 allows 50 day delay before one may go to cont
Senator Parr does not think it necessary

Correct!

2

to allow 50 days. [SB 90, VF says, is indefinite).

Suggested solutions - Barry notes Sec. 40.25, 020 (9) (page 2 line 23-25) CS

Undermine thrust of bill. Barry is afraid more time is necessary because of the "sensitive nature of determinations" (esp. Judicial Br.), & length of time required to decide!

Sen. Paul likes "immediately" because he feels a 10-day limit will create a 9½ day lag.

Nan feels time limit should be established

Sen. Paul feels routing requests through Judic. will be good deterrant measure

SB 90 p. 7 l. 6,

Stearn feels custodians will more quickly

CSSB p. 5 lines dealing w/exemptions

Discussion of doubts about releasability of records emerges between Parr, Stearn & Parr

Dept Shaw Danger! The citadel of sinister secrecy is under attack!"

– Dennis (Hospital records)

– Dept. of Labor

John further elucidates two issues under discussion

Se. 40.25.020 → Time limit for turn over of records

(a)

(b) → – Time for admin review

Sen. Parr mentions obstacle provided by might appeal to head of G.U. – who not be in same town.

Sen. Parr

Sen. Fischer SB 90 p. 6 line 16 – 19 — see SB 90 +add CSSB 90 p. 4 l. 7 (d)

Barry p. 4 line 7, (d)

SF — SB 90 Sec 40.25.020 — p. 6 l. 15 as is

allow for definition of "unusual circumstances", ~~as~~ in CSSB 90 p. 4 (d) – add to line 14 – "amount or variety"

SB 90 MarkUp

Exemptions 40.25.030

How come tax records can't be accessed by subject or designee in CS? Statement of Intent

clarify Exemptions section SB90 p.2 line 25

~~Legislature approves participation in state fed. program + will abide by fed - reqs of confidentiality in such cases.~~

Knocked out -

Fed law supercedes state anyway.

CSSB90 p.5 subsec (5)

S. Parr 5 · subsec 5 - Governmental Unit could abuse. "confidential"

See copy of SB 90 + CS to note exemption changes

Note SB 90 p.5 l. 7 - exemp. #15

CS → exemp. #9

Tighten up definition of attorney work product, still allowing access

"Right to privacy" SB 90 p.4, (13) (c)

CSSB 90, p.6. l. 15→21

Parr feels Barry's version (CS) leans to much to right of privacy - No conditions seem to outweight right to privacy

- Problem w section (d) CS p.8, line 8→10

What about medical records ?

These can be protected by statute.

Sen. Parr p.6 (3)(i) lines 3-7 Public employee personnel records

└ SB 90 - includes performance records
CS excludes performance

Both exclude applicants for public employment. Should amend to reflect applicants ~~[illegible]~~ just finalists

New Category – Barry – performance evaluations as a management tool by supervisors.

(16)

Moderators limit witnesses to 5 min.

Dean Cotterer

- Define right of privacy
- burden of proof should be on govtal unit
- not opt out

Susan Fisher - Pres Farthest N.

[redacted] Clear guidelines

danger that exemptions would render bill meaningless >

Howard Weaver.

Lew Williams - local govts

John Newstrom - injunctive relief.

specific points
- superior ct
qt fees

Ted Berns
- addit. test in writing by the end of next week
- send copy of ~~your~~ Fuel F.&I. ord.
- send comments in writing

Names & addr. of indiv. Applic. to priv. business

Debra Nelson

Steve Reinhart - provide us w/ specific recommend. w/respect to

Labor negotiations

Bob Lohr -

Leo Land Haines - Atty Genl -

Stan S

Kent Sturgis

AK Newspaper Association

Kay Fanning - apprec your endorsement

INVITE WRITTEN COMMENTS & SPECIF REC -

KOTZEBUE (Camille)

MAT-SU (MARY)
/ MARK HARRIS - VALLEY SUN / FRONTIERSMA

NOME (CARY)
✓ STAN SUMMERS KICY

ANCHORAGE (Micki)
✓ HOWARD WEAVER - ANCH. DAILY NEWS
✓ BOB LOHR - RURAL CAP
✓ Kay Fanning [Fred Dickey]
✓ TED BERNS
— MATT ZENTSI (SP?)
— MARK BELTZ
—

FAIRBANKS (TAMMY)
✓ DEAN ~~GODDARD~~ GOTTSCHALK - AK. FREEDOM OF INFO. TASK FORCE
✓ SCOTT STERLING
✓ JANIE BRYSON
✓ KENT STURGIS
✓ SUSAN FISHER
✓ TOM SNAPP
✓ BRUCE WOMACK

BARROW 5.1.90

BETHEL (Cheryl)
NONE

DILLINGHAM (Anna MAY)
NONE

HAINES
√ LEO LAND

SITKA (Charlie)
√ RAY MEDLIN
√ LUCINDA HITES

YALDEZ

SOLDOTNA (Shari)
√ STEVE REINHART
X JOAN BENNET SHRADER (OBSERVE

HOMER (NADINE)
✓ ANNA BELL LUND, HOMER NEWS

KETCHIKAN (BONNIE)
✓ LEW WILLIAMS, KTN DAILY NEWS
✓ CHRISTINE METZLER

KODIAK (MARY
✓ DEBRA NELSON, KADIAK DAILY MIN
✓ JON NYSTROM, KMXT

NANCY-118 Hearing Capitol Bldg Rm 3 SB90 *d

LEGISLATIVE AFFAIRS AGENCY
Division of Public Services
State of Alaska

LEGISLATIVE TELECONFERENCE/NETWORK

TELECONFERENCE PROCEDURES

Participating in a teleconference is a relatively simple procedure, with only a few basic rules and protocols required for effective participation. Please note the following:

HAVE YOU SIGNED-IN? Witnesses and observers should complete sign-in sheets.

TO BEGIN A TELECONFERENCE Prior to the beginning of the telemeeting, the Primary Teleconference Moderator will poll each of the participating sites and share pertinent information. The teleconference is then turned over to the meeting/hearing Chairman, who calls the teleconference to order and proceeds with his or her agenda (which has previously been copied to each site).

ORDER OF APPEARANCE The Chairman will announce the order of witness participation, and call upon each site when appropriate.

TIME LIMITS The Chairman may request that testimony be limited to a certain length of time; it is important to participate within such constraints.

PROCEDURE When you are called upon to testify, take a chair at the nearest microphone, or, if you are already seated at the table, set the nearest mike in front of you. The Moderator will already have given instructions on the operation of the microphones.

Speak directly into the mike from a distance of about 3 inches.

Before beginning your testimony, state your name and who you are representing. Try to remember to identify yourself each time you speak.

Indicate to the Chairman when you have concluded your testimony.

There may be questions from the Chairman and/or other information exchange between sites. Pause briefly before responding to questions, to allow for lag in voice transmission. The system will not accomodate two simultaneous conversations.

TESTIMONY FROM OTHER SITES Testimony from other sites can be heard at all times from your teleconference center. Mikes are open here only when witnesses are testifying, but since some of the people attending are interested in the testimony from other sites, please don't converse while other sites are "talking".

If you find it necessary to interject comment/response that is outside the planned agenda, to avoid undue interruption it is appropriate to signal or send a note to your Moderator, indicating your desire to so participate.

WRITTEN TESTIMONY Comments on bills, back-up material or other documentation on the teleconference may be sent to the LTN Coordinator, Pouch Y, Juneau 99811. If the teleconference is a public hearing, written testimony/material may be sent to the Legislative Committee Chairman, Pouch V, Juneau 99811.

FUTURE TELECONFERENCES Teleconferences are scheduled and coordinated through the Legislative Teleconference Coordinator, Room 30, Capitol, telephone: 465-4890.

*****TELECONFERENCES ARE NOT DIFFERENT FROM FACE-TO-FACE MEETINGS WHERE IT IS IMPORTANT TO FOLLOW THE AGENDA AND THE TOPIC. IF BACK-UP MATERIAL HAS BEEN PROVIDED PRIOR TO THE CONFERENCE, BE SURE TO FAMILIARIZE YOURSELF WITH IT, SO AS TO AVOID STRAYING FROM THE SUBJECT MATTER AND THUS CAUSING DELAY OR DETRACTING FROM THE MEETING.*****

SB 90

Barry Stern, Dept of Law

Adm strongly supports

Guidelines for courts to determine the scope of right to privacy

Timelines

Notific. of persons affected

Written statement

Too many exemptions - fewer, broad.

Elizabeth Cuadra
LWV Alaska

~~EARL~~ DIETER degree of in	Requ. by fed laws + regs to be kept confid.

Bill applies to municipalities.

→ H. R.

reimb munic for cost of copying

NO OBJECT. TO INCLUSION

Mr Roland Shanks.

Introduced: 1/15/81
Referred: State Affairs and Judiciary

BY PARR, FISCHER, STIMSON AND RODEY

IN THE SENATE

SENATE BILL NO. 90

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to privacy and public information; and changing Rule 65 of the Alaska Supreme Court Rules of Civil Procedure."

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

* Section 1. AS 40 is amended by adding a new chapter to read:

CHAPTER 25. PRIVACY AND PUBLIC INFORMATION.

Sec. 40.25.010. STATE POLICY. It is the policy of the state that

(1) all governmental units exist to aid in the conduct of the people's business;

(2) the people of this state do not yield their sovereignty to the agencies which serve them;

(3) the people, in delegating authority, do not give their public servants the right to decide what is best for the people to know and what is best for them not to know;

(4) the people's right to remain informed shall be protected so that they may retain control over the instruments they have created;

(5) the people's right to privacy as provided by the constitution is recognized and shall not be infringed;

(6) the records of governmental units shall be open for public inspection unless the inspection infringes on a person's right to privacy or is otherwise prohibited by statute.

Sec. 40.25.015. RECORDS TO BE OPEN TO INSPECTION; EXCEPTIONS. (a) Except as otherwise specifically provided by statute, all records are open to inspection and copying by any person during the regular

No provision for "finding" "locating" records

office hours of the lawful custodian of the records or his designee, unless the inspection infringes on a person's right to privacy. The custodian of the records shall take all necessary precautions for their preservation and safekeeping.

(b) Every custodian of records shall make them available for public inspection and shall give a copy of the record on request and payment of fees, if any. A custodian shall permit memoranda, transcripts, and copies of the public writings and records in his office to be reproduced in any reasonable manner. In addition, a custodian shall furnish proper and reasonably accessible facilities for inspection of records, subject to reasonable restrictions, as are necessary for the protection of the writings and records and to prevent interference with the regular discharge of the duties of the custodian and his employees. If a certified copy is requested, that copy is in all cases evidence of the original.

(c) Copies of records in person or be requested by telephone, electronic communication, or by mail. These request shall be treated in accordance with the provisions of (a) and (b) of this section.

(d) The commissioner of administration shall prescribe a uniform schedule of fees to be limited to reasonable standard charges for document duplication, and provide for recovery of only the direct cost of the duplication. Under 100 pp free – above 100, at cost w/ provision for waiver in public interest or in case of affidavit of indigency

(e) The following records are excluded from the provisions of this section:

(1) those exempted from disclosure by state statute;

(2) any tax or information return, or record or report relating to that return, which is required to be filed in accordance with the provisions of AS 43 or municipal ordinance, except that access may not be denied to the person who is the subject of the records, or that

person's designee;

(3) subject to (i) of this section personal information in files maintained on public employees, except that access may not be denied to the person who is the subject of the records, or that person's designee;

(4) personal information in files maintained on students in public schools, except that access may not be denied to the student, a parent or guardian of the student, a person responsible for supervising the student, or his designee;

(5) personal information in files maintained on students at the University of Alaska, except that access may not be denied to the student or his designee;

(6) personal information in medical, psychological, and sociological files maintained on individual persons, exclusive of autopsy reports, except that access may not be denied to the person who is the subject of the record, or his designee, or to the parent or guardian of a minor who is the subject of the record except where this access would violate the physician-patient privilege;

(7) personal information in files maintained on recipients of social services, except that access may not be denied to the person who is the subject of the records, or his designee;

(8) personal information similar to personal information in files under (3) - (7) of this subsection, except that access may not be denied to the person who is the subject of the records, or that person's designee;

(9) archival materials donated by natural persons to the extent of any written limitations placed on them as a condition of the contribution; however, all archival materials become public information after not more than 50 years and any statement of limitations must be

produced upon denial of access;

(10) circulation records maintained by public libraries, public school libraries, and University of Alaska libraries showing personal transactions by those borrowing from them;

(11) trade secrets, privileged information and confidential commercial, financial, geological or geophysical data furnished in compliance with state statute or regulation, or in compliance with a municipal ordinance;

(12) test questions and answers to be used in a future license, employment or academic examination;

(13) intelligence, investigatory and original entry records, maintained by state or municipal law enforcement agencies, or any other governmental unit, but only to the extent that the production of the records would

(A) interfere with enforcement proceedings;

(B) deprive a person of a right to a fair trial or an impartial adjudication;

(C) constitute an unjustifiable intrusion into a person's right of privacy;

(D) disclose the identity of a confidential source and, in case of a record compiled by a criminal law enforcement authority in the course of a criminal investigation, confidential information furnished only by the confidential source;

(E) disclose investigative techniques and procedures;

(F) endanger the life, property, or physical safety of a person;

(G) identify a victim of a criminal sexual assault;

(H) disclose any information otherwise exempt under this chapter or state statute;

(14) records of security systems and procedures established for the purpose of the protection of persons or property, or securing a penal institution or place of detention of persons accused or convicted of a crime or persons under the jurisdiction of the court under AS 47.-10, but only to the extent that disclosure would compromise the effectiveness of the system;

(15) attorney work product in the possession of a governmental unit, until the matter occasioning the preparation of the work product is closed;

(16) any notes, memoranda, draft decisions, opinions, or other similar documents prepared by a justice or a judge, or a person working under his supervision, in the process of deciding any legal issue; however, once the legal issue has been decided all notes, memoranda, draft decisions, opinions, or similar documents become public records under rules established by the supreme court;

(17) records related solely to the internal practices of a governmental unit where the effect of disclosure would be to enable law violators to escape detection.

(f) Unless specifically exempted from disclosure by statute, all records become public after they are 20 years old.

(g) Information contained in records exempted from disclosure under (e) of this section may be released for valid statistical or other information-gathering purposes if

(1) any information which would tend to identify the person to whom the record pertains is deleted; and

(2) disclosure is made in a manner which would not compromise or defeat the purposes of any statute designed to maintain the confidentiality of the information.

(h) The exceptions provided in this section do not preclude the

release or production of subpoenaed records or information to a state or municipal agency during the course of an investigation;

(i) All personnel records showing salary or compensation or that concern the employee's current performance or ability to perform the duties and responsibilities of his job shall be open for public inspection. This public access is not an infringement of a person's right to privacy.

(j) The fact that a crime has been committed, the name of the crime the time of commission and location, the name of any victim (unless the victim of a criminal sexual assault) and the name of any person who is charged with the crime is a matter of public information and record, except as provided in AS 47.10.090.

Sec. 40.25.020. REQUESTS FOR RECORDS. (a) Each governmental unit, upon any request for records made under this section, shall

(1) produce the record immediately; or

(2) if the record is in active use or storage and not available at the time a request to examine it is made, the custodian shall at that time state this fact in writing to the applicant and the applicant may set a date and hour at which the record may be examined.

(b) A person making a request to a governmental unit for records under this section is considered to have exhausted his administrative remedies with respect to the request if the governmental unit fails to comply with this section. If the governmental unit can show that exceptional circumstances exist and that it is exercising due diligence in responding to the request, the court may retain jurisdiction and allow the governmental unit additional time to complete its review of the records. Upon a determination by a governmental unit to comply with a request for records, the records shall be made promptly available to the person making the request.

40.25.015

(c) When the lawful custodian of a record determines that contents of a record exempt it under the provisions of AS 42.05.015, he shall also determine whether a deletion of the exempt parts of the record will make the record suitable for release, and, if so, the deletion shall be made and the record released, with the notation that exempt material has been removed. If the custodian determines that the record, or a portion of the record, is not open to inspection, he shall, in a certified writing, inform the person requesting the records of his determination, of the statutory basis for this decision, and that under AS 40.25.025 a suit may be brought to compel production of records that are improperly withheld.

(d) A notification of denial of a request for records under this section shall set out the names and titles or positions of each person responsible for the denial of the request.

Sec. 40.25.025. ENFORCEMENT: INJUNCTIVE RELIEF. (a) A person having custody or control of a record who obstructs or attempts to obstruct, or a person not having custody or control who aids or abets another person in obstructing or attempting to obstruct, the inspection of a record subject to inspection under AS 40.25.015 may be enjoined by the superior court from obstructing, or attempting to obstruct, the inspection of records subject to inspection under AS 40.25.015.

(b) The court may charge no filing fee, and the Department of Public Safety may charge no fee for service of process, from an applicant seeking an injunction under this section. No security may be required by the court from an applicant seeking an injunction under this section. If the applicant is granted the injunction, he shall be entitled to recover costs and actual reasonable attorney fees from the governmental unit.

Rule 82 already allows.

(c) The superior court shall make available to an applicant, free

of charge, a simplified form for proceeding without counsel under this section. The form shall require only identification of the applicant and the name of the custodian alleged to be improperly withholding records, and a simple explanation of the records sought.

(d) In a suit brought under this section the court may enjoin withholding of the records and order the production to the complainant of records improperly withheld. In such a case the court shall determine the matter de novo, and may examine the contents of any records in camera to determine whether the records or any portion of them may be withheld under any of the exceptions set out in AS 40.25.015, and the burden is on the agency to sustain its action.

Sec. 40.25.035. CIVIL ACTION FOR OBSTRUCTION OF ACCESS TO RECORDS. (a) A person who has been wrongfully denied access to a record under this chapter has a civil cause of action against the person responsible for the violation and is entitled to recover actual damages and reasonable attorney fees and other reasonable litigation costs.

(b) A good faith reliance upon the provisions of this chapter or of applicable law governing the confidentiality of public records is a defense to a civil action brought under this section.

Sec. 40.25.040. DEFINITIONS. In this chapter, unless the context otherwise requires,

(1) "attorney work product" means documents and tangible things prepared by or for a governmental unit in anticipation of or during litigation;

(2) "custodian" means the head of any governmental unit or his designee;

(3) "governmental unit" means an agency, political subdivision, legislative body, board of regents, or an administrative body, board, commission, committee, subcommittee, authority, council, agency,

define (1) "public employment" cover state and municipal, etc
(2) "social services" to incl publ assist, loupe, bonuses, etc —

or other organization, including subordinate units of the above groups, of the state or any of its political subdivisions, including but not limited to municipalities, boroughs, school boards, and all other boards, agencies, assemblies, councils, departments, divisions, bureaus, commissions or organizations, advisory or otherwise, of the state or local government supported in whole or in part by public money or authorized to spend public money;

(4) "personal information" means information about an individual person, the disclosure of which would constitute an unjustifiable intrusion into a person's right of privacy;

(5) "record" means any document, paper, memoranda, book, letter, drawing, map, plat, photo, photographic file, motion picture, film, microfilm, microphotograph, exhibit, magnetic or paper tape, punched card, or other document of any other material, regardless of physical form or characteristic, developed or received under law or in connection with the transaction of official business and preserved or appropriate for preservation by a governmental unit as evidence of the organization, function, policies, decisions, procedures, operations or other activities of the state or political subdivision or because of the informational value in them; it also includes staff manuals and instructions to staff that directly or indirectly affect the public.

* Sec. 2. AS 44.62.310 is amended by adding a new subsection to read:

(g) Nothing in this section may be construed to prevent the holding of conferences between two or more public bodies, or their representatives, but these conferences are subject to the same regulations for holding executive or closed sessions as are applicable to any other public body.

* Sec. 3. AS 44.62.310(c)(3) is amended to read:

(3) matters which by state statute [LAW, MUNICIPAL CHARTER,

deals w/ tampering w/ public records

OR ORDINANCE] are required to be confidential.

* Sec. 4. AS 11.56.820 is amended by adding a new subsection to read:

(c) It is an affirmative defense to a prosecution under this section that the defendant relied in good faith upon the provisions of AS 40.25 or of other law governing the confidentiality of public records.

* Sec. 5. In sec. 1 of this Act, AS 40.25.025(b) has the effect of changing Rule 65 of the Alaska Supreme Court Rules of Civil Procedure relating to security deposits required in civil actions.

* Sec. 6. AS 09.25.110, 09.25.120, and 09.25.125 are repealed.

this defense should apply only to impairing availability of public records, not tampering.

Leg. Aff Lib.
Acct
files of Legislators

Grosyck

Introduced: 1/15/81
Referred: State Affairs and Judiciary

BY PARR, FISCHER, STIMSON AND RODEY

IN THE SENATE

SENATE BILL NO. 90

but does

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to privacy and public information; and changing Rule 65 of the Alaska Supreme Court Rules of Civil Procedure."

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

* Section 1. AS 40 is amended by adding a new chapter to read:

CHAPTER 25. PRIVACY AND PUBLIC INFORMATION.

Sec. 40.25.010. STATE POLICY. It is the policy of the state that

(1) all governmental units exist to aid in the conduct of the people's business;

(2) the people of this state do not yield their sovereignty to the agencies which serve them;

(3) the people, in delegating authority, do not give their public servants the right to decide what is best for the people to know and what is best for them not to know;

(4) the people's right to remain informed shall be protected so that they may retain control over the instruments they have created;

(5) the people's right to privacy as provided by the constitution is recognized and shall not be infringed;

(6) the records of governmental units shall be open for public inspection unless the inspection infringes on a person's right to privacy or is otherwise prohibited by statute.

Sec. 40.25.015. RECORDS TO BE OPEN TO INSPECTION; EXCEPTIONS. (a) Except as otherwise specifically provided by statute, all records are open to inspection and copying by any person during the regular

Decisions
Kenai Borough v. Kenai Newspapers
Anch Daily News v. City Municipality of Anch

Nancy Carlson

office hours of the lawful custodian of the records or his designee unless the inspection infringes on a person's right to privacy. The custodian of the records shall take all necessary precautions for their preservation and safekeeping.

commerce regs 15 CFR 903

(b) Every custodian of records shall make them available for public inspection and shall give a copy of the record on request and payment of fees, if any. A custodian shall permit memoranda, transcripts, and copies of the public writings and records in his office to be reproduced in any reasonable manner. In addition, a custodian shall furnish proper and reasonably accessible facilities for inspection of records, subject to reasonable restrictions, as are necessary for the protection of the writings and records and to prevent interference with the regular discharge of the duties of the custodian and his employees. If a certified copy is requested, that copy is in all cases evidence of the original. No requirement to find records

(c) Copies of records may be requested by telephone, electronic communication, or by mail in person verbally or written. These requests shall be treated in accordance with the provisions of (a) and (b) of this section.

(d) The commissioner of administration shall prescribe a uniform schedule of fees to be limited to reasonable standard charges for document duplication, and provide for recovery of only the direct cost of the duplication. ~~100 pgs. affidavit~~

fees

(e) The following records are excluded from the provisions of this section:

~~doesn't want to find requested~~

(1) those exempted from disclosure by state statute ~~Federal law or Fed regs~~

(2) any tax or information return, or record or report relating to that return, which is required to be filed in accordance with the provisions of AS 43 or municipal ordinance, except that access may not be denied to the person who is the subject of the records, or that

list specific ct. rule

person's designee;

(3) subject to (i) of this section personal information in files maintained on public employees, except that access may not be denied to the person who is the subject of the records, or that person's designee;

(4) personal information in files maintained on students in public schools, except that access may not be denied to the student, a parent or guardian of the student, a person responsible for supervising the student, or his designee;

(5) personal information in files maintained on students at the University of Alaska, except that access may not be denied to the student or his designee;

(6) personal information in medical, psychological, and sociological files maintained on individual persons, exclusive of autopsy reports, except that access may not be denied to the person who is the subject of the record, or his designee, ~~or to the parent or guardian of a minor who is the subject of the record except where this access would violate the physician-patient privilege;~~

inconsistent w/ existing law 9.65.100

applicant for

(7) personal information in files maintained on recipients of social services public benefits, except that access may not be denied to the person who is the subject of the records, or his designee;

(8) personal information similar to personal information in files under (3) - (7) of this subsection, except that access may not be denied to the person who is the subject of the records, or that person's designee;

?

(9) archival materials donated by natural persons to the extent of any written limitations placed on them as a condition of the contribution; however, all archival materials become public information after not more than 50 years and any statement of limitations must be

produced upon denial of access;

(10) circulation records maintained by public libraries, public school libraries, and University of Alaska libraries showing personal transactions by those borrowing from them;

(11) trade secrets, privileged information and confidential commercial, financial, geological, or geophysical data furnished in compliance with state statute or regulation, or in compliance with a municipal ordinance;

(12) test questions and answers to be used in a future license, employment or academic examination;

(13) intelligence, investigatory and original entry records, maintained by state or municipal law enforcement agencies, or any other governmental unit, but only to the extent that the production of the records would

(A) interfere with enforcement proceedings;

(B) deprive a person of a right to a fair trial or an impartial adjudication;

(C) constitute an unjustifiable intrusion into a person's right of privacy;

(D) disclose the identity of a confidential source and, in case of a record compiled by a criminal law enforcement authority in the course of a criminal investigation, confidential information furnished only by the confidential source;

(E) disclose investigative techniques and procedures;

(F) endanger the life, property, or physical safety of a person;

~~(G) identify a victim of a criminal sexual assault;~~

(H) disclose any information otherwise exempt under this chapter or state statute;

(14) records of security systems and procedures established for the purpose of the protection of persons or property, or securing a penal institution or place of detention of persons accused or convicted of a crime or persons under the jurisdiction of the court under AS 47.-10, but only to the extent that disclosure would compromise the effectiveness of the system; wild judges

(15) attorney work product in the possession of a governmental unit, until the matter occasioning the preparation of the work product is closed; rework Barry

(16) any notes, memoranda, draft decisions, opinions, or other similar documents prepared by a justice or a judge, or a person working under his supervision, in the process of deciding any legal issue; however, once the legal issue has been decided all notes, memoranda, draft decisions, opinions, or similar documents become public records under rules established by the supreme court; Keep out attys common law

(17) records related solely to the internal practices of a governmental unit where the effect of disclosure would be to enable law violators to escape detection.

(f) Unless specifically exempted from disclosure by statute, all records become public after they are 20 years old. except medical records excluded

(g) Information contained in records exempted from disclosure under (e) of this section may be released for valid statistical or other information-gathering purposes if

(1) any information which would tend to identify the person to whom the record pertains is deleted; and

(2) disclosure is made in a manner which would not compromise or defeat the purposes of any statute designed to maintain the confidentiality of the information.

(h) The exceptions provided in this section do not preclude the exemptions

fee waived 100 pages free in the public interest inability of person to pay

release or production of subpoenaed records or information to a state or municipal agency during the course of an investigation.

all employment job related information or application for employment records for public employees

(i) All personnel records showing salary or compensation or that concern the employee's current performance or ability to perform the duties and responsibilities of his job shall be open for public inspection. This public access is not an infringement of a person's right to privacy. but finalists of public employees

(j) The fact that a crime has been committed, the name of the crime, the time of commission and location, the name of any victim (unless the victim of a criminal sexual assault) and the name of any person who is charged with the crime is a matter of public information and record, except as provided in AS 47.10.090.

Sec. 40.25.020. REQUESTS FOR RECORDS. (a) Each governmental unit, upon any request for records made under this section, shall

(1) produce the record immediately; or

(2) if the record is in active use or storage and not available at the time a request to examine it is made, the custodian shall at that time state this fact in writing to the applicant and the applicant may set a date and hour at which the record may be examined. unusual circumstances applicant and duplicate not to exceed 5 days

(b) A person making a request to a governmental unit for records under this section is considered to have exhausted his administrative remedies with respect to the request if the governmental unit fails to comply with this section. If the governmental unit can show that exceptional circumstances exist and that it is exercising due diligence in responding to the request, the court may retain jurisdiction and allow the governmental unit additional time to complete its review of the records. Upon a determination by a governmental unit to comply with a request for records, the records shall be made promptly available to the person making the request, ~~provided that not~~ exceed 10 calendar days from date of receipt of the request def. attorney

(c) When the lawful custodian of a record determines that contents of a record exempt it under the provisions of AS 42.05.015, he shall also determine whether a deletion of the exempt parts of the record will make the record suitable for release, and, if so, the deletion shall be made and the record released, with the notation that exempt material has been removed. If the custodian determines that the record, or a portion of the record, is not open to inspection, he shall, in a certified writing, inform the person requesting the records of his determination, of the statutory basis for this decision, and that under AS 40.25.025 a suit may be brought to compel production of records that are improperly withheld.

(d) A notification of denial of a request for records under this section shall set out the names and titles or positions of each person responsible for the denial of the request.

Sec. 40.25.025. ENFORCEMENT: INJUNCTIVE RELIEF. (a) A person having custody or control of a record who obstructs or attempts to obstruct, or a person not having custody or control who aids or abets another person in obstructing or attempting to obstruct, the inspection of a record subject to inspection under AS 40.25.015 may be enjoined by the superior court from obstructing, or attempting to obstruct, the inspection of records subject to inspection under AS 40.25.015.

(b) The court may charge no filing fee, and the Department of Public Safety may charge no fee for service of process, from an applicant seeking an injunction under this section. No security may be required by the court from an applicant seeking an injunction under this section. If the applicant is granted the injunction, he shall be entitled to recover costs and reasonable attorney fees from the governmental unit.

(c) The superior court shall make available to an applicant, free

of charge, a simplified form for proceeding without counsel under this section. The form shall require only identification of the applicant and the name of the custodian alleged to be improperly withholding records, and a simple explanation of the records sought.

(d) In a suit brought under this section the court may enjoin withholding of the records and order the production to the complainant of records improperly withheld. In such a case the court shall determine the matter de novo, and may examine the contents of any records in camera to determine whether the records or any portion of them may be withheld under any of the exceptions set out in AS 40.25.015, and the burden is on the agency to sustain its action.

Sec. 40.25.035. CIVIL ACTION FOR OBSTRUCTION OF ACCESS TO RECORDS. (a) A person who has been wrongfully denied access to a record under this chapter has a civil cause of action against the person responsible for the violation and is entitled to recover actual damages and ~~reasonable~~ attorney fees and other ~~reasonable~~ litigation costs.

(b) A good faith reliance upon the provisions of this chapter or of applicable law governing the confidentiality of public records is a defense to a civil action brought under this section.

Sec. 40.25.040. DEFINITIONS. In this chapter, unless the context otherwise requires,

(1) "attorney work product" means documents and tangible things prepared by or for a governmental unit in anticipation of or during litigation;

(2) "custodian" means the head of any governmental unit or his designee;

(3) "governmental unit" means an agency, political subdivision, legislative body, board of regents, or an administrative body, board, commission, committee, subcommittee, authority, council, agency,

define 4
① Public employment - any employee of state or any political subdivision
② social services not just divisions

battered women

or other organization, including subordinate units of the above groups, of the state or any of its political subdivisions, including but not limited to municipalities, boroughs, school boards, and all other boards, agencies, assemblies, councils, departments, divisions, bureaus, commissions or organizations, advisory or otherwise, of the state or local government supported in whole or in part by public money or authorized to spend public money;

funded by state grants or contracts

(4) "personal information" means information about an individual person, the disclosure of which would constitute an unjustifiable intrusion into a person's right of privacy;

(5) "record" means any document, paper, memoranda, book, letter, drawing, map, plat, photo, photographic file, motion picture, film, microfilm, microphotograph, exhibit, magnetic or paper tape, punched card, or other document of any other material, regardless of physical form or characteristic, developed or received under law or in connection with the transaction of official business and preserved or appropriate for preservation by a governmental unit as evidence of the organization, function, policies, decisions, procedures, operations or other activities of the state or political subdivision or because of the informational value in them; it also includes staff manuals and instructions to staff that directly or indirectly affect the public.

~~cup~~ computer tapes or print-out info stored in a computer system

* Sec. 2. AS 44.62.310 is amended by adding a new subsection to read:

(g) Nothing in this section may be construed to prevent the holding of conferences between two or more public bodies, or their representatives, but these conferences are subject to the same regulations for holding executive or closed sessions as are applicable to any other public body.

what does it mean

* Sec. 3. AS 44.62.310(c)(3) is amended to read:

(3) matters which by state statute [LAW, MUNICIPAL CHARTER,

OR ORDINANCE] are required to be confidential.

* Sec. 4. AS 11.56.820 is amended by adding a new subsection to read:

(c) It is an affirmative defense to a prosecution under this section that the defendant relied in good faith upon the provisions of AS 40.25 or of other law governing the confidentiality of public records.

→ defense limited in application only to impairing the availability of public record

* Sec. 5. In sec. 1 of this Act, AS 40.25.025(b) has the effect of changing Rule 65 of the Alaska Supreme Court Rules of Civil Procedure relating to security deposits required in civil actions.

* Sec. 6. AS 09.25.110, 09.25.120, and 09.25.125 are repealed.

SB

93

{April 14, 1982}

Steinman -

Chapter on "Organization of State Government"

Organization Design -

Criteria for State Gov't -
- Full Range of Service
- Heterogeneous
- great geographical Distances
- Responsive Management Mode
- Gov —

Regionalization - only the means to an end

Increasing Size of Population —
Shifts in Distribution —

Current Distribution

Distribution of State Government Positions, Statewide and Juneau, by Department, 1982

Department	Positions								
	Statewide				Juneau				
	1. Total	2. Central	3. Central as % of Total	4. Reg'l-Local	5. Central	6. Central as % of State total	7. Central as % of State Central	8. Reg'l-Local	9. Juneau R-L as % of State R-L
Governor	243	187	77 %	56	172	71%	92%	6	11%
Administration	1020	555	54	465	426	42	77	10	2
Law	303	101	33	202	75	25	74	20	10
Revenue	382	245	64	137	149	39	61	18	13
Education	490	337	69	153	290	59	86	5	3
HSS	2057	375	18	1682	291	14	78	151	.9
Labor	753	275	37	478	265	35	96	107	22
CED	435	373	86	62	137	31	37	9	15
Mil. Aff.	122	122	100	0	12	10	10	0	0
DNR	1055	634	60	421	32	3	5	42	10
ADFG	1730	196	11	1534	183	11	93	158	10
Pub. Saf.	1006	199	20	807	75	7	38	65	8
DOT/PF	3446	354	10	3092	267	8	75	398	13
DEC	234	101	43	133	99	42	98	12	9
CRA	195	130	67	65	62	32	48	17	26
Leg. Br.	377	321	85	56	312	83	97	10	18
Jud. Br	540	—	—	—	—	—	—	—	—
Totals 1982	14388	4505	31%	93.5	2847	20%	63%	1028	11%

PERCENTAGE CHANGES, 1977-1982

	1977	1982	% Change
Central Positions	3855	4505	+17 %
Regional-Local Positions	7450	9883	+33 %
Totals	11305	14388	+27 %
Juneau Central Positions	2647	2847	+8 %
Juneau Reg/Loc Positions	950	1059	+11 %
Totals	3597	3906	+9 %

	1977	1982
Central Positions in Juneau as % of Total State Positions	23%	20%

Number of Positions which would reduce Juneau central positions to 15% of all state positions in 1982: ±650

DISTRIBUTION OF STATE GOVERNMENT POSITIONS, 1977

Location	Total	%	Central	%	Reg'l/Local	%
Juneau	3597	32	2647	69	950	13
Anchorage	3457	31	957	25	2500	34
Fairbanks	1229	11	221	6	1000	13
Other	3022	27	22	0	3000	40
Totals	11,305	100	3,855	100	7,450	100

Positions	Total	%	Juneau	%	Anch.	%	Fbks	%	other	%
Central	3855	34	2647	74	957	28	229	19	22	1
Reg/Local	7450	66	950	26	2500	72	1000	81	3000	99
Totals	11,305	100	3597	100	3457	100	1229	100	3022	100

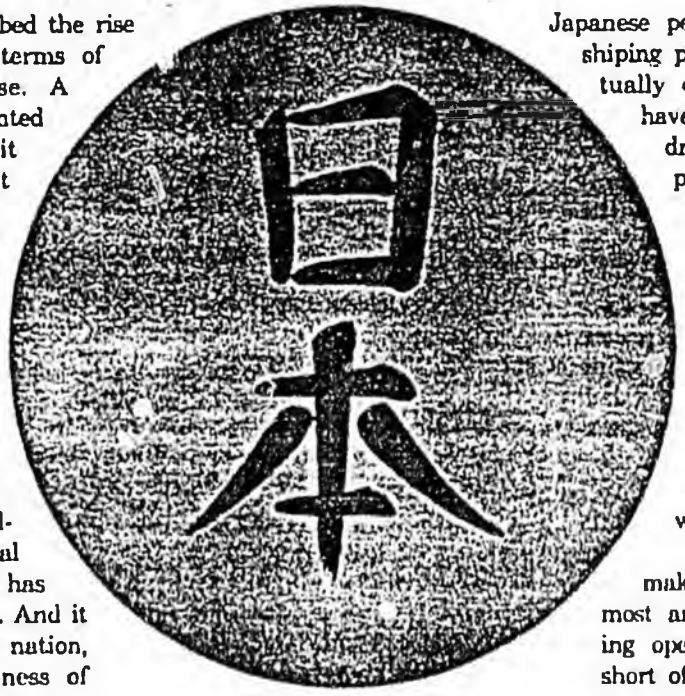
Distribution of State Government Positions, 1982

Location	Total	%	Central	%	Reg'l/Local	%
Juneau	3906	27	2847	63	1059	11
Anchorage	5198	36	1485	33	3713	37
Fairbanks	1745	12	101	2	1644	17
Other	3539	25	72	1	3467	35
Totals	14388	100	4505	100	9883	100

Positions	Total	%	Juneau	%	Anch.	%	Fbks	%	other	%
Central	4505	31	2847	73	1485	40	101	6	72	2
Reg/Local	9883	69	1059	27	3713	60	1644	94	3467	98
Totals	14388	100	3906	100	5198	100	1745	100	3539	100

What We Are Learning From JAPAN

By William S. Anderson



ARNOLD TOYNBEE once described the rise and fall of nations in terms of challenge and response. A young nation, he said, is confronted with a challenge for which it finds a successful response. It then grows and prospers. But as time passes, the nature of the challenge changes. And if a nation continues to make the same, once-successful response to the new challenge, it inevitably suffers a decline and eventual failure.

As we begin the last two decades of the 20th century, the United States faces such a challenge. At stake is the industrial supremacy which this country has enjoyed for most of this century. And it is Japan, more than any other nation, which exemplifies the seriousness of the challenge to American industrial leadership.

Why have the Japanese been so successful?

In recent months the media have been flooded with attempts to explain the Japanese phenomenon. Everyone wants to know how the Japanese did it. There are, of course, scores of explanations. But it seems to me that Japan's postwar economic growth—the most spectacular the world has ever seen—is the direct result of two fundamental characteristics of the Japanese nation in the years following World War II.

The first of these is Japan's unerring sense of national purpose and its establishment of clear-cut, readily understandable goals reinforced by a willingness to do what is necessary to achieve those goals.

I believe the second major ingredient in the Japanese success formula is the personality of the Japanese people themselves.

Perhaps the greatest catalyst for Japan's remarkable economic achievements has been its near-obsession with finding new ways to increase personal and group productivity. Indeed, the Japanese people come very close to worshiping productivity. We see this in virtually every industry in which they have chosen to compete. The most dramatic recent example is the phenomenal growth of the Japanese auto industry. Twenty years ago Japan produced fewer than 100,000 automobiles a year. Today the Japanese auto industry has accelerated past the European auto industry. And in 1980, for the first time, it produced more vehicles than the American auto industry as well.

In automobiles—as in steelmaking, camera production or almost any other Japanese manufacturing operation—productivity is nothing short of amazing. The latest study I've seen shows that Toyota is producing 50 cars per man-year compared with fewer than 20 cars per man-year for any European manufacturer.

How have they done it? That's what the president of the Ford Motor Company wanted to find out. So he sent whole teams of people to study this latest Japanese miracle. They reported that it's largely a matter of productivity-oriented methods and management, plus an unusually high degree of automation.

At Toyo Kogyo, where Mazda cars are manufactured, there are only five organizational levels between the production-line employe and the vice president in charge of manufacturing. This compares with at least a dozen layers of management in a typical European

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WILLIAM S. ANDERSON *is chairman of NCR Corporation.* *This article and the accompanying box have been excerpted from an address he gave as part of the ITT Key Issues Lecture Series at the College of Business Administration, University of Notre Dame.*

or American auto manufacturer.

The Ford study teams also found that the Japanese workers maintain their production equipment so carefully that machine breakdowns almost never occur. As a result, Toyo Kogyo can get by with carrying only one or two hours' supply of parts inventories to keep its production lines running. This compares with parts inventories for as much as three weeks in the plants of the company's American and European competitors.

In addition, suppliers are closely keyed into the production system. The supplier of ornamental trim, for example, drives his loaded truck right into the assembly plant and personally unloads it at the production line. Then he picks up the empty containers, puts them back on his truck and—believe it or not—actually tidies up the area before returning to his own plant for more parts.

This clocklike approach drastically reduces factory space requirements. It lowers overhead and material-handling costs and reduces the number of employes required to turn out a given number of cars. To quote the president of Ford Motor Company, where the concept of the production line was born:

"All the Japanese have really done is to take Henry Ford's basic principle—that is, keep the production line moving in a continuous, rhythmic, dedicated process—and go a few, admittedly brilliant, steps further."

INNOVATIVE USE of supplier capabilities is widespread in Japanese industry. Nippon Steel, with half as many employes as U.S. Steel, achieves approximately the same output. Part of this is due to Nippon's more modern plant, but the biggest factor is that the Japanese steel company makes extensive use of low-wage subcontractors. This holds down its own labor costs and results in more steel per dollar of wages.

In many industries, the Japanese go even further. In the electronics industry, for example, many small subcontractors farm out much of their work to even smaller firms or sometimes individual families. Approximately 180,000 Japanese are busy producing electronic components in their homes for these subcontractors, who in turn supply subassemblies to the major electronics manufacturing companies.

Small wonder, then, that the Sonys and the Matsushitas are able to keep their total labor costs low, even though their pay scales are now comparable to those in this country and Western Europe. And in the process, millions of jobs are created for men and women who otherwise would probably be unemployed.

In the never-ending quest for greater productivity, the Japanese do not shy away from killing off dying products and industries. They are constantly asking themselves: "Is this the kind of product or industry in which we can be truly competitive? Or is this something we should get out of, so that we can use our capital and human resources more productively?"

Once dominant in transistor radios, the Japanese have happily forfeited that market to lower-labor-cost countries. They have replaced it with the higher-technology market of color television sets and, more recently, videotape recorders.

Such periodic product transitions are possible only because of the high educational level of the Japanese people. They transplant more easily into higher-technology jobs.

Zeal for Learning

Millions of Japanese are fluent not only in English but even in third and fourth languages; how many Americans speak Japanese? Japan, with half the population of the United States, graduates almost twice as many engineers; that's a per capita ratio of 4 to 1. And in international testing programs, young Japanese run rings around their American counterparts, not only in math and science subjects but in many other subjects as well.

It's no exaggeration to say that Japan is today the most literate, best-educated nation in the world.

The shape-up-or-ship-out attitude with which national planners view declining industries is reinforced by Japan's financial structure. Commercial banks, which are the principal source of capital, simply refuse to finance a dying industry or company. Thus, the industry or company must either phase into more productive endeavors or eventually go out of business.

The quest for productivity is almost a national game. Far-out concepts are encouraged. Akio Morita, president of Sony, has said that he "loves to hear crazy ideas." And employes at Honda use their free time, plus company grants and facilities, to turn their dream inventions into reality—even the ones which Honda says are only good for a laugh.

Consider the Choo-Choo Cycle. It's a giant tricycle on which the rider peddles furiously to generate electricity. This heats a boiler, which produces steam, which in turn powers what Honda describes as "the world's most inefficient vehicle."

TO MANY WESTERNERS, all this may seem rather silly. But for the Japanese, it obviously works. In addition to the industries I've already mentioned, the Japanese zeal for innovation and productivity works in audio equipment, musical instruments, bicycles, sporting equipment, machine tools, photocopy machines and many other products not commonly associated with Japanese culture or capabilities.

In only a few short years, Japan has become a competitor the likes of which the world has not seen before. If we compare the competition for international markets with a football game, we must acknowledge that the Japanese fielded quite a team. In fact, at the moment the score is Japan 35 and the Western nations maybe 14.

Many years ago, the historian Edward Gibbon explained the decline and fall of the ancient city of Athens in a few chilling words. He said:

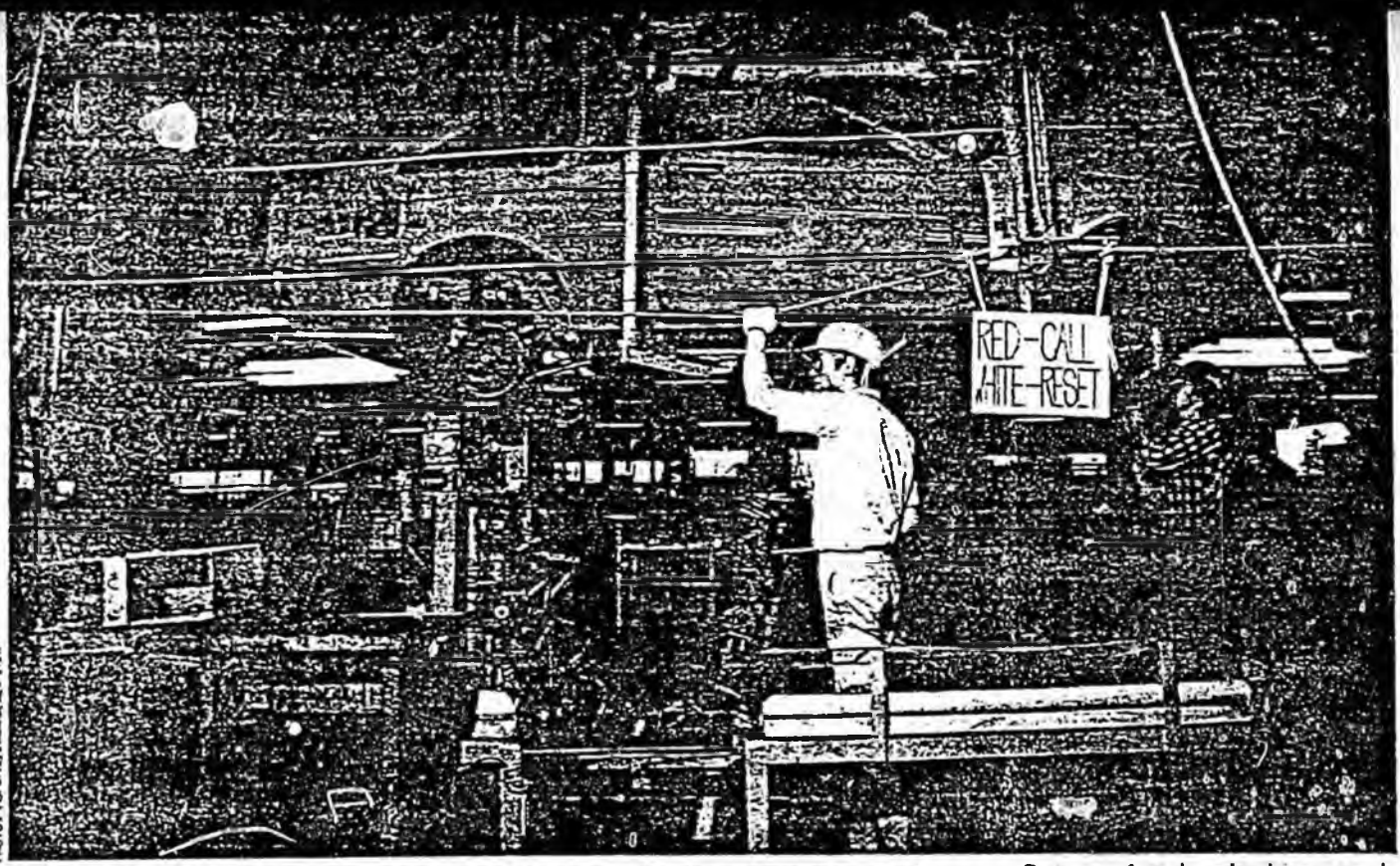
"In the end, more than they wanted freedom, they wanted security. They wanted a comfortable life. And in their quest for it all—security, comfort and freedom—they lost it all.

"When the Athenians wanted finally not to give to society, but for society to give to them; when the freedom they wished for most was the freedom from responsibility, then Athens ceased to be free."

Can the United States escape a similar fate?

I believe that depends, in large measure, on whether this country can regain the competitive edge it has lost in recent years.

Not long ago, a Japanese trade delegation flew to Detroit, ostensibly to buy auto parts from U.S. manufacturers, but also to pour oil on the troubled waters caused by record exports of Japanese-made cars to this country. The delegation brought along a statement from the managing director of Japan's largest auto manufacturer. It warned the American parts suppliers that they



So many American business people are touring Japanese plants these days that the Japanese sometimes feel impelled to put up explanatory signs in English.



To make better use of capital and skilled workers such as those at left, Japan has shifted from making transistor radios to production in higher-technology fields.

had better improve the quality of their products or face the loss of any future business from Japan.

The fact that this could and did happen—in what Americans have always regarded as the auto capital of the world—points up the magnitude of the task confronting American management and labor in the 1980s. It was a classic case of role reversal, with the once-vaunted U.S. auto industry and its suppliers reduced to the status one might give a fledgling industry in some banana republic.

I find it difficult to believe that either American management or American labor will be willing to accept that kind of secondary economic role in the world economy of the 1980s. I don't think anyone in government wants it, either.

Yet there is a clear and present danger that this could happen in many other industries as well.

It seems to me that is the real essence of the economic challenge facing this country. □

TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB93

Title An Act relating to the decentralization of the executive branch of state government

Requested by Nancy Groszeck (4954) Date 1/22/81

II. FISCAL DETAIL

Agency Affected All agencies

Program Category Affected All categories

BRU, Program, or Subprogram(s) Affected

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

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES						
200	TRAVEL		1445.0	220.0	270.0		
300	CONTRACTUAL		162.0	35.9	35.9		
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		1607.0	305.9	305.9		

FUNDING (Thousands of Dollars)

GENERAL FUND		1607.0	305.9	305.9		
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

FY 82 Fiscal impact should be appropriated to the Office of the Governor, where it will be redistributed to state agencies by reducing appropriations in the Governor's Office and increasing appropriations in other state agencies. The amount requested on this fiscal note is based on consolidating all responses received from agencies to date. As additional analysis is completed or additional information received, this fiscal note may need to be revised. Agency responses are attached.

IV. DATE 3/16/81 PREPARED BY Jeff Morrison

AGENCY Division of Budget and Management

PHONE 465-3587

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/80)

FISCAL NOTE TO SB93

FISCAL SUMMARY OF AGENCY RESPONSES

	FY 82	FY 83	FY 84
Governor's Office	0	0	0
Administration	0	0	0
Law	0	0	0
Revenue	*	*	*
Education	*	*	*
Health & Social Services	*	*	*
(1) Labor	1,582.0	0	0
Commerce	25.0	305.9	305.9
Military Affairs	0	0	0
Natural Resources	0	0	0
Fish & Game	0	0	0
Public Safety	*	*	*
Environmental Conservation	*	*	*
Community & Regional Affairs	*	*	*
Transportation & Public Facilities	*	*	*
TOTAL	1,607.0	305.9	305.9

* No response received. Impact is assumed to be zero until additional information is provided.

(1) Impact of indemnification act was included in Labor response, but is not included in the consolidated fiscal note.

MEMORANDUM State of Alaska

TO: All Administrative Officers

DATE: January 23, 1981

FILE NO:

TELEPHONE NO:

FROM: Ronald D. Lehr, Director
Division of Budget & Management
Office of the Governor

SUBJECT: Fiscal Note to SB93

We have been asked to prepare a fiscal note to SB93, relating to the decentralization of the executive branch of state government. Since the fiscal impact of this legislation would affect all agencies, the Division of Budget and Management will coordinate the preparation of a single fiscal note. Please prepare a fiscal note for your agency and send it to Budget and Management no later than February 9.

cc: Keith Specking
Nancy Groszeck

MEMORANDUM State of Alaska

TO: Ron Lehr, Director
Division of Budget & Management
Office of the Governor

DATE: February 4, 1981 RECEIVED

FILE NO:

FEB 5 1981

TELEPHONE NO:

BUDGET AND MANAGEMENT

FROM: Tom Bergstrom, Director
Administration & Management
Dept. of Natural Resources

SUBJECT: Fiscal Note to SB93

DNR anticipates no fiscal impact should SB93 become law. DNR is already decentralized to a greater degree that than contemplated by SB93 and DNR has a delegation of authorities manual which we believe would satisfy 44.18.030(2) and (3).

MEMORANDUM State of Alaska

TO: Ronald D. Lehr, Director
Division of Budget and Management
Office of the Governor

DATE: February 17, 1981

FILE NO:

TELEPHONE NO: 465-4120

FROM: Russell H. Clark, ~~Director~~
Division of Administration
Department of Fish and Game

SUBJECT: Senate Bill 93

In response to your request for fiscal notes regarding the above referenced Senate Bill, I have reviewed this item and find it will have little or no impact on the Department of Fish and Game.

This Department is currently divided into six regional areas, with five regional offices, more than twenty area offices, and twenty hatcheries located around the state. The majority of the personnel, full-time and seasonal, are not associated with our headquarter's function. Even our Division of Administration has 25% of its staff decentralized at the present time.

One final comment, this piece of legislation could have a tremendous impact on the Department of Administration. I hope they are requesting major technology improvement dollars in their fiscal note to decentralize, or they should request a modification of the proposed legislation for Administrative functions.

cc: Mary Jablonski

RECEIVED
FEB 20 1981
BUDGET AND MANAGEMENT

MEMORANDUM

State of Alaska

RECEIVED
FEB 9 1981
BUDGET AND MANAGEMENT

TO: Ron Lehr
Director of Budget & Management
Office of the Governor

DATE: February 5, 1981

FILE NO:

TELEPHONE NO: 2277

SUBJECT: Fiscal Note SB 93

FROM: Judy Crondahl
Director
Division of Administrative Services
Department of Administration

In response to your request for a fiscal note for Senate Bill 93, the following information is provided.

The FY 82 level of authorized positions for the Department of Administration is anticipated to be 984 of which 393 (39.9%) would be in central offices in the state capital. By division, the breakdown is as follows:

Commissioner's Office	7
Office of Information Management	6
Risk Management	11
Administrative Services	43
Equal Employment Opportunity	7
Personnel	58
Finance	55
General Services	66
Data Processing	54
Pioneer Benefits	7
Retirement	53
Labor Relations	12
Public Broadcasting Commission	4
Telecommunications	10
Total	393

In order to reduce this to the mandated 15% would require the transfer of 240 positions. It is noted that the restriction of 15% is applied to the total number of state employees and is not necessarily meant to be applied equally to every department. One could assume that it would be more reasonable for Departments which have primary program responsibilities outside the state capital to have fewer than 15% in the capital, and that a central administrative agency such as the Department of Administration might have more. For that reason, no assumptions are made here as to which divisions would be transferred outside the capital. Neither have any assumptions been made as to the number of employees in the Department beyond FY 82.

I hope this provides you with a basis for calculating the costs of the fiscal note. If you have any questions, please call me.

JC/ke

MEMORANDUM State of Alaska

TO: Ron Lehr, Director
Division of Budget and
Management

DATE: February 23, 1981

FILE NO:

TELEPHONE NO: 465-3500

FROM: Rod Mourant, Director
Administrative Services

SUBJECT: Fiscal Note SB 93

I apologize for the tardiness of this memorandum. This is to confirm our telephone conversation of a couple of weeks ago during which I indicated the Office of the Governor currently operates its offices in as decentralized an organizational plan as is possible. Consequently, Senate Bill 93 would have no fiscal impact upon this office.

RECEIVED
FEB 24 1981
BUDGET AND MANAGEMENT

02-001A(Rev.10/79)

of ALASKA

MEMORANDUM

TO: Ron Lehr, Director
Division of Budget & Management
Office of the Governor

DATE: 02 Feb 1981

FILE NO:

TELEPHONE NO: 465-4600

FROM: Lois L. Richardson, Director
Administrative Services Division
Department of Military Affairs

SUBJECT: Fiscal Note to SB 93

The fiscal note for SB 93 for the Department of Military Affairs will be -0-. The Department currently has 12 positions in the state capital which is less than 12% of the total department employee of 101. If the capital were to move to another location only 8 or possibly 10 employees would possibly move with the capital as 2 of the current employees in the capital are regional employees. Also, if the capital were moved to the Willow/Anchorage area, these 8 or 10 employees would probably move to the Office of the Adjutant General when they construct their office building at the Fort Richardson complex.

LLR:sl

RECEIVED
FEB 5 1981
BUDGET AND MANAGEMENT

TWELFTH LEGISLATURE

RECEIVED
FEB 3 1981
BUDGET AND MANAGEMENT

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 93
Title "An Act relating to the decentralization of the executive branch of the state government; and providing for an effective date."
Requested by Budget & Management Date 1/30/81

II. FISCAL DETAIL
Agency Affected Department of Law
Program Category Affected General Government, Admin of Justice, Public Protectic
BRU, Program, or Subprogram(s) Affected Legal Services, Prosecution, Consumer Protect.
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.) C.J. Planning .

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars)

GENERAL FUND	Ø	Ø	Ø	Ø	Ø	Ø
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Sect.

No fiscal impact for the Department of Law, would occur as a result of the enactment of SB 93. State capital employees of the department, assigned headquarters duties, currently number far less than 15 percent of the department's total workforce. The Legal Services BRU employs 124 persons. Of this number, 14 employees are assigned to headquarters activities. This BRU has regional and district employees at the following locations: Anchorage (52); Fairbanks (14); Juneau (41); Bethel (1), and; Nome (2).

The regional legal services employees assigned to Juneau are attorneys and legal secretarial support personnel who provide

IV. DATE February 2, 1981 PREPARED BY Richard I. Pegues, Dir., Admin. Sv
AGENCY Department of Law
PHONE 465-3695

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

33-001 (Rev. 12/80

legal services to heads of other departments, the Governor's Office and, in some circumstances, the legislature. Of the total 55 state capital legal services employees, 35 are assigned to government programs which are directly related to state capital legal services activities. Six legal services employees are devoted to field level legal services for the Southeastern region of the state. It should be noted that the employees assigned to state capital activities, although mostly housed with the headquarters staff, are not involved in the department's management and they do not serve a headquarters function. The remaining 14 state capital employees are, as stated previously, headquarters personnel.

The Prosecution BRU has regional offices and employees at the following locations: Anchorage (58); Bethel (4); Fairbanks (19); Juneau (7); Kenai (7); Ketchikan (4); Kodiak (4), and; Nome (5). This BRU also has a headquarters office in Juneau with 7 employees.

The Consumer Protection BRU has its headquarters in Anchorage. Two employees operate the BRU's Southeast Regional Office in the state capital and these two employees are not involved in any headquarters activities. The BRU has a total workforce of 16 employees.

The Criminal Justice Planning BRU has 15 employees who are all based in the capital city. The mission of the agency is to provide planning, coordination, research and evaluation for components of the criminal justice system. Because these services are primarily provided for headquarters units of other departments, this agency is necessary based in the capital city. Of the agency's 15 employees, two serve a headquarters function.

Out of a total workforce of 270 employees, 23 headquarters employees, or 8.5 percent of the total workforce, are located in the capital city.

TWELFTH LEGISLATURE

FEB 9 1981

BUDGET AND MANAGEMENT

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 93

Title Decentralization of executive branch

Requested by Division of Budget & Management Date 2-9-81

II. FISCAL DETAIL

Agency Affected Department of Commerce & Economic Development

Program Category Affected Development & Protection

BRU, Program, or Subprogram(s) Affected All

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL			270.0	270.0		
300 CONTRACTUAL		25.0	35.9	35.9		
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		25.0	305.9	305.9		

FUNDING (Thousands of Dollars)

GENERAL FUND		25.0	305.9	305.9		
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

SEE ATTACHED

IV. DATE February 9, 1981 PREPARED BY for Lois Cook, Director

AGENCY Department of Commerce & Economic Development

PHONE 465-2505 Division of Administrative Service

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/80

Background:

	Juneau	Anchorage	Fairbanks
Current Positions	134	220	6
Percentage	37%	61%	2%

Number of positions that must be transferred from Juneau to meet 15% limit is 54.

Assumptions:

1.	Per employee personal move cost	$10,000
2.	Per employee office move cost	1,000
3.	Per employee office set-up cost	200
4.	Office space per employee; 100 s.f. @ $1.30 s.f.	130
		$11,330 x 54 = $611,820

5. Assumed office space in Juneau would remain a cost to the State since all employees are in the S.O.B. and it would remain vacant.

FY '82 funds required to develop a plan for relocating the 54 employees.

The actual relocation of employees would occur during fiscal years 83 and 84.

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 93

Title "An Act relating to the decentralization ... and providing an effective "

Requested by Parr and Stimsoon Date 2/9/81

II. FISCAL DETAIL

Agency Affected Labor

Program Category Affected All Programs

BRU, Program, or Subprogram(s) Affected All BRU's

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL	-0-	1,445.0				
300 CONTRACTUAL		137.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		4,845.0				
TOTAL	-0-	6,427.7	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	6,427.7	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

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

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

The impact of Senate Bill 93, relating to the decentralization of the executive branch of the State government would have the following impact to our agency:

Based on the Department of Administration's PCN Listing Report of January 27, 1981, our agency has 598 filled positions statewide. A limitation of 15 percent to the number of State employees in the Capital would allow 90 positions in Juneau. Currently the Department has 292 employees in Juneau, of which 32 employees are local and regional employees. The limitation would require 170 employees to move.

In the computation of the estimated cost for this move the agency used the following assumptions:

-continued-

IV. DATE 2/11/81 PREPARED BY Nico Bus, Finance Officer

AGENCY Labor

PHONE 465-2720

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/80

4/13/82

Introduced: 1/16/81
Referred: State Affairs

IN THE SENATE BY PARR AND STIMSON

SENATE BILL NO. 93

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

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

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

* Section 1. LEGISLATIVE FINDINGS. The legislature finds that there is a growing tendency to centralize decision making at the top levels of the principal executive departments, that this centralization results in increased numbers of intermediaries between commissioners and the state officers and employees who directly render services to the public, and that this results in inefficient, time-consuming, expensive, and often unnecessary review and approval procedures and discourages the use of initiative by state officers and employees. The legislature further finds that centralization results in an overly large number of state officers and employees in the state capital and a corresponding insufficiency at the regional, district, and local offices where services are directly rendered to the public. The legislature finds it necesaary and in the public interest to mandate a decentralization of decision-making authority to regional, district, and local offices and to limit the number of state officers and employees in the headquarters offices in the state capital.

* Sec. 2. AS 44 is amended by adding a new chapter to read:

CHAPTER 18. DECENTRALIZATION OF EXECUTIVE BRANCH.

Sec. 44.18.010. EFFECTIVE DATE OF DECENTRALIZATION. After June 30, 1985 no more than 15 percent of the total number of state employees may be employed in the headquarters offices of the principal executive departments in the state capital.

Sec. 44.18.020. DETERMINATION BY THE GOVERNOR. Within 180 days of the effective date of this Act the governor shall prescribe, for each department of the executive branch, the number of employees who may be employed in the state capital. The governor may from time to time amend this directive.

Sec. 44.18.030. DEPARTMENTAL PLANS. Each department shall prepare a plan for the phased decentralization of its activities to meet the ceiling imposed by the governor. Each plan shall include:

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

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

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

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

Sec. 44.18.040. REPORT BY THE GOVERNOR. The budget submitted by the governor for fiscal year 1984 and fiscal year 1985 shall be accompanied by a report of the progress made in implementing this chapter.

Sec. 44.18.050. BUDGET PREPARATION. No budget for 1986 or succeeding fiscal years may propose to employ more than 15 percent of the total number of state employees in the principal executive departments in the state capital.

Sec. 44.18.060. REGIONAL, DISTRICT, OR LOCAL OFFICES IN THE STATE CAPITAL. Nothing in this chapter prohibits the establishment of a regional, district, or local office of a principal executive department in the state capital if there is a clear functional division between it and the headquarters office. Employees in the regional, district, or

local office may not be counted against the ceiling prescribed by the governor under AS 44.18.020.

Sec. 44.18.070. EXCLUSION OF DEPARTMENTS. Departments of the executive branch which on the effective date of this Act have their headquarters offices located in a city other than the state capital are excluded from the computation of total number of state employees under AS 44.18.020.

Sec. 44.18.080. INCLUSION OF DIVISIONS. Divisions which on the effective date of this Act are located in a city other than the state capital shall be included in departmental plans for phased decentralization of activities required by AS 44.18.030.

* Sec. 2. Plans required under AS 44.18.030 shall be submitted to the First Session, Thirteenth Legislature, no later than 10 days after it convenes.

* Sec. 3. This Act takes effect July 1, 1981.

This bill would impact only Budget & Management (According to fiscal note) isn't scope therefore too broad and sent Finding (Section 1) moot.

This Bill has a Fiscal note & should have a Further refferal to Finance

One of the things people want more access to is the Legislature -- this bill makes no provision for that.
{A move bill in sheeps clothing}

SB

97

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. S.B. 97
Title Naming the North Slope haul road after James Dalton
Requested by State Affairs Committee Date 1/20/81

II. FISCAL DETAIL
Agency Affected Department of Transportation and Public Facilities
Program Category Affected Transportation
BRU, Program, or Subprogram(s) Affected M&O- Interior Region, Highways
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		2.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	2.0	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND		2.0				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Assumes costs associated with signs to indicate the new name.
Would be a one time cost.

IV. DATE January 22, 1981 PREPARED BY Ron B. Lind
AGENCY Dept. of Transportation & Public Facilities
PHONE 465-3900

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

33-001 (Rev. 12/80

James W.Dalton

Jan. 30 1913 - May 9, 1977

James W. Dalton was born Jan. 30, 1913 in Seattle, Wash. He (like Senator Bob Bartlett) always regretted that he was not born in Cordova, the community where his parents resided. Reason for the Seattle birth: Cordova was just emerging as a port and terminus for the Kennicott Copper enterprise at McCarthy. There was no hospital, and there was no doctor. Jim's mother traveled to Seattle for the birth. She returned to Cordova when Jim was two weeks old. The family - which was increased in 1916 with the birth in Cordova of a daughter, Josephine - remained in Cordova for a period of approximately seven more years.

Parents: John (Jack) Dalton, who came to Alaska in 1882 and had prior to his Cordova ¢#$¢ŕ?ŕ?$¢$/#¢ residence, had lived in Sitka, Juneau, Haines, Porcupine Creek (his history is pretty well documented in Dalton Trail historical writings).
Mother was Anna Theresa Krippaehne Dalton.

During early years (grade and highschool) Jim lived in Seattle and Yakima, Wash. He attended school in San Francisco at a boys boarding school, but I do not have the name of that academy at this time.

Jim Dalton attend college at Washington State at Pulman. He transferred to the University of Alaska at Fairbanks where he continued and completed his degree. His degree was in mining engineering. Graduated in 1937.

Between graduation and his enlistment in the U.S. Navy Seabees in 1942, Jim worked for F.E. Co (Fairbanks Exploration Company, a subsidiary of U.S. Mining, Refining and Smelting) and for various other gold mining interests. He spent those years principally in Fairbanks, working with F.E. (and other interests) on Fairbanks Creek, Cleary Mine, American Creek (near Tofty and Manley) and Chena Hot Springs, the Circle District,

His intent, when he selected the Seabee service arm of the U.S. Navy, was to be able to participate in the Seabees 1945 venture into the Arctic. Naval Petroleum Reserve No. 4 (now National Petroleum Reserve - Alaska) would be explored over the next decade and he wanted to be part of that effort. He reasoned that his mining engineering degree in addition to his many years of practical experience in northern and Arctic engineering and mining would be a valuable asset to the Pet-4 operation. The Navy thought differently and assigned him to Dutch Harbor, San Francisco and even Hawaii.

As soon as he was able to get out of the Seabees in 1946, Jim was employed as a project engineer by Arctic Contractors, the consortium that was the execution contractor to the Office of Petroelum and Oil Shale Reserves. Arctic Contractors was composed of Greene Construction, Lytle Construction and other or another firm the name of which escapes me.

He managed to get into the NPR-4 project - a year or so after the Seabees began their exploratory program....AND as a civilian engineer instead of a Navy Seabee engineer.

He continued with Arctic Contractors until the completion of the NPR-4 project in the fall of 1953. He had been promoted through the years and ended as project superintendent.
In 1954 he conducted a study for the Alaska Development Board on the use of Gubik (Gubik is a petroleum structure east of Umiat on the Arctic Slope) gas. That was a comprehensive study of the possibilities of gas transmission lines to the Interior PLUS many other engineering and economic aspects of Gubik gas. Jim was conscripted by Puget Sound Drake Comapany for more duty at Barrow.

As relations with Russia and the United States deteriorated and the U.S. Dept. of Defense developed the DEW Line (Distant Early Warning Line) concept for electronic and radar detection, new miliarty emphasis was put on Alaska. Jim was asked, and accepted, to be project superintendent of the Western sector construction of the DEW Line, headquarters in Barrow. It was December 1954 when he and Marion Nicholson went back to Barrow and began gathering local workers (almost 100% Eskimo to begin with) and opening a base camp. That project came to life and the DEW Line was built, completion about January 1958. It is worthy of note, perhaps, that the Western sector of the DEW Line was constructed for $25 million less than estimated. The Canadian and Greenland legs were over considerably. Jim could have taken lots of credit for that, but he didn't. His nature was one of great personal modesty. He always could find reason to applaud someone else for the many successes he was involved in. One thing he did point out on this particular issue was the local hire (Eskimos), the experienced Arctic hands (former Arctic Contractor personnel who had fought and won over the Arctic conditions in the past years on the NPR-4 project).

After 1958 Jim participated in numerous projects for oil, mineral exploration. He specialized in Arctic logistics, but, of course, his many years experience in on-site cold weather engineering put him in demand for many tough engineering problems that cropped up on the North Slope.

He did a considerable amount of work on a consulting (and on site) basis for Phillips Petroleum, Colorado Oil and Gas, Sinclair Oil and Gas. He also was available to many of the geophysical service companies that operated in a grid pattern across the North Slope for many, many years prior to the ARCO discovery in 1968.

There have been many, many winter trails across East and West and North and South that have been staked, plowed and used....planned by Jim Dalton. Winter freighting across roadless tundra was an established practice long before the State of Alaska authorized a winter trail from Hess Creek (north of Livengood) across the Yukon River and on to

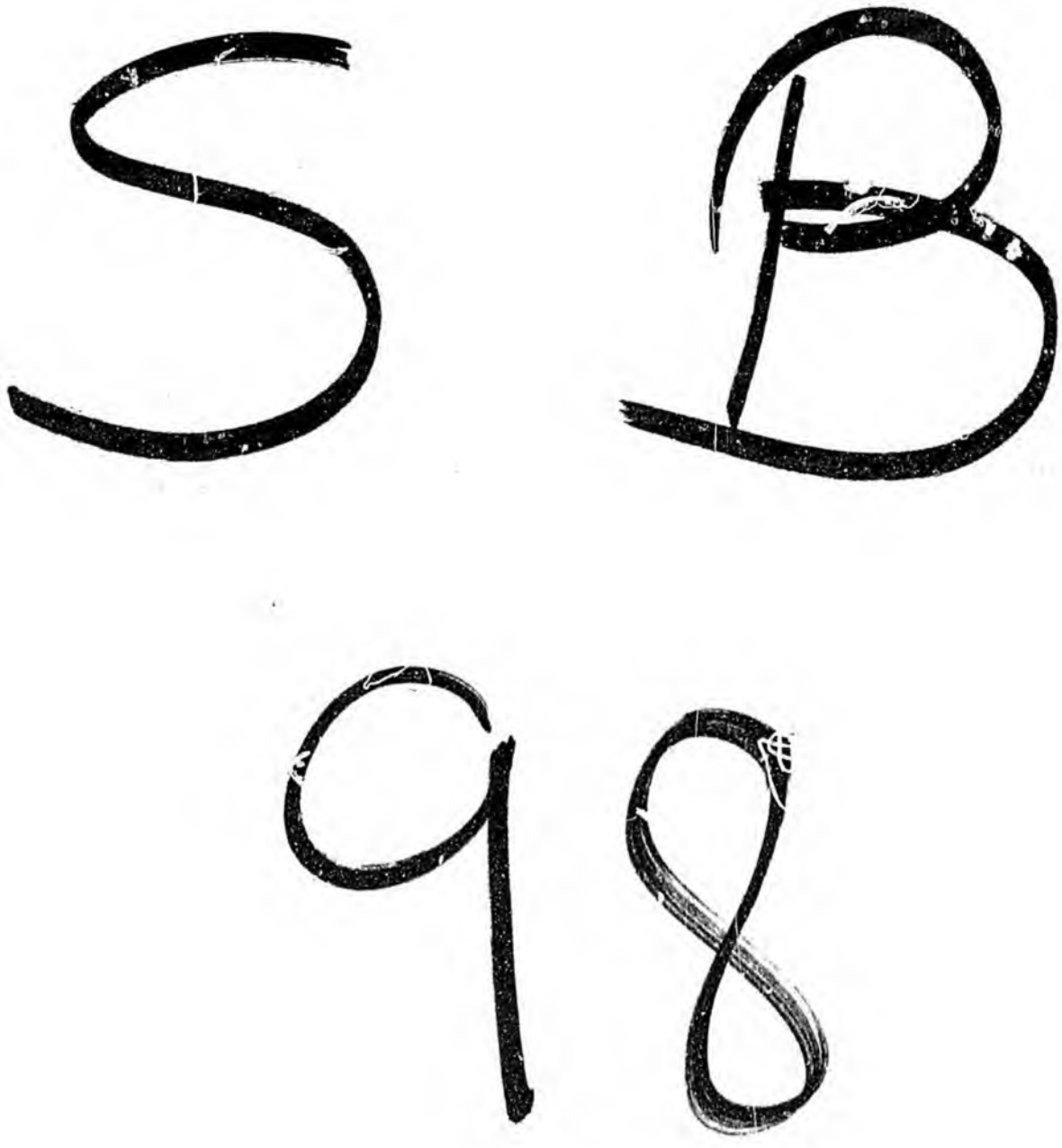
The natural gas distribution system at Barrow was another major project Jim was involved in. He also helped plan and build the airport at Barrow.

Years prior to those modern improvements, Jim built many airstrips for winter use as well as constructing some permanent strips at places like Barter Island, Sagwon.

Sig Wien flew Jim and another person to Barter Island in 1947 in a float plane. A LST (landing craft) had gone in by sea with materials and equipment for constructing the first mat landing strip. The two tractors that were landed and then used for anchoring the landing craft were pulled into the salt water (freak mix up in orders to the man at the controls). The managed to float the equipment and get it back on shore. Drained the salt water out of the cylinders and hidden holes in the engine and got them running. That's quite a story in inovative problem solving in the Arctic and would take some paragraphs to tell...but not important here. It's an example, however, of the tough "poor boy" days in early exploration in the Arctic.

In the 1960's Jim did some planning work for the NORTH Commission and that group's dreams (mostly Wally Hickel's dreams) of laying out the route for a railroad to the North Slope. He also did some trail staking for later over-land winter roads to the Slope.

This is very general. I perhaps could elaborate on aspects of his many years in the Arctic if you need more specifics.



THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. S.B. 98 An act relating to the naming of highways, vessels,
Title marine facilities, and public works constructed by the state.
Requested by State Affairs Committee Date 1/20/81

II. FISCAL DETAIL

Agency Affected Department of Transportation and Public Facilities
Program Category Affected M&O -
BRU, Program, or Subprogram(s) Affected All
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The assignment of a zero cost is based upon the assumption that there would be few name changes and that the current methods of denoting the names would remain. If there is a significant number of changes or additional signing required, additional costs will be incurred.

IV. DATE January 22, 1981 PREPARED BY Ron B. Lind
AGENCY Dept. of Transportation & Public Facilities
PHONE 465-3900

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

33-001 (Rev. 12/80

SB

104

NATIONAL ORGANIZATION FOR WOMEN
Anchorage Chapter
P.O. Box 1722
Anchorage Alaska 99510

March 24, 1981

Senator Vic Fisher
Senate Staff
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Senator Fisher:

On behalf of the Anchorage Chapter of the National Organization for Women, I wish to comment on Senate Bill No. 193, Senate Bill No.104, and Senate Bill No. 248.

Senate Bill No. 193 entitled: "An Act amending the State Personnel Act (AS 39.25); and providing for an effective date."

A proposed amendment, change in language page 14, line 22,

...after the word age,... strike "or",

...insert "marital status, changes in marital status,"

...continue with "handicap,"

...insert "or any other non-merit reason."

Proposed language would be (line 21) "...discrimination due to race, sex, color, religion, national origin, age, marital status, change in marital status, handicap, or any other non-merit reason." These changes would strengthen this non-discrimination statement. Employment status should not be inhibited by a persons marital situation or other reasons not effecting their work performance.

Senate Bill No. 248 is a good bill and will strengthen equal employment opportunities for both women and minorities within the executive branch. This bill has our support.

Senate Bill No. 104 is unacceptable. Historically veteran's preference legislation has proven to have a negative impact on women in the job market. The variation in numbers of women who qualify for veteran's benefits as compared to the numbers of men is an inhibiting factor to equal employment opportunities for women.

Your consideration of these comments is appreciated.

Sincerely,

Madeline G. Holdorf

Madeline G. Holdorf
President

cc: Labor Committee
Anchorage Chapter, National
Organization for Women

The Equal Rights Amendment to the U.S. Constitution

Section 1
Equality of rights under the law shall not be denied or abridged by the United States or by any state on account of sex.

Section 2
The Congress shall have the power to enforce, by appropriate legislation, the provisions of this article.

Section 3
This amendment shall take effect two years after the date of ratification.

SENATE BILL 104

Sen Bradley

AMENDMENT

Page 2, Line 6: After the word "qualifications," insert "and all other things pertinent to position status"

Page 2, Line 8 through 10: After the word "veteran", delete remainder of the sentence and insert the following sentence: "If a veteran or disabled veteran desires to waive his additional preference points for an entry position into the classfied service, he may, at his discretion, use those points at a later time for another position within the same job classification exclusive of an area of promotion."

Page 2, Line 12: Delete "90" and insert "181"

TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 104

Title An act relating to veteran's preference in State employment

Requested by Senator Bradley Date January 28, 1981

II. FISCAL DETAIL

Agency Affected Administration

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Personnel

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		49.8	54.8	60.3	66.3	72.9
200 TRAVEL						
300 CONTRACTUAL		8.1	8.9	9.8	10.8	11.9
400 COMMODITIES		.6	.7	.7	.8	.9
500 EQUIPMENT		7.0	0	0	0	0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		65.5	64.4	70.8	77.9	85.7

FUNDING (Thousands of Dollars)

GENERAL FUND		65.5	64.4	70.8	77.9	85.7
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME		2	2	2	2	2
TEMPORARY						

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

The statutory time requirement in proposed AS 39.25.185 (a) (3) and the necessary procedures to insure the proper executive of AS 39.25.185 (a) (4) and (5) requires the addition of a Personnel Technician to the Juneau certifications unit of the Division of Personnel and clerical support in both the Juneau and Anchorage Offices. FY 82 costs include initial equipment work stations. FY 83 and following are inflated @ 10%. Spaces costs at 2.7 per position are also included.

Agencies to which the Division of Personnel has delegate certification authority will also be effected.

IV. DATE 2/5/81 PREPARED BY Michael P. McMullen

AGENCY Division of Personnel

PHONE 465-4430

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

33-001 (Rev. 12/80)
Keith Specking
Carole Burger

A Survey of Veterans' Preference Legislation in the States

By Charles E. Davis

FOR NEARLY 40 YEARS, the American military veteran has benefited from governmental personnel policies designed to provide compensation for services rendered and disrupted career plans.[1] The Veterans' Preference Act of 1944, for example, boosted employment opportunities of veterans seeking jobs in the federal government by adding individuals honorably discharged from active duty in the armed services or their dependents to the list of those eligible for preference.

Benefits ranged from absolute preference for selected positions (e.g., guards, elevator operators, messengers and custodians) to the addition of five points to any nondisabled veteran achieving a passing score on a civil service exam. It also provided preferential treatment for veterans in any subsequent reductions-in-force. Under the Veterans' Readjustment Act of 1966, these privileges were extended to peacetime veterans serving as little as six months of military service. The impact of these laws is illustrated by some recent statistics cited by Alan K. Campbell. Although veterans comprise only one fourth of the eligible workers in the United States, they make up 50 percent of the federal work force and hold 65 percent of the top civil service positions.[2]

Despite the continuing importance of veterans' preference legislation (hereafter referred to as VPL) in affecting the recruitment, selection, promotion and tenure of federal public employees, state-related developments have received little attention from personnel analysts or students of the administrative process. These trends merit a further look for two principal reasons. While much of the state veterans' preferential legislation is patterned after federal initiatives, there is, nevertheless, considerable diversity in the number and variety of benefits offered. For example, most states require reemployment rights for veterans in their premilitary vocation, preferred status vis-a-vis nonveteran public employees should reduction-in-force become necessary, and absolute preference for selected jobs usually associated with a bureau or division of veterans' affairs. In addition, however, a few states have granted bonus points for promotional considerations or employment privileges for the spouse of a nondisabled veteran as well as various idiosyncratic practices scattered throughout the country.

It is evident that state policymakers will be faced with serious questions regarding the compatibility of already generous VPL with an increasing number of women and minorities seeking public employment. Information about the kinds of benefits available to veterans in various states would better enable public officials to balance such differing values as "reward for prior military sacrifice and/or service" with "equity" and "merit" in the process of making personnel-related decisions. The central purpose of this article is to provide a brief analysis of state laws affecting the employment prospects of veterans. Of particular concern is the relative generosity of each state in awarding preference benefits to veterans and the sociodemographic characteristics which differentiate more liberal states from those providing fewer benefits.

Findings

To make valid comparisons about the relative strength of veterans' preference legislation, an index was constructed for each state (see Table 1). The criteria used in the calculation of these indices included appointment or promotional preference for nondisabled veterans in selected jobs (1 point), absolute preference or bonus points for all or most jobs under classification (2 points), and bonus points for promotions in all or most civil service jobs (2 points). A like number of points were also awarded in each category if the spouse of a nondisabled veteran were granted similar privileges. The cumulative scores ranged from no points (Delaware) to six points (Indiana and New Jersey), and a slight majority of the states (26) emerged with a three-point total.

The next step was to determine whether states providing generous veterans' preference benefits had any distinctive political or demographic features. As Table 2

Charles E. Davis is Assistant Professor in the Department of Public Management at Suffolk University in Boston.

indicates, the strength of the state VPL index was somewhat more pronounced in the Midwest and Northeast, while Western states were least likely to provide veterans with statutory advantages for public employment. For example, Arizona and New Mexico give preference to veterans seeking employment in their respective bureaus of veterans' affairs, but do not extend these privileges to include jobs classified under state civil service. No Western states awarded absolute preference or bonus points for promotions within the state civil service, and only Montana permitted the addition of bonus points to the test scores of a veteran's family members. A small number of Northeastern and Midwestern states, on the other hand, were inclined to adopt these measures.

Of equal importance are the socioeconomic and demographic characteristics of state governmental jurisdictions. States ranking high on the VPL index tend to be more populous, wealthier on a per capita basis, and less receptive to the influence of interest groups (see Table 2). These results would appear to contradict the more commonsensical view that military life and the well-being of its personnel have always been held in greater esteem in the more traditional parts of the country—i.e., the South and the West. One might presume that veterans would benefit not only from the good will and political support of Southern legislators wielding positions of authority in the armed services committees of the U.S. House of Representatives and the Senate, but also a favorable political climate which has resulted in the disproportionate allocation of federal military installations in the South.[3] Under these circumstances, politically conservative state legislators would perceive veterans' preference benefits not as social welfare legislation but as the just rewards for individual military service or sacrifice.

A more plausible interpretation of these findings, however, directs attention to the perception of veterans by state legislators as a significant political constituency. The negative relationship found between interest group strength in the states and the provision of generous veterans' preference benefits suggests that legislative success does not result from the organizational or lobbying skills of veterans organizations, such as the American Legion, the Veterans of Foreign Wars or the Disabled Veterans. As Levitan and Cleary have indicated, these groups have tended to play a more passive role in the legislative process, preferring to rely on the judgment of elected policymakers for the appropriate level of benefits received.[4] It thus appears that support for VPL may be less a function of group mobilization than the realization by individual political candidates of the electoral benefits to be gained from appeals to the interests of veterans and their families.

Discussion

The survey results indicate that the number and variety of veterans' preference laws in the states are affected by such demographic factors as population size, region, per capita income and interest group strength. Veterans seeking employment in state government are likely to compete with relatively greater advantage in the more populous, wealthier states of the Midwest and the Northeast.

Although it is beyond the scope of this paper to provide a detailed analysis of the interrelationships between veterans' preference and other personnel issues of concern to state decision-makers, a number of policy implications and suggestions for further research bear mention. Veterans' preference affects nearly all phases of personnel management, but it is obviously the selection of public employees which has provoked the most serious controversy. All states classified as "medium" or "high" on the VPL index gave nondisabled veterans at least a five-point bonus on civil service exams—a practice which is viewed with a measure of disdain by civil service reformers favoring strict adherence to merit principles as well as supporters of affirmative action programs who feel that minorities and women have long been excluded from responsible government jobs. An additional irritant to affirmative action proponents is the awarding of bonus points to veterans for promotional purposes by a few of the more generously inclined states. Clearly, more research on the impact of veterans' preference laws on the proportion of minorities and women hired by state government (in relation to their numbers in the general population or relevant labor markets) would be of interest to elected public officials as well as manpower analysts.[5]

To a lesser degree, state VPL is of concern to nonveteran members of public unions or employee associations. Any advantages enjoyed by ex-veteran public employees in regard to promotions or reductions-in-force may be viewed as contrary to the seniority principle, which is viewed by many labor officials as the fairest method of deciding who benefits (as well as who loses—a point often made by affirmative action proponents). Ultimately, policymakers hoping to achieve the allocation of human resources in an equitable and efficient manner will have to confront the necessity of trade-offs. The reconciliation of such diverse values as "reward," "merit," "equity," and "organizational tenure" into an integrated policy framework is an undertaking deserving a prominent place on the research agenda of the 1980s.

Notes

1. The most concise treatment of veterans' preference legislation in the federal government is found in O. Glenn Stahl, *Public Personnel Administration*, 6th ed. (New York, N.Y.: Harper & Row, 1971), pp. 137-43.

2. Alan K. Campbell, "Civil Service Reform: A New Commitment," *Public Administration Review*, 38 (March/April 1978), pp. 99-103.

3. Nicholas Henry, *Public Administration and Public Affairs*, 2nd ed. (Englewood Cliffs, N.J.: Prentice-Hall, 1980), p. 420.

4. Sar Levitan and Karen A. Cleary, *Old Wars Remain Unfinished: The Veterans' Benefit System* (Baltimore, Md.: Johns Hopkins University Press, 1973), p. 15.

5. The author has begun such a task in an exploratory fashion; see, e.g., Charles E. Davis, "Veterans' Preference, Affirmative Action, and Public Employment," a paper presented at the 1980 annual meeting of the Southwest Political Science Association in Houston.

Table 1
THE RELATIVE STRENGTH OF STATE VETERANS' PREFERENCE LEGISLATION

States (a)	Veterans' Preference Benefits						
	Selected positions			Civil Service positions			
	Appointment preference or bonus points	Appointment preference or bonus points (veteran's relatives)	Preference or bonus points for promotions	Appointment preference or bonus points	Preference or bonus points (veteran's relatives)	Preference or bonus points for promotion	Total points (b)
Alabama	1	1	..	2	..	..	4
Arizona	..	..	..	2	..	..	2
Arkansas	..	..	..	2	..	..	2
California	1	..	..	2	..	..	3
Colorado	1	..	..	2	..	..	3
Connecticut	..	..	..	2	2	..	4
Delaware	..	..	..	..	..	..	0
Florida	1	..	..	2	..	..	3
Georgia	1	1	..	2	..	..	4
Idaho	1	..	..	2	..	..	3
Illinois	1	..	1	2	..	..	4
Indiana	1	1	..	2	2	..	6
Iowa	1	..	..	2	..	2	5
Kansas	1	..	..	2	..	..	3
Kentucky	1	..	..	2	..	..	3
Louisiana	1	..	..	2	..	..	3
Maine	1	..	..	2	2	..	5
Maryland	1	..	..	2	..	..	3
Massachusetts	1	..	..	2	..	..	3
Michigan	1	..	..	2	..	..	3
Minnesota	1	..	..	2	..	..	3
Mississippi	1	..	..	2	..	..	3
Missouri	1	..	..	2	..	..	3
Montana	1	..	..	2	2	..	5
Nebraska	1	..	..	..	..	..	1
Nevada	1	..	..	2	..	..	3
New Hampshire	1	..	..	2	..	..	3
New Jersey	1	..	1	2	2	..	6
New Mexico	1	..	..	..	..	..	1
New York	1	..	..	2	..	2	5
North Carolina	1	..	..	2	..	2	5
North Dakota	1	..	..	2	..	..	3
Ohio	1	1	..	2	..	..	4
Oklahoma	1	..	..	2	..	..	3
Oregon	1	..	..	2	..	..	3
Pennsylvania	1	..	..	2	..	..	3
Rhode Island	1	..	..	2	..	..	3
South Carolina	1	..	..	2	..	..	3
South Dakota	1	..	..	2	..	2	5
Tennessee	1	..	..	2	..	..	3
Texas	1	..	1	2	..	..	4
Utah	1	..	1	2	..	..	4
Vermont	..	..	..	2	..	..	2
Virginia	..	..	..	2	..	..	2
Washington	1	..	..	2	..	..	3
West Virginia	1	..	..	2	..	..	3
Wisconsin	1	..	..	2	..	..	3
Wyoming	1	..	..	2	..	..	3

Source: U.S. Congress, Committee on Veterans' Affairs, *State Veterans' Laws*, House Committee Print No. 6, 96th Congress, 1st sess., 1979.

(a) Alaska and Hawaii were excluded from the analysis. Their politics are imbued with cultural and ethnic strains not typical of the contiguous United States, and their experience with veterans' preference legislation is comparatively recent.

(b) The criteria used in the calculation of these indexes included appointment or promotional preference for nondisabled veterans in selected jobs (one point), absolute preference or bonus points for all or most jobs under classification (two points), and bonus points for promotions in all or most civil service jobs (two points). A like number of points was also awarded in each category if the spouse of a nondisabled veteran were granted similar privileges. The decision to assign one point or two for a given benefit was based on the number of people likely to be affected by such legislation; for example, a statute reserving the directorship of a state veterans bureau for military veterans would have little impact and thus be assigned one point.

Table 2
THE STRENGTH OF VETERANS' PREFEKENCE LEGISLATION, INCOME RANK, POPULATION RANK, REGION, AND INTEREST GROUP LEVERAGE

States	Strength of veterans' preference legislation (a)	Income rank (b)	Population rank (b)	Region (c)	Interest group leverage (d)
Alabama	strong	46	21	3	high
Arizona	weak	26	32	4	high
Arkansas	weak	50	33	3	high
California	moderate	7	1	4	high
Colorado	moderate	12	28	4	low
Connecticut	strong	3	24	1	low
Delaware	weak	15	48	1	medium
Florida	moderate	14	8	3	high
Georgia	strong	37	14	3	high
Idaho	moderate	36	41	4	..
Illinois	strong	8	5	2	medium
Indiana	strong	29	12	2	low
Iowa	strong	22	25	2	high
Kansas	moderate	20	31	2	medium
Kentucky	moderate	43	23	3	high
Louisiana	moderate	49	20	3	high
Maine	strong	44	38	1	high
Maryland	moderate	4	18	3	medium
Massachusetts	moderate	16	10	1	medium
Michigan	moderate	17	7	2	high
Minnesota	moderate	19	19	2	high
Mississippi	moderate	51	29	3	high
Missouri	moderate	33	15	2	low
Montana	strong	31	43	4	high
Nebraska	weak	27	35	2	high
Nevada	moderate	6	47	4	medium
New Hampshire	moderate	32	42	1	..
New Jersey	strong	5	9	1	low
New Mexico	weak	12	37	4	high
New York	strong	11	2	1	medium
North Carolina	strong	41	11	3	high
North Dakota	moderate	9	46	2	..
Ohio	strong	24	6	2	medium
Oklahoma	moderate	39	27	3	high
Oregon	moderate	21	30	4	high
Pennsylvania	moderate	30	4	1	medium
Rhode Island	moderate	25	39	1	low
South Carolina	moderate	45	26	3	high
South Dakota	strong	35	45	2	medium
Tennessee	moderate	42	17	3	high
Texas	strong	34	3	3	high
Utah	strong	38	36	4	medium
Vermont	weak	40	49	1	medium
Virginia	weak	18	13	3	medium
Washington	moderate	13	22	4	high
West Virginia	moderate	47	34	3	medium
Wisconsin	moderate	..	16	2	high
Wyoming	moderate	23	50	4	low

(a) The following criteria were employed to classify states as "weak," "moderate," or "strong": the allocation of appointment preference to nondisabled veterans or their relatives for selected jobs (1 point), the allocation of preference or bonus points to nondisabled veterans or their relatives for promotions in selected jobs (1 point), the allocation of appointment preference or bonus points to veterans and their relatives for jobs classified under state civil service (2 points), and the allocation of preference or bonus points for promotions to nondisabled veterans for civil service jobs (2 points). States receiving a cumulative score of two points or less were classified as "weak," those with three points were termed "moderate," and the "strong" states had more than three points.

(b) These figures were obtained from the *1977 City and County Data Book* (Washington, D.C.: Bureau of the Census).

(c) States were grouped into four regional categories: 1—Northeast, 2—Midwest, 3—South, 4—West. The classification scheme was adopted from studies conducted by the Center for Political Studies at the University of Michigan.

(d) The measure of interest group strength used here is actually a composite index based on three variables—strength of party competition, legislative cohesion, and the socioeconomic variables of the urban population (including per capita income and the percentage of the population employed in occupations other than agriculture, forestry, and fishing). This index was adopted from L. Harmon Zeigler and Hendrick van Dalen, "Interest Groups in the American States," in Herbert Jacob and Kenneth N. Vines, eds, *Politics in the American States*, 2nd edition (Boston, Mass.: Little, Brown & Co., 1971), p. 127.

SB

110

POSITION PAPER
SENATE BILL No. 110

"An Act making a special appropriation to the Department of Transportation and for a senior citizens' building in Chugiak; and providing for an effective date."

The Department of Health and Social Services supports the concept of the State providing general funds for the building of such facilities as senior citizens' centers. It is estimated that over 1400 seniors reside in the Chugiak - Eagle River area.

However, in order to be consistent with the most recent legislation regarding this subject, A.S. 37.05.315 State Grants, it is recommended that Section 1 of the Act be amended to read as follows:

> The sum of $2,700,000 is appropriated from the general fund to the Municipality of Anchorage, under provision contained under A.S. 35.05.315, for the purposes of the design and construction of a senior citizens' building in Chugiak.

Recommended by Elizabeth Muktarian
Elizabeth Muktarian
Director
Division of Adult & Aging Services

Date: 2/9/81

Approved by: Helen D. Beirne
Helen D. Beirne
Commissioner
Department of Health & Social Services

Date: 2/11/81

POSITION PAPER/Department of Health & Social Services

TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill # 110

Title An Act making a special approp. to the DOT & PF for a Sr. Cts. bldg

Requested by Chugiak. Date 2/3/81

II. FISCAL DETAIL

Agency Affected Department of Health & Social Services

Program Category Affected Social & Economic Assistance for the aged.

BRU, Program, or Subprogram(s) Affected Aging Grants

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-				

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Zero impact

IV. DATE 2/3/81

PREPARED BY Dorothy Walt

AGENCY Division of Mntl & Aging Services

PHONE 465-3250

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) M&B Approval [signature] Date 2/6/81

33-001 (Rev. 12/80

SB

121

SECTIONAL ANALYSIS OF SB 827

Sections 1 and 2 would prevent abuse of the TRS by amending AS 14.20.345 (d) and (f) so that LWOP would not be creditable unless certified by the school district as being for educational purposes. This results in no measurable change in costs since the teacher will continue to pay the same portion of the cost (based on when the payment is made) to fund the attendant benefits.

Sections 3-5 would amend AS 14.25.020, 14.25.022, and 14.25.035 to state clearly the role of the Teachers' Retirement Board in the adoption and promulgation of regulations. The change makes the role of the TRS Board in this area identical to that of the Public Employees' Retirement Board. Under the existing language, the system administrator functions in this capacity without any clear mandate that he consult the Board.

Sections 6, 15-16 and 19-21 would alter the death/survivor benefit provisions of the TRS. Specifically, the supplemental contributions provision would be eliminated for all teachers hired on or after July 1, 1982, open enrollment for the supplemental contributions provision would be eliminated, and equitable occupational and nonoccupational death benefits and joint and survivor options, such as currently exist in the PERS, would be created. The change works no impairment of accrued rights since it affects only those who first join the system on or after July 1, 1982. In addition, Section 21 creates a procedure for the designation of beneficiaries under the TRS which is identical to that in the PERS. This should substantially reduce uncertainty as to entitlement in the event of the death of a member.

Section 7 would amend the manner of discharging indebtedness under the TRS to bring it into conformity with the PERS.

Sections 8 and 57 would ensure that, in accordance with the Alaska Constitution, accrued benefits under the TRS and PERS may not be diminished by claiming service credit.

Section 9 would bring the statutes into conformity with current practice. The sentence in question was inadvertently omitted when the TRS statutes were amended by Chapter 13, SLA 1980.

Section 10 corrects statutory references. These references should have been changed at the time the TRS statutes were amended by Chapter 13, SLA 1980.

Section 11 would amend the provisions for Conditional Service Retirement Benefits to allow a member (1) to use his PERS salary if it is higher than his TRS salary, and (2) to figure his conditional service benefit based on all credited service rather than just membership service.

Section 12 would amend AS 14.25.130(a) to streamline the disability retirement application procedure. It provides a definite starting point in the procedure by setting as the first step the termination of employment due to the disability. Additionally, it resolves an existing inequity wherein a member has enough years of membership service to qualify for disability but is over 55 and does not qualify for normal retirement. Under present law, such an individual would be in a "Catch-22" situation -- disabled and unable to work, but needing to work to gain the necessary credit to qualify for normal retirement and being too old to qualify for disability.

Sections 13 and 51 would correct drafting errors in AS 14.25.143(b) and AS 39.35.475(b) committed two years ago. In the ceiling formula for pension adjustments, it changes "greater" to "lesser." This is not a substantive change in the law since it has always been within the administrator's discretion to grant as small an increase as fiscal prudence dictates.

Sections 14 and 27 would amend the refund provisions of the TRS to conform with current practice and allow for the refunding of interest paid on an indebtedness. "Member contribution account" is defined to include all of the other accounts.

Section 17 would amend AS 14.25.160(b)(1) to agree with the changes in Sections 14 and 27 of this bill.

Section 18 would eliminate an existing inequity by amending AS 14.25.162(b)(1) to allow a dependent child to interrupt his schooling without permanently losing his survivor's allowance payment.

Sections 22, 32, and 56 would conform the statutes to the longstanding practice of providing major medical insurance coverage to spouses and dependent children of retirees, as well as retirees themselves in the TRS, the PERS and the contributory and noncontributory Judicial Retirement Systems.

Section 23 adds the appropriate statutory references to AS 14.25.169 to be in agreement with the death/survivor benefit changes in Sections 6, 15-16 and 19-21 of this bill. In addition, Section 23 puts into law three previously unwritten principles of equity which have been at the heart of the TRS since its inception: a teacher may not receive 1) duplicate TRS credit for the same period of service; 2) more than one year of credit during a school year; or 3) benefits while accruing service credit except as provided in AS 14.25.169.

Sections 24 and 54 amend AS 14.25.175(a) and AS 39.35.522(a), respectively, to eliminate arbitrary, potentially detrimental requirements which must be met by persons wishing to appeal before the TRS or PERS Board.

Sections 25 and 62 would clarify what is and is not included in "compensation" for purposes of retirement in the TRS and PERS. This language is consistent with longstanding practice and does not constitute a change.

Section 26 expands the definition of "credited service" to include "territorial employment" as provided under AS 14.25.105 which should have been done in 1980 when AS 14.25.105 was passed.

Section 28 defines "territorial employment" as it is used in Section 26.

Section 29 exempts insurance premiums paid by the State from the tax levied under AS 21.09.210. This does not have any ultimate fiscal impact since the premium taxes are passed on. It will serve to increase competition among insurance carriers.

Sections 30-31 and 33-34 would add new sections to AS 22.25 and AS 26.05. The sections, which should have been added when the statutes were amended by Chapter 146, SLA 1980, set up accounting systems for the Judicial Retirement System and the Alaska National Guard Retirement System which are now on an actuarially funded basis. The sections are modeled after the one in place in the PERS, AS 39.35.100. The money in the funds may be invested in the same manner as money in the PERS, AS 39.35.110.

Section 35 would clarify the direction in AS 39.30 to the Department of Administration to include retired persons in the group insurance program. Also clarifies AS 39.30.090(9) in two respects: first, it deletes the provision for major medical insurance coverage for retirees since such coverage is now provided elsewhere; second, it provides that retirees under age 65 may continue the life insurance they have in force at the time of termination of their employment.

Section 36 would create a group insurance fund. It is included at the urging of the State's benefit consultants. The existence of a fund will provide the flexibility needed to negotiate for and procure more favorable terms from insurance companies. Our consultants inform us that such added flexibility has led to substantial savings in other systems. Any surplus in the fund may be invested by the Commissioner of Revenue under AS 39.35.110. Section 36 also accomplishes a badly needed reform of disability evaluation procedures by creating an expert board to evaluate claims and the claimant's ability to perform other work.

Section 37 removes outdated, irrelevant language from the PERS statutes.

Sections 38 and 39 would make minor changes in AS 39.35.100. The first change recognizes that actuarial calculations and transfers from individual retirement accounts to the retirement reserve account can be accomplished more effectively on an aggregate, annual basis. This will not delay the actual payment of benefits

to retirees. The second change allocates a portion of the investment income to the reserve account. This is considered appropriate since a substantial portion of the principal invested comes from the reserve account.

Sections 40, 60, 61 and 64 would amend the refund provisions of the PERS to allow for the refunding of interest paid on an indebtedness. In addition, Section 40 would also amend AS 39.35.200(b) to eliminate a "Catch-22" situation. Currently, persons who terminate their employment having less than five years credited service and less than $1,000 in their employee account must be given a refund of retirement contributions even if they intend to retire later; when they do retire at a later date, they must repay the refunded contributions with interest. This proposed change would allow the employee the option of leaving the employee contributions in the individual account.

Section 41 would entitle an additional group of surviving spouses to an increased benefit based on the deceased spouse's military service. Currently, surviving spouses receiving a monthly benefit from the system under AS 39.35.440 or 39.35.450 are entitled to this additional benefit. However, surviving spouses of members who die as a proximate result of an injury sustained or a hazard undergone while on the job (AS 39.35.430) are not. This section would correct this oversight and extend the additional benefit to this group of surviving spouses.

Section 42 would amend AS 39.35.350(c) to bring it into conformity with the rest of the PERS statutes regarding the manner of discharging an indebtedness.

Section 43 clarifies AS 39.35.360(b) to ensure that pre-1961 service credit is granted free of charge only to those employees who qualify under AS 39.35.360(a). This is consistent with current practice.

Section 44 clarifies AS 39.35.385 to ensure that the provision allowing reinstatement without reemployment applies only to paragraphs (a) and (b) and not to, for example, paragraph (f) which was added after the fact. This is not viewed as a substantive change.

Section 45 would amend Conditional Service Retirement Benefits to allow a member to use his TRS salary if it is higher than his PERS salary.

Section 46 would change the benefit reference in AS 39.35.420(b) because the description of the benefit is now found in subsection (c) of the section instead of in subsection (a). The amount of the benefit is not changed. In addition, Sections 46-48 would clarify the entitlement to death benefits when there is no surviving spouse or when a beneficiary other than the spouse has been designated. It would provide for the benefit to be paid to the deceased member's designated beneficiary.

Section 49 would conform AS 39.35.440(b) to division practice. As the current law reads, a surviving spouse of a deceased, disabled employee is entitled to a benefit equal to 40 percent of the decedent's monthly compensation. It was not anyone's intent that the surviving spouse receive 40 percent of the relatively low disability benefit; it was intended that the surviving spouse receive 40 percent of the decedent's compensation before the disability. The amendment clarifies this. Section 49 would also provide for the disposition of death benefits in the event that a deceased member has no surviving spouse or dependent children, in which case a death benefit is paid to the designated beneficiary.

Section 50 would clarify the administration of the level income option under AS 39.35.460. In practice, it is not possible to predict exactly the amount of the eventual social security benefit or to make the income precisely level.

Section 52 removes outdated statutory references from AS 39.35.485(a) and adds appropriate statutory references to bring the law into conformity with current practice. This is not viewed as a substantive change.

Section 53 updates incomplete statutory references; the designation of a beneficiary or beneficiaries is applicable to all benefits throughout the chapter.

Section 55 puts into law three previously unwritten principles of equity which have been at the heart of the PERS since its inception: an employee may not receive 1) duplicate PERS credit for the same period of service; 2) more than one year of credit during a calendar year; or 3) benefits while accruing service credit except as provided in AS 39.35.530.

Section 58 would delete from AS 39.35.560 a definitional reference to "public organization." That term is now defined in Section 67 of this bill, AS 39.35.680(39).

Section 59 amends AS 39.35.615(a) to codify the procedure for amendment of participation agreements with political subdivisions. Its terms are consistent with the opinion of the Attorney General that, since the original participation agreement must be endorsed by the governing body of the political subdivision, amendments to it must also be approved by that body.

Section 63 clarifies the definition of "early retirement" and includes the appropriate statutory references.

Section 65 excludes EPORS members from membership in the PERS.

Section 66 clarifies the definition of "normal retirement" and includes the appropriate statutory references.

Section 67 defines "public organization."

Section 68 repeals obsolete laws.

Section 69 provides an effective date.

(1) TERS and PERS Disability Review BD -
2 Physicians - } Review Disability Claims -

(2) Tightening up LWOP - About ½ of Administrative Leave not being used for educational purposes -

(3) Joint Survivor Option under TRS similar to what is in PERS -

(4) Terminating employers -

(5) Just Housekeeping -

SENATE COMMITTEE ON STATE AFFAIRS

Hearing on Senate Bills Dealing with Retirement
March 18, 1982

Mr. Chairman:

My name is E. Robert Haag and today I am representing the 15 Chapters of the Alaska State Firefighters' Association and also the Alaska Fire Chiefs' Association.

We wish to speak in favor of Senate Bill No. 121 which is now before your committee.

S.B. 121 was introduced by Senator Bill Ray during the last session of the Legislature. This bill would authorize credited service under the public employees' retirement system for certain firemen. The bill would amend the existing Alaska Statute 39.35.360(a) which now provides in part that an employee employed before January 1, 1980 who completes three years of credited service with the State after January 1, 1961 and who make contributions to the system as required by law, is entitled to credited service for service rendered "(3) after January 1, 1961, as a peace officer or correctional officer of a participating political subdivision of the State is an employee is vested and is an active peace officer, in the system as of July 1, 1980".

Senator Ray's bill would add the words "or firemen" (note lines 18 and 20 of the bill) to the Statute. It is assumed that firemen were overlooked when A.S. 39.35.360(a) became law. Other sections in the existing Public Employees' Retirement System, where applicable, contain the words "peace officer, correctional officer, or fireman".

We respectfully request your committee put a due pass on this bill and then support it through the rest of the Legislative procedure to become law.

Mr. Chairman, for your information and that of your committee, I understand, subject to being corrected, that there are about six employees in State employment who would be benefited by this bill. Since they individually would have to make contributions to the retirement system for such service, there would be no expense to the State at this time.

Thank you, Mr. Chairman and members of the committee for allowing us this time out of your busy schedule to testify in support of this bill.

Alaska Court System

State of Alaska

FRANK RAYE
Personnel Director

OFFICE OF ADMINISTRATIVE DIRECTOR

303 K Street
Anchorage, Alaska 99501

October 12, 1981

The Honorable Victor Fischer, Chair
Senate Affairs Committee
Pouch V
Juneau, AK 99811

Dear Senator Fischer:

In response to your memorandum of September 29, 1981, I have read the 16 bills concerning retirement now being considered by your committee.

The main reason I am commenting on these proposals is to urge re-writing of Chapter 35 of Title 39 to eliminate present discriminatory provisions. I also wish to speak against discriminatory provisions contained in SB 557, 143, 402 and 394 as well as supporting SB 196.

SB 557:

First I would like to point out that SB 557 is an effort to make some housekeeping corrections to ease administrative oversights. In that effort, the bill has some merit. The problem is that all of Chapter 35 of Title 39 needs to be re-written to comply with the state constitution and with Title 18 protections against discrimination on the basis of sex, marital status, and parenthood.

SB 557 proposes on page 15 to re-write AS 39.35.535 to give medical benefits only to retired employees their spouses or children. Single retired persons are thereby precluded from naming a beneficiary of their own. Yet single employees pay into the retirement system at the same rate as married employees.

At this time, AS 39.35 provides married state employees and their spouses an opportunity to choose a type of financial security called a joint survivor option. However, single employees and their beneficiaries do not have this choice. Under AS 39.35.420 and 440, married employees may choose the joint survivor option once they have been employed for five years and have thereby "vested". However, single employees with five years of service are denied that choice.

Specifically, a single employee is not permitted to have his or her beneficiary receive that employee's retirement money through a joint survivor option. Only married employees have that choice under AS 39.35.420 and 440. However, AS 39.35.450 allows "a dependent approved by the administrator" to also be a beneficiary. Such restrictions are based on a false assumption that only spouses and dependent children can develop an economically dependent relationship. Yet both single and married employees pay into the retirement system at the same rate and do not have the same benefits. It is my position that denying single employees an option granted only to married employees is a form of discrimination violating AS 18.80.220 which states in part:

> "It is unlawful for an employer to refuse employment to a person or to . . . discriminate against him in compensation or in a term, condition, or privilege of employment because of his . . . sex, marital status . . . or parenthood;"

Since retirement is a compensation, term, condition and privilege of employment, the retirement statutes as now constituted are, in my opinion, illegal.

Furthermore, the Division of Retirement and Benefits' procedures used to determine the amount of money given to employees' spouses under the joint survivor option, are based on outdated, separate male and female mortality tables which have been held illegally discriminatory in many recent court cases. See, for example, City of Los Angeles v. Manhart, 435 US 702 (1978). This discrimination on the basis of sex, in my opinion, is also a violation of Title 18 as quoted above.

Also under SB 557, a new section, AS 39.30.095, is proposed which gives the commissioner of administration complete power and authority over a newly established fund for health and life insurance benefits. Why is it necessary to establish this fund and why is there no check on the commissioner's control over this fund? Why is there no provision for input from affected persons?

SB 143:

SB 143 proposes to grant some state employees credit for unused sick leave upon retirement. On the face of it, there appears

to be nothing wrong with this amendment to AS 39.35.315. The problem is that all state employees would not benefit from this proposed change. Several years ago AS 39.20.310 established a separate group of state employees who no longer have leave. Under Chapter 20, sick and annual leave were done away with and combined into personal leave with a "sick leave bank" established for emergency illnesses. SB 143 fails to speak to those employees, their personal leave and their sick leave bank. Therefore, passage of SB 143 in its present form would discriminate against about 3,000 of the 9,000 state employees who no longer have sick leave. In other words, this bill affects only about two thirds of permanent state employees and leaves the other one third without comparable benefits.

In order to avoid this discrimination, SB 143 should either not be passed out of committee or should be re-written to include employees who have personal leave and a sick leave bank.

SB 402:

Presently state employees who are veterans may buy back up to five years of their military service as credited time for state retirement. However, under present law this buy back cannot take place until the employee is vested or has worked for the state at least five years. SB 402 proposes to eliminate the requirement that an employee must work five years for the state (or be vested) before buying back the military time.

I oppose this bill because it would allow new employees who are veterans to vest their retirement immediately after being employed in state service. All other employees cannot vest until they have had five years of state service.

Furthermore, the formula which establishes the cost of buying back five years of military time amounts to about one third of the employee's annual salary at the time of his or her eligiblity to buy back. That means that those veterans who have already bought back their time under this law, after having worked five years for the state, have paid more than a new employee would pay under this proposed law. The reason for this discrepancy is that a five year employee will earn more than a new employee because of annual step pay increases, and the greater probability of promotion.

SB 394

SB 394 proposes to give retirement credit to teachers only who have served in the peace corps. The philosophical base to this proposal is arguable when compared to preference for veterans

who have risked their lives for their country. What is not arguable is the gross inequitability of the proposition to give retirement credit to one group of state employees (here teachers) and not to other state employees. This clearly discriminatory bill should not be passed out of committee.

SB 196:

I support SB 196 to mandate that at least one member of the retirement board be a retired person. It is a logical and equitable proposal since the greatest impact of decisions made by the board will be with regard to retired persons.

If you have any questions on the points raised in this letter, I'll be glad to answer them. Thank you for taking the time to consider these issues.

Sincerely,

Frank Raye

Frank Raye
Personnel Director

FR/jb

Alaska Fire Chiefs' Association



TELECONFERENCE TESTIMONY 10-12-81:

The Alaska Fire Chief's Assn became aware of a problem in the PERS at the 1980 conference in Juneau.

One of our members made note that there had been a change made in the Police/Fire section of PERS wherein various police officers were allowed PERS credit for pre-statehood service. Obviously this was of concern to our members.

The Assn passed a unanimous resolution to work toward a change or an amendment to the Act to also include members of the fire service that had served the State in the pre-statehood days. Since the retirement system serves both the police and fire officers of the state, our members were sure that the makers of the 1980 changes left the fire service members out through an oversight only.

This oversight was pointed out to Senator Ray, who sponsored the 1980 change, and he agreed to sponsor the bill to include firefighters -- the result was SB 121.

The only change to the 1980 bill was the inclusion of the words "or fireman" in two places where those people qualified were listed. The 1980 Bill was not changed or amended in any other way.

Our Assn feels very strongly that the legislature agrees that the members of the fire service in Alaska are an important part of the protection services of this State, and are certainly equally entitled to the provisions of the police/fire retirement sections of PERS.

To do otherwise would relegate firemen to a lesser class of employee than the others in the PERS police/fire section. I'm sure that this is not now, or ever in the past, the intent of the Alaska legislature.

If there are any questions that I can answer at this time I will be happy to do so, and as always, our Association places itself at your disposal for assistance, advise, or resource, in this or any other fire and life safety matter.

JAMES R. EVANS, President

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954
Interim Office: 511 West 4th Ave., Suite 5
Anchorage, Ak. 99501 Phone: 278-3654/3655

Official Business

M E M O R A N D U M

TO: Senate State Affairs Committee Members

FROM: Nancy Groszek
Committee Aide

DATE: October 5, 1981

RE: Retirement Hearings

Enclosed please find materials relating to retirement legislation in the Senate State Affairs Committee. I hope that you will have the time to review the bills and accompanying back-up information prior to the teleconference scheduled for October 12.

If I can be of assistance to you in any way, please call me at 278-3654. Thank you.

NOTE: Please bring this packet with you to the hearing.

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

PUBLIC SERVICE ANNOUNCEMENT *** PUBLIC SERVICE ANNOUNCEMENT *** PUBLIC SERVICE ANNOUNCEMENT

DATE: 24 September 1981

FROM: Senator Vic Fischer

CONTACT: Nancy Groszek, 278-3654

SUBJECT: Senate State Affairs Hearings regarding Retirement.

LEGISLATION CONCERNING THE PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) AND THE TEACHERS RETIREMENT SYSTEM (TRS) WILL BE THE SUBJECT OF AN ALL-SITES TELECONFERENCE BEFORE THE SENATE STATE AFFAIRS COMMITTEE, CHAIRED BY SENATOR VIC FISCHER.

THE ALL-SITES TELECONFERENCE WILL BE HELD FROM 1:00 to 5:00 P.M. ON MONDAY, OCTOBER 12, 1981. ANCHORAGE TESTIMONY WILL BE HEARD FROM 6:00 to 8:00 P.M. AT THE ANCHORAGE LEGISLATIVE INFORMATION OFFICE, 1024 West 6th AVE. (Alaska Standard Time)

THE PUBLIC IS INVITED TO COMMENT ON RETIREMENT LEGISLATION AND ON ANY PROBLEMS THAT THEY'VE ENCOUNTERED WITH EITHER THE TRS OR PERS SYSTEMS. COPIES OF THE BILLS CAN BE OBTAINED FROM YOUR LOCAL LEGISLATIVE INFORMATION OFFICE.

WRITTEN COMMENTS CAN BE SUBMITTED TO SENATOR VIC FISCHER, 511 W 4TH AVE., SUITE 5, ANCHORAGE, 99501. FOR FURTHER INFORMATION PLEASE CONTACT NANCY GROSZEK AT 278-3654 OR YOUR NEAREST LIO OFFICE. THANK YOU

THE BILLS TO BE CONSIDERED BY THE SENATE STATE AFFAIRS COMMITTEE INCLUDE: SB121, 143, 195, 196, 197, 262, 356, 360, 361, 394, 402, 471, 472, 557, 568, 589.

SENATE COMMITTEE ON STATE AFFAIRS

Hearing on Senate Bills Dealing with Retirement
March 18, 1982

Mr. Chairman:

My name is E. Robert Haag and today I am representing the 15 Chapters of the Alaska State Firefighters' Association and also the Alaska Fire Chiefs' Association.

We wish to speak in favor of Senate Bill . 121 which is now before your committee.

S.B. 121 was introduced by Senator Bill Ray during the last session of the Legislature. This bill would authorize credited service under the public employees' retirement system for certain firemen. The bill would amend the existing Alaska Statute 39.35.360(a) which now provides in part that an employee employed before January 1, 1980 who completes three years of credited service with the State after January 1, 1961 and who make contributions to the system as required by law, is entitled to credited service for service rendered "(3) after January 1, 1961, as a peace officer or correctional officer of a participating political subdivision of the State is an employee is vested and is an active peace officer, in the system as of July 1, 1980".

Senator Ray's bill would add the words "or fireman" (note lines 18 and 20 of the bill) to the Statute. It is assumed that firemen were overlooked when A.S. 39.35.360(a) became law. Other sections in the existing Public Employees' Retirement System, where applicable, contain the words "peace officer, correctional officer, or fireman".

We respectfully request your committee put a due pass on this bill and then support it through the rest of the legislative procedure to become law.

Mr. Chairman, for your information and that of your committee, I understand, subject to being corrected, that there are about six employees in State employment who would be benefited by this bill. Since they individually would have to make contributions to the retirement system for such service, there would be no expense to the State at this time.

Thank you, Mr. Chairman and members of the committee for allowing us this time out of your busy schedule to testify in support of this bill.

4-9-81
Fred Mueller

COMPARISONS

	PERS		TRS
Employee Contributions	4 1/4%		7%
Employer Contributions	13.66% (3/4)		15.74% (State pays half) (2/3)
Earnings on Contributions	4 1/2%		4 1/2%
Other Creditable Service	Military (5 yr max), Territorial (No max) & Certain Temporary (No max)	≠	Outside Service (10 yr max)*, Military (5 yr max)*, Alaska BIA (15 or 5 yr max)* & Territorial (5 yr max) NOW ON FULL ACTUARIAL COST MAX 15 yrs TOT
Salary Used to Compute Indebtedness for Military	5th Year Salary**	≠	Entrance Salary
Vest (Membership Service)	5 Years (paid-up)	≠	8 Years (paid-up)(can be 3 yrs BIA)
Retirement Age	50 Early & 55 Normal Exceptions: (1) 20 yrs Peace Officers-any age (2) 30 yrs PERS-any age	=	50 Early & 55 Normal Exceptions: (1) 20 yrs membership service-any age (2) 25 yrs combined membership and outside service-any age
Benefit Formula	2% x Years of Service***	=	2% x Years of Service
Benefit is Based on a % of	Average of Three Highest Consecutive Calendar Years	≈	Average of the Three Highest Contract Salaries
Additional Benefits	Free Medical (80%) plus Optional Audio-Dental-Visual	=	Free Medical (80%) plus Optional Audio-Dental-Visual
Cost of Living Adjustments	Ad Hoc PRPA's (max 4%)	=	Ad Hoc PRPA's (max 4%)
Year of Service Credit	365 Days	≈	172 Days
Funded	Actuarially	=	Actuarially

* Total of these cannot exceed 15 years

** Must be vested to claim

*** Peace officers receive 2½% x all service over 10 years

	PERS	TRS
Number of People on Retirement	2,688	1,374
Average Monthly Benefit	$620.00	$1130.00
Eligibility for Disability	5 Years of Membership	1 School Year (172 Days)
Reduced Benefits for Indebtedness	Yes	Yes
Credit for Unused Sick Leave	No	Yes
Survivor Benefits	75, 66, 50% with a reduced benefit	Pay 1% of earnings--full benefit and spouse receives 50%

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill 262
Title Alaska National Guard and Naval Militia Benefits
Requested by Senators Bradley, Hohman, and Kelley Date April 13, 1981

II. FISCAL DETAIL
Agency Affected Administration, Division of Retirement and Military Affairs
Program Category Affected Public Protection
BRU, Program, or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.	N/A	9.0	13.5	18.0	22.5	22.5
	TOTAL		9.0	13.5	18.0	22.5	22.5

FUNDING (Thousands of Dollars)

GENERAL FUND		9.0	13.5	18.0	22.5	22.5
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

(Section 7 only)

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

Total tuition, fees, and books is $900.00 per year, per student. Assuming 10 students the first year and 5 additional students each year for the next 3 years. Then sustain 25 students per year there after.

IV. DATE 13 Apr 1981 PREPARED BY LTC Henry A. Compton
AGENCY Military Affairs
PHONE 243-0656

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

33-001 (Rev. 12/80

SENATE STATE AFFAIRS COMMITTEE SCHEDULE . 4-8-81

THURSDAY APRIL 9 BEHRENDS BUILDING, FIRST FLOOR
1:30 p.m.

WED eve

Terry Cramer
Cherie Shelley

SENATE BILL 121---Hearing
"An Act authorizing credited service under the public employees' retirement system for certain fireman."

Fred Muller
John Logan

SENATE BILL 143---Hearing
"An Act allowing retirement credit for the unused sick leave of an employee of a political subdivision or public organization participating in the public employees' retirement system."

Merritt Olson (Retirement Bd. SB 195, 360, 361)

SENATE BILL 195---Hearing
"An Act limiting the adjustment of retirement benefits; and providing for an effective date."

Col. Compton SSSB 262

SENATE BILL 196---Hearing
"An Act relating to the membership of the Public Employees Retirement Board."

SENATE BILL 197---Hearing
"An Act applying the Administrative Procedures Act (AS 44.62) to the adoption of regulations by state retirement systems."

SB 262 Nat'l Guard

Charlie Smith (Guardsman SSSB 262)

SENATE BILL 356---Hearing
"An Act relating to temporary service credit with the public employees' retirement system; and providing for an effective date."

Bob Cooksey (NEA SB 195, 394, SSB 262)

SENATE BILL 360----Hearing
"An Act relating to the investment of the public employees' and teachers' retirement funds; and providing for an effective date."

SENATE BILL 361----Hearing
"An Act making a special appropriation to the Dept. of Administration for payment of liabilities of the public employees' and teachers' retirement funds; and providing for an effective date."

SENATE BILL 262-(Sponsor Substitute)---Hearing
"An Act relating to the Alaska National Guard and Alaska Naval Militia; and providing for an effective date."

SENATE BILL 394---Hearing
"An Act allowing service credit under the teachers' retirement system for service in the Peace Corps."

SB 400---hearing-Marine-Transp.

SATURDAY APRIL 11 102 CAPITOL
9:00 -- 1:30

HEARINGS ON THE STATUS OF SCIENCE AND TECHNOLOGY IN ALASKA BEFORE THE HOUSE AND SENATE STATE AFFAIRS COMMITTEES.

IF YOU HAVE QUESTIONS PLEASE CALL SENATOR FISCHER'S OFFICE (465-4954, 4955). THANK YOU.

SB 402 - active military service

Tom Williams + Sen Parr + Sen Stevens + Cherie Nienhuis + Fred Muller
Dave Rose SENATE STATE AFFAIRS COMMITTEE SCHEDULE SB 143 360-61
Terry Cramer APRIL 6 -- APRIL 12 (Ken Thompkins) Jack Logan

TUESDAY April 7
1:30 p.m.

SENATE BILL 121---Hearing
"An Act authorizing credited service under the public employees' retirement system for certain firemen."

Sen. Parr
SENATE BILL 143---Hearing
"An Act allowing retirement credit for the unused sick leave of an employee of a political subdivision or public organization participating in the public employees' retirement system."

SENATE BILL 195---Hearing
"An Act limiting the adjustment of retirement benefits; and providing for an effective date."

SENATE BILL 196---Hearing
"An Act relating to the membership of the Public Employees Retirement Board."

SENATE BILL 197---Hearing
"An Act applying the Administrative Procedures Act (AS 44.62) to the adoption of regulations by state retirement systems."

SENATE BILL 356---Hearing
"An Act relating to temporary service credit with the public employees' retirement system; and providing for an effective date."

SENATE BILL 360----Hearing
"An Act relating to the investment of the public employees' and teachers' retirement funds; and providing for an effective date."
Hold Time w/ Governor?

SENATE BILL 361----Hearing
"An Act making a special appropriation to the Dept. of Administration for payment of liabilities of the public employees' and teachers' retirement funds; and providing for an effective date."
SB 394 - Peace Corps.

TUESDAY
7:00 p.m.***** SENATE BILL 373---Hearing
"An Act making a supplemental appropriation to the Dept. of Public Safety to pay Bristol Bay charter and operations costs; and providing for an effective date."

THURSDAY April 9
1:30 p.m.

RETIREMENT PACKAGE AS LISTED FOR APRIL 7: SB 121, SB 143, SB 195, SB 196, SB 197, SB 356, SB 360&361

SATURDAY April 11
9:00 a.m.---1:00 p.m.

HEARINGS ON THE ROLE AND STATUS OF SCIENCE AND TECHNOLOGY IN ALASKA BEFORE THE SENATE AND HOUSE STATE AFFAIRS COMMITTEES. TO BE CONDUCTED IN HOUSE STATE AFFAIRS, 102 CAP.

ALL HEARINGS WILL BE CONDUCTED IN THE SENATE STATE AFFAIRS COMMITTEE ROOM, BEHRENDS BLDG., FIRST FLOOR. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SENATOR FISCHER'S OFFICE (465-4954). THANK YOU.

SENATE STATE AFFAIRS

COMMITTEE SCHEDULE

4/11---4/17

SATURDAY APRIL 11
9:00 a.m. -- 1:30 p.m.

Hearings on the status of science and technology in Alaska before the House and Senate State Affairs Committees.
102 CAPITOL

TUESDAY APRIL 14
1:30 p.m.

SB 362---Hearing
Supplemental appropriation to Office of the Governor, State Commission for Human Rights

SB 405---Hearing
Special appropriation DOE, Alaska State Council on the Arts, for grants for Alaska culture and arts programs and projects

SB 408---Hearing
Relating to the Alaska State Housing Authority

SB 409---Hearing
Directing Dept. of Community and Regional Affairs to conduct a study of housing needs

SB 410---Hearing
Special appropriation to C & RA for housing study

The committee will also take up previously considered housing bills SB 231, 232, 234, 235, 311, & 312 concerning housing for senior citizens, families and the handicapped

TUESDAY APRIL 14
7:00 p.m.

Continuation of hearings on retirement legislation

SB 121---Credited service under PERS for certain firemen

SB 143---Retirement credit for unused sick leave PERS

SB 195---Limiting adjustment of retirement benefits

SB 196---Relating to membership of Public Employees Retirement Board

SB 197---Applying Administrative Procedures Act to adoption of regulations by state retirement systems

STATE AFFAIRS SCHEDULE

TUESDAY APRIL 14
7:00 p.m. (continued from page 1)

SB 356---Temporary service credit under PERS

SB 360---Investment of PERS and TRS retirement funds

SB 361---Special appropriation for payment of liabilities of PERS and TRS

SSSB 262-Relating to Alaska National Guard and Alaska Naval Militia

SB 394---Service credit under TRS for Peace Corps service

SB 400---Relating to retirement credit for service with Dept. of Marine Transportation under PERS

SB 402---Relating to credited service under PERS for active military service

THURSDAY APRIL 16
1:00 p.m. - 3:00 p.m.

HEARING: ALL SITES TELECONFERENCE ON LOCAL AND MINORITY BIDDERS' PREFERENCE AND CONTRACTORS BONDING

SB 414---Establishing a surety bonding corporation for small contractors

SB 415---Local and minority bidders' preference

SB 45 ---Bonds of contractors for public buildings or works

SENATOR TIM KELLY, CHAIRMAN
SENATOR ED DANKWORTH, VICE-CHAIRMAN
SENATOR JALMAR KERTTULA
SENATOR ROBERT ZIEGLER
SENATOR FRANK FERGUSON

ALASKA STATE SENATE

VICTOR

POUCH V
JUNEAU, ALASKA 99811
(907) 465-3770
(907) 465-3822

RULES COMMITTEE

SB 121

TO: All Senators

FROM: Senator Kelly TK
Senate Rules

DATE: May 6, 1981

RE: CSSB 121 (Rules)

Attached is a sectional analysis of CSSB 121 (Rules), which is on the Senate Calendar for tomorrow, May 7.

5-6-82

SECTIONAL ANALYSIS OF CS FOR SENATE BILL 121 (~~Finance~~ Rules)

Sections 1-3 would amend AS 14.25.020, 14.25.022, and 14.25.035 to state clearly the role of the Teachers' Retirement Board in the adoption and promulgation of regulations. The change makes the role of the TRS Board in this area identical to that of the Public Employees' Retirement Board. Under the existing language, the system administrator functions in this capacity without any clear mandate that he consult the Board.

Sections 4, 13-14 and 17-19 would alter the death/survivor benefit provisions of the TRS. Specifically, the supplemental contributions provision would be eliminated for all teachers hired on or after July 1, 1982, open enrollment for the supplemental contributions provision would be eliminated, and equitable occupational and non- occupational death benefits and joint and survivor options, such as currently exist in the PERS, would be created. The change works no impairment of accrued rights since it affects only those who first join the system on or after July 1, 1982. In addition, Section 19 creates a procedure for the designation of beneficiaries under the TRS which is identical to that in the PERS. This should substantially reduce uncertainty as to entitlement in the event of the death of a member.

Section 5 would amend the manner of discharging indebtedness under the TRS to bring it into conformity with the PERS.

Sections 6 and 59 would ensure that, in accordance with the Alaska Constitution, accrued benefits under the TRS and PERS may not be diminished by claiming service credit.

Section 7 would bring the statutes into conformity with current practice. The sentence in question was inadvertently omitted when the TRS statutes were amended by Chapter 13, SLA 1980.

Section 8 corrects statutory references. These references should have been changed at the time the TRS statutes were amended by Chapter 13, SLA 1980.

Section 9 would amend the provisions for Conditional Service Retirement Benefits to allow a member (1) to use his PERS salary if it is higher than his TRS salary, and (2) to figure his conditional service benefit based on all credited service rather than just membership service.

Section 10 would amend AS 14.25.130(a) to streamline the disability retirement application procedure. It provides a definite starting point in the procedure by setting as the first step the termination of employment due to the disability. Additionally, it resolves an existing inequity wherein a member has enough years of membership service to qualify for disability but is over 55 and does not qualify

for normal retirement. Under present law, such an individual would be in a "Catch-22" situation -- disabled and unable to work, but needing to work to gain the necessary credit to qualify for normal retirement and being too old to qualify for disability.

Sections 11 and 53 would correct drafting errors in AS 14.25.143(b) and AS 39.35.475(b) committed two years ago. In the ceiling formula for pension adjustments, it changes "greater" to "lesser." This is not a substantive change in the law since it has always been within the administrator's discretion to grant as small an increase as fiscal prudence dictates.

Sections 12 and 25 would amend the refund provisions of the TRS to conform with current practice and allow for the refunding of interest paid on an indebtedness. "Member contribution account" is defined to include all of the other accounts.

Section 15 would amend AS 14.25.160(b)(1) to agree with the changes in Sections 12 and 25 of this bill.

Section 16 would eliminate an existing inequity by amending AS 14.25.162(b)(1) to allow a dependent child to interrupt his schooling without permanently losing his survivor's allowance payment.

Sections 20, 30, and 58 would conform the statutes to the longstanding practice of providing major medical insurance coverage to spouses and dependent children of retirees, as well as retirees themselves in the TRS, the PERS and the contributory and noncontributory Judicial Retirement Systems.

Section 21 adds the appropriate statutory references to AS 14.25.169 to be in agreement with the death/survivor benefit changes in Sections 4, 13-14 and 17-19 of this bill. In addition, Section 21 puts into law three previously unwritten principles of equity which have been at the heart of the TRS since its inception: a teacher may not receive 1) duplicate TRS credit for the same period of service; 2) more than one year of credit during a school year; or 3) benefits while accruing service credit except as provided in AS 14.25.169.

Sections 22 and 56 amend AS 14.25.175(a) and AS 39.35.522(a), respectively, to eliminate arbitrary, potentially detrimental requirements which must be met by persons wishing to appeal before the TRS or PERS Board.

Sections 23 and 64 would clarify what is and is not included in "compensation" for purposes of retirement in the TRS and PERS. This language is consistent with longstanding practice and does not constitute a change.

Section 24 expands the definition of "credited service" to include "territorial employment" as provided under AS 14.25.105 which should have been done in 1980 when AS 14.25.105 was passed.

Section 26 defines "territorial employment" as it is used in Section 24.

Section 27 exempts insurance premiums paid by the State from the tax levied under AS 21.09.210. This does not have any ultimate fiscal impact since the premium taxes are passed on. It will serve to increase competition among insurance carriers.

Sections 28, 29, 33 and 34 would add new sections to AS 22.25 and AS 26.05. The sections, which should have been added when the statutes were amended by Chapter 146, SLA 1980, set up accounting systems for the Judicial Retirement System and the Alaska National Guard Retirement System which are now on an actuarially funded basis. The sections are modeled after the one in place in the PERS, AS 39.35.100. The money in the funds may be invested in the same manner as money in the PERS, AS 39.35.110.

Sections 31 and 32 would change the title of the Alaska National Guard Retirement System to the Alaska National Guard and Alaska Naval Militia Retirement System.

Section 35 would clarify the direction in AS 39.30 to the Department of Administration to include retired persons in the group insurance program. Also clarifies AS 39.30.090(9) in two respects: first, it deletes the provision for major medical insurance coverage for retirees since such coverage is now provided elsewhere; second, it provides that retirees under age 65 may continue the life insurance they have in force at the time of termination of their employment.

Section 36 would create a group insurance fund. It is included at the urging of the State's benefit consultants. The existence of a fund will provide the flexibility needed to negotiate for and procure more favorable terms from insurance companies. Our consultants inform us that such added flexibility has led to substantial savings in other systems. Any surplus in the fund may be invested by the Commissioner of Revenue under AS 39.35.110.

Section 37 accomplishes a badly needed reform of disability evaluation procedures by creating an expert board to evaluate claims and the claimant's ability to perform other work.

Section 38 removes outdated, irrelevant language from the PERS statutes.

Sections 39 and 40 would make minor changes in AS 39.35.100. The first change recognizes that actuarial calculations and transfers from individual retirement accounts to the retirement reserve account can be accomplished more effectively on an aggregate, annual basis. This will not delay the actual payment of benefits to retirees. The second change allocates a portion of the investment income to the reserve account. This is considered appropriate since a substantial portion of the principal invested comes from the reserve account.

Sections 41, 62, 63 and 66 would amend the refund provisions of the PERS to allow for the refunding of interest paid on an indebtedness. In addition, Section 41 would also amend AS 39.35.200(b) to eliminate a "Catch-22" situation. Currently, persons who terminate their employment having less than five years credited service and less than $1,000 in their employee account must be given a refund of retirement contributions even if they intend to retire later; when they do retire at a later date, they must repay the refunded contributions with interest. This proposed change would allow the employee the option of leaving the employee contributions in the individual account.

Section 42 would entitle an additional group of surviving spouses to an increased benefit based on the deceased spouse's military service. Currently, surviving spouses receiving a monthly benefit from the system under AS 39.35.440 or 39.35.450 are entitled to this additional benefit. However, surviving spouses of members who die as a proximate result of an injury sustained or a hazard undergone while on the job (AS 39.35.430) are not. This section would correct this oversight and extend the additional benefit to this group of surviving spouses.

Section 43 would amend AS 39.35.350(c) to bring it into conformity with the rest of the PERS statutes regarding the manner of discharging an indebtedness.

Section 44 allows vested PERS members to receive credit for their employment as a fireman with a participating political subdivision after January 1, 1961.

Section 45 clarifies AS 39.35.360(b) to ensure that pre-1961 service credit is granted free of charge only to those employees who quality under AS 39.35.360(a). This is consistent with current practice.

Section 46 clarifies AS 39.35.385 to ensure that the provision allowing reinstatement without reemployment applies only to paragraphs (a) and (b) and not to, for example, paragraph (f) which was added after the fact. This is not viewed as a substantive change.

Section 47 would amend Conditional Service Retirement Benefits to allow a member to use his TRS salary if it is higher than his PERS salary.

Sections 48-50 would clarify the entitlement to death benefits when there is no surviving spouse or when a beneficiary other than the spouse has been designated. It would provide for the benefit to be paid to the deceased member's designated beneficiary. In addition, Section 48 would change the benefit reference in AS 39.35.420(b) because the description of the benefit is now found in subsection (c) of the section instead of in subsection (a). The amount of the benefit is not changed.

Section 51 would conform AS 39.35.440(b) to division practice. As the

current law reads, a surviving spouse of a deceased, disabled employee is entitled to a benefit equal to 40 percent of the decedent's monthly compensation. It was not anyone's intent that the surviving spouse receive 40 percent of the relatively low disability benefit; it was intended that the surviving spouse receive 40 percent of the decedent's compensation before the disability. The amendment clarifies this. Section 51 would also provide for the disposition of death benefits in the event that a deceased member has no surviving spouse or dependent children, in which case a death benefit is paid to the designated beneficiary.

Section 52 would clarify the administration of the level income option under AS 39.35.460. In practice, it is not possible to predict exactly the amount of the eventual social security benefit or to make the income precisely level.

Section 54 removes outdated statutory references from AS 39.35.485(a) and adds appropriate statutory references to bring the law into conformity with current practice. This is not viewed as a substantive change.

Section 55 updates incomplete statutory references; the designation of a beneficiary or beneficiaries is applicable to all benefits throughout the chapter.

Section 57 puts into law three previously unwritten principles of equity which have been at the heart of the PERS since its inception: an employee may not receive 1) duplicate PERS credit for the same period of service; 2) more than one year of credit during a calendar year; or 3) benefits while accruing service credit except as provided in AS 39.35.530.

Section 60 would delete from AS 39.35.560 a definitional reference to "public organization." That term is now defined in Section 69 of this bill, AS 39.35.680(39).

Section 61 amends AS 39.35.615(a) to codify the procedure for amendment of participation agreements with political subdivisions. Its terms are consistent with the opinion of the Attorney General that, since the original participation agreement must be endorsed by the governing body of the political subdivision, amendments to it must also be approved by that body.

Section 65 clarifies the definition of "early retirement" and includes the appropriate statutory references.

Section 67 excludes EPORS members from membership in the PERS.

Section 68 clarifies the definition of "normal retirement" and includes the appropriate statutory references.

Section 69 defines "public organization."

(Contents of HB 862)

Section 70 - would allow up to 10 people (the # who would qualify) to draw their spouses benefits.

Section 71 repeals obsolete laws.

Section 72 provides an effective date.

Prepared by the Division of Retirement & Benefits

Alaska Fire Chiefs' Association

RESOLUTION #80-13

WHEREAS: The Public Employees Retirement System provides that certain territorial and municipal employees receive credited time for the years employed by the territory or municipalities prior to Statehood, and

WHEREAS: Firefighters have been inequitably excluded from this service credit while Public Health Service Officers, employees of the U.S. District Court and U.S. Commissioners Court, U.S. Marshal's, U.S. Deputy Marshals, CAA security guards, U.S. Corps of Engineers security guards, employees of Alaska jail system of the U.S. Department of Justice, CAA radio operators and heavy equipment operators, employees of the U.S. Fish and Wildlife Service, employees of the Alaska Road Commission and Bureau of Public Roads, employees of ACS and peace officers of the territory, or of a political subdivision of the territory, who are employees of the state or a participating political subdivision of the state on July 1, 1978, U.S. Corps of Engineers Civil Service personnel and U.S. Navy Civil Service personnel all receive credit for employment rendered to the State and former Territory of Alaska before January 1, 1961, now therefore be it

RESOLVED: That this membership go on record as stating that municipal firefighters, employed by the territory or subdivision thereof prior to January 1, 1961, should receive credit for such time served under the provisions of the Public Employees Retirement System.

APPROVED IN CONFERENCE
October 31, 1980

PRESIDENT

LAWS OF ALASKA

1980

Source

FCCSSB 26

Chapter No.

146

AN ACT

Relating to public employee benefit programs; amending the duties of the Public Employees Retirement Board; relating to earlier service credit under the teachers' retirement system and the public employees' retirement system; establishing minimum retirement benefits; relating to participation in the state program of supplemental employee benefits; relating to the deferred compensation program; repealing the Legislative Board of Retirement Benefits; creating the Alaska National Guard retirement system; relating to the judicial retirement system; increasing the benefits paid under the territorial public employees' retirement system; relating to retirement benefit eligibility for disabled peace officers and firemen; relating to retirement benefits of the administrative director of courts; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 23

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: June 30, 1980
Actual Effective Date: Sections 1, 3 - 7, 18, 19, 22, 24 - 26, 29 - 34, 37, 38, 40, 43, 44(2) and (3), 45 and 47 - 57 take effect July 1, 1980 with section 43 retroactive to January 1, 1978; sections 16, 17, 20, 21, 23 and 39 take effect September 28, 1980 and are retroactive to January 1, 1980; sections 2, 27, 28, 35, 36, 41, 44(1) take effect January 1, 1981; sections 8 - 15 and 42 take effect July 1, 1981.

1621 West 15th Avenue
Anchorage, Alaska 99501
March 6, 1981

The Honorable Thelma Buchholdt
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Buchholdt:

I am writing in reference to Senate Bill 121 by Ray.

I support the concept of granting firemen the same credit for prior service with municipalities that is already granted to peace officers and correctional officers.

However, under the amendments in this bill, those of us who served with municipal fire departments prior to January 1, 1961, still are unable to receive credit for time served.

I served with the City of Anchorage as a fireman and officer from April 6, 1953 until September 15, 1959, and would like to have the January 1, 1961 date on line 17 of SB 121 moved back to at least April 6, 1953, so the time I served could be credited to my retirement. I would otherwise qualify under AS 39.35.360(a), having served as State Fire Marshal from September 15, 1959 until October 3, 1967, and as Fire Protection Engineer for the Division of Fire Prevention from March 26, 1975 until December 31, 1980.

When the Fire Marshal Office was established, all firemen were required to assist the State Fire Marshal in enforcing the State Fire Safety Code without compensation from the state, as the word "shall" was used, making it mandatory for those of us serving on municipal fire departments to do so.

Sincerely,

Robert F. Crouse

Robert F. Crouse

cc: Ronald A. Hendrie
State Fire Marshal

Introduced: 1/30/81
Referred: State Affairs and Finance

IN THE SENATE BY RAY

SENATE BILL NO. 121

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act authorizing credited service under the public employees' retirement system for certain firemen."

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

* Section 1. AS 39.35.360(a) is amended to read:

(a) An employee employed before January 1, 1980, who completes three years of credited service with the state after January 1, 1961, for which the employee makes contributions required by this chapter is entitled to credited service for service rendered (1) before January 1, 1961, as an employee of the state and former Territory of Alaska; (2) before January 1, 1961, as an employee of the United States government in Alaska, excluding service in the armed forces of the United States; or (3) after January 1, 1961, as a peace officer, [OR] correctional officer, or fireman of a participating political subdivision of the state if the employee is vested and is an active peace officer, correctional officer, or fireman in the system as of July 1, 1980. The retirement benefits payable to an employee under this section shall be reduced by the amount of the retirement pension benefits paid to him by the United States government for the same period of service.

State rather than municipality picks up liability
There is a procedure
Admin. - there's mechanism to bring them in
if municipality pays ← NO

Alaska Fire Chiefs' Association



TELECONFERENCE TESTIMONY 10-12-81:

The Alaska Fire Chief's Assn became aware of a problem in the PERS at the 1980 conference in Juneau.

One of our members made note that there had been a change made in the Police/Fire section of PERS wherein various police officers were allowed PERS credit for pre-statehood service. Obviously this was of concern to our members.

The Assn passed a unanimous resolution to work toward a change or an amendment to the Act to also include members of the fire service that had served the State in the pre-statehood days. Since the retirement system serves both the police and fire officers of the state, our members were sure that the makers of the 1980 changes left the fire service members out through an oversight only.

This oversight was pointed out to Senator Ray, who sponsored the 1980 change, and he agreed to sponsor the bill to include firefighters -- the result was SB 121.

The only change to the 1980 bill was the inclusion of the words "or fireman" in two places where those people qualified were listed. The 1980 Bill was not changed or amended in any other way.

Our Assn feels very strongly that the legislature agrees that the members of the fire service in Alaska are an important part of the protection services of this State, and are certainly equally entitled to the provisions of the police/fire retirement sections of PERS.

To do otherwise would relegate firemen to a lesser class of employee than the others in the PERS police/fire section. I'm sure that this is not now, or ever in the past, the intent of the Alaska legislature.

If there are any questions that I can answer at this time I will be happy to do so, and as always, our Association places itself at your disposal for assistance, advise, or resource, in this or any other fire and life safety matter.

JAMES R. EVANS, President

TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 121

Title An Act Authorizing Credited Service Under PERS for Certain Firemen

Requested by Senator Vic Fischer Date

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits

Program Category Affected Labor Services

BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 (PERS)

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

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	STATE TRS MATCHING						
100	BENEFITS	-0-	16.9	18.6	20.4	22.5	24.7
	TOTAL	-0-	16.9	18.6	20.4	22.5	24.7

FUNDING (Thousands of Dollars)

GENERAL FUND		13.9	15.2	16.7	18.4	20.2
FEDERAL FUNDS		.8	.9	.9	1.0	1.1
VETERAN'S FUND		.1	.1	.1	.1	.1
FISH & GAME FUND		.1	.1	.1	.1	.1
HIGHWAY FUND		.2	.2	.3	.3	.3
AIRPORT FUND		.5	.5	.6	.7	.7
CAPITAL FUND		1.4	1.5	1.7	1.9	2.1
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. Estimate that approximately 18 members could qualify for benefits under this bill.

2. Estimate that these members will receive an average of two years additional service credit under this bill.

3. Estimate FY 82 State covered payroll to be $296,614,000; increasing 10% annually.

4. Increase in State contribution rate would be .0057% of covered payroll.

IV. DATE April 7, 1981 PREPARED BY: Paul B. Arnold, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Senator Ray

Office of the Governor (Keith Specking)

From Dep-Comm Fred Muller 4-14-81

The State Affairs Committee considered SENATE BILL NO. 168 (relating to earlier service retirement credit for territorial employees) and recommends it be replaced with COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 168 and reports it back as follows: Senator Mulcahy, Chairman and Senators Ziegler, Kelly, Bradley and Rodey signed "do pass". The Committee further attaches a letter of intent. SB 168

SENATE BILL NO. 168 was referred to the Finance Committee.

Letter of intent accompanying SENATE BILL NO. 168 follows:

SB 121

FOR SENATE BILL NO. 168

AS 39.35.360 provides that State employees may receive credited service in the Public Employees' Retirement System (PERS) for periods of employment prior to 1961 with the Territory of Alaska; however, it further provides that service in a variety of employment categories, primarily with federal agencies, may also be credited. Inasmuch as the employees receive this service credit for free because no contributions of any type are required, the cost of providing benefits which are derived from this service must be borne entirely by additional State funds paid into the PERS.

AS 39.35.010 states that the purpose of the PERS is to encourage qualified personnel to enter and remain in the service of the State. To fulfill the purpose of the PERS as established by the Legislature, this committee believes that any proposed modifications to the PERS which would increase costs to the State must be based on a demonstrated need to recruit or retain personnel, which would be served by amending the law. The members of this committee feel that after nearly twenty years of statehood, little, if any, need remains to recruit personnel from the pre-statehood era; most of those choosing to pursue a public service career are already in the employ of the State or local government. Permitting the crediting of additional service in the PERS, particularily at no cost to the employee, only encourages employees to retire earlier than they otherwise would.

Therefore, it is the intent of the Senate State Affairs Committee that, following the enactment of SB 168 and SB 174, there be no further amendments to AS 39.35.360 which would have the effect of allowing service with agencies or in employment categories, other than those

SB 168 already enumerated therein, to be credited under the Public Employees' Retirement System. It is the determination of this Committee that the purpose of the chapter as stated in AS 39.35.010 will not be served by other agencies or employment categories being added to Sec. 360 by subsequent amendment.

Senator Bob Mulcahy, Chairman
Senate State Affairs Committee

Senator Tim Kelly, Vice-Chairman
Senate State Affairs Committee

Senator W. E. "Brad" Bradley, Member
Senate State Affairs Committee

Senator Patrick Rocey, Member
Senate State Affairs Committee

Senator Robert Ziegler, Member
Senate State Affairs Committee

SB 202 The Commerce Committee considered SENATE BILL NO. 202 (special appropriation from the International Airports Construction Fund to the Fairbanks International Airport) and reports it back as follows: Senator Bradley, Chairman and Senators Kelly, Stimson and Sturgulewski signed "do pass". The Committee further attaches a letter of intent.

SENATE BILL NO. 202 was referred to the Finance Committee.

Letter of intent accompanying SENATE BILL NO. 202 follows:

LETTER OF INTENT

The Senate Commerce Committee has considered Senate Bill No. 202, "An Act making a special appropriation from the International Airports Construction Fund to the Fairbanks International Airport; and providing for an effective date," and a majority of the Committee reports it back with a recommendation of "Do Pass" with the following intent:

Alaska Fire Chiefs Association
1140 Airport Heights Rd.
Anchorage, Alaska 99504

SB 121



January 11, 1981

Senator Bill Ray
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Ray:

During the 1980 legislative session various changes were made in the Public Employees Retirement Law. These changes, briefly, were to assure that certain people who worked in Public Safety before statehood were credited with the pre-statehood service-time.

As I'm sure you are aware the Public Employees Retirement Law also covers persons working for the various parts of the Fire Service of Alaska. However, the 1980 changes speak only to various police and correctional type officers, totally forgetting about the people who worked in the Fire Service.

I am sure that this was merely an oversight on the part of those who wrote the new language for the law.

The Alaska Fire Chief's Association took note of this oversight at our annual conference in Juneau, and passed a Resolution to effect correction during the 1981 legislature. I have attached a copy of our Resolution, as well as the 1980 changes. I have also taken the liberty to enclose a draft of a proposed amendment to FCCSSB 26, Chapter 146, Laws of Alaska, 1980, to reflect our Association's suggested changes.

I know that you have always supported fair treatment of all of the public officers of this State, and I felt that you would be the proper sponsor of these changes.

If you have any questions regarding this proposal please feel free to contact me at anytime at my office, 278-4413, or at home, 337-1681.

Thank you in advance for your consideration, and best wishes for a totally productive 1981 session.

Respectfully yours,

JAMES R. EVANS
President

Alaska Fire Chiefs' Association

RESOLUTION #80-13

WHEREAS: The Public Employees Retirement System provides that certain territorial and municipal employees receive credited time for the years employed by the territory or municipalities prior to Statehood, and

WHEREAS: Firefighters have been inequitably excluded from this service credit while Public Health Service Officers, employees of the U.S. District Court and U.S. Commissioners Court, U.S. Marshal's, U.S. Deputy Marshals, CAA security guards, U.S. Corps of Engineers security guards, employees of Alaska jail system of the U.S. Department of Justice, CAA radio operators and heavy equipment operators, employees of the U.S. Fish and Wildlife Service, employees of the Alaska Road Commission and Bureau of Public Roads, employees of ACS and peace officers of the territory, or of a political subdivision of the territory, who are employees of the state or a participating political subdivision of the state on July 1, 1978, U.S. Corps of Engineers Civil Service personnel and U.S. Navy Civil Service personnel all receive credit for employment rendered to the State and former Territory of Alaska before January 1, 1961, now therefore be it

RESOLVED: That this membership go on record as stating that municipal firefighters, employed by the territory or subdivision thereof prior to January 1, 1961, should receive credit for such time served under the provisions of the Public Employees Retirement System.

APPROVED IN CONFERENCE
October 31, 1980

PRESIDENT

LAWS OF ALASKA

1980

Source

FCCSSB 26

Chapter No.

146

AN ACT

Relating to public employee benefit programs; amending the duties of the Public Employees Retirement Board; relating to earlier service credit under the teachers' retirement system and the public employees' retirement system; establishing minimum retirement benefits; relating to participation in the state program of supplemental employee benefits; relating to the deferred compensation program; repealing the Legislative Board of Retirement Benefits; creating the Alaska National Guard retirement system; relating to the judicial retirement system; increasing the benefits paid under the territorial public employees' retirement system; relating to retirement benefit eligibility for disabled peace officers and firemen; relating to retirement benefits of the administrative director of courts; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 23

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: June 30, 1980
Actual Effective Date: Sections 1, 3 - 7, 18, 19, 22, 24 - 26, 29 - 34, 37, 38, 40, 43, 44(2) and (3), 45 and 47 - 57 take effect July 1, 1980 with section 43 retroactive to January 1, 1978; sections 16, 17, 20, 21, 23 and 39 take effect September 28, 1980 and are retroactive to January 1, 1980; sections 2, 27, 28, 35, 36, 41, 44(1) take effect January 1, 1981; sections 8 - 15 and 42 take effect July 1, 1981.

(2) any contributions for services as administrative director refunded to him by the system at the time he became a member of the judicial retirement system.

* Sec. 31. AS 39.35.360(a) is repealed and re-enacted to read:

(a) An employee employed before January 1, 1980, who completes three years of credited service with the state after January 1, 1961, for which the employee makes contributions required by this chapter is entitled to credited service for service rendered (1) before January 1, 1961, as an employee of the State and former Territory of Alaska; (2) before January 1, 1961, as an employee of the United States government in Alaska, excluding service in the armed forces of the United States; or (3) after January 1, 196[illegible], as a peace officer or correctional officer of a participating political subdivision of the state if the employee is vested and is an active peace officer in the system as of July 1, 1980. The retirement benefits payable to an employee under this section shall be reduced by the amount of the retirement pension benefits paid to him by the United States government for the same period of service.

* Sec. 32. AS 39.35.360 is amended by adding a new subsection to read:

(h) An employee of the state is eligible to receive credited service as provided under AS 39.35.300(b) for service rendered as a permanent part-time employee before January 1 1976. To receive retroactive credited service under this subsection, the employee must claim the service before July 1, 1981. When the employee claims retro[illegible]e credited service, an indebtedness of the employee to the syst[illegible] be established. The amount of this indebtedness is equal to the contributions the employee would have made if he had been eligible for membership in the system. The rate used to calculate the contributions may not be less than the rate in effect on January 1, 1961. Interest as prescribed by regulation accrues on the indebtedness beginning July 1, 1981. Any

PROPOSED AMMENDMENT TO FCCSSB 26, CHAPTER 146, LAWS OF ALASKA, 1980

Ammended to read as follows:

Sec. 31. AS 39.35.360(a) is repealed and re-enacted to read:

(a) An employee employed before January 1, 1980, who complete three years of credited service with the state after January 1, 1961, for wnich the employee makes contributions required by this chapter is entitled to credited service for service rendered (1) before January 1, 1961, as an employee of the State and former Territory of Alaska (2) before January 1, 1961, as an employee of the United States government in Alaska, excluding service in the armed forces of the United States; or (3) after January 1, 1961, as a peace officer, correctional officer or fireman of a participating political subdivision of the state if the employee is vested and is an active peace officer, correctional officer or fireman in the system as of July 1, 1980. The retirement benefits payable to an employee under this section shall be reduced by the amount of the retirement pension benefits paid to him by the United States government for the same period of service.

NOTE: Underlined text indicates proposed ammendment to Section 31 to include firemen.

It might be well to request a major revision of the entire reference to "firemen" in the text of Part II of the Alaska Public Employees' Retirement System (that is the special provisions for Peace Officers and Firemen) to reflect the more appropriate term "firefighter".

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

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

3-11-82

Official Business

SENATE STATE AFFAIRS CALENDAR

TUESDAY
Mar. 16
1:30 pm

HCR 50	Girls' State
HCR 57	Boys' State
HJR 30	Military Maneuvers on State Land
HB 154	APOC/Financial Disclosure
SB 183	APOC/exempt physicians/Financial disclosure
SJR 80	National Policy in the Arctic

THURSDAY
Mar. 18
1:30 pm

BILLS IN STATE AFFAIRS DEALING WITH RETIREMENT

SB 121, SB 143, SB 195, SB 296, SB 297, SB 362, SB 356, SB 360, SB 361, SB 394, SB 402, SB 471, SB 472, SB 537, SB 568, SB 589, SB 827

COMMITTEE MEETINGS WILL BE CONDUCTED IN ROOM 423 CAPITOL

Ph: 465-2200

November 19, 1981

Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Alaska State Legislature
221 East Seventh Avenue #204
Anchorage, AK 99501

Dear Senator Fischer:

This is in response to your request to John A. Logan, Deputy Director of the Division of Retirement and Benefits, during his visit to Anchorage on October 12, 1981. The enclosed sets forth the Department of Administration's position on retirement bills presently pending before the legislature.

Please let me know if you need additional information.

Respectfully,

W. R. Hudson
Commissioner

WRH/kg
Enclosure
cc: Paul B. Arnoldt
Director
Division of Retirement & Benefits
Department of Administration
w/enclosures

PENDING RETIREMENT BILLS

1. Bill: HB 35, [SB 61]

   Subject: Increase in the Benefit Formula Multiplier

   D.O.A. Position: Opposed

   Rationale: We support an amended increase in the benefit formula multiplier as contained in SCS CSHB 121 (Rls) am S re-eng which we believe would better serve the purposes of the system at less cost.

2. Bill: CSSS HB 41 (Fin), [SB 417]

   Subject: Health Insurance for Residents of the State

   D.O.A. Position: No position

   Rationale: In principle, we support the proposals. However, we have serious reservations about the cost and administrative difficulties.

3. Bill: SB 60

   Subject: Automatic PRPAs under the PERS and TRS

   D.O.A. Position: Opposed

   Rationale: We support the automatic PRPA provisions contained in SCS CSHB 121 (Rls) am S re-eng which we believe would better serve the purposes of the system at less cost.

4. Bill: SB 61, [HB 35]

   Subject: Increase in the Benefit Formula Multiplier

   D.O.A. Position: Opposed

   Rationale: We support an amended increase in the benefit formula multiplier as contained in SCS CSHB 121 (Rls) am S re-eng which we believe would better serve the purposes of the system at less cost.

5. Bill: SB 62, [SB 143, HB 172, HB 379]

Subject: Retirement Credit for Unused Sick Leave

D.O.A. Position: Opposed

Rationale: Leave is a negotiable working condition and should be addressed at the bargaining table. Individual employers should have the ability to deal with this through personal leave, cash-outs, or the like. We were opposed to its inclusion in the TRS, and we are opposed to its inclusion in the PERS.

6. Bill: SB 63, [HB 120]

Subject: Special Credited Service for 20-year PERS Retirement

D.O.A. Position: Opposed

Rationale: The department opposes any expansion of the 20-year retirement for public employees. Our goal is to retain these employees during their most productive years, not foster second careers outside State service. The "20 and out club" would be counter to State interests with the State paying increased benefit costs.

7 Bill: HCS SB 101 (HESS)

Subject: Would Grant the TRS Board the Authority to Adopt Regulations for the System

D.O.A. Position: Support, if amended.

Rationale: This bill would place TRS Regulations under the Administrative Procedure Act, and it would put the TRS Board on equal footing with the PERS Board which already has the authority to adopt regulations. In practice, all TRS regulations are now reviewed by the TRS Board before they are sent to the Commissioner for official approval and signature. Provisions granting the TRS Board this authority are contained in SCS CSHB 121 (Rls) am S re-eng.

8. Bill: CSHB 118 (HESS), [SB 526]

Subject: Earlier Retirement in TRS

D.O.A. Position: Opposed

Rationale: This bill would allow teachers to retire with only 10 years teaching in Alaska when combined with 10 years teaching outside; contradicts the statutory purpose of the TRS by encouraging teachers to retire rather than remain in service.

9. Bill: HB 119, [(CSSB 144) (HESS)]

Subject: Extends TRS Coverage to Alaska Federation of Teachers and Alaska Association of School Boards

D.O.A. Position: Opposed

Rationale: The Attorney General has advised that including AFT employees is unconstitutional. No public purpose is served by this expansion of the TRS.

10. Bill: HB 120, [SB 63]

Subject: Special Credited Service for 20-year PERS Retirement

D.O.A. Position: Opposed

Rationale: The department opposes any expansion of the 20-year retirement for public employees. Our goal is to retain these employees during their most productive years, not foster second careers outside State service. The "20 and out club" would counter State interests with the State paying administrative costs.

11. Bill: SCS CSHB 121 (Rls) am S re-eng, [(CSSB 400(SA)]

Subject: Automatic PRPA's, Increase in the Benefit Formula Multiplier, Housekeeping and Other Provisions Affecting the PERS, TRS, JRS, EPORS, and National Guard Retirement Systems

D.O.A. Position: Support, if amended.

Rationale: This bill is the result of extensive effort and compromise, and although there are some provisions which we would like to see changed, we believe it resolves the issue of PRPAs in a fiscally responsible manner.

12. Bill: SB 121

Subject: PERS Service Credit for Political Subdivision Fireman Service

D.O.A. Position: Opposed

Rationale: This is apparently "special interest" legislation to expand the much-abused AS 39.35.360. It would provide credit for a special category of service at State expense in cases where the employer (political subdivision) has chosen not to credit the service.

13. Bill: HB 122

Subject: Reduced Vesting for PERS Seasonal Employees

D.O.A. Position: Opposed

Rationale: This bill would provide a lifetime retirement benefit, including valuable major medical coverage, to seasonal employees with as little as 300 days service (60 days in each of 5 years). It is clearly patterned after the provision for legislative temporary employees which we believe was an unwarranted erosion of the five-year vesting requirement. The service is now creditable; if they are truly career employees, they can draw a benefit, after 5 years service, otherwise, they shouldn't. Additionally, this bill would remove the age requirements for normal and early retirement for this group of employees.

14. Bill: SB 143, [SB 62, HB 172, HB 379]

Subject: Retirement Credit for Unused Sick Leave

D.O.A. Position: Opposed

Rationale: Leave is a negotiable working condition and should be addressed at the bargaining table. Individual employers should have the ability to deal with this through personal leave, cash-outs, or the like. It is not appropriate to include it in the PERS.

15. Bill: CS SB 144 (HESS), [HB 119]

Subject: Extends Coverage to Alaska Federation of Teachers and Alaska Association of School Boards

D.O.A. Position: Opposed

Rationale: The Attorney General has advised that including AFT employees is unconstitutional. No public purpose is served by this expansion of the TRS.

16. Bill: HB 172, [SB 62, SB 143, HB 379]

Subject: Retirement Credit for Unused Sick Leave

D.O.A. Position: Opposed

Rationale: Leave is a negotiable working condition and should be addressed at the bargaining table. Individual employers should have the ability to deal with this through personal leave, cash-outs, or the like. It is not appropriate to include it in the PERS.

17. Bill: SB 195

Subject: Two Year "Statute of Limitations" on Recovery of Overpayment of PERS and TRS Benefits

D.O.A. Position: Opposed

Rationale: We do not believe recovery should be arbitrarily limited without scrutiny and without regard for hardship, equity or the amount of the overpayment. AS 39.35.522 and 14.25.175 currently provide a mechanism for waivers of overpayments when warranted and we believe it is more equitable to do it in this manner.

18. Bill: SB 196

Subject: Alter Composition of PERS Board

D.O.A. Position: Opposed

Rationale: This bill would provide for four elected Board members and one appointed by the Governor. Currently, the three members of the Labor Relations Board serve ex officio with two elected members. The present Board has the balance required to function in a fiduciary and quasi-judicial capacity and to hear

member concerns. It doesn't make sense to make a potentially dangerous change when the present Board functions well.

19. Bill: SB 197

Subject: Placing PERS and TRS Regulations Under the Administrative Procedure Act

D.O.A. Position: Opposed

Rationale: Currently PERS and TRS regulations are specifically exempt from the A.P.A. because they deal with the internal management of a State agency and do not have broad, policy-setting implications. In response to suggestions by the Ombudsman, we have already agreed to a compromise which involves publicizing proposed regulations. The A.P.A. is so cumbersome that the delays involved in implementing technical regulations would often adversely impact members as well as the division's efficiency. Senate Bill 101 also contains a provision to place TRS regulations under the A.P.A.

20. Bill: SB 199

Subject: Removes Limit On Amount of Alaska BIA Service Which may be Credited Under the TRS

D.O.A. Position: Opposed

Rationale: This bill is contrary to the statutory purpose of the TRS which is to recruit and retain qualified teachers; it would enable teachers to retire with a smaller number of years of membership service, thus encouraging them to leave rather than remain in service. It is no longer necessary to entice teachers to membership service by offering them credit for service rendered outside the system.

21. Bill: SSSB 262, [CSHB 388 (SA)]

Subject: Crediting Alaska National Guard and Alaska Naval Militia Service

D.O.A. Position: Opposed

Rationale: If it's necessary to improve benefits for the Alaska National Guard and Alaska Naval Militia then action should be taken to do so in their retirement system without disrupting the PERS and the TRS.

22. Bill: CSSB 286 (Rls)

Subject: Dental-Vision-Audio Insurance Coverage for Judicial Retirement System and EPORS Benefit Recipients

D.O.A. Position: No Position

Rationale: Consideration of this bill is moot since the companion bill in the House, CSHB 354(SA), passed last session and was signed into law.

23. Bill: SB 356

Subject: Altering the Indebtedness for Temporary Service Credit Under the PERS

D.O.A. Position: Opposed

Rationale: By definition, the system exists to recruit and retain long-term employees. This bill is aimed at short-term employees and would contradict the statutory purpose of the PERS by making it more desirable to leave rather than remain in service.

24. Bill: SB 360

Subject: Investment of the PERS and TRS Retirement Funds in Alaska Housing Finance Corporation

D.O.A. Position: Do not oppose

Rationale: The above position is based on the assumption that such an investment gives at least the same return as is now being earned by the funds. We do have a concern that this may be the first with others to follow of a way to subsidize Alaska programs with retirement funds.

25. Bill: SB 361

Subject: Special Appropriation to Pay Off Unfunded Liabilities of the PERS and the TRS

D.O.A. Position: Opposed

Rationale: If the unfunded liabilities are paid off, two things will happen: (1) as a result of the payoff, employer and state contributions rates will drop considerably - it will be followed by a rush to enhance benefits, the result of which will be a new increase in the employer/state contribution rate. The logic - "if we could afford X% last year, there's no reason why we can't afford it this year." And, (2) all employers do not pay the same past service rate, therefore, paying off the unfunded liability would be more beneficial to some employers and of little benefit to others.

26. Bill: HB 376

Subject: Establishes Provisions Whereby LWOP may be Counted as Membership Service in the TRS

D.O.A. Position: Opposed

Rationale: This is contrary to the statutory purpose of the system in that it would provide an additional, unwarranted means for TRS members to retire earlier than they may now do.

27. Bill: HB 379, [SB 62, SB 143, HB 172]

Subject: Retirement Credit for Unused Sick Leave

D.O.A. Position: Opposed

Rationale: Leave is a negotiable working condition and should be addressed at the bargaining table. Individual employers should have the ability to deal with this through personal leave.

28. Bill: CSHB 388 (SA), [SSSB 262]

Subject: Crediting Alaska National Guard and Alaska Naval Militia Service

D.O.A. Position: Opposed

Rationale: If it's necessary to improve benefits for the Alaska National Guard and Alaska Naval Militia then action should be taken to do so in their retirement system without disrupting the PERS and the TRS.

29. Bill: SB 394

Subject: TRS Credit for Service in the Peace Corps

D.O.A. Position: Opposed

Rationale: It is not necessary as a recruiting tool and it is contrary to the statutory purpose of the TRS in that it would encourage qualified teachers to leave rather than remain in service.

30. Bill: CSSB 400 (SA), [SCS CSHB 121 (Rls) am S re-eng]

Subject: Automatic PRPAs, Increase in the Benefit Formula Multiplier, and Housekeeping and Other Provisions Affecting the PERS, TRS, JRS, EPORS, and National Guard Retirement Systems

D.O.A. Position: Support, if amended

Rationale: This bill is the Senate version of SCS CSHB 121 (Rls) am S re-eng.

31. Bill: HB 401

Subject: Transfer of Magistrates from the PERS to the Judicial Retirement System at their Option

D.O.A. Position: Opposed

Rationale: Serves no useful public purpose; magistrates are presently provided adequate coverage in PERS. This appears to be special interest legislation.

32. Bill: SB 402

Subject: Removes Vesting Requirement for Claiming Military Service Under the PERS

D.O.A. Position: Opposed

Rationale: Would allow public employees to receive additional credit at a much lower rate than now exists. No public purpose is served.

33. Bill: SB 417, [CSSS HB 41 (Fin)]

Subject: Health Insurance for Residents of the State

D.O.A. Position: No Position

Rationale: In principal, we support this proposal. However, we also have reservations about cost and administrative difficulties.

34. Bill: SB 471

Subject: Retroactive Service for Elected or Former Elected Officials

D.O.A. Position: Opposed

Rationale: This is "special interest" legislation and no public purpose is served.

35. Bill: SB 472

Subject: Provisions to Allow Territorial Employees to retire under PERS

D.O.A. Position: Opposed

Rationale: This bill does not fit within the basic intent of the PERS statutes. If the intent is to reward certain Alaskan pioneers for their service to the territory and state, then it should be done without utilizing the PERS.

36. Bills: SB 526, [CSHB 118) (Hess)]

Subject: Earlier Retirement in the TRS

D.O.A. Position: Opposed

Rationale: This bill would allow teachers to retire with only 10 years teaching in Alaska when combined with 10 years teaching outside. It serves no public purpose, and is contrary to the stated purpose of the system . . . "to retain."

37. Bill: SB 557

Subject: Housekeeping in the PERS, TRS, JRS, EPORS and NGRS

D.O.A. Position: Support

Rationale: This bill contains the housekeeping provisions which are already contained in SCS CSHB 121 (Rls) am S re-eng and SB 400.

38. Bills: SB 568, [HB 584]

Subject: Authorizes the American Legion, and the Department of Alaska Veterans of Foreign Wars of the United States to Participate in State Group Health/Life Insurance and the PERS

D.O.A. Position: Opposed

Rationale: This bill is contrary to the basic intent of the insurance and PERS statutes and serves no useful public purpose.

39. Bills: HB 584, [SB 568]

Subject: Authorizes the American Legion, and the Department of Alaska Veterans of Foreign Wars of the United States to Participate in Group Health/Life Insurance and the PERS

D.O.A. Position: Opposed

Rationale: This bill is contrary to the basic intent of the insurance and PERS statutes and serves no useful public purpose.

40. Bill: SB 589

Subject: Credit Under the PERS for Temporary Federal Service Prior to 1961

D.O.A. Position: Opposed

Rationale: Granting credit for temporary service is contrary to the purpose of the PERS which was created to recruit and retain long-term employees.

5/RB/A1-23

COMPARISONS

	PERS	TRS
Employee Contributions	4 1/4%	7%
Employer Contributions	13.66%	15.74% (State pays half)
Earnings on Contributions	4 1/2%	4 1/2%
Other Creditable Service	Military (5 yr max), Territorial (No max) & Certain Temporary (No max)	Outside Service (10 yr max)*, Military (5 yr max)*, Alaska BIA (15 or 5 yr max)* & Territorial (5 yr max)
Salary Used to Compute Indebtedness for Military	5th Year Salary**	Entrance Salary
Vest (Membership Service)	5 Years (paid-up)	8 Years (paid-up)(can be 3 yrs BIA)
Retirement Age	50 Early & 55 Normal Exceptions: (1) 20 yrs Peace Officers-any age (2) 30 yrs PERS-any age	50 Early & 55 Normal Exceptions: (1) 20 yrs membership service-any age (2) 25 yrs combined membership and outside service-any age
Benefit Formula	2% x Years of Service***	2% x Years of Service
Benefit is Based on a % of	Average of Three Highest Consecutive Calendar Years	Average of the Three Highest Contract Salaries
Additional Benefits	Free Medical (80%) plus Optional Audio-Dental-Visual	Free Medical (80%) plus Optional Audio-Dental-Visual
Cost of Living Adjustments	Ad Hoc PRPA's (max 4%)	Ad Hoc PRPA's (max 4%)
Year of Service Credit	365 Days	172 Days
Funded	Actuarially	Actuarially

* Total of these cannot exceed 15 years

** Must be vested to claim

*** Peace officers receive 2½% x all service over 10 years

	PERS	TRS
Number of People on Retirement	2,688	1,374
Average Monthly Benefit	$620.00	$1130.00
Eligibility for Disability	5 Years of Membership	1 School Year (172 Days)
Reduced Benefits for Indebtedness	Yes	Yes
Credit for Unused Sick Leave	No	Yes
Survivor Benefits	75, 66, 50% with a reduced benefit	Pay 1% of earnings--full benefit and spouse receives 50%

Box 1210 602 Railroad Avenue
Cordova, Alaska 99574
Phone: (907) 424-3237
or 424-3238

"The Friendly City"

James A. Poor
Mayor

Perry D. Lovett,
Manager

Donna M. Sherby,
Clerk / Treasurer

Council Members
Don Narrance
Jay Bynum
Richard Groff
R.J. Kopchak
Garry Purvis
Joe Gundersen

March 12, 1982

Senator Bob Mulcahy
Chairman Labor & Commerce Committee
Pouch V
Juneau, Alaska 99811

Re: SB 752,767,827

Dear Sir:

The City of Cordova desires to go on record as being opposed to any bill that will increase the cost to local government or school district for retirement and/or other employee benefits. The present employee retirement system provides a generous retirement for public employees.

The City is not opposed to any change in law that would permit the employee to pay for additional retirement benefits.

Sincerely,

Perry D. Lovett
City Manager

cc: Sen. Jay Kerttula
Rep. Betty Cato
Ginny Chitwood, Executive Director AML

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C
JUNEAU, ALASKA 99811
(907) 465-2200

March 15, 1982

Honorable Vic Fischer
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Fischer:

As you requested during your committee hearing of February 25, 1982, I am enclosing copies of the PERS and TRS statutes which provide for conditional service retirement benefits in the two retirement systems.

I am also providing you with a chart which shows the relative costs to the state, to other TRS/PERS employers, and to TRS/PERS employees (using various employee contributions) for the PRPA provision of Senate Bill 753.

If you have any questions, please let me know.

Respectfully,

Roderick Boeller, for

W. R. Hudson
Commissioner

WRH/lw
Enclosure

cc: Paul B. Arnoldt
Director
Division of Retirement & Benefits

02-B9LH

Costs in FY83 if the employee contribution rate is increased as indicated below:

Employee Contribution Rate	Cost to All TRS/PERS Employees	Cost to State	Cost to All Other TRS/PERS Employers
.5%	$ 4,525.5	$30,219.8	$22,282.4
1.0%	$ 9,051.0	$28,133.1	$20,751.6
1.5%	$13,576.5	$26,046.4	$19,220.8
2.0%	$18,102.0	$23,959.7	$17,69[illegible]
2.5%	$22,627.5	$21,873.0	$16,15[illegible]
3.0%	$27,153.0	$19,786.3	$14,62[illegible]

Costs are in thousands of dollars

obtain service credit for unused sick leave, a teacher must apply to the administrator no later than one year after appointment to retirement. Unused sick leave shall be credited on a day-for-day basis in accordance with the table for service after July 1, 1969 contained in sec. 220 (16) of this chapter. No teacher contributions may be required for credited unused sick leave.

(b) A teacher appointed to retirement before July 1, 1978 who returns to membership service on or after July 1, 1978 and is subsequently reappointed to retirement is eligible for unused sick leave credit only with respect to sick leave accrued during membership service on or after July 1, 1978.

(c) Benefits payable under this section accrue from the first day of the month after which all the following requirements are met: (1) the teacher meets the eligibility requirements of this section; (2) the teacher's written application for unused sick leave credit is received and verified by the administrator; and (3) a period of time has elapsed since the date of appointment to retirement equal to the amount of verified unused sick leave. Benefits are payable on the last day of the month.

Sec. 14.25.125. CONDITIONAL SERVICE RETIREMENT BENEFITS. (a) A member is eligible for a normal retirement salary at age 55 with at least two years membership service if the member also is eligible for a normal retirement benefit under the public employees' retirement system (AS 39.35).

(b) A member is eligible for an early retirement salary at age 50 with at least two years of membership service if the member also is eligible for an early retirement benefit under the public employees' retirement system (AS 39.35).

(c) Membership service for which contributions were refunded is not creditable under this section unless the refunded contributions have been repaid. For purposes

of this section, a member or former member does not have to be reemployed under this system in order to repay refunded contributions. Compound interest at the rate prescribed by regulation must be added to the reinstatement indebtedness from the date of the refund to the date of repayment.

(d) The monthly amount of a normal retirement salary is two percent of the average monthly compensation times the number of years of membership service. An actuarial adjustment of this amount must be made for an early retirement salary.

(e) Benefits payable under this section accrue from the first day of the month (1) in which the member meets the eligibility requirements of this section, (2) following the date of termination, and (3) following application for retirement, and are payable the last day of the month. If payment is delayed, a retroactive payment shall be made to cover the period of deferment. The last payment shall be made for the month in which the members dies or is no longer eligible for a benefit under this section.

Sec. 14.25.130. DISABILITY BENEFITS.
(a) A member who has become permanently disabled, as defined in AS 14.25.220, after July 1, 1966, before age 55 and who has five or more years of membership service may be retired by the administrator as of the first day of the month following the permanent disability. After a report of medical examination of the member, an application and other requested information has been submitted, the administrator shall determine if the member is physically or mentally incapacitated for further performance of duty, and if the incapacity is likely to be permanent and whether the member should receive disability benefits.

(b) Repealed.

(c) Once each year during the first five years following appointment to disability under this section, and

(a) and (c) of this section when he has completed 20 years of credited service.

Sec. 39.35.385. CONDITIONAL SERVICE RETIREMENT BENEFITS. (a) An employee is eligible for a normal retirement benefit at age 55 with at least two years of credited service if the employee also is eligible for a normal retirement salary under the teachers' retirement system (AS 14.25).

(b) An employee is eligible for an early retirement benefit at age 50 with at least two years of credited service if the employee also is eligible for an early retirement salary under the teachers' retirement system (AS 14.25).

(c) Credited service for which contributions were refunded is not creditable under this section unless the refunded contributions have been repaid. For purposes of this section, a member or former member does not have to be reemployed under this system in order to pay refunded contributions. Compound interest at the rate prescribed by regulation must be added to the reinstatement indebtedness from the date of the refund to the date of repayment.

(d) The monthly amount of a normal retirement benefit for a peace officer or fireman is two percent of the average monthly compensation times the years of service up through 10 years, plus two and one-half percent of the average monthly compensation times the years of service over 10 years. For all other employees it is two percent of the average monthly compensation times the number of years of service. An actuarial adjustment of this amount must be made for an early retirement benefit.

(e) Benefits payable under this section accrue from the first day of the month (1) in which the member meets the eligibility requirements of this section, (2) following the date of termination, and (3) following application for retirement, and are payable the last day of the month. If payment is delayed, a retroactive payment

shall be made to cover the period of deferment. The last payment shall be made for the month in which the member dies or is no longer eligible for a benefit under this section.

(f) An employee is eligible for a normal retirement benefit at age 55 or an early retirement benefit at age 50 if he has at least 60 days of credited service as a temporary employee of the legislature during each of five legislative sessions.

Sec. 39.35.395. VOLUNTARY CONTRIBUTION BENEFIT. The balance of the employee's savings account will be paid in one of the following options as elected by the employee: (1) a lump sum payment; or (2) a life annuity on a full cash refund or [illegible]m-certain basis; or (3) installments over a designated period of time.

Sec. 39.35.400. NONOCCUPATIONAL DISABILITY PENSIONS. (a) An employee is eligible for a nonoccupational disability pension if his employment is terminated because of a total and apparently permanent nonoccupational disability, as defined in sec. 680 of this chapter, before his normal retirement date and after five or more years of credited service.

(b) The nonoccupational disability benefits accrue beginning the first day of the month following termination of employment as a result of the disability and are payable the last day of the month. If a final determination granting the benefit is not made in time to pay the benefit when due, a retroactive payment shall be made to cover the period of deferment. Benefits shall be continued after one year from the date of appointment to nonoccupational disability only if the disabled employee fulfills the requirements set out in (e) of this section. The last payment shall be for (1) the month in which the death of the disabled employee occurs, or (2) the month in which the disabled employee recovers from disability, or (3) the month in which the disabled employee ceases to be eligible for disability benefits under the Social Security Act, or (4) the month in which the disabled employee reaches normal retirement age, whichever occurs first.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C
JUNEAU, ALASKA 99811
Ph: 465-2200

December 9, 1981

Honorable Vic Fischer
Alaska State Legislature
511 West 4th, Suite 5
Anchorage, AK 99501

Dear Senator Fischer:

Your request for information pertaining to the Alaska State Housing Authority and its dealings with the Public Employees' Retirement System has been conveyed to me by John Logan of the Division of Retirement and Benefits. The following is a brief history.

We responded to a request for information from Tolbert Elliot, Acting Executive Director of ASHA in July of 1975 with a letter describing the terms and conditions under which an entity such as ASHA may become a participating member of the PERS. There is no record of a response by ASHA.

On December 1, 1975, a similar letter was sent to Bill Miles, the new Executive Director of ASHA. Mr. Miles responded by letter, thanking us for the information and explaining that they were examining various plans.

In 1978, House bills & 8 and 823 and Senate bill 512 were introduced in the legislature concerning ASHA service credit in the PERS. We requested data for the preparation of fiscal notes from Daisy Korpi, ASHA Accountant, and a description of the retirement plan currently in effect for ASHA employees.

A letter dated March 3, 1978 from Harry F. Goldbar, Executive Director of ASHA, asked for information regarding PERS and stated that ASHA might consider PERS membership on July 1, 1978. We responded on March 14, 1978, with an informational letter and requested that ASHA have an actuarial study performed to establish the proper employer contribution rate based on their needs and system requirements.

02-89LH

On April 28, 1978, the firm of William M. Mercer, Incorporated, provided ASHA with the actuarial study. On June 15, 1978, we wrote ASHA to inquire whether they had arrived at a decision concerning PERS membership. Harry F. Goldbar responded that a decision had not yet been made.

Legislation (HB 366) to allow former ASHA employees to purchase up to 10 years of ASHA service under the PERS was introduced in 1979. Only service for which the person did not receive credit under ASHA's private retirement system would have been allowed.

To date, no provision has been enacted into law that would allow ASHA service to be credited and purchased under PERS without ASHA first joining PERS. We would be opposed to any such legislation as no public purpose would be served by granting credit for past ASHA employment in PERS at the expense of the state. It would seem more appropriate for ASHA to join the PERS (which is already permissable under the PERS statutes), incur the liability for its employees' past service, and then such service could be granted under the PERS. We feel it would be unfair to other employers who are required to pay the costs of providing service credit for their employees to make an exception for ASHA. In effect, the state would have to pay the costs for ASHA service credit, while other employers must pay their own costs.

I hope this information is helpful to you. Please let me know if I may be of further assistance.

Respectfully,

Frederick B Mullis, for

W.R. Hudson
Commissioner

WRH/gb
cc: Paul B. Arnoldt
Director
Division of Retirement & Benefits

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

Public Employees (retirement) (firemen)

SENATE BILL NO. 121, by Senator Ray. Authorizes credited service under the public employees' retirement system for certain firemen. Amends AS 39.35.360(a) (Public Employees' Retirement System of Alaska. Earlier service) to read: "An employee employed before January 1, 1980, who completes three years of credited service with the state after January 1, 1961, for which the employee makes contributions required by this chapter is entitled to credited service for service rendered (1) before January 1, 1961, as an employee of the state and former Territory of Alaska; (2) before January 1, 1961, as an employee of the United States government in Alaska, excluding service in the armed forces of the United States; or (3) after January 1, 1961, as a peace officer, [OR] correctional officer, or fireman of a participating political subdivision of the state if the employee is vested and is an active peace officer, correctional officer, or fireman in the system as of July 1, 1980. The retirement benefits payable to an employee under this section shall be reduced by the amount of the retirement pension benefits paid to him by the United States government for the same period of service." (Note: underlined language added, bracketed language deleted). Does not provide for an effective date.

Introduced January 30 and referred to State Affairs, then to Finance.

Retirement Credit (unused sick leave)

SENATE BILL NO. 143, by Senators Parr and Fahrenkamp. Allows retirement credit for the unused sick leave of an employee of a political subdivision or public organization participating in the Public Employees' Retirement System (PERS). Employee must have been employed on or after July 1, 1980 and must have retired after July 1, 1981. Unused sick leave shall be credited on a day-for-day basis and employee contributions may not be required for credited unused sick leave.

An employee who retires before July 1, 1981, returns to membership service on or after July 1, 1981, and then subsequently retires is eligible for unused sick leave credit only with respect to sick leave accrued during membership service on or after July 1, 1981.

Benefits under new section accrue from the first day of the month after which: (1) the employee meets the eligibility requirements of the section; (2) the employee is terminated from covered employment; and (3) the employee's written election regarding unused sick leave is received and verified by the administrator.

Above provisions added to AS 39.35 under new Section 315, "Credit for Unused Sick Leave." Does not provide for effective date.

Introduced February 4 and referred to State Affairs and Finance.

Retirement Benefits (limiting adjustments)

SENATE BILL NO. 195, by the Rules Committee by request of the Legislative Council (for the Blue Ribbon Commission on the State Personnel Act). Adds new subsections to AS 14.25.173 (Adjustment of Teachers' Retirement Benefits) and AS 39.35.520 (Adjustment of Public Emp. Retirement Benefits) which state that an adjustment which requires repayment of benefits may not be made under the section if (1) the incorrect benefit was first paid two years or more before the member or teacher or beneficiary (employee or beneficiary) was notified of the change or error; (2) the change or error was not caused by the member or teacher or beneficiary (employee or beneficiary); and (3) in the case of Public Employees' Retirement System, the change or error relates to the employee's credited service with the state and not with another participating employer. Act is retroactive to July 1, 1979. Effective immediately.

Introduced February 20 and referred to State Affairs and Finance.

Public Emp. Retirement Board (membership)

SENATE BILL NO. 196, by the Rules Committee by request of the Legislative Council (for the Blue Ribbon Commission on the State Personnel Act). Changes the membership on the Public Employees' Retirement Board (AS 39.35.030). Currently, of the five members, three shall be members of the Personnel Board in the Dept. of Administration and the remaining two shall be members of the Public Employees' Retirement System, elected by members of the system. Bill changes composition of board so that one member is appointed by the Governor and the remaining four are members of the system, elected by the members of the system. Also adds a requirement that at least one of the elected board members be retired. Sec. 2 of bill states that a person serving on the Board on the effective date of Act who was from the Personnel Board of the Dept. of Admin. shall continue to serve until his successor is elected or appointed by the Governor. Does not provide for effective date.

Introduced February 20 and referred to State Affairs.

Regulations (adoption of by retirement systems)

SENATE BILL NO. 197, by the Rules Committee by request of the Legislative Council (for the Blue Ribbon Commission on the State Personnel Act). Amends law so that regulations adopted by the state retirement systems are subject to the provisions of the Administrative Procedure Act. Currently sections is AS 39.35 and AS 14.25 relating to the adoption of regulations by the systems state that the regulations relate to the internal management of state agencies and their adoption is not subject to the Admin. Procedure Act. (Bill repeals and re-enacts 39.35.042 and 14.25.022.) Does not provide for effective date. Introd. 2/20, ref. to State Affairs & Judiciary.

SB 259, (cont'd)

project for delivery of Public Health Nursing Services is still in the negotiation process. The section of nursing, division of public health, H&SS, is providing the nursing services until the contract is made final, presumably sometime soon.

Money for the four nursing positions was not included in the FY 81 appropriation to H&SS. If this appropriation is not received, other H&SS employees will have to be laid off in order to avoid an over-expenditure. This would seriously disrupt the delivery of public health nursing services.

Appropriation (special) (Lower Kuskokwim Coast Corporation)

SENATE BILL NO. 260, by Senator Hohman by Request. Makes a special appropriation of $50,000 to the Dept. of Commerce and Economic Development for payment as a grant to the Lower Kuskokwim Coast Corporation for annual operating expenses of the corporation for the fiscal year ending June 30, 1982. Provides Act takes effect immediately.

Introduced March 10 and referred to Labor and Commerce, then to Finance.

Appropriation (special) (Aleut relocation, WW II)

SENATE BILL NO. 261, by Senator Mulcahy. Makes a special appropriation in the amount of $165,500 from the general fund to the Department of Community and Regional Affairs for payment as a grant to the Aleutian/Pribilof Islands Association, Inc., for a research study and analysis of the relocation and involuntary detention of the Aleut people during World War II. Provides Act takes effect immediately. (See HB 291, p.460, ident.)

Introduced March 10 and referred to Community & Regional Affairs, then to Finance.

SB 262

AK National Guard & Naval Militia (benefits)

SENATE BILL NO. 262, by Senators Bradley, Hohman and Kelly. Amends sections of the Military Code of Alaska (AS 26.05) relating to benefits:

--relating to commencement of participation in the system (sec. 223). States that a member of the Alaska National Guard or Alaska Naval Militia shall be included in the retirement system upon commencement of membership in the Guard or the Militia (the section presently states that a member shall be included in the system upon commencement of membership in the Guard, or on January 1, 1973, whichever is later, or upon commencement in the Militia or on July 1, 1980, whichever is later).

--relating to retirement benefits (sec. 224). Provides that a person who is a member of the Guard on or after January 1, 1971 (presently an "active" member "or a former member who was an active member" on or after 1/1/69), or a member of the Militia on or after July 1, 1979 (presently 7/1/80) is eligible for a retirement pension upon voluntary retirement from the Guard or Militia after a total of 20 years or more of service (deletes "satisfactory" service) in the Guard or Militia or active service (added) in the armed forces of the U.S. Deletes armed forces reserves, or any combination of service in components if at least five years of the service is in the

SB 262, (cont'd)

Guard or Militia." Adds language which provides that in the case of voluntary retirement an eligible member or former member may elect to receive his pension beginning on the first day of the month following his 55th birthday or separation from the Guard or Militia, whichever is later. Provides that in the case of involuntary retirement because of federal standards eligible member or former member may receive pension on the first day of the first month after his separation from the Guard or Militia. (Section now states that an eligible member or former member may elect to receive his pension beginning on the first day of the month in which he becomes eligible for retirement or he may defer payment until a later date). Deletes language which states that deferred payments must be made monthly at the rate of $100. Adds language which states that a death benefit shall be paid to members estate regardless of whether he filed an application for payment of benefits.

—relating to earlier service (sec. 225). States that a person who was a member of the Guard is entitled to credit for his service to the state and former territory of Alaska as a member of the Territorial Guard in determining eligibility benefits. (Deletes provision that person be a member on or after 1/1/69).

--relating to pay and allowances (sec. 260). Provides for payment to members of the Guard and Militia for each day of active service equal to pay and allowances provided by federal laws and regulations for members of like grades of the U.S. Army, Air Force and Navy, "plus compensation equivalent to the per diem allowance payable to state officers and employees for the locale at which the duty is being performed." Deletes language which states that no enlisted person shall receive pay and allowances of less then $6 per day.

--Adds new section relating to pay and allowances which states that a member of the Guard or Militia who is injured or suffers a disability while on active duty, including transit to and from his home, is entitled to all compensation and benefits available under the Alaska Workers' Compensation Act for the injury or disability. Also provides member is entitled to receive death benefits allowed beneficiaries under that Act. Outlines payments to be received by beneficiary.

--Adds new section entitled "Alaska National Guard Senior ROTC Scholarship Program". Establishes within the Dept. of Military Affairs a Senior ROTC scholarship program under which eligible persons will receive a grant equivalent to the current costs of resident tuition, fees and books at the U of A. Provides eligibility requirements.

--Amends the Teachers' Retirement System (AS 14.25), credit for service in the armed forces (sec. 100) by addition of language which states that a member who served as an active member of the armed forces "after December 31, 1939" may receive credit-

SB 262, (cont'd)

able service under this system up to a maximum of five years. Deletes provision which states that military service credited under this section shall be included in the 10-year limitation of outside service, except if entry into the armed forces is immediately preceded by Alaska membership service and following discharge is continued by Alaska membership within one year thereafter, service may not be counted for purposes of determining the applicability of the 10-year limitation on outside service.

--Adds new subsection to sec. 100 stating that a member is not required to make contributions for credit for service in the armed forces if he is a member of former member of the Guard of Militia or former member of the Territorial Guard, with a total period of membership in those organizations of at least 20 years when added to the armed forces military claimed. Provides that such a member who has made contributions for military service credit is entitled to a refund of those contributions.

--Adds new section to AS 14.25 entitled "Credit for Membership in the Alaska National Guard and Alaska Naval Militia." Section provides that a teacher who is a member of the Guard or Militia may receive creditable service under this system for all or any part of his credited service under the Alaska National Guard retirement system by electing to forgo four months of credited service under the Guard system for each month of service to be credited under this system. Each 12 months of service credited under this section equals one school year, and lesser periods of service credit will be determined in a proportionate ratio to a year. Provides for former members of the Guard or Militia. Provides for contributions to the system.

--Amends section relating to arrearage indebtedness under the Teachers' Retirement System by including the Alaska National Guard and Naval Militia, stating that total military service claimed may not exceed five years.

--Amends the Public Employees Retirement System of Alaska (AS 39.35) by adding a new subsection stating that an employee is not required to make contributions for credited service for his service as a member or former member of the Alaska National Guard or Naval Militia, or a former member of the Territorial Guard, with a total period of membership of at least 20 years when added to the military service claimed. States that an employee who has made contributions for this service is entitled to a refund.

--Adds new section to the same (above) stating that a vested employee who is a member of the Guard or Militia may receive credited service for all or any part of his credited service under the Guard or Militia retirement plan by electing to forgo four months of credited service under that plan for each month or service to be credited under this system. Provides for former members of the Guard or Militia.

Commercial Fishing & Agric. Bank

SENATE BILL NO. 388, by enator Fahrenkamp. Identical to HB 413, page 592.

Introduced April 3 and referred to Resources and Finance.

Appropriation (special) (AK Hospital & Med. Center Loan)

SENATE BILL NO. 389, by the Finance Committee. Appropriates $55 million from the general fund to the Dept. of Revenue for a loan to the board of trustees of the Alaska Hospital and Medical Center to refinance the outstanding mortgage of the Center and its related professional office building properties. Effective on the effective date of a version of an Act authorizing the Commissioner of Revenue to make the loan (SB 390, below)

Introduced April 3 and referred to Finance.

AK Hospital & Med. Center loan (authorization)

SENATE BILL NO. 390, by the Finance Committee. Directs the Commissioner of Revenue to make a loan to the Board of Trustees of the Alaska Hospital and Medical Center to refinance the outstanding mortgage obligations of the Board. The agreement entered into with the Board of Trustees shall have a maximum term of 40 years and shall bear interest at a rate equal to the rate of interest received by the Alaska Medical Facility Auth. for the last mortgage loan agreement entered into by the Authority for the refinancing of a medical facility before the effective date of the bill. Provides for an immediate effective date.

Introduced April 3 and referred to Finance.

AK Nat'l Guard & Naval Militia (benefits)

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 262, (see page 429). Sponsor Substitute differently amends AS 26.05.224 relating to retirement benefits. Deletes amendments to subsections (b) and (c). Amendment in original bill to (b) deleted "satisfactory" from that subsection (see page 429, last paragraph). Amendments in original bill to (c) added language relating to the receipt of retirement benefits at age 55 (see page 430, paragraph 1) and deferred payments. Sponsor Substitute further amends (a) to state that "a member of the Alaska Naval Militia on or after July 1, 1979, with at least five years of service in the Alaska National Guard or Naval Militia" is eligible for a retirement pension (language relating to minimum five years of service added). Remainder of Sponsor Substitute is identical to original bill.

Introduced April 2 and referred to State Affairs and Finance.

INTRODUCTION OF RESOLUTIONS (Senate)

Haines (construction of park visitors center)

SENATE CONCURRENT RESOLUTION NO. 22, by Senator Ray. Requests the Governor to support the establishment of a state park visitor center in the City of Haines and to direct the Commissioner of Natural Resources to construct the center in the City of Haines.

Introduced April 2 and referred to Resources and Finance.

Alaska History & Government (study of in schools)

SENATE CONCURRENT RESOLUTION NO. 23, by Senator Fischer. Requests the state Board of Education to adopt regulations requiring at least one unit of credit in the study of Alaska history and government for graduation from state high schools.

Introduced April 3 and referred to Health, Educ. & Social Services

Public Employees' Retirement (temporary service credit)

SENATE BILL NO. 356, by Senator Ray. Allows vested and deferred vested employees to claim credited service for prior temporary employment, which was formerly not credited. If an employee claims this service he becomes indebted to the system in the amount equal to contributions he would have made during that period. Employee must make retroactive contributions to discharge his indebtedness for that time period in order to qualify for benefits.

Outlines steps to be taken by vested and deferred vested employees to claim credited service under this Act. Credited service granted in this Act may be used to satisfy the credited service requirements for normal or early retirement.

Provides Act takes effect June 30, 1981.

Introduced March 31 and referred to State Affairs, then to Finance.

Public Employee & Teacher Retirement Funds (investment of)

SENATE BILL NO. 360, by Senators Stimson, Sturgulewski, Gilman and Hohman. Amends AS 39.35.110 (Public Employees' Retirement System. Investments) and AS 14.25.180 (Teachers' Retirement. Custody and Investments) by addition of new subsections allowing the Commissioner of Revenue to invest an amount of each pension fund equal to the amounts appropriated to each pension fund by the legislature, or as much of that amount as the Commissioner of Administration considers proper. Investments to be made in bonds and bond anticipation notes of the Alaska Housing Finance Corporation. Such investments may be made only at competitive market rates of interest for taxable securities. Provides Act takes effect July 1, 1981.

Introduced March 31 and referred to State Affairs, then to Finance.

Appropriation (special) (public employees' and teachers' retirement funds)

SENATE BILL NO. 361, by Senators Stimson, Sturgulewski, Gilman and Hohman. Makes a special appropriation to the Department of Administration for payment of liabilities of the public employees' and teachers' retirement funds. Appropriates $136,400,000 from the general fund for payment to the pension fund for unfunded benefit liabilities of the public employees' retirement system accrued to January 1, 1980. Appropriates $154,300,000 from the general fund for payment to the retirement fund for unfunded benefit liabilities of the teachers' retirement system accrued to June 30, 1980. Provides Act takes effect on the effective date of SB 360.

Introduced March 31 and referred to Community and Regional Affairs, State Affairs, then to Finance. 4/2, C&RA waived.

SB 394

Teachers' Retirement (credit for Peace Corps service)

SENATE BILL NO. 394, by Senators Stimson and Rodey. Amends statutes relating to teachers' retirement to allow a member who has served in the Peace Corps to receive creditable service for that service up to a maximum of five years. States that each 12 months of Peace Corps service equals one school year, and lesser periods of service will be determined for credit purposes in a proportionate ratio to a year. States that, "Credit for service in the Peace Corps shall be granted only if the member makes contributions for the service in the same manner as required for outside service under AS 14.25.060. Service in the Peace Corps credited under this section shall be included in the 10-year limitation of outside service as specified in AS 14.25.060, except that if entry into the Peace Corps is immediately preceded by Alaska membership service and termination from the Peace Corps is followed by Alaska membership service within one year, the service in the Peace Corps may not be included in the 10-year limitation on outside service." Act does not provide for an effective date.

+ PERS

Introduced April 7 and referred to State Affairs, then to Finance.

REAA'S (governing of)

SENATE BILL NO. 395, by Senator Ferguson. Amends statutes relating to education in the unorganized borough by adding a new section (program planning and evaluation) which states that the legislature finds that responsibility for administration of education in the unorganized borough is best lodged with regional school boards and that it is state policy that the discretion of regional boards with respect to program planning and evaluation for schools within their respective jurisdictions "be subject to a minimum of constraint from other branches or levels of government." Also states that, "Any state, regulation, directive, policy, or other source of law other than policies of the respective regional boards, which purports to specify the manner in which rural educational attendance areas shall perform educational planning and evaluation functions for schools and programs within their jurisdiction, including specifically, 4AAC 05-070, or any similar provision, now or hereafter enacted is disapproved and annulled." Provides an immediate effective date.

Introduced April 7 and referred to Health, Education and Social Services, then to Community and Regional Affairs.

Appropriation (special) (Anchorage headquarters library)

SENATE BILL NO. 396, by Senators Sturgulewski, Bradley, Colletta, Dankworth, Fischer, Rodey and Stimson. Makes an appropriation in the amount of $18,422,500 from the general fund to the Department of Education, division of state libraries, for payment as a grant to the Municipality of Anchorage for the construction and equipping of the headquarters library in Anchorage. Provides for an immediate effective date.

Introduced April 7 and referred to Health, Education and Social Services, then to Finance.

Fishery Industrial tech. center

SENATE BILL NO. 397, by Senators Mulcahy and Fahrenkamp. Identical to HB 262, pages 401 and 667, except for the makeup of the eleven member Fishery Industrial Technical Policy Council. This bill specifies that it shall include four members appointed from the seafood processing industry; four members who are fishermen; and three public members. HB 262 does not specify council makeup.

SB 399, (cont'd)

and the information provided by a natural parent under (a)(1) of this section shall be attached to the birth certificate of the adopted person.

Repeals AS 20.15.150(c) (Confidential nature of hearings and records in adoption proceedings).

Provides Act takes effect January 1, 1982.

Introduced April 7 and referred to Health, Education and Social Services, then to Judiciary.

Public Empl. Retirement (credited service/ferry workers)

SENATE BILL NO. 400, by Senator Ray. Adds a new section to AS 39.35 which allows a public employee to receive credited service in the public employees' retirement system for periods of employment with the Div. of Marine Transportation for which he has been credited with service under a marine retirement trust. If the person has received a refund of contributions from the trust, he is not entitled to credited service in PERS for the period of employment for which the refund was made unless the amount is paid to the Public Employees Retirement System. Amends AS 39.35.370 (Retirement Benefits) by adding a new subsection which prohibits a former ferry employee who received credited service in PERS from receiving benefits "if he is receiving retirement benefits from a marine retirement trust based on the same period of employment." Does not provide for effective date.

Introduced April 8 and referred to State Affairs and Finance.

Fair Assoc. (cancelling certain claims)

SENATE BILL NO. 401, by Senator Hohman. Cancels certain claims for reimbursement of state money granted to fair associations as state aid to fairs. "FINDINGS" section states: "Before July 1, 1980, AS 03.20.020(a) did not allow the value of donated labor and materials to be used as a match for state aid to fairs granted under that section. However, before that date the division of agriculture, Department of Natural Resources, had advised fair associations that donated labor and materials could be used to meet the matching requirement. Some fair associations therefore claimed the value of donated labor and materials for the purpose of matching money and the state now seeks reimbursement. The legislature finds that since the fair association relied in good faith on the representations of state officials it is unfair that those associations should be required to reimburse the state." Also states that, "Any state claim for reimbursement resulting from a fair association claiming the value of labor and materials donated before July 1, 1980, as matching money for state aid to fairs under AS 03.02.020 is canceled." Act provides for an immediate effective date.

SB 402

Introduced April 8 and referred to Resources, then to Finance.

Public Empl. Retirement (credited service/active military service)

SENATE BILL NO. 402, by Senator Bradley. Amends statutes relating to credited service in public employees' retirement system for active military service. Changes requirement of being vested in the system to simply being "a member" of the system in order to claim credited

SB 402, (cont'd)

service for active military service. Act does not provide for an effective date.

Introduced April 8 and referred to State Affairs, then to Finance.

Appropriation (special) (veterans outreach prog.)

SENATE BILL NO. 403, by Senator Bradley. Makes a special appropriation of $298,000 from the general fund to the Department of Education, division of vocational rehabilitation, for payment as a grant to the Vet Center for a veterans outreach program. Provides for an immediate effective date.

Introduced April 8 and referred to Health, Education and Social Services, then to Finance.

Ak. Indust. Dev. Auth. (amendments)

Senate Bill No. 404, by the Rules Committee by request of the Governor. Identical to HB 487, page 703.

Introduced April 8 and referred to Labor and Commerce, then to Finance.

Appropriation (special) (Ak. culture & arts progs.)

SENATE BILL NO. 405, by Senators Fischer, Colletta, Fahrenkamp, Ferguson, Kelly, Rodey, Stimson and Sturgulewski. Makes a special appropriation of $3,425,000 from the general fund to the Department of Education, Alaska State Council on the Arts, for grants for Alaskan culture and arts programs and projects. Provides or an immediate effective date.

Introduced April 8 and referred to State Affairs, then to Finance.

Film and Television Section

SENATE BILL NO. 406, by Senators Fahrenkamp, Mulcahy, Ziegler, Stimson and Sturgulewski. Identical to HB 483, page 702.

Introduced April 9 and referred to Labor and Commerce, then to Finance.

Appropriation (special) (Ak. Capital City Dev. Corp.)

SENATE BILL NO. 407, by Senator Fischer. Makes a special appropriation of $900,000 from the general fund to the Alaska Capital City Development Corporation, Department of Community and Regional Affairs, for the preparation of the general development plan for the capital city area required by AS 44.07.120 (Alaska Capital City Development Corporation. Formulation and procedure for obtaining approval of development plans).

Provides Act takes effect on the effective date of an Act entitled "An Act relating to the relocation of the state capital; and providing for an effective date." in which the provisions of AS 44.07 are made effective on or before October 1, 1981. (See SB 112, p. 82)

Introduced April 9 and referred to State Affairs, then to Finance.

Ak. State Housing Auth. (transferring authority)

SENATE BILL NO. 408, by Senator Fischer. Repeals and reenacts AS 18.55.020 (Alaska State Housing Authority) to read, "There is established in the Department of Community and Regional Affairs the Alaska State Housing Authority. The authority is governed by a seven-member board of directors, consisting of the commissioner of community and regional affairs, the commissioner of commerce and economic

Appropriation (special) (Bristol Bay Borough bulk fuel storage)

SENATE BILL NO. 468, by Senator Hohman. Makes a special appropriation of $320,000 from the general fund for payment as a grant to the Bristol Bay Borough for bulk fuel storage for the following communities: Igiugik ($80,000), Kokhanok ($60,000), Levelok ($60,000), Newhalen ($60,000), Nondalton ($60,000). Provides for an immediate effective date.

Introduced April 20 and referred to Community and Regional Affairs, then to Finance.

Appropriation (special) (Akiachak solid waste disposal fac.)

SENATE BILL NO. 469, by Senator Hohman. Makes a special appropriation of $500,000 from the general fund for payment as a grant to the City of Akiachak for construction of a solid waste disposal facility. Provides for an immediate effective date.

Introduced April 20 and referred to Community and Regional Affairs, then to Finance.

Appropriation (special) (Akiachak fish processing plant)

SENATE BILL NO. 470, by Senator Hohman. Makes a special appropriation of $3,000,000 from the general fund for payment as a grant to the City of Akiachak for construction of a fish processing plant. Provides for an immediate effective date.

Introduced April 20 and referred to Resources, Community and Regional Affairs, then to Finance.

SB 471

Pub. Emp. Retire Sys. (retroactive contrib.)

SENATE BILL NO. 471, by Senator Kerttula by request. Amends statutes relating to participation by public officials in the public employees retirement system. Adds, "However, if the elected or former elected official was employed by or elected to office in a municipality his retroactive contributions shall be computed on the basis of the compensation as compensation was defined by ordinance of the municipality during his period of service, including, if the ordinance allows, per diem and expense allowances paid by the municipality. For all other elected officials and former elected officials the rate used to calculate the retroactive contributions may not be less than the rate in effect on January 1, 1961." (Underlined material added). Provides for an immediate effective date.

Introduced April 20 and referred to State Affairs, Judiciary, then to Finance.

SB 472

Pub. Emp. Retire. Sys. (credit for territorial service)

SENATE BILL NO. 472, by Senator Kerttula by request. Adds new sections to statutes relating to the Public Employees Retirement System to allow persons who were employed by the Territory of Alaska for 10 years or more who have not been employed by the state after January 1, 1961, to claim credited service for those years worked. States that such persons are indebted to the system and must contribute to receive credit. States that the amount of indebtedness is 4.25 percent of salary received during time of employment. Adds, "territorial service member" to the definition of "member" or "employee" who is eligible to participate in the system and who is covered by the system. Adds definition of "territorial service member" to the definitions section. Adds a new section which states that a territorial service member is eligible for benefits at age 55 with at least 10 years of credited service. Provides for an immediate effective date.

Introduced April 20 and referred to State Affairs, Judiciary, and then to Finance.

Fischer

LEGISLATIVE REPORTING SERVICE

ANN GARDINER METCALFE

KIMBERLY M. HELMAR

510 KENNEDY STREET
JUNEAU, ALASKA 99801

(907) 586-6672

May 18, 1981

REPORT NO. 18

IN THE SENATE: Honorable Jalmar Kerttula, President

Senator Rodey, Majority Leader
Senator Bradley, Whip

SB557

INTRODUCTION OF BILLS (Senate)

Public Emp. Benefits

SENATE BILL NO. 557, by Senator Fischer. Makes amendments to statutes regarding teachers', public employees', judicial, and national guard benefits. Similar to CSHB 121(SA) offered by House State Affairs last week (see page 881). Does not include: sections increasing the amount of retirement contributions to be made by teachers and public employees; section which would allow a peace officer or fireman to irrevocably relinquish his peace officer or fireman status; section revising monthly amounts of retirement benefits for members of PERS; and section excluding certain Fish & Game employees from receiving peace officer & fireman retirement benefits.

Bill would limit increases in post retirement pensions for teachers and public employees to "the lesser of (1) the increase in the cost of living since the date of retirement; or (2) four percent of the retirement benefit compounded for each year of retirement." (Currently increases are limited to the "greater" of these two factors.) Amends AS 14.25.143(b) and AS 39.35.475(b).

Rewrites definitions of "compensation" for purposes of teachers' and public employees' retirement (amends AS 14.25.220(9) and AS 39-.35.680(8)). Makes other miscellaneous amendments to AS 14.25, and AS 39.35. Provides Act effective July 1, 1981.

Introduced May 11 and referred to State Affairs, Health, Education & Social Services and Finance.

Prisoners (care & confinement of)

SENATE BILL NO. 558, by the Health, Education & Social Services Committee. Amends AS 33.30.060(a) (Commissioner May Contract for Care & Confinement of Prisoners) to allow the Commissioner of Health & Social Services to "enter into an agreement with appropriate public or private agencies [THE PROPER AUTHORITIES OF THE UNITED STATES, ANOTHER STATE, OR A POLITICAL SUBDIVISION OF THIS STATE] to provide for the safekeeping, care, subsistence, proper government, discipline

SB 565, (cont'd)

Adds a new subsection to AHFC statutes relating to collateral for loans to allow the corporation to make a loan secured by a subordinate lien if the loan does not exceed the difference between the balance of the first mortgage and 90% of the appraised value of the property. Amends statutes relating to eligibility for veterans' interest rates to change the amount of time that must have been served in the armed forces in order to be eligible for a loan from 90 days or more to 180 days or more. Allows widows or widowers of eligible veterans to be eligible for veterans' interest rates under certain conditions. Act also adds as eligible for veterans' interest rates, "a person who has served a total of five years in a national guard or reserve unit of the United States armed forces which required as a minimum one weekend each month of duty and 15 consecutive days of active duty training each year if the person has been a resident of the state for at least one year at the time of the loan application and has been a resident of the territory or state at least five years and whose discharge was under honorable conditions." Amends veterans' loans statutes to allow AHFC loans made to veterans to be transferable under the same circumstances for which veterans' loans are transferable. This applies to all veterans' loans and AHFC loans to eligible veterans which were made before or after June 21, 1980. Provides Act takes effect July 1, 1981.

Introduced May 14 and referred to State Affairs, Labor and Commerce, and Finance.

Acquitted Defendents (costs & attorney fees)

SENATE BILL NO. 566, by Senator Hohman. Identical to HB 232, page 356.

Introduced May 15 and referred to Judiciary, then to Finance.

Alaska Industrial Development Authority (amendments)

SENATE BILL NO. 567, by Senator Bradley. Similar to SB 404, page 682, and HB 487, page 703. Makes miscellaneous amendments to statutes relating to the Alaska Industrial Development Authority. Adds "timber, agricultural, multi-family dwellings"to the list of enterprises for which the Authority is responsible for providing various means of financing. Does not provide for an effective date.

SB 568

Introduced May 15 and referred to Labor and Commerce, then to Finance.

Group Insurance/P.E.R.S. (participation by certain groups)

SENATE BILL NO. 568, by Senator Eliason. Amends statutes relating to insurance and supplemental benefits, procurement of group insurance, to allow employers other than the state to participate under a group policy under certain conditions. Defines "employer" to mean "a governmental unit, the American Legion, Department of Alaska, Inc., and the Department of Alaska Veterans of Foreign Wars of the United States." Adds a new section to statutes relating to Public Employees Retirement System (PERS) to include employees of the American Legion, Department of Alaska, Inc., and the Department of Alaska Veterans of Foreign Wars of the United States in the system if they pay the employers contributions for their respective employees. Act does not provide for an effective date.

Introduced May 15 and referred to State Affairs, Health, Education and Social Services, and Finance.

SB 588, (cont'd)

OF NOTICE THAT THE LOCATION HAS BEEN MADE ON LANDS OPEN ONLY FOR LEASING]. A lease application may [SHALL] be filed with the director by the locator at any time [WITHIN 90 DAYS] after receipt of the application form. . . .Minerals may [NOT] be mined and marketed from the proposed leasehold at any time after a lease is applied for [OR USED UNTIL A LEASE IS ISSUED, EXCEPT FOR LIMITED AMOUNTS NECESSARY FOR SAMPLING OR TESTING]." (underlined language added, bracketed language deleted).

States the provisions of AS 38.05.305 do not apply to a lease issued under AS 38.05.205 (Mining Leasing). Sec. 305 states: "Notice and Review. (a) No land or interest in land within the boundaries or within six linear miles of the boundaries of a general law, home rule or unified municipality, as defined under AS 29, may be classified, reclassified, sold or leased, or otherwise disposed of, including the renewal of a lease entered into after September 22, 1976, unless the following procedures have been complied with:. . .".

States the provisions of AS 38.05.345 do not apply to a lease issued under AS 38.05.205 (Mining Leasing). Sec. 345 relates to public notice of a sale, lease or other disposal of land or interest in it.

Section 5 of the bill states: "Notwithstanding the provisions of AS 38.05.205(a) amended in sec. 2 of this Act, until June 30, 1984, minerals may be mined, marketed, or used on land tentatively approved or patented to the state under section 6(a) or 6(b) of the Alaska Statehood Act (P.L. 85-508, 72 Stat. 399, as amended) upon discovery, location, and recording in accordance with AS 38.05.195 [Mining Claims]."

Provides Act takes effect immediately.

Introduced June 5 and referred to Resources, then to Finance.

SB 589

Public Employees Retirement (credit for earlier svc)

SENATE BILL NO. 589, by Senator Ray. Amends the Public Employees Retirement System (PERS), section relating to earlier service (AS 39.35.360(a)) to allow credited service to "a temporary or permanent" employee of the U.S. government in Alaska (presently to "an employee") who meets certain qualifications. Provides an employee who is a retired members of PERS on the effective date of this Act is entitled to receive increased benefits based on U.S. government service granted under the amended section. Provides Act takes effect immediately.

Introduced June 5 and referred to State Affairs, then to Finance.

AHFC (revolving loan fund)

SENATE BILL NO. 590, by Senators Bennett, Fahrenkamp and Parr. Establishes a revolving loan fund in the Alaska Housing Finance Corporation (AHFC) to make or purchase loans. States the fund consists of appropriations made to the fund by the legislature and repayments of principal and interest on loans made or purchased with money from the fund. The corporation may use money in the Alaska housing revolving loan fund to make or purchase any of the loans which can be made or purchased by the corporation under the provisions of AS 18.56 (AHFC). Provides Act takes effect immediately.

Introduced June 5 and referred to Labor & Commerce, then to Finance.

Terry Cramer

Retirement Benefits [redacted]

SENATE BILL NO. 195, by the Rules Committee by request of the Legislative Council (for the Blue Ribbon Commission on the State Personnel Act). Adds new subsections to AS 14.25.173 (Adjustment of Teachers' Retirement Benefits) and AS 39.35.520 (Adjustment of Public Emp. Retirement Benefits) which state that an adjustment which requires repayment of benefits may not be made under the section if (1) the incorrect benefit was first paid two years or more before the member or teacher or beneficiary (employee or beneficiary) was notified of the change or error; (2) the change or error was not caused by the member or teacher or beneficiary (employee or beneficiary); and (3) in the case of Public Employees' Retirement System, the change or error relates to the employee's credited service with the state and not with another participating employer. Act is retroactive to July 1, 1979. Effective immediately.

Introduced February 20 and referred to State Affairs and Finance.

Public Emp. Retirement Board [redacted]

SENATE BILL NO. 196, by the Rules Committee by request of the Legislative Council (for the Blue Ribbon Commission on the State Personnel Act). Changes the membership on the Public Employees' Retirement Board (AS 39.35.030). Currently, of the five members, three shall be members of the Personnel Board in the Dept. of Administration and the remaining two shall be members of the Public Employees' Retirement System, elected by members of the system. Bill changes [redacted]. Sec. 2 of bill states that a person serving on the Board on the effective date of Act who was from the Personnel Board of the Dept. of Admin. shall continue to serve until his successor is elected or appointed by the Governor. Does not provide for effective date.

Introduced February 20 and referred to State Affairs.

Regulations [redacted]

SENATE BILL NO. 197, by the Rules Committee by request of the Legislative Council (for the Blue Ribbon Commission on the State Personnel Act). Amends law so that [redacted] and AS 14.25 relating to the adoption of regulations by the systems state that the regulations relate to the internal management of state agencies and their adoption is not subject to the Admin. Procedure Act. (Bill repeals and re-enacts 39.35.042 and 14.25.022.) Does not provide for effective date. Introd. 2/20, ref. to State Affairs & Judiciary.



SENATE BILL NO. 356, by Senator Ray. Allows vested and deferred vested employees to claim credited service for prior temporary employment, which was formerly not credited. If an employee claims this service he becomes indebted to the system in the amount equal to contributions he would have made during that period. Employee must make retroactive contributions to discharge his indebtedness for that time period in order to qualify for benefits.

Outlines steps to be taken by vested and deferred vested employees to claim credited service under this Act. Credited service granted in this Act may be used to satisfy the credited service requirements for normal or early retirement.

Provides Act takes effect June 30, 1981.

Introduced March 31 and referred to State Affairs, then to Finance.

INCL. ALL PUBL. EMPLG. classified employees school districts

Retirement Credit (unused sick leave)

SENATE BILL NO. 143, by Senators Parr and Fahrenkamp. Allows retirement credit for the unused sick leave of an employee of a political subdivision or public organization participating in the Public Employees' Retirement System (PERS). Employee must have been employed on or after July 1, 1980 and must have retired after July 1, 1981. Unused sick leave shall be credited on a day-for-day basis and employee contributions may not be required for credited unused sick leave.

An employee who retires before July 1, 1981, returns to membership service on or after July 1, 1981, and then subsequently retires is eligible for unused sick leave credit only with respect to sick leave accrued during membership service on or after July 1, 1981.

Benefits under new section accrue from the first day of the month after which: (1) the employee meets the eligibility requirements of the section; (2) the employee is terminated from covered employment; and (3) the employee's written election regarding unused sick leave is received and verified by the administrator.

Above provisions added to AS 39.35 under new Section 315, "Credit for Unused Sick Leave." Does not provide for effective date.

Introduced February 4 and referred to State Affairs and Finance.

Public Employees (retirement) (firemen)

SENATE BILL NO. 121, by Senator Ray. Authorizes credited service under the public employees' retirement system for certain firemen. Amends AS 39.35.360(a) (Public Employees' Retirement System of Alaska. Earlier service) to read: "An employee employed before January 1, 1980, who completes three years of credited service with the state after January 1, 1961, for which the employee makes contributions required by this chapter is entitled to credited service for service rendered (1) before January 1, 1961, as an employee of the state and former Territory of Alaska; (2) before January 1, 1961, as an employee of the United States government in Alaska, excluding service in the armed forces of the United States; or (3) after January 1, 1961, as a peace officer, [OR] correctional officer, or [A FIREMAN] a participating political subdivision of the state if the employee is vested and is an active peace officer, correctional officer, or fireman in the system as of July 1, 1980. The retirement benefits payable to an employee under this section shall be reduced by the amount of the retirement pension benefits paid to him by the United States government for the same period of service." (Note: underlined language added, bracketed language deleted). Does not provide for an effective date.

Introduced January 30 and referred to State Affairs, then to Finance.

affects 18 people



SENATE BILL NO. 63, by Senator Ray. Bill creates a [redacted] option for public employees. Repeals and reenacts AS 39.35-.370(a) (Retirement Benefits) to provide that a terminated employee is eligible for a normal retirement ". . . (3) with at least 20 years of special credited service, as provided in AS 39.35.355(c) . . ."

Adds new section to AS 39.35 defining "Special Credit Service." Allows an employee to contribute to his employee contribution account a percentage of his pay determined by the Administrator of the retirement fund. The percentage as determined by the Administrator shall be an amount sufficient to finance special credited service retirement. Credited service for which additional contributions are made is special credited service. Employee may consider credited service as a peace officer or fireman as special credited service. Employee may terminate his participation at any time and upon termination the amounts contributed shall be treated as voluntary contributions. Does not provide for effective date.

Introduced January 13 and referred to Labor & Commerce and Finance.

Public Employees

SENATE BILL NO. 62, by Senator Ray. Amends statutes relating to banked medical and personal leave of public employees. Adds a new subsection to AS 39.20.256 (Transfer of Accrued Medical Leave) to read: "If an employee is terminated before he is eligible for a retirement benefit under AS 39.35 and the employee is reemployed within three years by the same employer, the banked medical leave accumulated by the employee at the time of his last termination shall be reinstated."

Adds new sections to AS 39.35 which allow public employees, upon retirement, to receive credited service for accumulated medical and personal leave. For the purposes of determining credited service, the employee's accumulated medical and personal leave shall be computed as credited service at the same rate of pay as his salary on retirement. Also stipulates that "a vested employee whose employment is terminated for any reason except retirement is entitled to credited service for his accumulated medical leave." Does not provide for effective date.

Introduced January 13 and referred to Labor & Commerce and Finance.

Public Employees (retirement)

SENATE BILL NO. 61, by Senator Ray. [redacted]

Amends AS 39.35.370(c) by increasing [redacted] (currently 2%) of the average monthly compensation times the years of service. Makes identical amendment to AS 39.35.385(d) (Conditional Service Retirement Benefits). Act applies to all employees receiving benefits under AS 39.35 on the effective date of Act. Does not provide for effective date.

Introduced January 13 and referred to Labor & Commerce and Finance.

TRS ?



SENATE BILL NO. 60, by Senator Ray. Ties increases in retirement benefits paid to teachers and public employees to the increase in the Consumer Price Index for Anchorage. Amends AS 14.25.143(a) & (b) and AS 39.35.475(a) & (b). Currently the benefits are increased "when the administrator determines that the cost of living has increased and that the financial condition of the retirement fund permits" an increase in benefits. Bill seeks to make increases mandatory and independent of the financial condition of the funds. Currently the increases may not exceed the greater of (1) the cost of living increase since retirement; or (2) 4% of retirement compounded for each year of retirement. Provides Act effective July 1, 1981.

Introduced January 13 and referred to Labor & Commerce and to Finance.

SB

133

Introduced: 2/2/81
Referred: State Affairs and Finance

BY PARR, BRADLEY, DANKWORTH, ELIASON, FAHRENKAMP, FISCHER, KELLY, KERTTULA AND RODEY

IN THE SENATE

SENATE BILL NO. 133

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to memorials to Alaskan veterans; and providing for an effective date."

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

* Section 1. MEMORIAL TO ALASKAN VETERANS. (a) A memorial to Alaskan veterans shall be constructed by the Department of Military Transportation and Public Facilities. The memorial shall be located in Denali State Park on a site adjacent to the Parks Highway.

(b) The design of the memorial shall be chosen by a committee composed of the adjutant general of the state, two persons selected by the American Legion, and two persons selected by the Veterans of Foreign Wars. The adjutant general ~~shall be~~ chairman ~~of~~ the committee.

(c) The memorial shall be maintained by the division of parks, Department of Natural Resources.

* Sec. 2. AS 41.20.020 is amended by adding a new paragraph to read:

(12) maintain memorials to Alaskan veterans located in state parks.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-070(c).

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 133
Title An Act relating to memorials to Alaskan veterans.
Requested by Senate State Affairs Committee Date 2/4/81

II. FISCAL DETAIL
Agency Affected Dept. of Transportation & Public Facilities
Program Category Affected General Government
BRU, Program, or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

* Senate Bill 134 contains the appropriation for this purpose, and we assume that all Departmental costs related to this project will be charged against those funds.

If this memorial is to be in the nature of an artwork for which a particular artist is desired, we would suggest that (a) the Department of Military Affairs, or some other agency not bound by AS 35.15.030, be directed to construct this memorial, or (b) a change be made to exempt this work from AS 35.15.030, or (c) the memorial committee be authorized to select the artist or contractor.

IV. DATE February 5, 1981 PREPARED BY Ron B. Lind
AGENCY Dept. of Transportation & Public Facilities
PHONE 465-3900

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

33-001 (Rev. 12/80

SB

134

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 134 - An Act making a special appropriation to the Dept. of
Title Transportation & Public Facilities for construction of a memorial to Alaskan Veterans
Requested by Senate State Affairs Committee Date 2/4/81

II. FISCAL DETAIL
Agency Affected Dept. of Transportation & Public Facilities
Program Category Affected General Government
BRU, Program, or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL	200.00					
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL	200.00	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	200.00					
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Assume that the total cost of this project will be charged against this appropriation. A problem may be encountered by having DT/PF as the agency contracting for this service if the memorial chosen is in the nature of an artwork for which a particular artist was desired; because AS 35.15.030 states that when a contract for construction exceeds $100,000, it shall be awarded to the lowest responsive bidder.

IV. DATE February 5, 1981 PREPARED BY Ron B. Lind
AGENCY Dept. of Transportation & Public Facilities
PHONE 465-3900

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

33-001 (Rev. 12/80

SB

143

Note: relates to SB 143

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C
JUNEAU, ALASKA 99811
465-2200

April 3, 1981

Honorable Mike Miller
Chairman
House State Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Miller:

There were some questions asked by committee members regarding HB 379 "An Act providing for retirement credit in the public employees' retirement system for unused sick leave. . . ."

One question was how other governmental organizations or private firms handle sick leave. The following table is an excerpt from the latest annual survey by the State Division of Personnel.

SICK LEAVE PLANS
STATE OF ALASKA COMPARED TO OTHER ORGANIZATIONS

ORGANIZATION	HAVE PLAN	LEAVE IS ACCUMULATIVE	ALLOWS TIME OFF FOR FAMILY CARE	LEAVE BALANCE IS PAID ON SEPARATION
Mun. of Anchorage	Yes	Yes	No	Full
Anch. School Dist.	Yes	Yes	Yes	No
Federal Government	Yes	Yes	In some cases	Credit to retiremen
Anch. Private Firms	33	21	18	Full 4 Partial 5 Credit retirement 1 Not paid 19
State of California	Yes	Yes	Yes	No
State of Oregon	Yes	Yes	Yes	50% credit to retirement
State of Wash.	Yes	Yes	Yes	25% upon retirement or death
State of Alaska	Yes	Yes	Yes	Unused sick leave balance is paid in cash to beneficiari upon death of emplo

SOURCE: Division of Personnel, State of Alaska

02-89LH

There were two Anchorage firms who reported they had no plan or policy regarding sick leave. The following is a list of firms which participated in the survey.

Alascom
Alaska Base Exchange
Alaska Gas and Service Company
Alaska Hospital & Medical Center
Alaska National Bank of the North
Alaska Railroad
Alaska Title & Guaranty Company
Alyeska Pipeline Service Company
Anchorage Cold Storage
Anchorage Westward Hilton Hotel
AMFAC Supply of Alaska
Bomhoff and Associates
Captain Cook Hotel
Chugach Electric Association
Cook Inlet Native Association
Duty Free Shoppers, Ltd.
First National Bank of Anchorage
Flying Tigers
Hewitt V. Lounsbury & Associates
Hope Cottage
Industrial Indemnity Company
J. C. Penney Company
Marathon Oil Company
Matanuska Maid, Inc.
Nordstrom's
Providence Hospital
RCA-Operations & Maintenance Services
Reeve Aleutian Airways, Inc.
Rural Alaska Community Action Program
Sea-Land Service Company
Sears, Roebuck and Company
Security National Bank
Spenard Builder's Supply
Wien Air Alaska, Inc.
X-Cel Services, Inc.
Xerox Corporation

Out of the forty firms and governmental organizations which participated in the survey only four indicated they had some provision for crediting retirement with unused sick leave. Twenty-one indicated they provided no cash settlement or retirement credit for sick leave when an employee terminates employment or retires. Sick leave historically has been handled much like employee health insurance. It's there when you need it, to the maximum allowed, however, when you terminate employment, you lose your access to the employee health program and coverage. It should be noted that HB 379 does not cover all State employees. In effect, some employees will receive a substantive benefit and others will not.

The Legislature has given the administration the responsibility to bargain with the various unions and associations that represent State employees. There are certain areas that are specifically called out in the Public Employment Relations Act (Sec. 23.40) for which public employers are required to bargain including ". . .wages, hours, and other terms of conditions of employment." The policies related to sick leave are clearly conditions of employment and as such are areas available for negotiation. The effect of HB 379 is to legislate that which at present belongs in the collective bargaining arena. The question then

becomes, why give the State the responsibility to negotiate with employee organizations on a variety of issues, and then selectively withdraw that responsibility. In effect, this procedure complicates the collective bargaining process by granting employees that which they do not gain at the negotiating table.

The following represent an estimate of the costs associated with funding sick leave.

1. FY 82 cost of providing a cash-out at termination or retirement.

	25 PERCENT OF TOTAL	50 PERCENT OF TOTAL	100 PERCENT TOTAL
		(IN THOUSANDS OF DOLLARS)	
State PERS	305.0	610.0	1,220.0
Political Subdivisions	258.0	515.0	1,030.0
TOTAL PERS SYSTEM	563.0	1,125.0	2,250.0

2. FY 82 cost of converting sick leave to retirement credit.

	(IN THOUSANDS OF DOLLARS)
State PERS	796.0
Political Subdivisions	684.0
TOTAL PERS SYSTEM	1,480.0

Respectfully,

W. R. Hudson
Commissioner

WRH/mjc
cc: Sandra Withers, Director
Division of Labor Relations

HB 379

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill No. 379
Title An Act allowing retirement credit for unused sick leave.
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Administration - Division of Retirement & Benefits
Program Category Affected Labor Services
BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 (PERS)
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES		28.3	30.0	31.8	33.8	35.8
200	TRAVEL						
300	CONTRACTUAL		23.7				
400	COMMODITIES		0.2	0.2	0.2	0.2	0.2
500	EQUIPMENT		1.8				
600	LAND & STRUCTURES						
700	STATE TRS MATCHING						
100	BENEFITS		796.4	876.0	963.6	1,060.0	1,166.0
	TOTAL		850.4	906.2	995.6	1,094.0	1,202.0

FUNDING (Thousands of Dollars)

GENERAL FUND		652.2	717.3	789.1	868.1	955.0
FEDERAL FUNDS		36.6	40.3	44.3	48.8	53.6
VETERAN'S FUND		1.6	1.8	1.9	2.1	2.3
FISH & GAME FUND		4.8	5.3	5.8	6.4	7.0
HIGHWAY FUND		10.4	11.4	12.5	13.8	15.2
AIRPORT FUND		23.1	25.4	27.9	30.7	33.8
CAPITAL FUND		67.7	74.5	81.9	90.1	99.1
PERS		53.0	30.2	32.0	34.0	36.0
TRS						

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

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

1. Assumes current retirees will not be affected by this bill.
2. Estimate that the average employee will receive an additional 4.7 days (unused medical leave) of service credit for each year of employment under PERS.
3. Estimate FY 82 State covered payroll to be $276,614,000; increasing 10% annually.
4. Increase in State contribution rate would be .2685% of covered payroll.
5. Estimate Personal Service to increase at 6% per year.
6. Estimate costs for data processing system modifications (one time only) to be $20.0.
7. The costs to political subdivisions is estimated to be $693.8 in FY82.

IV. DATE 3/24/81 PREPARED BY Paul B. Arnoldt, Director
AGENCY Division of Retirement & Benefits
PHONE 465-4460

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named) Representative Smith
Office of the Governor (Keith Specking)

Alaska Federation of Teachers

AFL-CIO

Eugene G. Kubina
President

P.O. Box 1665
Valdez, Alaska 99686
(907) 835-2663

April 7, 1981

Senator Vic Fischer, Chairman
Senate State Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Fischer:

I will be unable to testify on S.B. 143 concerning applying unused sick leave towards retirement for Public Employees. The Alaska Federation of Teachers, who represent several hundred classified school employees, strongly supports this bill. The bill would give the same benefit to non-certified employees as the teachers now have. We urge your positive action on S.B. 143.

Sincerely,

Gene Kubina

Eugene G. Kubina
President

TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 143

Title An Act allowing retirement credit for unused sick leave (Political subdivisions only)

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits

Program Category Affected Labor Services

BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 (PERS)

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		28.3	30.0	31.8	33.8	35.8
200 TRAVEL						
300 CONTRACTUAL		22.7				
400 COMMODITIES		0.2	0.2	0.2	0.2	0.2
500 EQUIPMENT		[illegible]				
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS						
TOTAL	-0-	53.0	30.2	32.0	34.0	36.0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS		53.0	30.2	32.0	34.0	36.0
TRS						

POSITIONS

FULL TIME		1	1	[illegible]	1	1
PART TIME						
TEMPORARY						

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

1. Assu[illegible] current retirees and all State employment will not be affected by th[illegible] bill.
2. [illegible]mate that the average political subdivision employee will receive an [illegible]itional 4.7 days (unused medical leave) of service credit for each year of employment under PERS.

Estimate FY 82 political subdivision covered payroll to be $254,656,000; increasing 10% annually.

[illegible]crease in political subdivision contribution rate would be .2685% of [illegible]ered payroll.

[illegible]mate Personal Services to increase at 6% per year.

[illegible]ate costs for data processing system modifications (one time only) [illegible]20.0.

[illegible]osts to political subdivisions is estimated to be as follows:

[illegible] 82	FY 83	FY 84	FY 85	FY 86
[illegible].8	$752.2	$827.4	$910.[illegible]	$1,001.1

3/10/81 PREPARED BY Paul R. Arnoldt, Director

AGENCY Division of Retirement & Benefits

[illegible] Finance PHONE 465-4460

[illegible] Management

[illegible]sor (First Legislator Named) Senator Parr

[illegible] the Governor (Kaiser Stockton)

	POSITION TITLE			RANGE/STEP	BARG. UNIT	LOCATION	GOV	MGMT/A	CBAC
1	Retirement & Benefits Technician			12/B	G	Juneau			
	TYPE OF POSITION	STAFF MONTHS	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LGC		
2	PFT	12							

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
	PERSONAL SERVICES:			
4	SALARY $1,814/month		$21,768	
5	BENEFITS 15.79%		3,437	
6	SBS 6.13%		1,334	
7	HEALTH INS. $150/month		1,800	
8	TOTAL PERSONAL SERVICES	01		$28,339
9	TRAVEL	02		
10	CONTRACTUAL	03		2,700
11	COMMODITIES	04		200
12	EQUIPMENT	05		1,800
13	OTHER			
14	TOTAL COST			$33,039

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FND 1004	
18		I/A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER PERS	$33,039
21	CONTINUATION		
22	ADDITION		

FOR BGM USE ONLY

AA KEYNUMBER ..... COMMN NO. .....

JUSTIFICATION:

This employee will be responsible for verifying and recording the additional credited service granted for unused sick leave, for calculating the additional benefit, and for handling correspondence

It is estimated that approximately 30% or 4,400 members of the current PERS political subdivision membership will ultimately retire and will require crediting of unused sick leave under this bill.

Senate Bill No. 143

AGENCY Administration PROGRAM Labor Servi[illegible]

BRU Retirement & Benefits

COMPONENT PERS

13 REQUEST FOR NEW POSITION

REVISED DATE .....

FY 82

Introduced: 2/4/81
Referred: State Affairs and Finance

IN THE SENATE

BY PARR AND FAHRENKAMP

SENATE BILL NO. 143

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act allowing retirement credit for the unused sick leave of an employee of a political subdivision or public organization participating in the public employees' retirement system."

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

* Section 1. AS 39.35 is amended by adding a new section to read:

Sec. 39.35.315. CREDIT FOR UNUSED SICK LEAVE. (a) An employee of a participating political subdivision or participating public organization who is employed on or after July 1, 1980, and who retires after July 1, 1981, may elect to add unused sick leave credit to the total number of years of creditable service under AS 39.35.370(c). Unused sick leave shall be credited on a day-for-day basis. Employee contributions may not be required for credited unused sick leave.

(b) An employee retiring before July 1, 1981, who returns to membership service on or after July 1, 1981, and who subsequently retires is eligible for unused sick leave credit only with respect to sick leave accrued during membership service on or after July 1, 1981.

(c) Benefits under this section accrue from the first day of the month after which

(1) the employee meets the eligibility requirements of this section;

(2) the employee is terminated from covered employment; and

(3) the employee's written election regarding unused sick leave is received and verified by the administrator.

SB

145

→ REVISE ← AMENDMENT

Introduced: 2/4/81
Referred: State Affairs and Resources

BY BRADLEY, BENNETT, DANKWORTH, KELLY, ELIASON, MULCAHY, GILMAN, STIMSON, ZIEGLER, PARR, HOHMAN, STURGULEWSKI AND FAHRENKAMP

IN THE SENATE

SENATE BILL NO. 145

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act providing for free resident hunting and sport fishing licenses for disabled veterans."

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

* Section 1. AS 16.05.340(a)(4) is amended to read:

(4) Resident hunting and sport fishing license.....22

However, a person may receive a resident hunting and sport fishing license without charge if he

(A) has been discharged from military service under honorable conditions;

18,56,101

(B) is eligible for a loan under AS ~~16.15~~; and

(C) is certified by the United States Veterans' Administration as having incurred a 50 percent or greater disability during his military service.

ANCH — Bill Olson Viet Nam Vets - reduce to 30%

FAI — Bill Crosby - most DAV's have 30%

Ted Dixon - no objection - TVSA - 50%

CATCH LINE ELIGIBILITY FOR VETERANS

AS 18.56.101

TEXT THE FOLLOWING PERSONS ARE ELIGIBLE VETERANS

(1) A PERSON WHO SERVED IN THE ARMED FORCES OF THE UNITED STATES FOR 90 DAYS OR MORE, OR WHOSE SERVICE WAS FOR LESS THAN 90 DAYS BECAUSE OF INJURY OR DISABILITY INCURRED IN THE LINE OF DUTY, AFTER APRIL 6, 1917,

(A) WHO AT THE TIME OF INDUCTION INTO THE SERVICE WAS A RESIDENT OF THE TERRITORY OR STATE, WHO HAD BEEN A RESIDENT FOR NOT LESS THAN ONE YEAR IMMEDIATELY BEFORE HIS INDUCTION, AND WHO RETURNED TO THE TERRITORY OR STATE WITHIN ONE YEAR AFTER DISCHARGE AS A RESIDENT WITH THE INTENTION OF REMAINING IN THE TERRITORY OR STATE; OR

(B) WHO, NOT BEING A BONA FIDE RESIDENT OF THE TERRITORY OR STATE AT THE TIME OF ENTRY INTO THE SERVICE, HAS BEEN A RESIDENT OF THE TERRITORY OR STATE FOR AT LEAST ONE YEAR AT THE TIME OF THE LOAN APPLICATION AND HAS BEEN A RESIDENT OF THE TERRITORY OR STATE FOR LEAST FIVE YEARS; AND

(C) WHOSE DISCHARGE WAS UNDER HONORABLE CONDITIONS;

(2) THE WIDOW OR WIDOWER OF A MEMBER OF THE ARMED FORCES OF AN ELIGIBLE VETERAN IF

(A) THE MEMBER OR VETERAN WAS A RESIDENT OF THE TERRITORY OR STATE FOR ONE YEAR BEFORE INDUCTION INTO THE SERVICE;

(B) THE MEMBER OR VETERAN SERVED IN THE ARMED FORCES FOR AT LEAST 90 DAYS AFTER APRIL 6, 1917; AND

(C) HIS DISCHARGE WAS UNDER HONORABLE CONDITIONS;

(3) A PERSON WHO HAS SERVED IN THE ALASKA ARMY NATIONAL GUARD, THE ALASKA AIR NATIONAL GUARD, OR THE ALASKA NAVAL MILITIA OR WHO HAS SERVED IN A RESERVE UNIT OF THE UNITED STATES ARMED FORCES IN ALASKA IF THE RESERVE UNIT REQUIRED, AS A MINIMUM, (ONE WEEKEND EACH MONTH OF DUTY) AND 15 CONSECUTIVE DAYS OF ACTIVE DUTY TRAINING EACH YEAR FOR NOT LESS THAN FIVE YEARS AND WHOSE DISCHARGE WAS UNDER HONORABLE CONDITIONS.)

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S
JUNEAU, ALASKA 99811

March 2, 1981

The Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Room 205 - Behrends Building
Juneau, Alaska

Dear Senator Fischer:

Re: Senate Bill No. 145

Senate Bill No. 145, an Act providing for free resident hunting and sport fishing lincenses for disabled veterans, was introduced in the Senate on February 4, 1981 and was referred to the Senate State Affairs and Resources Committees.

For the consideration of the Senate State Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Cecelia A. Wagoner, Fish and Game Licensing Section of the Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson

R. D. Stevenson
Special Assistant

RDS/rdh

cc: The Honorable Bettye Fahrenkamp
Chairperson
Senate Resources Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Cecilia A. Wagoner
Fish and Game Licensing Section
Department of Revenue

04-D2LH

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB No 145
Title An Act providing for free resident hunting and sport fishing licenses for disabled veterans.
Requested by Senate State Affairs and Resources Committee Date 2/24/81

II. FISCAL DETAIL
Agency Affected Department of Revenue
Program Category Affected Sport Fish and Game Fund
BRU, Program, or Subprogram(s) Affected Department of Fish and Game
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
FISH FUND	-0-	(2.6)	(2.8)	(3.1)	(3.4)	(3.8)
GAME FUND	-0-	(3.1)	(3.4)	(3.8)	(4.1)	(4.5)

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

See attached fiscal note

IV. DATE February 26, 1981 PREPARED BY Cecilia A. Wagoner for Linda Gene Lockridge
AGENCY Department of Revenue
PHONE 465-2376

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

33-001 (Rev. 12/80)

S.B. #145 Bill Analysis

According to the U.S. Veterans Administration Regional Office for Alaska, located in Anchorage, there are currently 515 veterans in the state who have a service-connected disability that is rated at 50% or greater. The Veterans Administration estimated that this figure would increase at the rate of 10% each year. We are assuming that 50% of the eligible veterans will apply for this license.

We recommend that the effective date of this bill be January 1, 1982, because fishing and hunting licenses are sold on a calendar year not a fiscal year. Licenses and applications would also have to be designed, bid let out, and the licenses printed all on special order. It would also be extremely unfair to those veterans who had already purchased their licenses for 1981 for cash if some of the eligible group got their license for free. Also, there would be no loss of revenue or expense incurred in Fiscal Year 1981 if the effective date of the bill is January 1, 1982. The license could be purchased with the regular order of 1982 licenses and applications and instructions would be mailed out to the vendor at the normal shipout time.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB No 145
Title An Act providing for free resident hunting and sport fishing licenses for disabled veterans.
Requested by Senate State Affairs and Resources Committee Date 2/4/81

II. FISCAL DETAIL
Agency Affected Department of Revenue
Program Category Affected Sport Fish and Game Fund
BRU, Program, or Subprogram(s) Affected Department of Fish and Game
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL	-0-	1.	1.	1.	1.	1.
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	1.	1.	1.	1.	1.

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

See attached fiscal note

IV. DATE February 26, 1981 PREPARED BY Cecilia A. Wagoner for Linda Gene Lockridge
AGENCY Department of Revenue
PHONE 465-2376

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

33-001 (Rev. 12/80)

STATE OF ALASKA
OFFICE OF THE GOVERNOR

BILL ANALYSIS

Department	Sponsor (Principal)	Bill Number
Revenue	Bradley plus twelve	SB No 145

Department Position: SUPPORT IF AMENDED

Division Director	Date	Commissioner	Date
Donald W. Barnes	2/27/81	Thomas K. Williams	3/1/81

GOVERNOR'S OFFICE USE

Comments:

☐ Position Noted	By	Date

SUMMARY

1. a) Related Bills (Similar or Conflicting	1. b) Other Agencies Affected by Bill
	Department of Fish & Game
2. a) Organizational Support for Bill	**2. b) Organizational Opposition to Bill**
Unknown	Unknown

3. Program Effects of Bill

There will be an assumed loss to the Department of Fish and Game, Fish fund and Game fund every year

4. Fiscal Impact: ☐ None ☒ Fiscal Note Attached

5. Amendments Proposed:

EFFECTIVE DATE SHOULD BE 1/1/82

6. Comments:

Recommend effective date of bill be January 1, 1982, since fishing and hunting licenses are sold on a calendar year not a fiscal year and it would be unfair to those eligible veterans who had already purchased their licenses for cash if some of the eligible groups got theirs for free.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 145

Title An Act providing free resident hunting and sport fishing license to disabled veterans

Requested by _____ Date 02/06/81

II. FISCAL DETAIL

Agency Affected Department of Fish and Game

Program Category Affected Natural Resource Management

BRU, Program, or Subprogram(s) Affected Game and Sport Fish

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

REVENUE ~~XXXXXXX~~ (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)		(11.6)	(11.6)	(11.6)	(11.6)	(11.6)
Fish and Game Fund						

POSITIONS

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

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

Based on data from the U.S. Government's Veterans Affairs Agency we assume there may be 525 individuals who might take advantage of this program. The revenue reduction is based on the current $10 and $15 fee for sport fishing and hunting licenses.

$10 x 525 = $5,250
$12 x 525 = 6,300
TOTAL $11,550

IV. DATE February 13, 1981 PREPARED BY Russell H. Clark

AGENCY Department of Fish and Game

PHONE 465-4120

Original: Legislative Finance
cc: Budget and Management

SB

146

Introduced: 2/4/81
Referred: State Affairs and Finance

BY BRADLEY, BENNETT, DANKWORTH, KELLY, MULCAHY, ELIASON, GILMAN, COLLETTA, HOHMAN, STIMSON, FERGUSON, PARR, ZIEGLER, STURGULEWSKI AND FAHRENKAMP 15

IN THE SENATE

Prop. Cam Sr

SENATE BILL NO. 146

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to veterans' burial allowances."

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

* Sec. 1. AS 26.10 is amended by adding a new section to read:

Sec. 26.10.080. BURIAL ALLOWANCE. (a) The division of veterans' affairs shall pay a burial expense allowance not to exceed $500 to the executor or heirs of a veteran who was a resident of the state at the time of ~~his~~ death, upon application of such executor or heirs

(b) Burial paid for under this section may not be in a cemetery or in a portion of a cemetery used exclusively for the burial of paupers.

(c) A person otherwise eligible for the burial allowance under (a) of this section shall receive the allowance even if he dies while temporarily absent from the state.

(d) In this section "veteran" means a person who is serving in a branch of the armed services of the United States or a person who has served in a branch of the armed services of the United States and was honorably discharged.

if the executor or heirs

up to $950

VA benefits $450

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 146

Title An Act Relating to Veterans' Burial Allowances.

Requested by Bradley, Bennett, Dankworth, Kelly, Mulcahy, . . . Date 2-4-81

II. FISCAL DETAIL

Agency Affected Department of Commerce & Economic Development

Program Category Affected Economic Development

BRU, Program, or Subprogram(s) Affected Division of Veterans' Affairs

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

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES	1.9	2.1	2.2	2.4	2.6	2.8
200	TRAVEL						
300	CONTRACTUAL	.5	.5	.6	.6	.7	.7
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.	150.0	155.0	156.0	160.0	165.0	170.0
	TOTAL	152.4	157.6	158.8	163.0	168.3	173.5

FUNDING (Thousands of Dollars)

GENERAL FUND	152.4	157.6	158.8	163.0	168.3	173.5
FEDERAL FUNDS	0	0	0	0	0	0
OTHER (Specify Fund Source)	0	0	0	0	0	0

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

The following statistics were used: Death rate of 3.9 per 1,000 residents (Vital Statistics)
Population growth 1970-1980 = 3.24% per year (Dept. of Labor-Research & Analysis)
Estimate of 70,000-77,000 veterans in the State.

Death rate x estimated veteran population = 273-300 deaths per year.
Estimate of 300 deaths times $500 per claim = $150,000 in claims.

An estimate of 30 minutes per claim by an Accounting Clerk III was used with some postage and telephone charges.

These costs are being budgeted separately from the Veterans' Revolving Loan Fund and will require funding from the General Fund.

IV. DATE February 9, 1981 PREPARED BY Don Hostak, Director

AGENCY Department of Commerce & Economic Development

PHONE 465-2555 Division of Veterans' Affairs

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

33-001 (Rev. 12/80

SB

147

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 147
Title Providing for exemption of the residence of a disabled veteran from...property tax..
Requested by _____ Date March 16, 1981

II. FISCAL DETAIL
Agency Affected Department of Community and Regional Affairs
Program Category Affected Social-Economic Assistance to the Aged
BRU, Program, or Subprogram(s) Affected Senior Citizen Tax Relief
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES			11.1	12.2	13.4	14.7
200 TRAVEL			1.7	1.9	0	0
300 CONTRACTUAL			2.9	1.1	1.2	1.3
400 COMMODITIES			.3	.3	.4	.4
500 EQUIPMENT			.3	0	0	0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			500.3	578.1	667.1	770.5
TOTAL			516.2	593.7	682.1	786.9

FUNDING (Thousands of Dollars)

GENERAL FUND			516.2	593.7	682.1	786.9
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME			1	1	1	1
TEMPORARY						

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

See Attached

IV. DATE March 18, 1981 PREPARED BY LaDonna Brown LaDonna Brown
AGENCY Community & Regional Affairs
PHONE 465-4739

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

33-001 (Rev. 12/80)

100 PERSONAL SERVICES

Increase current clerk typist II part time position to full time will adequately provide for handling additional applicants which increases current program activity by about 50%.

Clerk Typist II part time, Range 07		
Salary 1,319/month (659.5 part time)	$ 7,914	
Benefits	1,216	
FICA (per current position)		
Health Insurance	924	
		$ 10.1

Travel to the major population centers will be required for the first 2 years of operation to assure that eligible applicants are aware of the new benefits and to prepare appropriate agencies to assist applicants.

200 TRAVEL

Expenses	950	
Per Diem	525	
		$ 1.5

300 CONTRACTUAL

Postage	$ .3	
Printing & advertising - first year	1.9	
Printing & advertising - annual	.4	
Copier	.2	
First year total		$ 2.3
Annual total		.9

400 COMMODITIES $ .3

100-400 based on FY 82 estimates, 10% annual increase was used to project subsequent years.

500 EQUIPMENT

5-drawer file cabinet	$ .3

Total first year administration	$14.5
Annual Administration	$13.1

700 GRANTS

FY 81 DATA

% of DISABILITY	VETERANS	76.85%*	82% **	AVG PMT.	TOTAL
0	72	55	--	--	--
10	1190	916	752	72	54,144
20	607	467	383	145	55,535
30	445	342	280	217	60,760
40	253	194	159	289	45,951
50	147	113	93	362	33,666
60	164	126	103	434	44,702
70	73	56	46	506	23,276
80	40	31	25	578	14,450
90	11	8	7	651	4,557
100	80	61	50	723	36,150
	3,082	2,369	1,898	197	373,191

* Alaska 1980 population, a preliminary overview, released January 1, 1981 by the Alaska Department of Labor indicates that 3.15% of the civilian population is age 65 or over and can be presumed to be currently participating in the senior citizen exemption.

The operation of the senior citizen property tax exemption program indicates that about 30% of the total seniors do not participate generally because they are in institutions or other housing not subject to property tax. Assuming seniors are more likely to be residing in institutions and subsidized housing, it appears reasonable to reduce this figure to 20% when applied to veterans.

$$\begin{array}{r} 3.15\% \\ 20.00\% \\ \hline 100.00\% - 23.15\% = 76.85\% \end{array}$$

**Analysis of the applicants for senior citizen homeowner exemption and renter payment shows that 82% of the total applicants own their home and 18% are renters.

Assume less than half the increase in number of applicants annually for this population segment when compared with the senior population, or about 5% increase per year.

Assume similar annual increase in average payment per applicant to senior programs, or 10% increase per year.

Position Paper
Department of Community & Regional Affairs
SB 147

April 28, 1981

The Department has no objection to this bill. However, we are concerned about the number of bills that would expand property tax exemptions. We are also concerned that these bills lack direction; continuing along this path could lead to a local tax structure that lacks cohesiveness and will be both hard to understand and difficult to administer.

Another consideration is the cost of municipal administration. Existing exemption programs will require processing about 6,000 applications in FY 83, this program will add an estimated 2,100. No study has been done to determine local administrative cost but it can be assumed to be considerable. The fiscal impact of administration is now being extracted from local revenues.

The fiscal note is based on past performance of the property tax, no attempt has been made to project the impact of leagislative action regarding property tax relief. It is assumed that the fiscal impact of the exemption programs will be significantly reduced by expected reduction of local mill rates.

Introduced: 2/4/81
Referred: State Affairs, Community & Regional Affairs and Finance

BY BRADLEY, BENNETT, KELLY, MULCAHY, RODEY, ELIASON, STIMSON, GILMAN, COLLETTA, HOHMAN, ZIEGLER, FERGUSON, PARR, FISCHER, DANKWORTH AND FAHRENKAMP

IN THE SENATE

SENATE BILL NO. 147

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act providing for exemption of the residence of a disabled veteran from levy and collection of real property taxes and authorizing reimbursement to municipalities for revenues lost by operation of the exemption; and providing for an effective date."

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

* Section 1. AS 29.53.020(e) is repealed and reenacted to read:

(e) The real property owned and occupied as a permanent place of abode of a person described in this subsection is exempt from taxation of the assessed value of the real property as indicated in this subsection. Only one exemption may be granted for the same property, and, if two or more persons are eligible for an exemption for the same property, the parties shall decide between or among themselves which shall receive the benefit of the exemption. Real property may not be exempted under this subsection if the assessor determines, after notice and hearing to the parties concerned, that the property was conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor may be appealed under AS 44.62.560 - 44.62.570. An exemption under this subsection shall be allowed

(1) to a resident of the state 65 years of age or older for the entire assessed value of the real property; or

(2) to a disabled veteran for a percentage of the assessed value of the real property which is the same as his percentage of disability as established by his service disability rating.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 147

Title An Act providing for exemption of the residence of a disabled veteran from levy and collection of real property taxes and authorizing reimbursement to municipalities...

Requested By: Bradley, Bennett, Kelly, Mulcahy, Rosay ... Date 2/4/81

II. FISCAL DETAIL

Agency Affected Department of Commerce & Economic Development

Program Category Affected Economic Development

BRU, Program, or Subprogram(s) Affected Division of Veterans' Affairs

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	0					
200 TRAVEL	0					
300 CONTRACTUAL	0					
400 COMMODITIES	0					
500 EQUIPMENT	0					
600 LAND & STRUCTURES	0					
700 GRANTS, CLAIMS, ETC.	0					
TOTAL	0					

FUNDING (Thousands of Dollars)

GENERAL FUND	0					
FEDERAL FUNDS	0					
OTHER (Specify Fund Source)	0					

POSITIONS

FULL TIME	0					
PART TIME	0					
TEMPORARY	0					

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

IV. DATE 2/6/81 PREPARED BY Don Hostak, Director

AGENCY Department of Commerce & Economic Development

PHONE 465-2555 Division of Veterans' Affairs

Original: Legislative Finance
cc: Budget and Management

SB

165

copy file SB 165

Alaska State Legislature

Senate Committee on State Affairs
Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Billy Berrier, Director
Division of Legislative Legal Services

FROM: Senator Vic Fischer

DATE: April 14, 1981

RE: SB 165 - Preparatory Commission

You might be interested in the attached April 10 Attorney General's letter once more throwing cold water on a joint executive-legislative appointment procedure for a preparatory convention.

/sq

attachment

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR
TERRY MILLER, LT. GOV.

OFFICE OF THE LT. GOVERNOR

DIVISION OF ELECTIONS

POUCH AF—JUNEAU 99811

February 13, 1981

The Honorable Vic Fischer
Chairman
State Affairs Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Fischer:

The Division of Elections has reviewed Senate Bill 165 and has prepared and attached a fiscal note and suggested amendments to the bill.

The election code has been reviewed and revised extensively over the past two years. As the review process has occurred, election procedures have changed. Based on these revisions, I have attached suggested amendments that cover two general areas:

1. Assuming that voters at the 1982 General Election have approved the holding of a convention, candidates must file a declaration of candidacy. I am suggesting that those procedures be consistent with those for legislative and statewide offices.

2. The specific duties for the conduct of an election are assigned to the Director of Elections, with the Lieutenant Governor retaining final authority.

Sincerely,

Patty Ann Polley
Director
Division of Elections

PAP:ko

Enclosures

SUGGESTED AMENDMENTS TO SENATE BILL 165

1. Page 1, line 13, following "amendment" insert "is"

2. Page 3, line 5, change "lieutenant governor" to "director of elections"

   line 27, change "lieutenant governor" to "director of elections"

3. Page 4, line 5, remove "to the lieutenant governor"

   line 8, remove "to the lieutenant governor"

   line 14, remove "to the lieutenant governor"

   line 20, remove "by the lieutenant governor"

   line 26, insert a new section (c) to read as follows:

   "A candidate for delegate to the constitutional convention shall file either with the director or an election supervisor. If the candidate files his declaration with an election supervisor, the election supervisor shall immediately forward the declaration to the director."

   line 26, change "(c)" to "(d)"

   lines 26-29 remove first sentence and insert the following:

   "If the declaration filed under (a)(3) of this section is not received within seven calendar days, the candidate shall be notified of non-receipt."

4. Page 5, line 7, remove "lieutenant governor" and insert "director of elections"

5. Set December 15 as the first day that a declaration of candidacy may be filed.

6. Question: Do you want legislators to serve as delegates to the convention?

7. Question: Shall we add requirement for an Election Pamphlet for delegate selection election and also one for ratification election? (Fiscal note includes this.)

8. Question: Is the required APOC statement (Sec. 7, AS 39.50.020(b)) necessary <u>at the time of filing</u> a declaration for delegate candidates?

9. Question: Should we remove Sec. 15.50.900 delegation by lieutenant governor in lieu of these amendments?

Sen. Fischer
Sen. State Affairs

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill No. 165
Title "An Act relating to constitutional conventions; and providing for an effective date"
Requested by Senate State Affairs Date February 11, 1981

II. FISCAL DETAIL
Agency Affected Office of the Governor
Program Category Affected Legislative and Elective Operations
BRU, Program, or Subprogram(s) Affected Division of Elections
(Note: If more than one budget component is affected, separate line-item amounts and funding for each componeat in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	-0-	-0-	199.6	223.6	-0-	-0-
200 TRAVEL	-0-	-0-	27.2	30.5	-0-	-0-
300 CONTRACTUAL	-0-	-0-	863.2	966.8	-0-	-0-
400 COMMODITIES	-0-	-0-	34.4	38.5	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	1124.4	1259.4	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	1124.4	1259.4	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY			5.5	5.5		

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

1) FY 81 - no additional cost
2) FY 82 - no additional cost
3) FY 83
   a) Full cost of special election for Constitutional Convention delegate selection;
   b) Full cost of Official Election Pamphlet pertaining to special election in four regional issues (at request of Senate State Affairs);
   c) Preparation costs for ratification election to be held early in FY 84
4) FY 84
   a) Full cost of ratification election;
   b) Full cost of Official Election Pamphlet in four regional issues pertaining to constitutional amendment ratification (at request of Senate State Affairs);
   c) 12% inflation over FY 83

IV. DATE February 13, 1981 PREPARED BY Danith D. Anderson Danith D Anderson
AGENCY Division of Elections
PHONE 586-6181

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

33-001 (Rev 12/80

SB 165 -- Fiscal Note Supplementary Information

(100) Personal Services

Includes overtime (average of $20,000/month for 1980 elections plus 12% inflation) for 3-month period; cost of 22 total temporary employees (19 at Range 8 and 3 at Range 10) for Anchorage, Fairbanks, Juneau and Nome offices for 3-month period ($1,393/month x 19 x 3) + ($1,564/month x 3 x 3); cost of Election Pamphlet and public information staff (based on 1980 costs and 12% inflation).

(200) Travel

Includes in-state airfare for public information officer and election supervisor coordination; travel for election pamphlet staff (based on 1980 costs and 12% inflation); travel for absentee voting officials for pipeline assistance, data processing systems personnel ($350/airfare + $500/trip x 32 trips).

(300) Contractual Services (Total of $863,200)

(310) Includes Zenith line, long-distance and telegram service, postage (82.2 with 40.0 allocated for Election Pamphlet).

(320) Printing and Advertising Including cost of printing ballots (80.0) (25 sets of data vote ballots, 15 sets of paper ballots, assuming 40 election districts), declarations of candidacy forms, tally books, registers, notices of election, certificates and return booklets; plus Election Pamphlet printing costs (based on 1980 costs with 12% inflation -- 165.0) and general advertising.

(330) Rents and Leases Additional office space in Juneau and Anchorage for election related activities.

(360) Equipment Rental Includes 10 Mag Card II typewriters at $300. each x 3 months = $9,000; data processing equipment rental (card reader, 6 display stations, 4 printers); copier expense.

(380) Professional Services Including data processing consulting (20.0)

(390) Other fees and expenses (460.0)
Election Night Expense (100.0)
Miscellaneous (20.0)
Election Board Payments (340.0)

(400) Commodities Includes all election-related materials (31.9) for 500 precincts, election night activities, temporary employees, absentee voting officials (50 total) and election pamphlet staff (2.5).

(500) Equipment No additional equipment expenses required.

SECTIONAL ANALYSIS OF SB 165

RELATING TO CONSTITUTIONAL CONVENTION

Section 1: Directs the Lt. Governor to place either constitutional amendments by the Legislature or by a Constitutional Convention on the ballot for the next statewide general election.

Removes the 120 day requirement for placing amendments proposed by a constitutional convention.

Section 2: Spells out how to place question of whether or not to have a constitutional convention every 10 years, on the ballot.

Section 3: Provides that if a majority of the votes are in the affirmative for holding a convention, that the Lt. Governor shall provide for a convention under the provisions of this bill.

Section 4(a): 15.50.091: Sets the date for calling for a special election for selecting delegates. Third Tuesday of May following the vote on the question.

Section 4 (b): Provides if a convention is called by the Legislature the date for selection of delegates will be set out in the call.

15.50.101: Provides for the number of delegates; 60 from same election districts as provided for Legislators and 5 at large.

15.50.111: Provides that the 60 shall be elected from the same districts as each house of the legislature, according to the apportionment schedule in effect at the time the election is held.

15.50.120: Sets out the qualifications of the delegates:

(a) Registered voter, three year resident of the state and one year resident in the district from which the delegate is to be selected.

(b) At large delegate shall be a registered voter of the state who has been a resident of the state for the three years preceeding the first day of the convention.

15.50.130: Declaration and withdrawal of candidacy:

(a) Basically the same manner as a candidate for the Legislature except there are no provisions for a partisan election.

(b) Candidates must withdraw 40 days before election in order to have name removed from the ballot.

15.50.140: 1. Manner and date of filing declaration:

(a) Must file at or before 5:00 p.m. local time on February 15 of the year in which the special election is held for the office.

(b) Provides for filing by telegram.

(c) Provides for filing by registered mail, postmarked at or before 5:00 p.m. local time February 15.

2. Provides for extension if February 15 falls on a Saturday or Sunday.

3. Sets forth what a person must do, as follow-up if the filing is by telegram.

15.50.150: Provides for a nonpartisan election.

15.50.160: Requires the Lt. Governor to place the names of qualified candidates on the special election ballot.

15.50.170: Ballots: Provides that a separate ballot shall be prepared for each election district. The ballot shall contain the names of the candidates from the house district, senate district and the candidates at large.

15.50.180: Certification of election: Provides that the Lt. Governor shall certify the person receiving the largest number of votes for the office for which he was a candidate, as elected.

Section 5: Adds a new section to A.S. 15.50, Article 9:

15.50.900: Allows the Lt. Governor to delegate the duties imposed by this Chapter to the director.

Section 6: Adds a new chapter to A.S. 44:

Chapter 90 Constitutional Convention:

44.90.010: Call:

Provides that within 60 days after an affirmative vote to call a constitutional convention or within 60 days of the calling of a convention by the Legislature if specific appropriations have not been made for the special election for delegates, the Lt. Governor shall include in his call an appropriation which he determines adequate. He shall deliver a copy of the call to the Commissioner of Revenue.

The Commissioner shall establish special accounts within the general fund for which money for the special election can be drawn. The monies shall be dispersed for the special election, the work of the convention, and the ratification election following the convention.

44.90.020: Establishes the location of the convention and the convening time:

University of Alaska at College, Alaska at 10:00 a.m. the second Monday in September following the special election or at a time specified in the call.

Provides that the convention shall meet for not more than 90 days, but may at its discretion recess for 15 days or less for public hearings.

44.90.030: Provides that the Governor shall open and preside until temporary officers are selected.

44.90.040: Provides that all meetings are open to the public unless an executive session is called under provisions set forth in Alaska Statutes.

44.90.050: Provides that the convention is the judge of the qualification and election of its members, may elect officers, prescribe their functions, powers and duties and may make the rules to conduct its business; may request and shall receive assistance and information from any state agency; may employ various staff and consultants and enter into contracts; have plenary power to revise the constitution subject only to ratification by the people.

44.90.060: Provides if a convention submits amendments or revisions to the constitution the Lt. Governor shall call a special election for the purpose of ratifying the amendments or revisions not less than 40 nor more than 120 days after the adjournment of the constitutional convention.

44.90.070: Immunities: Provides immunities similar to legislative immunities.

44.90.080: Provides for expenses, travel and per diem allowances as a Legislator, although no salaries.

44.90.090: Provides that the Governor shall appoint a qualified person to fill any vacancies.

Sections 7 -14: Provides for disclosure, conflict of interest, and lobbying activities similar to the requirements for Boards and Commissions, the Legislature and the Administration.

Section 15: Repeals the sections dealing with how a constitutional convention shall be called.

Section 16: Effective date.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

Brown

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill No. 165
Title "An Act relating to constitutional conventions; and providing for an effective date
Requested by Senate State Affairs Date February 11, 1981

II. FISCAL DETAIL
Agency Affected Office of the Governor
Program Category Affected Legislative and Elective Operations
BRU, Program, or Subprogram(s) Affected Division of Elections
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	-0-	-0-	199.6	223.6	-0-	-0-
200 TRAVEL	-0-	-0-	27.2	30.5	-0-	-0-
300 CONTRACTUAL	-0-	-0-	863.2	966.8	-0-	-0-
400 COMMODITIES	-0-	-0-	34.4	38.5	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	1124.4	1259.4	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	1124.4	1259.4	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY			5.5	5.5		

full cost of convention

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

1) FY 81 - no additional cost
2) FY 82 - no additional cost
3) FY 83
   a) Full cost of special election for Constitutional Convention delegate selection
   b) Full cost of Official Election Pamphlet pertaining to special election in four regional issues (at request of Senate State Affairs);
   c) Preparation costs for ratification election to be held early in FY 84
4) FY 84
   a) Full cost of ratification election;
   b) Full cost of Official Election Pamphlet in four regional issues pertaining to constitutional amendment ratification (at request of Senate State Affairs);
   c) 12% inflation over FY 83

IV. DATE February 13, 1981 PREPARED BY Danith D Anderson Danith D Anderson
AGENCY Division of Elections
PHONE 586-6151

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

I called 2/23 approx 9:25 a.m.

33-001 (Rev. 12/80

SB 165 — Fiscal Note Supplementary Information

(100) Personal Services

Includes overtime (average of $20,000/month for 1980 elections plus 12% inflation) for 3-month period; cost of 22 total temporary employees (19 at Range 8 and 3 at Range 10) for Anchorage, Fairbanks, Juneau and Nome offices for 3-month period ($1,393/month x 19 x 3) + ($1,564/month x 3 x 3); cost of Election Pamphlet and public information staff (based on 1980 costs and 12% inflation).

(200) Travel

Includes in-state airfare for public information officer and election supervisor coordination; travel for election pamphlet staff (based on 1980 costs and 12% inflation); travel for absentee voting officials for pipeline assistance, data processing systems personnel ($350/airfare + $500/trip x 32 trips).

(300) Contractual Services (Total of $863,200)

(310) Includes Zenith line, long-distance and telegram service, postage (82.2 with 40.0 allocated for Election Pamphlet).

(320) Printing and Advertising Including cost of printing ballots (80.0) (25 sets of data vote ballots, 15 sets of paper ballots, assuming 40 election districts), declarations of candidacy forms, tally books, registers, notices of election, certificates and return booklets; plus Election Pamphlet printing costs (based on 1980 costs with 12% inflation -- 165.0) and general advertising.

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(360) Equipment Rental Includes 10 Mag Card II typewriters at $300. each x 3 months = $9,000; data processing equipment rental (card reader, 6 display stations, 4 printers); copier expense.

(380) Professional Services Including data processing consulting (20.0)

(390) Other fees and expenses (460.0)
Election Night Expense (100.0)
Miscellaneous (20.0)
Election Board Payments (340.0)

(400) Commodities Includes all election-related materials (31.9) for 500 precincts, election night activities, temporary employees, absentee voting officials (50 total) and election pamphlet staff (2.5).

(500) Equipment No additional equipment expenses required.

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K – STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

April 10, 1981

Hon. Vic Fischer
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: Constitutional convention
preparatory commission
Our file: J-66-557-81

Dear Senator Fischer:

You have asked whether we can find any kind of joint executive-legislative appointment of a commission to prepare for a constitutional convention to be legally acceptable. We regret to advise that we cannot.

There are at least two cases, each of which includes a compelling dissent, which hold that a legislator's serving as a delegate to a constitutional convention is not holding a dual office. Harvey v. Ridgeway, 450 S.W.2d 281 (Ark. 1970); Bd. of Supervisors of Elections v. Attorney General, 229 A.2d 388 (Md. 1967). Both cases ignore the case authority in their own and other states in arriving at their decisions. Accordingly, neither is persuasive. Our own court takes a broad view on what is an office. Larson v. State, 564 P.2d 356 (Alaska 1977) And the cases uniformly hold that an office is "'a public charge or employment, the duties of which are prescribed by law, and he who performs the duties is an officer.'" State v. Dunn, 496 S.W.2d 480, 490 (Tenn. 1973), quoting from State v. Bratton, 253 S.W. 705 (Tenn. 1923). See also Warwick v. State ex rel. Chance, 548 P.2d 384 (Alaska 1976); Begich v. Jefferson, 441 P.2d 27 (Alaska 1968)(prohibition against dual-office holding literally applied). The Alaska Constitution expressly makes employment by or election to a constitutional convention an exception from the prohibition against legislators' holding dual office. Alaska Const., art. II, § 5. In Begich, the court stated that these (and other) express exceptions in the constitution necessarily result in the prohibition's extending to all other offices. 441 P.2d at 30-33.

It might be argued that legislative appointees to the preparatory commission are employees of the convention.

However, while the legislature is empowered to made provision for the convention, "by law," Alaska Const., art. XIII, § 3, the constitution does not make an exception for the legislature to appoint either its members or its agents to be the officers or employees of the convention or for either to serve on a commission appointed by the legislature in whole or in part. Absent constitutional provision to the contrary, the chief executive is the appointing authority for those charged with carrying out a law. Bradner v. Hammond, 553 P.2d 1 (Alaska 1976).

Either on an informal basis or on a basis formalized by law, resolution, or interbranch agreement, the agencies of the two branches -- including duly established permanent or ad hoc interim committees -- can certainly cooperate in studies and gathering information to prepare for a convention. So too, the legislature, through existing or duly established interim committees can study the needs for constitutional reformation. But the legislature cannot write a public law and then appoint a commission of its own members or agents to carry it out. Book v. State Office Bldg. Comm'n, 149 N.E.2d 273 (Ind. 1958).

Sincerely yours,

WILSON L. CONDON
ATTORNEY GENERAL

By: Rodger W. Pegues
Rodger W. Pegues
Assistant Attorney General

RWP/pjg

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill No. 165
Title "An Act relating to constitutional conventions; and providing for an effective date"
Requested by Senate State Affairs Date February 11 1981

II. FISCAL DETAIL
Agency Affected Office of the Governor
Program Category Affected Legislative and Elective Operations
BRU, Program, or Subprogram(s) Affected Division of Elections
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

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300 CONTRACTUAL	-0-	-0-	868.2	966.8	-0-	-0-
400 COMMODITIES	-0-	-0-	34.4	38.5	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	1124.4	1259.4	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	1124.4	1259.4	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY			5.5	5.5		

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

1) FY 81 - no additional cost
2) FY 82 - no additional cost
3) FY 83
   a) Full cost of special election for Constitutional Convention delegate selection;
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4) FY 84
   a) Full cost of ratification election;
   b) Full cost of Official Election Pamphlet in four regional issues pertaining to constitutional amendment ratification (at request of Senate State Affairs);
   c) 12% inflation over FY 83

ONLY IF "YES" IN 1982

IV. DATE February 13, 1981 PREPARED BY Danith D. Anderson Danith D Anderson
AGENCY Division of Elections
PHONE 586-6181

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

33-001 (Rev. 12/80

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SENATE BILL 165
Title "An Act relating to constitutional conventions; providing for eff. date.
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected _____
Program Category Affected _____
BRU, Program, or Subprogram(s) Affected _____
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

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100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
	0	0	0	0	0	0

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III) SB 165 is for an enabling act. It provides a standby process in case voters or the Legislature approve a constitutional convention call by referendum. The next referendum is in November 1982. If the voters approve a convention call, major expenses will ensue. If the voters oppose a convention, there will be no costs. In either case, the convention enabling legislation would, unless changed by law, apply to future referenda and convention calls.

Possible costs of a convention -- delegate election, constitution revision process, ratification election, and other expenses -- are ascribable to the referenda or a legislative call and not to this bill. Essentially the same expenditures will occur in case of a convention call even if this bill is not enacted.

Accordingly, the fiscal note for this bill is zero.

IV. DATE March 1, 1981 PREPARED BY Sen. Fischer, Chairman
AGENCY Senate State Affairs Committee
PHONE 465-4954

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

33-001 (Rev. 12/80

ENABLING ACT FOR AN

ALASKA CONSTITUTIONAL CONVENTION

Prepared by:

GUY A. VAN DOREN,
ADMINISTRATIVE ASSISTANT
CONSTITUTIONAL CONVENTION COMMITTEE

1981

INTRODUCTION

to

ENABLING ACT

In preparation for a constitutional convention, one of the first things that the Legislature must do is pass legislation providing the basis for establishing the convention. Great care should be taken in writing this act for its purpose is to enable this convention to get under way, not to control the convention. No better word of warning on this score has come than that from the Judiciary Committee of the New York Convention of 1894:

> "It is of the greatest importance that a body chosen by the people of this state to revise the organic law of this state should be as free from interference from the several departments of government as the legislative executive and judiciary are from interference by each other. Unless this were so, the will of the people might easily be nullified by the existing judiciary or legislature. Should the latter attempt to enact a law prohibiting the constitutional convention from restricting

the existing power of the legislature the act would be at once be recognized as an unwanted invasion of the rights of the people." [1]

1. Quoted in Walter F. Dodd, "The Revision and Amendment of State Constitutions" (Baltimore, The John Hopkins Press, 1910), pp 79 - 80.

The purpose of an enabling act is to facilitate the selection of delegates and the operation of the convention, nothing more. The following items are suggested as matters which must be settled before the convention can get under way. Decision on the following subjects must be made:

I. Selection of delegates:
   - A. Number
   - B. Qualifications
   - C. Basis of thier selection (district, at large, etc.)
   - D. Method of their nomination an/or election
   - E. Date of the election
   - F. Administration of the election
   - G. Method of filling vacancies

II. Date and procedure of convening the delegates

III. Site of the Convention

IV. Provision for pre-convention planning and accumulation of materials

V. Appropriation (Can be a separate bill)
   - A. Amount adequate to finance all convention needs, including official pre-convention activities
   - B. Post-convention activities
   - C. Accounting practices

VI. Compensation of delegates

A. Basis of payment, per diem, monthly or flat amount for the whole convention

B. Amount of expenses allowed, if any, and for what purposes

C. Any special compensation for offices

The above has usually been sufficient. Three other matters, however, might be dealt with. These should be considered inherent powers of a convention, but, if there is any doubt or if there is the possibility that critics may seek to exploit the fact of their absence from the enabling act, then they should be included.

VII. Authority to require any officer of the state to furnish information or to appear before the convention or any committee thereof (this includes the authority to seek opinions from the attorney general or other legal officer of the state;

VIII. Authority to use the facilities of the state or any local government when such use is not disruptive of regular governmental activities. (This becomes particularly important if hearings by committees are conducted regionally);

IX. A schedule for the convention's work

A. Provisions for a recess during the life of the convention

B. Dates of the completion of the convention's work

C. Dates for submission of the convention's proposal to the people

X. Immunity clause

The enabling act need not go deeply into matters of organization, procedure and personnel and generally should avoid statements that may hamper the convention in carrying out its assigned functions. The convention should be free to determine how it will organize and manage itself.

In the areas of personnel and materials, the convention should have full control over its needs. The power to hire and fire personnel and within its own budgetary limits, their rate of compensation, as well as the power to purchase material and equipment and to contract for services falls in this category. The convention needs to be free to seek its personnel where it wants. It should not be required to borrow its staff from existing state agencies, nor use existing facilities. No compromise should be made which will in any sense make the convention beholden to anyone outside itself. If the convention chooses to borrow state personnel for its staff, or to use the legislative council or the attorney general for assistance and advice, it may do so. But to require the convention to use these sources is to give an external element a role in the convention. A role potentially detrimental to the objectivity which the convention seeks to achieve.

1. Delegate selection: The first Alaska Constitutional Convention in 1955-56 had 55 delegates (the number of delegates who drafted the United States Constitution in 1787).

Unless otherwise provided by law, Article XII Sec. 3 requires that a call for a constitutional convention shall conform as nearly as possible to the Act, calling the Alaska Constitutional Convention of 1955 including but not limited to, number of members, districts, election and certification of delegates.

In 1955, delegates were elected on a three level apportionment system, seven delegates were elected at large; thirty-three were elected at large within four judicial divisions; and fifteen came from newly delineated single delegate districts.

HB 117, introduced in 1971, provided for 65 delegates. Sixty delegates were to be apportioned among the election districts of both houses of the Legislature in accordance with reapportionment, pursuant to the 1970 U.S. Census. Five delegates were to be selected on a statewide basis.

In view of the 1980 Census, it can be assumed that delegate selection will be on the basis of the 1981 apportionment plan, and that any enabling legislation should contain a provision that delegates will be selected on the basis of the new apportionment plan. The use of the 60 delegates simplifies

the job of providing a basis for delegate elections. Having five delegates elected from the state at large will provide individuals of broader experience and familiarity with conditions throughout the state.

The enabling act should stipulate that the election of delegates be non-partisan and that any registered voter who has resided in the state and in the district from which he/she running for the same period of time required of a candidate for the Legislature, is eligible.

The method of election should be a single special election with the person receiving the largest number of votes being elected as the delegate. The only problem with this is that if a district has a large number of delegates, one person may win by a small majority or by a very small percentage of the total vote. The only solution to this problem would be a run-off, but history has shown in other states that very few people vote in a run-off of this type and it can be expensive.

The date of the special election should be during an off-general-election year and should be held early enough in order that there will be sufficient time between the election of delegates and the convening of the convention for the delegates to familiarize themselves with the issues and what they are intending to accomplish. There also should be enough time to allow staff to prepare for the convention and complete the delegate materials.

The administration of the election should be carried out by the Division of Elections under the supervision of the Lt. Governor.

HB 117 required a nominating petititon to be filed with the Lt. Governor consisting of not less than 50 legally qualified voters of an election district based on a house district, 100 legally qualified voters of an election district based on a senate district and 1,000 signatures for candidates seeking election on a statewide basis. The petition of a candidate seeking election for the state at large shall be subscribed by the signatures of at least 25 qualified voters from each of the senate election districts.

2. Date and Procedure of Convening the Delegates: As with the election for delegates, there should be enough time before the convening of the convention to allow delegates to familiarize themselves with what is ahead and to have an orientation session. The date of convening should also be early enough for a 90 day session and so that the convention will not be meeting simultaneously with the legislature.

In most states, the Governor convenes the convention and then turns the convention over to the temporary presiding officer. In some states, the Lt. Governor or the Secretary of State opens the convention, but usually the Governor has done this.

Most experts in constitutional conventions have recommended that staff develop a temporary set of rules under which the convention can convene until permanent rules can be adopted by the delegates.

Provision for pre-convention planning and the accumulation of materials: SB 723 which passed both houses of the Legislature in 1980, but was vetoed by the Governor, included a provision for the establishment of a constitutional convention commission made up of persons appointed by the Governor, Legislature, and the Chief Justice of the Supreme Court.

In his veto message, the Governor cited the creation of this commission as one of the reasons he vetoed the bill, claiming that the make-up of the commission violated the separation of powers. He felt the Governor should appoint members to the commission.

Most of the states who called conventions in the seventies established commissions in the way set forth in SB 723. There was usually a cooperative effort to insure a successful convention.

The legislature in Alaska feels they have the right to appoint members to any constitutional convention based on the premise that since the constitutional conventi is a law-making function

and since the Legislature, by law, may provide for the calling of a constitutional convention, including procedures, it should have a say in the appointment of a preparatory commission.

Since there is disagreement regarding the commission and the appointment of its members between the two branches of government, perhaps, in order to successfully pass enabling legislation, this matter should be left out and addressed at a later date with a solution which will satisfy both parties.

Appropriation: There is no absolute formula for the funding of constitutional conventions. Conventions in the seventies ranged from $20,000 appropriated to the Rhode Island Convention to $3.8 million appropriated for the Texas Convention. The amount should be adaquate to finance all convention needs, including official pre and post-convention activities, including but not limited to staff and consultant salaries and benefits, delegate compensation, travel, material preparation, and expenses for the functioning of the convention itself. It has been recommended that delegates be compensated at the same rate as Legislators during the legislative session.

Convention Site: The Alaska Constitutional Convention of 1955-'56, following the example of the New Jersey Convention of 1947, which was convened on a college campus, held its convention on the campus of the University of Alaska at Fairbanks.

In 1971 the legislature assigned two research persons to conduct a constitutional convention site survey. After visiting the Fairbanks campus, Anchorage and Juneau, and evaluating the three sites as to location, facilities, timing and other criteria, it was recommended that the University of Alaska at Fairbanks again be the convention site.

A preparatory commission or the legislature itself, should look into all the pros and cons of each possible site including conducting a site survey similar to the one held in 1971 to determine which place would best function physically to carry out the objectives and ideals of the convention. The changing times, technological advances and public perception since the 1955-56 convention necessitates a very thorough study of the choice for a proper site.

no provision to hold an election

fiscal note for cost of constitutional convention

desk bill

intent full cost

Introduced: 2/9/81
Referred: State Affairs, Judiciary and Finance

BY THE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE COUNCIL (for the Joint Interim Committee on the Constitutional Convention)

IN THE SENATE

SENATE BILL NO. 165

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to constitutional conventions; and providing for an effective date."

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

* Section 1. AS 15.50.030 is amended to read:

Sec. 15.50.030. PLACING AMENDMENTS BY LEGISLATURE [PROPOSITION] ON BALLOT. The lieutenant governor shall direct the director to place the ballot title and proposition on the ballot for the next statewide general election held after the amendment proposed by the legislature [OR HELD 120 DAYS AFTER THE AMENDMENT PROPOSED BY A CONSTITUTIONAL CONVENTION]. If there is insufficient time to permit the proposition to be placed on the regular ballot by the director, the lieutenant governor shall direct the director to prepare a separate ballot for the proposition.

* Sec. 2. AS 15.50.070 is amended to read:

Sec. 15.50.070. PLACING QUESTION OF CONSTITUTIONAL CONVENTION ON BALLOT. If during any 10-year period a constitutional convention has not [YET] been held, and the question of holding a constitutional convention has not been placed before the voters, the lieutenant governor shall direct the director to place [THE QUESTION] on the ballot for the next regular statewide general [OR PRIMARY] election the question: "Shall there be a Constitutional Convention?" Provision shall be made for marking the question "Yes" or "No".

* Sec. 3. AS 15.50.080 is amended to read:

Sec. 15.50.080. CERTIFICATION OF VOTE. If a majority of the votes

cast on the question placed before the voters under AS 15.50.070 is [ARE] in the affirmative, the lieutenant governor shall [SO CERTIFY AND SHALL] issue the call for the constitutional convention under the provisions of this chapter.

* Sec. 4. AS 15.50 is amended by adding new sections to read:

Sec. 15.50.091. DATE FOR ELECTION OF DELEGATES. (a) If a majority of the votes cast on the question put before the voters under AS 15.50.070 is in the affirmative, a special election for the selection of delegates shall be held on the third Tuesday of May following the vote on the question.

(b) If the constitutional convention is called by the legislature, the date of the election of delegates shall be specified in the call.

Sec. 15.50.101. NUMBER OF DELEGATES. Sixty-five delegates shall be elected to a constitutional convention. Sixty delegates shall be elected under AS 15.50.111 and five delegates shall be elected at large.

Sec. 15.50.111. DELEGATE ELECTION DISTRICTS. Delegates to a constitutional convention, other than delegates elected at large, shall be elected from the same districts and in the same numbers as are elected to each house of the legislature according to the apportionment schedule in effect at the time that the election is held.

Sec. 15.50.120. QUALIFICATIONS OF CANDIDATES. (a) A candidate for delegate from a district shall be a registered voter of the state who has been a resident of the state for the three years preceding and of the district from which he seeks election for one year preceding the first day of the convention.

(b) A candidate for delegate at large shall be a registered voter of the state who has been a resident of the state for the three years

What is deadline for filing

preceding the first day of the convention.

Sec. 15.50.130. DECLARATION AND WITHDRAWAL OF CANDIDACY. (a) A person who seeks to be a candidate in the special election for delegate to a constitutional convention shall execute and file a declaration of candidacy with the lieutenant governor. The declaration shall be executed under oath before an officer authorized to take acknowledgements and shall state in substance:

(1) the full name of the candidate and the manner in which he wishes his name to appear on the ballot;

(2) the full resident address of the candidate;

(3) the full mailing address of the candidate;

(4) the election or senate district of which the candidate is a resident;

(5) the office for which the candidate seeks nomination;

(6) that the candidate meets the specific residency requirements of the office for which he is a candidate;

(7) that the candidate is a qualified voter as required by law;

(8) that the candidate requests that his name be placed on the special election ballot; and

(9) that the required fee accompanies the declaration.

(b) A declaration of candidacy shall be accompanied by a filing fee of $30 unless the person files a notarized affidavit that he is indigent.

(c) The name of a candidate will appear on the special election ballot unless notice of his withdrawal from the special election is received by the lieutenant governor at least 40 days before the date of the special election. Notice of withdrawal of candidacy must be in writing over the signature of the candidate.

Sec. 15.50.140. MANNER AND DATE OF FILING DECLARATION. (a) A declaration of candidacy for delegate to a constitutional convention is filed by

(1) the actual physical delivery of the declaration in person to the lieutenant governor at or before 5:00 p.m., local time, February 15 of the year in which the special election is held for the office;

(2) the actual physical delivery of the declaration by mail to the lieutenant governor at or before 5:00 p.m., local time, February 15 of the year in which the special election is held for the office; or

(3) the actual physical delivery

(A) by telegram of a declaration with the statements required in AS 15.50.130(a)(1) - (5) to the lieutenant governor at or before 5:00 p.m., local time, February 15 of the year in which the special election is held for the office; and

(B) by registered mail of a complete declaration of candidacy which is postmarked at or before 5:00 p.m., local time, February 15 of the year in which the special election is held for the office and received by the lieutenant governor not more than 15 days after that time.

(b) If the postmark is illegible, a dated receipt from the post office where the declaration was dispatched is acceptable as evidence of mailing. If February 15 is a Sunday or holiday, the deadlines for postmarking and receipt of the declaration shall be extended 24 hours.

(c) If a candidate sends a telegram under (a)(3) of this section and the lieutenant governor does not receive a declaration of candidacy by registered mail within 15 days of February 15, the candidate shall be notified of the nonreceipt of the declaration. The candidate shall

have the opportunity to refile his declaration with proof that his previous declaration has been filed in a timely manner and in accordance with law.

Sec. 15.50.150. NONPARTISAN ELECTION. The election of the delegates to a constitutional convention shall be nonpartisan.

Sec. 15.50.160. PLACEMENT OF NAMES OF CANDIDATES ON SPECIAL ELECTION BALLOT. The lieutenant governor shall place the names of the persons who have filed proper declarations of candidacy for delegate on the special election ballot.

Sec. 15.50.170. BALLOTS. A separate ballot shall be prepared for each election district. The ballot shall contain the names of the candidates for delegate from the house district, from the senate district, and the candidates running at large.

Sec. 15.50.180. CERTIFICATION OF ELECTION. On completion of his review of the votes, the lieutenant governor shall certify the person receiving the largest number of votes for the office for which he was a candidate as elected. The lieutenant governor shall issue each elected delegate a certificate of election.

* Sec. 5. AS 15.50 is amended by adding a new section to read:

ARTICLE 9. GENERAL PROVISIONS.

Sec. 15.50.900. DELEGATION BY THE LIEUTENANT GOVERNOR. The lieutenant governor may delegate the duties imposed on him by this chapter to the director.

* Sec. 6. AS 44 is amended by adding a new chapter to read:

CHAPTER 90. CONSTITUTIONAL CONVENTION.

Sec. 44.90.010. CALL. (a) Within 60 days after an affirmative vote under AS 15.50.070 or within 60 days after the legislature has called a constitutional convention, if specific appropriations have not been made for the special election to select delegates, to hold the

constitutional convention, or to conduct a special ratification election, the lieutenant governor shall include in his call for the constitutional convention an appropriation which he determines is adequate for those purposes. He shall deliver a copy of the call to the commissioner of revenue.

(b) When the commissioner of revenue receives the copy of a call under (a) of this section, he shall establish special accounts within the general fund from which money for the purposes stated in (a) of this section may be drawn.

(c) The amounts appropriated for elections to select delegates or to ratify an amendment or revision shall be spent and accounted for by the lieutenant governor.

(d) The amounts appropriated for the constitutional convention shall be spent and accounted for by the constitutional convention.

Sec. 44.90.020. PLACE AND TIME OF CONSTITUTIONAL CONVENTION. (a) If a majority of the votes cast under AS 15.50.070 is in the affirmative, the constitutional convention shall be at the place specified in the call assemble at the University of Alaska, College, Alaska at 10:00 a.m. or as soon as a quorum is present on the second Monday in September following the special election or at a time specified in the call for the purpose of considering amendments or revisions to the Constitution of the State of Alaska.

(b) The constitutional convention shall meet for not more than 90 days but may, in its discretion, recess for 15 days or less for public hearings on proposed amendments or revisions to the constitution.

Sec. 44.90.030. OPENING OF THE CONSTITUTIONAL CONVENTION. The governor shall open the constitutional convention and shall preside until temporary officers are selected.

Sec. 44.90.040. MEETINGS OF THE CONSTITUTIONAL CONVENTION. All meetings of the constitutional convention shall be held in accordance

with AS 44.62.310 - 44.62.312.

Sec. 44.90.050. POWERS OF THE CONSTITUTIONAL CONVENTION. (a) The constitutional convention is the judge of the qualification and election of its members.

(b) The constitutional convention may by a majority vote of its members choose officers, prescribe their functions, powers and duties, and make rules for the conduct of its business.

(c) The constitutional convention may request and shall receive assistance and information from any state department or agency.

(d) The constitutional convention may employ professional, legal, and other staff assistants and enter into contracts for goods and services.

(e) The constitutional convention has plenary power to amend or revise the constitution subject only to ratification by the people.

Sec. 44.90.060. RATIFICATION OF AMENDMENTS OR REVISIONS. (a) If the constitutional convention submits amendments or revisions to the people for ratification, the lieutenant governor shall call a special election for the purpose of ratifying the amendments or revisions not less than 40 or more than 120 days after the adjournment of the constitutional convention.

(b) The ratification election shall be conducted under AS 15.

Sec. 44.90.070. IMMUNITIES. A delegate to a constitutional convention may not be held to answer before any tribunal for any statement made in the exercise of his duties as a delegate to the constitutional convention while the convention is in session. A delegate attending, going to or returning from convention sessions is not subject to civil process and is privileged from arrest except for felony or breach of the peace.

Sec. 44.90.080. EXPENSES, TRAVEL, AND PER DIEM OF DELEGATES. A

delegate to the constitutional convention is entitled to expenses, per diem, and travel allowances provided by law for legislators while the legislature is in session. A delegate does not receive salary for service as a delegate.

Sec. 44.90.090. DELEGATE VACANCY. If a vacancy occurs in the office of delegate, the governor shall appoint a qualified person to fill the vacancy.

* Sec. 7. AS 39.50.020(b) is amended to read:

(b) The governor, lieutenant governor, members of the legislature, delegates to a constitutional convention, and candidates for these offices, judicial officers, each commissioner, head or deputy head of, or director of a division within, a department in the executive branch, assistant to the governor or chairman or member of a commission or board required to report under this chapter, shall file the statement with the Alaska Public Offices Commission. Municipal officers, and candidates for elective municipal office, shall file with the municipal clerk or other municipal official designated to receive their filing for office. All statements required to be filed under this chapter are public records.

* Sec. 8. AS 39.50.200(a)(1) is amended to read:

(1) "public official" means a judicial officer, a member of the legislature, a delegate to a constitutional convention, the governor, the lieutenant governor, a person hired or appointed as the head or deputy head of, or director of a division witain, a department in the executive branch an assistant to the governor, chairman or member of a state commission or board, and each appointed or elected municipal officer;

* Sec. 9. AS 39.50.200(a) is amended by adding a new paragraph to read:

(10) "candidate for state elective office" includes a candi-

date for election as a delegate to a constitutional convention.

* Sec. 10. AS 24.45.081 is amended to read:

Sec. 24.45.081. REPORTING PERIODS. (a) Reports required under this chapter shall be filed during the calendar month following each calendar month during any part of which the legislature was in session and during the month following each calendar quarter when the legislature was not in session.

(b) If [HOWEVER, IF] a lobbyist registered under this chapter has declared that he seeks only to influence administrative action and not legislative action he need only file a report required under this chapter for each calendar quarter. If a lobbyist registered under this chapter has declared that he seeks to influence legislative action but does not intend to influence legislative action at a constitutional convention, he need only file the reports required under (a) of this section. If a lobbyist registered under this section has declared that he seeks to influence legislative action at a constitutional convention, he need only file reports during the calendar month following a calendar month during which the constitutional convention was in session.

(c) The period covered shall be the calendar month or the calendar quarter, as applicable, and shall in any event cover the period from the date of the last report filed under this chapter to the date of the end of the calendar month or quarter, as applicable, for which the report is being filed. The period covered shall not include any months covered in previous reports filed by the same person. When total amounts are required to be reported, totals shall be stated both for the period covered by the statement and for the entire calendar year to date.

* Sec. 11. AS 24.45.161(a)(1)(B) is amended to read:

(8) who limits his lobbying activities to appearances before public sessions of the legislature or before public sessions of a constitutional convention, or their [ITS] committees or subcommittees, or to public hearings or other public proceedings of state agencies;

* Sec. 12. AS 24.45.161(b) is amended to read:

(b) Nothing in this chapter may be construed as prohibiting or affecting the rendering of professional services in drafting legislative measures or in advising clients and in rendering opinions as to the construction or effect of proposed or pending legislative or administrative action when these professional services are not otherwise connected with influencing or attempting to influence legislative or administrative action. Nor does anything in this chapter prevent members of the legislature or delegates to a constitutional convention from discussing with constituents the advisability of passing legislation or proposals for amendments or revisions then pending before, or proposed to be presented to, the legislature or a constitutional convention.

* Sec. 13. AS 24.45.161(c) is amended to read:

(c) Either house of the legislature or a constitutional convention [BY RESOLUTION, OR BOTH HOUSES OF THE LEGISLATURE BY CONCURRENT RESOLUTION,] may by resolution invite a person to appear to speak before it [THE LEGISLATURE OR EITHER HOUSE] with reference to any pending matter. A standing, special or interim committee of either house of the legislature or of a constitutional convention may, upon the concurrence of a majority of its members, extend an invitation to any person to appear before the committee to give information in regard to, or explain, any matter pending before the committee.

* Sec. 14. AS 24.45.171(7) is amended to read:

(7) "legislative action" means the preparation, research, drafting, introduction, consideration, modification, amendment, approval, passage, enactment, defeat or rejection of any bill, resolution, proposition, amendment, revision, motion, report, nomination, appointment or other matter by the legislature or by a constitutional convention, or by a standing, interim or special committee of the legislature or of a constitutional convention, or by a member or employee of the legislature or of a constitutional convention acting in his official capacity; it includes, but is not limited to, the action of the governor in approving or vetoing a bill or the action of the legislature in considering, overriding or sustaining that veto and the action of the legislature in considering, confirming or rejecting an executive appointment of the governor;

* Sec. 15. AS 15.50.090, 15.50.100, and 15.50.110 are repealed.

* Sec. 16. This Act takes effect immediately in accordance with AS 01.-10.070(c).

Introduced: 2/9/81
Referred: State Affairs, Judiciary and Finance

BY THE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE COUNCIL (for the Joint Interim Committee on the Constitutional Convention)

IN THE SENATE

SENATE BILL NO. 165

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to constitutional conventions; and providing for an effective date."

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

* Section 1. AS 15.50.030 is amended to read:

Sec. 15.50.030. PLACING AMENDMENTS BY LEGISLATURE [PROPOSITION] ON BALLOT. The lieutenant governor shall direct the director to place the ballot title and proposition on the ballot for the next statewide general election held after the amendment proposed by the legislature [OR HELD 120 DAYS AFTER THE AMENDMENT PROPOSED BY A CONSTITUTIONAL CONVENTION]. If there is insufficient time to permit the proposition to be placed on the regular ballot by the director, the lieutenant governor shall direct the director to prepare a separate ballot for the proposition.

* Sec. 2. AS 15.50.070 is amended to read:

Sec. 15.50.070. PLACING QUESTION OF CONSTITUTIONAL CONVENTION ON BALLOT. If during any 10-year period a constitutional convention has not [YET] been held, and the question of holding a constitutional convention has not been placed before the voters, the lieutenant governor shall direct the director to place [THE QUESTION] on the ballot for the next regular statewide general [OR PRIMARY] election the question: "Shall there be a Constitutional Convention?" Provision shall be made for marking the question "Yes" or "No".

* Sec. 3. AS 15.50.080 is amended to read:

Sec. 15.50.080. CERTIFICATION OF VOTE. If a majority of the votes

cast on the question placed before the voters under AS 15.50.070 is [ARE] in the affirmative, the lieutenant governor shall [SO CERTIFY AND SHALL] issue the call for the constitutional convention under the provisions of this chapter.

* Sec. 4. AS 15.50 is amended by adding new sections to read:

Sec. 15.50.091. DATE FOR ELECTION OF DELEGATES. (a) If a majority of the votes cast on the question put before the voters under AS 15.50.070 is in the affirmative, a special election for the selection of delegates shall be held on the third Tuesday of May following the vote on the question.

(b) If the constitutional convention is called by the legislature, the date of the election of delegates shall be specified in the call.

Sec. 15.50.101. NUMBER OF DELEGATES. Sixty-five delegates shall be elected to a constitutional convention. Sixty delegates shall be elected under AS 15.50.111 and five delegates shall be elected at large.

Sec. 15.50.111. DELEGATE ELECTION DISTRICTS. Delegates to a constitutional convention, other than delegates elected at large, shall be elected from the same districts and in the same numbers as are elected to each house of the legislature according to the apportionment schedule in effect at the time that the election is held.

Sec. 15.50.120. QUALIFICATIONS OF CANDIDATES. (a) A candidate for delegate from a district shall be a registered voter of the state who has been a resident of the state for the three years preceding and of the district from which he seeks election for one year preceding the first day of the convention.

(b) A candidate for delegate at large shall be a registered voter of the state who has been a resident of the state for the three years

preceding the first day of the convention.

Sec. 15.50.130. DECLARATION AND WITHDRAWAL OF CANDIDACY. (a) A person who seeks to be a candidate in the special election for delegate to a constitutional convention shall execute and file a declaration of candidacy with the lieutenant governor. The declaration shall be executed under oath before an officer authorized to take acknowledgements and shall state in substance:

(1) the full name of the candidate and the manner in which he wishes his name to appear on the ballot;

(2) the full resident address of the candidate;

(3) the full mailing address of the candidate;

(4) the election or senate district of which the candidate is a resident;

(5) the office for which the candidate seeks nomination;

(6) that the candidate meets the specific residency requirements of the office for which he is a candidate;

(7) that the candidate is a qualified voter as required by law;

(8) that the candidate requests that his name be placed on the special election ballot; and

(9) that the required fee accompanies the declaration.

(b) A declaration of candidacy shall be accompanied by a filing fee of $30 unless the person files a notarized affidavit that he is indigent.

(c) The name of a candidate will appear on the special election ballot unless notice of his withdrawal from the special election is received by the lieutenant governor at least 40 days before the date of the special election. Notice of withdrawal of candidacy must be in writing over the signature of the candidate.

Sec. 15.50.140. MANNER AND DATE OF FILING DECLARATION. (a) A declaration of candidacy for delegate to a constitutional convention is filed by

(1) the actual physical delivery of the declaration in person to the lieutenant governor at or before 5:00 p.m., local time, February 15 of the year in which the special election is held for the office;

(2) the actual physical delivery of the declaration by mail to the lieutenant governor at or before 5:00 p.m., local time, February 15 of the year in which the special election is held for the office; or

(3) the actual physical delivery

(A) by telegram of a declaration with the statements required in AS 15.50.130(a)(1) - (5) to the lieutenant governor at or before 5:00 p.m., local time, February 15 of the year in which the special election is held for the office; and

(B) by registered mail of a complete declaration of candidacy which is postmarked at or before 5:00 p.m., local time, February 15 of the year in which the special election is held for the office and received by the lieutenant governor not more than 15 days after that time.

(b) If the postmark is illegible, a dated receipt from the post office where the declaration was dispatched is acceptable as evidence of mailing. If February 15 is a Sunday or holiday, the deadlines for postmarking and receipt of the declaration shall be extended 24 hours.

(c) If a candidate sends a telegram under (a)(3) of this section and the lieutenant governor does not receive a declaration of candidacy by registered mail within 15 days of February 15, the candidate shall be notified of the nonreceipt of the declaration. The candidate shall

have the opportunity to refile his declaration with proof that his previous declaration has been filed in a timely manner and in accordance with law.

Sec. 15.50.150. NONPARTISAN ELECTION. The election of the delegates to a constitutional convention shall be nonpartisan.

Sec. 15.50.160. PLACEMENT OF NAMES OF CANDIDATES ON SPECIAL ELECTION BALLOT. The lieutenant governor shall place the names of the persons who have filed proper declarations of candidacy for delegate on the special election ballot.

Sec. 15.50.170. BALLOTS. A separate ballot shall be prepared for each election district. The ballot shall contain the names of the candidates for delegate from the house district, from the senate district, and the candidates running at large.

Sec. 15.50.180. CERTIFICATION OF ELECTION. On completion of his review of the votes, the lieutenant governor shall certify the person receiving the largest number of votes for the office for which he was a candidate as elected. The lieutenant governor shall issue each elected delegate a certificate of election.

* Sec. 5. AS 15.50 is amended by adding a new section to read:

ARTICLE 9. GENERAL PROVISIONS.

Sec. 15.50.900. DELEGATION BY THE LIEUTENANT GOVERNOR. The lieutenant governor may delegate the duties imposed on him by this chapter to the director.

* Sec. 6. AS 44 is amended by adding a new chapter to read:

CHAPTER 90. CONSTITUTIONAL CONVENTION.

Sec. 44.90.010. CALL. (a) Within 60 days after an affirmative vote under AS 15.50.070 or within 60 days after the legislature has called a constitutional convention, if specific appropriations have not been made for the special election to select delegates, to hold the

constitutional convention, or to conduct a special ratification election, the lieutenant governor shall include in his call for the constitutional convention an appropriation which he determines is adequate for those purposes. He shall deliver a copy of the call to the commissioner of revenue.

(b) When the commissioner of revenue receives the copy of a call under (a) of this section, he shall establish special accounts within the general fund from which money for the purposes stated in (a) of this section may be drawn.

(c) The amounts appropriated for elections to select delegates or to ratify an amendment or revision shall be spent and accounted for by the lieutenant governor.

(d) The amounts appropriated for the constitutional convention shall be spent and accounted for by the constitutional convention.

Sec. 44.90.020. PLACE AND TIME OF CONSTITUTIONAL CONVENTION. (a) If a majority of the votes cast under AS 15.50.070 is in the affirmative, the constitutional convention shall assemble at the University of Alaska, College, Alaska at 10:00 a.m. or as soon as a quorum is present on the second Monday in September following the special election or at a time specified in the call for the purpose of considering amendments or revisions to the Constitution of the State of Alaska.

at a place specified in the call

(b) The constitutional convention shall meet for not more than 90 days but may, in its discretion, recess for 15 days or less for public hearings on proposed amendments or revisions to the constitution.

Sec. 44.90.030. OPENING OF THE CONSTITUTIONAL CONVENTION. The governor shall open the constitutional convention and shall preside until temporary officers are selected.

Sec. 44.90.040. MEETINGS OF THE CONSTITUTIONAL CONVENTION. All meetings of the constitutional convention shall be held in accordance

with AS 44.62.310 - 44.62.312.

Sec. 44.90.050. POWERS OF THE CONSTITUTIONAL CONVENTION. (a) The constitutional convention is the judge of the qualification and election of its members.

(b) The constitutional convention may by a majority vote of its members choose officers, prescribe their functions, powers and duties, and make rules for the conduct of its business.

(c) The constitutional convention may request and shall receive assistance and information from any state department or agency.

(d) The constitutional convention may employ professional, legal, and other staff assistants and enter into contracts for goods and services.

(e) The constitutional convention has plenary power to amend or revise the constitution subject only to ratification by the people.

Sec. 44.90.060. RATIFICATION OF AMENDMENTS OR REVISIONS. (a) If the constitutional convention submits amendments or revisions to the people for ratification, the lieutenant governor shall call a special election for the purpose of ratifying the amendments or revisions not less than 40 nor more than 120 days after the adjournment of the constitutional convention.

(b) The ratification election shall be conducted under AS 15.

Sec. 44.90.070. IMMUNITIES. A delegate to a constitutional convention may not be held to answer before any tribunal for any statement made in the exercise of his duties as a delegate to the constitutional convention while the convention is in session. A delegate attending, going to or returning from convention sessions is not subject to civil process and is privileged from arrest except for felony or breach of the peace.

Sec. 44.90.080. EXPENSES, TRAVEL, AND PER DIEM OF DELEGATES. A

delegate to the constitutional convention is entitled to expenses, per diem, and travel allowances provided by law for legislators while the legislature is in session. A delegate does not receive salary for service as a delegate.

Sec. 44.90.090. DELEGATE VACANCY. If a vacancy occurs in the office of delegate, the governor shall appoint a qualified person to fill the vacancy.

* Sec. 7. AS 39.50.020(b) is amended to read:

(b) The governor, lieutenant governor, members of the legislature, delegates to a constitutional convention, and candidates for these offices, judicial officers, each commissioner, head or deputy head of, or director of a division within, a department in the executive branch, assistant to the governor or chairman or member of a commission or board required to report under this chapter, shall file the statement with the Alaska Public Offices Commission. Municipal officers, and candidates for elective municipal office, shall file with the municipal clerk or other municipal official designated to receive their filing for office. All statements required to be filed under this chapter are public records.

* Sec. 8 AS 39.50.200(a)(1) is amended to read:

(1) "public official" means a judicial officer, a member of the legislature, a delegate to a constitutional convention, the governor, the lieutenant governor, a person hired or appointed as the head or deputy head of, or director of a division within, a department in the executive branch, an assistant to the governor, chairman or member of a state commission or board, and each appointed or elected municipal officer;

* Sec. 9. AS 39.50.200(a) is amended by adding a new paragraph to read:

(10) "candidate for state elective office" includes a candi-

date for election as a delegate to a constitutional convention.

* Sec. 10. AS 24.45.081 is amended to read:

Sec. 24.45.081. REPORTING PERIODS. (a) Reports required under this chapter shall be filed during the calendar month following each calendar month during any part of which the legislature was in session and during the month following each calendar quarter when the legislature was not in session.

(b) If [HOWEVER, IF] a lobbyist registered under this chapter has declared that he seeks only to influence administrative action and not legislative action he need only file a report required under this chapter for each calendar quarter. If a lobbyist registered under this chapter has declared that he seeks to influence legislative action but does not intend to influence legislative action at a constitutional convention, he need only file the reports required under (a) of this section. If a lobbyist registered under this section has declared that he seeks to influence legislative action at a constitutional convention, he need only file reports during the calendar month following a calendar month during which the constitutional convention was in session.

(c) The period covered shall be the calendar month or the calendar quarter, as applicable, and shall in any event cover the period from the date of the last report filed under this chapter to the date of the end of the calendar month or quarter, as applicable, for which the report is being filed. The period covered shall not include any months covered in previous reports filed by the same person. When total amounts are required to be reported, totals shall be stated both for the period covered by the statement and for the entire calendar year to date.

* Sec. 11. AS 24.45.161(a)(1)(B) is amended to read:

(B) who limits his lobbying activities to appearances before public sessions of the legislature or before public sessions of a constitutional convention, or their [ITS] committees or subcommittees, or to public hearings or other public proceedings of state agencies;

* Sec. 12. AS 24.45.161(b) is amended to read:

(b) Nothing in this chapter may be construed as prohibiting or affecting the rendering of professional services in drafting legislative measures or in advising clients and in rendering opinions as to the construction or effect of proposed or pending legislative or administrative action when these professional services are not otherwise connected with influencing or attempting to influence legislative or administrative action. Nor does anything in this chapter prevent members of the legislature or delegates to a constitutional convention from discussing with constituents the advisability of passing legislation or proposals for amendments or revisions then pending before, or proposed to be presented to, the legislature or a constitutional convention.

* Sec. 13. AS 24.45.161(c) is amended to read:

(c) Either house of the legislature or a constitutional convention [BY RESOLUTION, OR BOTH HOUSES OF THE LEGISLATURE BY CONCURRENT RESOLUTION,] may by resolution invite a person to appear to speak before it [THE LEGISLATURE OR EITHER HOUSE] with reference to any pending matter. A standing, special or interim committee of either house of the legislature or of a constitutional convention may, upon the concurrence of a majority of its members, extend an invitation to any person to appear before the committee to give information in regard to, or explain, any matter pending before the committee.

* Sec. 14. AS 24.45.171(7) is amended to read:

(7) "legislative action" means the preparation, research, drafting, introduction, consideration, modification, amendment, approval, passage, enactment, defeat or rejection of any bill, resolution, proposition, amendment, revision, motion, report, nomination, appointment or other matter by the legislature or by a constitutional convention, or by a standing, interim or special committee of the legislature or of a constitutional convention, or by a member or employee of the legislature or of a constitutional convention acting in his official capacity; it includes, but is not limited to, the action of the governor in approving or vetoing a bill or the action of the legislature in considering, overriding or sustaining that veto and the action of the legislature in considering, confirming or rejecting an executive appointment of the governor;

* Sec. 15. AS 15.50.090, 15.50.100, and 15.50.110 are repealed.

* Sec. 16. This Act takes effect immediately in accordance with AS 01.-10.070(c).

SB

167

working with APOC to remove some of the more onerous reporting provisions of the conflict of interest law

CONFLICT OF INTEREST REVISIONS NOW BEING DRAFTED

Title 39, Chapter 50

e.g., increase from $100 t0 $5,000 threshhold at which income sources will have to be reported -- elim. problem for most doctors and other professionals

STATE OF ALASKA

ALASKA PUBLIC OFFICES COMMISSION

JAY S. HAMMOND, GOVERNOR

REPLY TO:

☑ 610 C STREET, SUITE 211
ANCHORAGE, ALASKA 99501-3598
(907) 276-4176

☐ JUNEAU BRANCH OFFICE
POUCH CO
JUNEAU, ALASKA 99811-0222
(907) 465-4864

February 15, 1982

The Honorable Tim Kelly
Alaska State Senate
State Capitol Bldg.
Pouch V
Juneau, AK 99811

Dear Senator Kelly:

The Alaska Public Offices Commission urges passage of the Rules Committee Substitute for SB 167. Since the enactment of AS 15.13 in 1974, the Commission has sought various changes to make the Campaign Disclosure Law more effective and more reasonable; no substantive amendments have been accomplished since 1977. 1978 was the first gubernatorial election year after expenditure limitations were struck down by the courts. Experience in dealing with the volume of paperwork generated during that year, as well as subsequent elections, has made the Commission painfully aware of the need for statutory amendments.

Many of the changes included in the present bill were worked out in the 1980 Free Conference Committee and can be characterized as "fine tuning" while others are more substantive in nature. Although these changes would reduce reporting requirements substantially, they also preserve the public's right to know about the sources and uses of campaign funds.

The latest amendments in the present bill include:

1) increasing the maximum contribution to $2,000;

2) raising the threshold at which a contributor's name must be reported to over $250;

3) allowing expenditures of $250 or less to be reported as a lump sum on each report;

4) restoring the four-year statute of limitations; and

5) simplifying a candidate's "paid for by" requirement.

Several of these changes are a natural consequence of inflation; others, such as shortening the "paid for by" requirement are the result of public input and Commission administration of the existing Law.

While the Commission strongly endorses the passage of this bill, we are under no illusions that this will result in a "perfect" law. Circumstances

surrounding campaigning for office are bound to change over the years and that, coupled with the Commission's experience in enforcement, will mandate future amendments. However, with such an extraordinarily large campaign year underway already, the Commission hopes to have CSSB 167 (Rules) passed quickly and implemented as soon as possible.

Sincerely,

ALASKA PUBLIC OFFICES COMMISSION

SHARI T. HOLMES, CHAIRMAN
GEORGE H. WHITE, VICE-CHAIRMAN
RICHARD F. LISTOWSKI
MILDRED O. OPLAND
JERRY L. WHITE

Theda S. Pittman

by: THEDA S. PITTMAN
Executive Director

TSP/mab

ALASKA PUBLIC OFFICES COMMISSION
CHECKLIST OF CSSB 167(Rls) CHANGES IN AS 15.13, CAMPAIGN DISCLOSURE
February 15, 1982

-- increasing the maximum annual contribution from $1,000 to $2,000;

-- raising the threshold at which a contributor's name must be reported to over $250;

-- allowing expenditures of $250 or less to be reported as a lump sum on each report;

-- exempting candidates for service area boards from campaign disclosure requirements;

-- allowing deputy treasurers, as well as treasurers and candidates, to certify reports;

-- allowing candidates who plan to accept no more than $250 in total contributions and to spend no more than $250 to file one Campaign Exemption Report;

-- allowing contributions which exceed $100 in cash to be accepted if receipted;

-- allowing candidates to use a "short form" of identification on political communications, i.e., "paid for by Pat Candidate;"

-- allowing expenditures before filing;

-- establishing January 10 as the due date for Year-end Reports;

-- deleting the requirement to report expenditures on 24 Hour Reports as well as changing such to "48 hour" reports;

-- specifying which violations of AS 15.13 may result in criminal penalties;

-- eliminating the requirement to record and report contributions returned within 72 hours;

-- deleting the requirement that suppliers of services file reports;

-- restoring the four-year statute of limitations for AS 15.13;

-- requiring that APOC hearing process regulations be promulgated;

-- prohibiting new regulations from taking effect later than 30 days before the filing deadline.

# # # #

SECTIONAL ANALYSIS OF CSSB 167 (RULES)

Prepared by the Alaska Public Offices Commission

"An Act relating to election campaigns..."

Section 1: Amends AS 15.13.010(a) to exempt municipal candidates for service area boards.

Sections 2, 3, and 4: Amends AS 15.13.020 to provide selection of the fifth member of the Commission by the Governor; retains present 5-year term; no longer limits members to one term.

Sections 5 and 6: Amends AS 15.13.030 to make the Commission's authority to issue orders explicit; prohibits the application of new or amended regulations in a particular election, if the effective date is later than 30 days before the final date for filing.

Section 7: Amends AS 15.13.040(a) by raising the threshold at which a contributor's name must be reported to over $250; specifies that only expenditures exceeding $250 need be itemized; allows deputy treasurers to certify reports if the Commission has received notice of their appointment.

Sections 8 and 9: Amends AS 15.13.040(b) to make group reporting requirements consistent with those set for candidates by section 7.

Sections 10 and 11: Amends AS 15.13.040(d) and (e) to eliminate a Statement of Contributions from those who have contributed more than $100; retains the requirement for a Statement of (Independent) Expenditures.

Section 12: Adds AS 15.13.042 to allow candidates limiting the financial activity of their campaigns to $250 or less to file one certified exemption report.

Section 13: Amends AS 15.13.045 to require hearing process regulations which are consistent with the Administrative Procedures Act.

Section 14: Housekeeping which amends AS 15.13.050 by transferr[illegible] language from .130(3) concerning groups which support or oppose only one canc[illegible]; specifies that groups supporting or opposing ballot issues must register before [illegible]pending funds.

Section 15: Amends 15.13.060(c) to require submission of the name of a campaign chairman (if any).

Sections 16, 17, and 18: Amends 15.13.070 to allow a maximum contribution of $2,000 to a candidate; removes reference to expenditure limitations which have been ruled unconstitutional; allows cash contributions over $100 if receipted.

Sections 19 and 20: Amends AS 15.13.090 to permit candidates to use an abbreviated identification on their political communications, i.e., "paid for by Pat Candidate."

Section 21: Amends AS 15.13.100 to permit "candidates" (see section 28) to expend money before filing formally for office.

Section 22: Amends AS 15.13.110(a)(4) to establish January 10 as due date for year-end reports.

Section 23: Amends AS 15.13.110(b) to change 24 Hour Reports to 48 hour reports; limits such reports to contributions over $250; closes a 3-day gap between the 7-Day reporting period and the proposed 48 Hour reporting period.

Section 24: Adds AS 15.13.110(f) to clarify that the 10-Day Post-election Report is the final report if a campaign has ceased and all debts are paid.

Section 25: Moves the present language in AS 15.13.120(d) concerning the right of a person to file a complaint.

Section 26: Amends AS 15.13.120(a), the criminal penalty section of the statute, to specify which violations should be viewed as Class A misdemeanors.

Section 27: Amends AS 15.13.120(c) to clarify that the Commission shall report to the Attorney General the names of both candidates and groups which have failed to file a report.

Section 28: Repeals and reenacts AS 15.13.130(1), expanding the definition of candidate to include not only those who file or campaign as write-ins, but also those who receive contributions or make expenditures, or who consent to such activities on their behalf.

Section 29: Amends AS 15.13.120(2) to exclude from the definition of "contribution" one that is returned within 72 hours of its receipt by a candidate or group.

Section 30: Amends AS 15.13.130(3) by deleting language now included in section 14 concerning groups.

Section 31: Amends AS 15.56.130 to restore the original four-year statute of limitations for Chapter 13 which was reduced to one-year as part of a recent Elections Code revision.

Section 32: Repealers include:

- AS 15.13.020(c), the selection of the 5th Commission member by the other four;
- 15.13.040(f), the Supplier of Services report,
- 15.13.070(f) and (g), language on spending limits;
- 15.13.110(d), the Supplier of Services report; and
- 15.13.120(d), complaint language moved by Section 25.

Section 33: Establishes an immediate effective date.

SENATOR
PATRICK M. RODEY
3271 MONTCLAIRE COURT
ANCHORAGE, AK 99503

SENATE MAJORITY LEADER
CHAIRMAN
SENATE JUDICIARY COMMITTEE
CHAIRMAN
SENATE SPECIAL COMMITTEE
ON BANKING

ALASKA STATE LEGISLATURE
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3717

MEMORANDUM

To: All Senators

From: Senator Rodey

Re: CSSB167(Rules)

Please find attached a sectional analysis, and brief informational sheet on the bill appearing on Monday's calender. This bill cleans up many of the provisions which have made campaign disclosure reporting somewhat difficult in the past.

I hope you will join me in supporting this needed legislation.

SECTIONAL ANALYSIS OF CSSB 167 (RULES)

Prepared by the Alaska Public Offices Commission

"An Act relating to election campaigns..."

Section 1: Amends AS 15.13.010(a) to exempt municipal candidates for service area boards.

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Section 14: Housekeeping which amends AS 15.13.050 by transferring language from .130(3) concerning groups which support or oppose only one candidate; specifies that groups supporting or opposing ballot issues must register before expending funds.

Section 15: Amends 15.13.060(c) to require submission of the name of a campaign chairman (if any).

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Section 26: Amends AS 15.13.120(a), the criminal penalty section of the statute, to specify which violations should be viewed as Class A misdemeanors.

Section 27: Amends AS 15.13.120(c) to clarify that the Commission shall report to the Attorney General the names of both candidates and groups which have failed to file a report.

Section 28: Repeals and reenacts AS 15.13.130(1), expanding the definition of candidate to include not only those who file or campaign as write-ins, but also those who receive contributions or make expenditures, or who consent to such activities on their behalf.

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Section 31: Amends AS 15.56.130 to restore the origiral four-year statute of limitations for Chapter 13 which was reduced to one-year as part of a recent Elections Code revision.

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- 15.13.120(d), complaint language moved by Section 25.

Section 33: Establishes an immediate effective date.

ALASKA PUBLIC OFFICES COMMISSION
CHECKLIST OF CSSB 167(Rls) CHANGES IN AS 15.13, CAMPAIGN DISCLOSURE
February 15, 1982

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-- restoring the four-year statute of limitations for AS 15.13;

-- requiring that APOC hearing process regulations be promulgated;

-- prohibiting new regulations from taking effect later than 30 days before the filing deadline.

# # # #

SENATE AMENDMENT #6

By RAY.

To: CS SENATE BILL No. 167 (Rules)

To: _____ HOUSE BILL No. _____

PAGE: 1 LINE: 20

Put period . after word "board" and delete rest of sentence.

A M E N D M E N T

#5

Offered in the SENATE

By Donkworth

TO: CSSB 167 (Rules)

Page 14, line 4:

Delete "15.13.120(d)" and insert "15.13.120(b) and (d)"

SENATE AMENDMENT

BY Fischer

To: _____ SENATE BILL No. 167

To: _____ HOUSE BILL No. _____

PAGE: 7 LINE: 11, 17, and 22

delete $2,000 and brackets around $1,000

SENATE AMENDMENT

#3

By FISCHER

To: _____ SENATE BILL No. 167

To: _____ HOUSE BILL No. _____

PAGE: 5 LINE: 29
" 6 " 2

" 6 " 3

after " candidate" add "or ballot issue"

1) 7-to-10 Coalition
→ (favored proposition on closing bar hours)

2) Committee for Informed Choice
→ (opposed proposition on closing bar hours)

SENATE AMENDMENT #2

By Senator Robert H. Ziegler, Sr.

To: Amend SENATE BILL No. CSSB 167 (Rls.)

To: _____ HOUSE BILL No. _____

PAGE 4 LINE: 28

After the word "made", change the period (.) to a comma (,) and insert the following:

"or the indebtedness is incurred, whichever first occurs."

am #1
by: Rodeny

AMENDMENT # 1
CSSB 167 (Rules)

Page 12, line 1

Amended by inserting a new section on page 12: line 1

Section 27. AS 15.13.120(b)

(b) The nomination for, or election to, an office of a candidate who violates a provision of this chapter, or whose campaign treasurer or deputy campaign treasurer violates a provision of this chapter, is void, and, if he is elected, the successful candidate may not hold office and the office shall be filled as required by law in the case of vacancy. When a violation of this chapter is alleged, the candidate's right to the nomination of the office may be tested in an action brought in the superior [supreme] court as a matter of original jurisdiction. All cases of this nature shall be in a preferred position for purposes of argument and decision, so as to assure a speedy disposition of the matter.

Renumber remaining sections.

SENATE AMENDMENT

BY PARR

To: amd to Amend #7 SENATE BILL No. CSSB 167 (Rules)

To: _____ HOUSE BILL No. _____

PAGE: LINE:

line 3 of amendment 7:
delete "for a state office or"

S 70

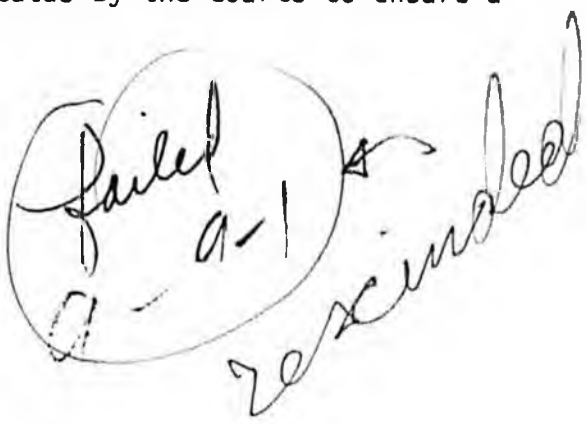
CSSB167 (rules) Amendment #7 By Rodey & Ashwood

Page 12, line 10

AS 15.13 is amended by adding a new section to read: Sec. 15.13.121. EFFECT OF CERTAIN CONVICTIONS. (a) If a successful candidate for a state office or for a seat on a city council or borough assembly or for borough or city mayor is convicted of a misdemeanor described in AS 15.13.120(a)(1), (3), or (6), the election is void and the successful candidate may not hold the office to which the candidate was elected. A vacancy occuring under this section shall be filled as required by law.

(b) When a candidate or a nominee is charged with a misdemeanor described in (a) of this section, the case shall be promptly tried and the case shall be accorded a preferred status by the courts to ensure a speedy disposition of the matter.

Renumber sections accordingly



Line 14, Page 11:

Insert the word "knowingly" between the word "or" and the word "failing".

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

MEMORANDUM

February 25, 1982

SUBJECT: Effect of certain convictions
(Amendment to AS 15.13.120(b) in SB 167)

TO: Senator Charles H. Parr

FROM: Richard A. Bradley
Legislative Counsel

You have provided us with an amendment prepared for Senator Rodey which would (apparently) cause the repeal of AS 15.13.120(b) and its replacement with a new Sec. 121. The section had been viewed as moribund until recently; when I had been asked to draft a bill cleaning up the invalid provisions of AS 15.13, it was my usual custom to include the repeal of Sec. 120(b). And it is fair to note that until last fall, the commission has not sought to implement the provision.

But at that time, the commission filed a complaint in the Supreme Court against Joseph Marshall, a successful candidate for election to municipal office in Fairbanks. The Supreme Court enforced AS 15.13.120(b) according to its terms.

It has always been assumed that the legislature could by general law establish the requirement found in AS 15.13.-120(b) as to municipal elections. Municipalities are generally viewed as creatures of the state and the legislature may establish what qualifications it wishes for election to municipal office. In that context, what the Court said about the provisions is significant for members of the legislature as the section is reconsidered.

The Supreme Court analyzed the law under two premises: (1) the separation of powers concept; and (2) the exclusive qualifications test. See, State v. Marshall, 633 P.2d 227 (Alaska 1981).

Both were held inapplicable to Marshall.

Under the separation of powers concept, a body given by the constitution the authority to determine the qualifications of its members is the exclusive determiner of those qualifications. And it follows that if the judiciary intervenes to determine a state legislator's qualifications under a law similar to Sec. 120(b), a violation of the separation of powers doctrine is presented.

The Court noted that candidates elected to municipal office had no similar constitutional protection.

The Court said, in this context:

> Thus even if the forfeiture sanction conflicts with art. II, sec. 12, of the Alaska constitution insofar as state legislative elections are concerned, a question we do not reach, (footnote) it can nonetheless constitutionally apply to local elections.

633 P.2d at 231.

The footnote is somewhat cryptic; it notes that if the separation of powers argument is held applicable, Sec. 120(b) still applies to "local elections, the governor, lieutenant governor and to a 'judge seeking electoral confirmation'. AS 15.13.010. This possible inconsistency argues for a uniform application."

There may be a reason to treat legislators differently; the legislature possesses the constitutional mechanism to determine the qualifications of its members and the others mentioned do not.

But it is possible that the judiciary is concerned that the constitutional procedures for the retention of judges may be invaded and compromised by legislation such as that under consideration. Since the constitutional judges of the supreme and superior courts have a constitutionally established comprehensive scheme for their retention elections, there may be some belief on the Court that those procedures are the outer edges of legislative authority to regulate the election of judges. The argument I suggest is not stated, of course, and I may be wrong about the Court's hints regarding "inconsistency".

The second reason considered by the Court in the Marshall case was the suggestion that the grounds stated in the constitution for the election of officers are the only (the exclusive) qualifications that may be established. Under that analysis, laws such as Sec. 120(b) add additional qualifications. The Court stated that a "majority of the courts have rejected this view". [633 P.2d at 232]

Note that the Court's analysis is pure dicta; municipal officers have no constitutionally established qualifications for the offices they hold. To the extent that the Court considered legislative office and municipal office as presenting identical arguments, the Court misunderstood the argument. And another fact situation must be presented to the Court before a useful interpretation can be expected.

In my view, therefore, the argument that the legislature may (or may not) establish additional qualifications for election to constitutionally established public office in addition to those qualifications established constitutionally remains open. A copy of the opinion is enclosed for your review.

RAB:ljb

Enclosure

MEMO

TO: Senator Vic

FROM.: NJG

DATE: 2/21/81

RE: CS SB 167 (Rules) relating to election campaigns & the APOC; and providing for an effective date.

This is the bill in which you stated to the APOC Commissioners that you would protest increasing the maximum contribution to $2000 (a change from $1000) & raising the threshold at which a contributor's name must be reported to over $250 (a change from the current over $100). APOC said these changes were in keeping with inflation. I think this weakens the intent behind reporting campaign contributions which is basiclly "who owes (owns) whom". I will draft an amendment in the morning if you wish.

Refer to the sectional analysis prepared by APOC for an explanation of the bill. It's basiclly accurate but not detailed. This bill amens Chapter 13 entitled "State Election Campaigns" of Title 15 entitled "Elections". (This capter and the chapter in the supplement is marked with a 3" X 5" card).

The bill is also peppered with male pronouns and CHAIRMAN's.

Other highlights - no longer limits members of commission to one term & allows candidates to expend money before filing. Under current law , candidates are limited to expenditures for personal travel expenses or for opinion surveys or polls.

delete

~~I believe a change in this law could allow an alleged candidate to spend a lot of money doing aid of damage i.e. clearing the field & then never filing for public office. The law does not state that you have to file for public office once money is expended. This amendment was also in our SBA CS and I didn't catch it. [illegible] pg 9, lines 8-19.~~

~~This last paragraph is~~ This is not correct ~~see definition of candidate~~.

Another proposed amendment (this is for me to get the Right to Life people on the abortion proposition. I want them to have to organize a new group because the Right to Life people have 501(c)(3) status i.e. IRS tax deductible.) See page 5, line 29 - Add "or ballot issue" after "candidate" and before "or" on page 6, line 1. On page 6, line 2, add "or ballot issue" after "candidate" and before "the". On page 6, line 3, add "or ballot issue" after "candidate." You can sell this amendment by stating it will help the voters in the up-coming election because the ballot will be so long and complicated (and there will be so many ads, direct mail, etc.! and it will be less confusing for the voter if the groups state in their name that they oppose or favor a ballot issue.) You can mention "capital move", "constitutional convention", etc. but please stay away from the abortion issue.

STATE OF ALASKA

ALASKA PUBLIC OFFICES COMMISSION

JAY S. HAMMOND, GOVERNOR

REPLY TO:

☑ 610 C STREET, SUITE 211
ANCHORAGE, ALASKA 99501-3598
(907) 276-4176

☐ JUNEAU BRANCH OFFICE
POUCH CO
JUNEAU, ALASKA 99811-0222
(907) 465-4864

February 15, 1982

The Honorable Vic Fischer
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Fischer:

The members of the Alaska Public Offices Commission and its staff would like to thank you for the opportunity to discuss recommended changes in the Campaign Disclosure Law during a recent trip to Juneau.

It is our understanding that a Rules Committee Substitute for SB 167 will be up for full Senate consideration shortly and, as promised, included herein is a sectional analysis and a brief checklist highlighting the proposed changes.

While the Commission is aware that adoption of CSSB 167 (Rules) will not solve all the problems associated with the Campaign Disclosure Law, it feels the bill would both preserve the intent of disclosure and make the Law more "livable" in many respects.

Your indication of support for constructive changes in the Campaign Disclosure Law is most appreciated and we look forward to hearing from you should you have any questions.

Sincerely,

ALASKA PUBLIC OFFICES COMMISSION

SHARI T. HOLMES, CHAIRMAN
GEORGE H. WHITE, VICE-CHAIRMAN
RICHARD F. LISTOWSKI
MILDRED A. OPLAND
JERRY L. WHITE

Theda

by: THEDA S. PITTMAN
Executive Director

TSP:VLR/mab

enclosures

ALASKA PUBLIC OFFICFS COMMISSION
CHECKLIST OF CSSB 167(Rls) CHANGES IN AS 15.13, CAMPAIGN DISCLOSURE
February 15, 1982

-- increasing the maximum annual contribution from $1,000 to $2,000;

-- raising the threshold at which a contributor's name must be reported to over $250;

-- allowing expenditures of $250 or less to be reported as a lump sum on each report;

-- exempting candidates for service area boards from campaign disclosure requirements;

-- allowing deputy treasurers, as well as treasurers and candidates, to certify reports;

-- allowing candidates who plan to accept no more than $250 in total contributions and to spend no more than $250 to file one Campaign Exemption Report;

-- allowing contributions which exceed $100 in cash to be accepted if receipted;

-- allowing candidates to use a "short form" of identification on political communications, i.e., "paid for by Pat Candidate;"

-- allowing expenditures before filing;

-- establishing January 10 as the due date for Year-end Reports;

-- deleting the requirement to report expenditures on 24 Hour Reports as well as changing such to "48 hour" reports;

-- specifying which violations of AS 15.13 may result in criminal penalties;

-- eliminating the requirement to record and report contributions returned within 72 hours;

-- deleting the requirement that suppliers of services file reports;

-- restoring the four-year statute of limitations for AS 15.13;

-- requiring that APOC hearing process regulations be promulgated;

-- prohibiting new regulations from taking effect later than 30 days before the filing deadline.

# # # #

SECTIONAL ANALYSIS OF CSSB 167 (RULES)

Prepared by the Alaska Public Offices Commission

"An Act relating to election campaigns..."

Section 1: Amends AS 15.13.010(a) to exempt municipal candidates for service area boards.

Sections 2, 3, and 4: Amends AS 15.13.020 to provide selection of the fifth member of the Commission by the Governor; retains present 5-year term; no longer limits members to one term.

Sections 5 and 6: Amends AS 15.13.030 to make the Commission's authority to issue orders explicit; prohibits the application of new or amended regulations in a particular election, if the effective date is later than 30 days before the final date for filing.

Section 7: Amends AS 15.13.040(a) by raising the threshold at which a contributor's name must be reported to over $250; specifies that only expenditures exceeding $250 need be itemized; allows deputy treasurers to certify reports if the Commission has received notice of their appointment.

Sections 8 and 9: Amends AS 15.13.040(b) to make group reporting requirements consistent with those set for candidates by section 7.

Sections 10 and 11: Amends AS 15.13.040(d) and (e) to eliminate a Statement of Contributions from those who have contributed more than $100; retains the requirement for a Statement of (Independent) Expenditures.

Section 12: Adds AS 15.13.042 to allow candidates limiting the financial activity of their campaigns to $250 or less to file one certified exemption report.

Section 13: Amends AS 15.13.045 to require hearing process regulations which are consistent with the Administrative Procedures Act.

Section 14: Housekeeping which amends AS 15.13.050 by transferring language from .130(3) concerning groups which support or oppose only one candidate; specifies that groups supporting or opposing ballot issues must register before expending funds.

Section 15: Amends 15.13.060(c) to require submission of the name of a campaign chairman (if any).

Sections 16, 17, and 18: Amends 15.13.070 to allow a maximum contribution of $2,000 to a candidate; removes reference to expenditure limitations which have been ruled unconstitutional; allows cash contributions over $100 if receipted.

Sections 19 and 20: Amends AS 15.13.090 to permit candidates to use an abbreviated identification on their political communications, i.e., "paid for by Pat Candidate."

Section 21: Amends AS 15.13.100 to permit "candidates" (see section 28) to expend money before filing formally for office.

Section 22: Amends AS 15.13.110(a)(4) to establish January 10 as due date for year-end reports.

Section 23: Amends AS 15.13.110(b) to change 24 Hour Reports to 48 hour reports; limits such reports to contributions over $250; closes a 3-day gap between the 7-Day reporting period and the proposed 48 Hour reporting period.

Section 24: Adds AS 15.13.110(f) to clarify that the 10-Day Post-election Report is the final report if a campaign has ceased and all debts are paid.

Section 25: Moves the present language in AS 15.13.120(d) concerning the right of a person to file a complaint.

Section 26: Amends AS 15.13.120(a), the criminal penalty section of the statute, to specify which violations should be viewed as Class A misdemeanors.

Section 27: Amends AS 15.13.120(c) to clarify that the Commission shall report to the Attorney General the names of both candidates and groups which have failed to file a report.

Section 28: Repeals and reenacts AS 15.13.130(1), expanding the definition of candidate to include not only those who file or campaign as write-ins, but also those who receive contributions or make expenditures, or who consent to such activities on their behalf.

Section 29: Amends AS 15.13.120(2) to exclude from the definition of "contribution" one that is returned within 72 hours of its receipt by a candidate or group.

Section 30: Amends AS 15.13.130(3) by deleting language now included in section 14 concerning groups.

Section 31: Amends AS 15.56.130 to restore the original four-year statute of limitations for Chapter 13 which was reduced to one-year as part of a recent Elections Code revision.

Section 32: Repealers include:

- AS 15.13.020(c), the selection of the 5th Commission member by the other four;
- 15.13.040(f), the Supplier of Services report;
- 15.13.070(f) and (g), language on spending limits;
- 15.13.110(d), the Supplier of Services report; and
- 15.13.120(d), complaint language moved by Section 25.

Section 33: Establishes an immediate effective date.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M May 11, 1981

SUBJECT: Section 26 board status for APOC
(CSSB 167 (State Affairs))

TO: Senator Vic Fischer, Chairman
Senate State Affairs Committee

FROM: Richard A. Bradley
Legislative Counsel

Nancy Groszek has asked that I make the members of the Public Offices Commission be confirmed by the legislature. This result may only occur if the APOC is established as a "section 26 board or commission". Bradner v. Hammond, 553 P.2d 1 (1976).

Sec. 26 [of Article III, Constitution of Alaska] provides that:

> SECTION 26. When a board or commission is at the head of a principal department or a regulatory or quasi-judicial agency, its members shall be appointed by the governor, subject to confirmation by a majority of the members of the legislature . . .

Either the Public Offices Commission is already a "commission" "at the head of a . . . regulatory or quasi-judicial agency" -- in which case it already is a section 26 commission and the members as a matter of constitutional law are subject to confirmation -- or there is no power in the legislature to make it into a section 26 commission unless it recasts the powers of the commission such that it becomes a "regulatory or quasi-judicial agency" -- or unless the legislature establishes the commission as a department headed by a commission.

In a memorandum to the Speaker last year, I concluded that the commission did not qualify as a section 26 commission

for purposes of the confirmation of its members. Memorandum of June 1, 1980, copy enclosed.

Since the conclusions of that memorandum resulted from a conclusion that the functions of the commission were not properly describable as those of a "regulatory or quasi-judicial agency" and since the addition of the ethics responsibility does not change the nature of those functions, in my opinion there is no basis for conferring section 26 status on the commission.

And since the Bradner case holds that the legislature may not require the confirmation of public officials not required to be confirmed under the constitution, the introduction of the language requiring confirmation is, in my view, unconstitutional.

If the committee wishes the language requiring confirmation, please return the bill and it will be added.

RAB:ljb

Enclosures

80-071

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM June 1, 1980

SUBJECT: Article III, sec. 26 and the APOC

TO: Representative Terry Gardiner
Speaker of the House of Representatives

FROM: Richard A. Bradley
Legislative Counsel

You have requested a memorandum on the applicability of Article III, sec. 26 of the Alaska Constitution to the appointment of the members of the Alaska Public Offices Commission established in AS 15.13.

Sec. 26 requires the governor to appoint members of boards or commissions which are at the head of a "regulatory or quasi-judicial agency" subject to legislative confirmation.

No provision of AS 15.13, AS 24.45, or AS 39.50 requires the legislative confirmation of the members of the commission.

The question, then, is whether the Alaska Public Offices Commission is a "regulatory or quasi-judicial agency."

The activities of the commission fall under three chapters of the Alaska Statutes.

Under AS 15.13, the commission receives the reports of candidates for political office. If reports are not filed timely or if there are defects in the reports, the commission may impose sanctions for the lateness or the other defects.

Under AS 24.45, the commission receives reports of lobbying activity and imposes sanctions for late or inadequate filings.

Under AS 39.50, the commission again receives reports of public officials concerned with the disclosure of conflicts of interest and establishes appropriate sanctions.

Under none of these laws does the activity of the commission truly partake of the concept of regulation. Rather the regulation in question has been accomplished by the legislature in its enactment of the three chapters. The role of the commission is to monitor compliance with the regulations established by the legislature and to set sanctions to the extent that it has the power and to forward cases to the Department of Law where its power is lacking or the sanctions are inadequate.

It seems clear that the aspect of regulation undertaken by the commission is of a lower level than that undertaken by the Public Utilities Commission, for example. And the difference between the regulation undertaken by APOC and APUC is so different that the distinction more closely approximates a distinction in kind rather than a distinction in degree.

Having said this, the question whether this limited aspect of "regulation" qualifies to establish the commission as a section 26 commission is close.

In my view, the legislature may determine this question itself. It may characterize the responsibilities of the commission as regulatory and require compliance with sec. 26 requirements; alternatively, it may determine that the responsibilities do not rise to the level of regulation for the purposes of sec. 26 and avoid the requirements of sec. 26.

It does this in close cases not by any affirmative statement in the law itself but rather by its determination to require confirmation of the members of the commission or not.

The Bradner v. Hammond case, 553 P.2d 1 (Alaska 1976) stands for the proposition that the legislature may not undertake to require legislative confirmation of public officers of the executive branch who are not within the sweep of the confirmation power [Article III, secs. 25 and 26] under the constitution. But the case does not limit the authority of the legislature to determine for itself close questions of whether a board or commission excercises "regulatory or quasi-judicial" powers where the legislature has the power to establish the commission and grant it "regulatory or quasi-judicial" power.

The implicit legislative determination that the members of the commission do not require legislative confirmation constitutes, in the premises, an affirmative legislative determination that the commission does not exercise "regulatory or quasi-judicial" powers.

As I have suggested above, that conclusion is supportable by an analysis of the responsibilities of the commission.

And there is no legal significance to the submission by the governor of the names of appointees to the commission for legislative confirmation, if that has occurred. See, Bradner v. Hammond, supra, at 4, n.5.

RAB:ljb

Bradley ✓

Original sponsor: Kelly

IN THE SENATE BY THE STATE AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 167 (State Affairs)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to election campaigns and to the composition and responsibilities of the Alaska Public Offices Commission; and providing for an effective date."

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

* Section 1. AS 15.13.010(a) is amended to read:

(a) This chapter applies in every election for governor, lieutenant governor, a member of the state legislature, a delegate to a constitutional convention, or judge seeking electoral confirmation. It also applies to every candidate for election to a municipal office in a city or borough with a population of more than 1,000 inhabitants according to the latest United States census figures or estimates of population certified as correct for administrative purposes by the Department of Community and Regional Affairs. This chapter does not apply to a candidate for a service area board or to a candidate for a commission that serves only in an advisory capacity. A municipality may exempt candidates for municipal office and persons and groups active in municipal election campaigns [ITS ELECTED MUNICIPAL OFFICERS] from the requirements of this chapter if a majority of the voters voting on the question at any regular election, as defined by AS 29.78.010(14), or a special municipality-wide election called for that purpose, vote to exempt candidates for municipal office and persons and groups active in municipal election campaigns [ITS ELECTED MUNICIPAL OFFICERS] from the requirements of this chapter. The question of exemption from the

requirements of this chapter may be submitted by the city council or borough assembly by ordinance or by initiative ordinance. Nothing in this chapter prohibits a municipality from regulating by ordinance campaign contributions and expenditures.

* Sec. 2. AS 15.13.020(b) is repealed and reenacted to read:

(b) The governor shall appoint two members of the commission from each of the two political parties whose candidates for governor received the highest and the second highest number of votes at the most recent preceding general election at which a governor was elected. The fifth member of the commission shall be appointed without regard to party affiliation.

* Sec. 3. AS 15.13.020(d) is repealed and reenacted to read:

(d) Members of the commission serve five-year terms. A member of the commission serves until his successor is appointed and qualified. The terms of two commission members who are members of the same political party may not expire in consecutive years. The term of office of a member of the commission dates from February 1 of the year of appointment.

* Sec. 4. AS 15.13.020(h) is amended to read:

(h) A vacancy on the commission shall be filled by the governor [APPROPRIATE APPOINTING AUTHORITY] within 30 days of the occurrence of the vacancy. The appointee shall serve for the remaining term of his predecessor.

* Sec. 5. AS 15.13.030(10) is amended to read:

(10) adopt regulations and issue orders necessary to implement and clarify the provisions of AS 24.45, AS 39.50 and this chapter, subject to the provisions of the Administrative Procedure Act (AS 44.-62).

* Sec. 6. AS 15.13.040(a) is amended to read:

Relieve burden of reporting small expenditures

new deputy campaign treasurer

Sec. 15.13.040. CONTRIBUTIONS AND [,] EXPENDITURES [AND SUPPLYING OF SERVICES] TO BE REPORTED. (a) Each candidate shall make a full report, upon a form prescribed by the commission, listing the total [DATE AND] amount of all expenditures made or incurred by the candidate, together with the date, amount, and check number for each expenditure exceeding $100 in value, the total amount of all contributions, including all funds contributed by the candidate himself, and for all contributions in excess of $100 in the aggregate a year, the name, address, principal occupation, and employer of the contributor and the date and amount contributed by each contributor. The report shall be filed in accordance with AS 15.13.110 and shall be certified correct by the candidate or campaign treasurer. A campaign treasurer or deputy treasurer may not certify a report under this section unless the appointment of the campaign treasurer or deputy campaign treasurer by the candidate has been received by the commission.

* Sec. 7. AS 15.13.040(b)(3) is amended to read:

(3) the date and amount of all contributions received [MADE BY IT] and all expenditures made, incurred or authorized by it including the date, amount and check number of any expenditure exceeding $100 in value.

* Sec. 8. AS 15.13.040(d) is amended to read:

(d) Every individual or [,] person, and every [OR] group that is not required to report in accordance with (b) of this section, making an [A CONTRIBUTION OR] expenditure shall make a full report, upon a form prescribed by the commission, of [THE FOLLOWING CONTRIBUTIONS OR EXPENDITURES: (1) ANY CONTRIBUTION OF CASH, GOODS OR SERVICES VALUED AT MORE THAN $100 A YEAR TO ANY GROUP OR CANDIDATE; OR (2)] any expenditure whatsoever for advertising in newspapers, on radio or on television; or, for the publication, distribution or circulation of brochures.

flyers, or other campaign material for or against any candidate, [OR] ballot proposition or question.

* Sec. 9. AS 15.13.040(e) is amended to read:

(e) The report required under (d) of this section shall contain the name, address, principal occupation and employer of the individual filing the report, and an itemized list of expenditures. The report shall be filed with the commission [BY THE CONTRIBUTOR] no later than 10 days after the [CONTRIBUTION OR] expenditure is made. [A COPY OF THE REPORT SHALL BE FURNISHED TO THE CANDIDATE, CAMPAIGN TREASURER OR DEPUTY CAMPAIGN TREASURER AT THE TIME THE CONTRIBUTION IS MADE.]

* Sec. 10. AS 15.13 is amended by adding a new section to read:

Sec. 15.13.042. LIMITED CAMPAIGN ACTIVITY. (a) A candidate who does not intend to accept contributions or make expenditures which exceed $250 in total value may file a report, upon a form prescribed by the commission, informing the commission of his intent. The report may be filed only once and may be filed either before or at the time the candidate's first report is due under AS 15.13.110. The report shall be certified as correct by the candidate.

(b) A candidate who accepts a contribution or makes expenditures which total more than $250 after filing a report under (a) of this section loses his exemption from the reporting requirements of this chapter and shall file reports due under AS 15.13.110. The first report is due three days after the acceptance of a contribution or the making of an expenditure of more than $250 by the candidate. A candidate who receives an unsolicited contribution and returns the contribution to the contributor within 72 hours of its receipt does not lose the exemption provided in this section.

* Sec. 11. AS 15.13.050 is repealed and reenacted to read:

Sec. 15.13.050. GROUPS. (a) Each group, before making an expen-

Sec. 15.13.040. CONTRIBUTIONS AND [,] EXPENDITURES [AND SUPPLYING OF SERVICES] TO BE REPORTED. (a) Each candidate shall make a full report, upon a form prescribed by the commission, listing the total [DATE AND] amount of all expenditures made or incurred by the candidate, together with the date, amount, and check number for each expenditure exceeding $100 in value, the total amount of all contributions, including all funds contributed by the candidate himself, and for all contributions in excess of $100 in the aggregate a year, the name, address, principal occupation, and employer of the contributor and the date and amount contributed by each contributor. The report shall be filed in accordance with AS 15.13.110 and shall be certified correct by the candidate or campaign treasurer. A campaign treasurer or deputy treasurer may not certify a report under this section unless the appointment of the campaign treasurer or deputy campaign treasurer by the candidate has been received by the commission.

* Sec. 7. AS 15.13.040(b)(3) is amended to read:

(3) the date and amount of all contributions received [MADE BY IT] and all expenditures made, incurred or authorized by it including the date, amount and check number of any expenditure exceeding $100 in value.

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(d) Every individual or [,] person, and every [OR] group that is not required to report in accordance with (b) of this section, making an [A CONTRIBUTION OR] expenditure shall make a full report, upon a form prescribed by the commission, of [THE FOLLOWING CONTRIBUTIONS OR EXPENDITURES: (1) ANY CONTRIBUTION OF CASH, GOODS OR SERVICES VALUED AT MORE THAN $100 A YEAR TO ANY GROUP OR CANDIDATE; OR (2)] any expenditure whatsoever for advertising in newspapers, on radio or on television; or, for the publication, distribution or circulation of brochures

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(e) The report required under (d) of this section shall contain the name, address, principal occupation and employer of the individual filing the report, and an itemized list of expenditures. The report shall be filed with the commission [BY THE CONTRIBUTOR] no later than 10 days after the [CONTRIBUTION OR] expenditure is made. [A COPY OF THE REPORT SHALL BE FURNISHED TO THE CANDIDATE, CAMPAIGN TREASURER OR DEPUTY CAMPAIGN TREASURER AT THE TIME THE CONTRIBUTION IS MADE.]

* Sec. 10. AS 15.13 is amended by adding a new section to read:

Sec. 15.13.042. LIMITED CAMPAIGN ACTIVITY. (a) A candidate who does not intend to accept contributions or make expenditures which exceed $250 in total value may file a report, upon a form prescribed by the commission, informing the commission of his intent. The report may be filed only once and may be filed either before or at the time the candidate's first report is due under AS 15.13.110. The report shall be certified as correct by the candidate.

(b) A candidate who accepts a contribution or makes expenditures which total more than $250 after filing a report under (a) of this section loses his exemption from the reporting requirements of this chapter and shall file reports due under AS 15.13.110. The first report is due three days after the acceptance of a contribution or the making of an expenditure of more than $250 by the candidate. A candidate who receives an unsolicited contribution and returns the contribution to the contributor within 72 hours of its receipt does not lose the exemption provided in this section.

* Sec. 11. AS 15.13.050 is repealed and reenacted to read:

Sec. 15.13.050. GROUPS. (a) Each group, before making an expen-

diture on behalf of, or in opposition to, a candidate, or a contributio to a candidate, shall register, on forms provided by the commission, with the commission. If the group intends to support or oppose only one candidate, or to contribute to or expend on behalf of, or in opposition to, one candidate 50 percent or more of its funds, the name of the candidate shall be a part of the name of the group. Promptly upon receiving the registration, the commission shall notify the candidate of the group's organization and intent.

(b) A group that makes expenditures or receives contributions with the express or implied authorization or consent or is under the direct or indirect control of a candidate is considered to be controlled by the candidate.

(c) A group whose major purpose is to further the nomination or election of a single candidate or which intends to expend 50 percent or more of its money on a single candidate is considered to be controlled by that candidate and its actions considered to have been done with the knowledge and consent of the candidate unless, within 10 days from the date the candidate learns from the commission of the existence of the group, he files with the commission, on a form provided by the commission, an affidavit certifying that the group is operating without his control.

(d) A group that contributes 50 percent or more of its money to or on behalf of a single candidate is considered to support only that single candidate for purposes of AS 15.13.070, whether or not control of the group has been disclaimed by the candidate.

(e) A group organized for more than one year preceding an election which endorses candidates for more than one office or candidates of more than one political party is presumed not to be controlled by a single candidate.

* Sec. 12. AS 15.13.070(a) is amended to read:

(a) A [NO] person or group, including but not limited to all political committees, businesses, corporations, and labor unions, may not contribute [TO OR EXPEND] more than $1,000 a year on behalf of or in opposition to a candidate [THE COMPETING CANDIDATES] for [EACH] elective office. Political parties and their subdivisions are not subject to the limitation prescribed in this subsection, but they are subject to the reporting requirements prescribed by AS 15.13.040(b) and 15.13.110. Nothing in this chapter prohibits

(1) a candidate from contributing more than $1,000 of his own money to his own campaign; or

(2) individuals or groups, including but not limited to all political committees, businesses, corporations, and labor unions, from contributing to or expending on behalf of a ballot proposition or question more than $1,000 a year; however, these contributions and expenditures shall be reported in accordance with AS 15.13.040 and 15.13.110.

* Sec. 13. AS 15.13.070(b) is repealed and reenacted to read:

(b) A person may not make and a candidate or group may not accept a contribution over $100 in cash unless a receipt for the total amount is issued by the candidate or group and received by the person making the contribution.

Donor $100 is limit

* Sec. 14. AS 15.13.070(d) is amended to read:

(d) A [NO] contribution may not be made, and an [NO] expenditure may not be made or incurred, directly or indirectly, anonymously, in a fictitious name, or by one person or group in the name of another, to influence the election of a candidate in an election. A contribution made by a person wishing to remain anonymous, and received by a candidate, campaign treasurer or deputy campaign treasurer, may not be used or expended, but shall be returned to the donor, if his identity is

known, and if his identity is not known [NO DONOR IS FOUND], the contribution shall be [ESCHEATS TO THE STATE IF NOT] donated by the candidate to the charity of his choice. A candidate may accept contributions of $5 or less without recording the name of the contributor.

* Sec. 15. AS 15.13.090 is amended to read:

Sec. 15.13.090. IDENTIFICATION OF COMMUNICATION. (a) All advertisements, billboards, handbills, paid-for television and radio announcements and other communications intended to promote [INFLUENCE] the election of a candidate which are paid for by the candidate or the campaign committee of the candidate [OR OUTCOME OF A BALLOT PROPOSITION OR QUESTION] shall be clearly identified by the words "paid for by" followed by the name [AND ADDRESS] of the candidate or campaign committee of the candidate [, GROUP OR INDIVIDUAL PAYING FOR THE ADVERTISING. IN ADDITION, CANDIDATES AND GROUPS MUST IDENTIFY THE NAME OF THEIR CAMPAIGN CHAIRMAN].

* Sec. 16. AS 15.13.090 is amended by adding new subsections to read:

(b) All advertisements, billboards, handbills, paid-for television and radio announcements, and other communications not paid for by a candidate or the campaign committee of a candidate that are intended to support or oppose a candidate, a ballot proposition, a referendum, or a recall shall be identified by the words "paid for by" followed by the name of the group, individual, or person, together with a mailing contact address or telephone number.

(c) The commission may by regulation exempt from this section communications which in its judgment do not afford space for the identification required by this section.

* Sec. 17. AS 15.13.100 is amended to read:

Sec. 15.13.100. EXPENDITURES, CONTRIBUTIONS, AND REGISTRATION BEFORE FILING. Political campaign contributions may be made or received,

and expenditures [NO POLITICAL CAMPAIGN EXPENDITURE] may be made or incurred by a candidate [PERSON] in an election, or by a person or group with the candidate's [HIS] knowledge and on the candidate's [HIS] behalf, before the date upon which the candidate [HE OR SHE] files for nomination for the office which he [THE PERSON] seeks. The contributions and expenditures [, EXCEPT FOR PERSONAL TRAVEL EXPENSES OR FOR OPINION SURVEYS OR POLLS. THESE EXPENDITURES SHALL BE CHARGED AGAINST THE SPENDING LIMITATION THAT APPLIES TO THE OFFICE FOR WHICH HE SUBSEQUENTLY FILES, AND] shall be included in the first report required under AS 15.13.110 [THIS CHAPTER AFTER FILING FOR OFFICE].

* Sec. 18. AS 15.13.110(b) is amended to read:

(b) Each contribution [OR EXPENDITURE] which exceeds $250 and which is made within 10 days [ONE WEEK] of the election shall be reported to the commission by date, amount, and contributor [OR RECIPIENT] within 48 [24] hours of receipt [OR EXPENDITURE] by the candidate or campaign treasurer or deputy treasurer.

* Sec. 19. AS 15.13.110 is amended by adding new subsections to read:

(f) The report required by (a)(3) of this section is the final report if at the time the report is made

(1) there is no outstanding debt or obligation;

(2) the campaign fund has been closed;

(3) the campaign has been concluded; and

(4) in the case of a group, the group has dissolved.

(g) Reports shall be filed as required by (a)(4) of this section by

(1) a candidate who has an outstanding debt or obligation until the debt or obligation is satisfied;

(2) a group that has an outstanding debt or obligation until the debt or obligation is satisfied or until the group is dissolved.

(h) When a final report has been submitted under this section, the duties of the campaign treasurer cease and there is no obligation to file further reports.

* Sec. 20. AS 15.13 is amended by adding a new section to read:

Sec. 15.13.115. COMPLAINTS. (a) A person who believes that a violation of this chapter has occurred may file a complaint with the commission. If the commission determines that there is substantial reason to believe that a violation of this chapter has occurred, it shall expeditiously investigate the subject matter of the complaint. The investigation may include but is not limited to an investigation of the reports and statements filed with the commission by the complainant, if he is a candidate.

(b) If the commission determines, after notice and opportunity for a hearing, that a person has violated a provision of this chapter or a regulation or order issued under this chapter, the commission shall promptly report its determination to the attorney general for appropriate action.

(c) The commission shall report its determination to the person who filed the complaint within 60 days of receiving the complaint, unless circumstances require additional time to make an adequate investigation.

(d) The determination of the commission on a complaint may be appealed to the superior court.

* Sec. 21. AS 15.13.120(a) is amended to read:

(a) A person who violates a provision of this subsection [CHAPTER] is guilty of a class A misdemeanor [AND, UPON CONVICTION, IS PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN ONE YEAR OR BY A FINE OF NOT MORE THAN $5,000]. A violation includes [BUT IS NOT LIMITED TO] any of the following acts or omissions:

reasonably complete

(1) refusing or failing to make a statement or report required to be made under this chapter [, OR FAILING TO MAKE A STATEMENT OR REPORT AT THE TIME THE STATEMENT OR REPORT IS REQUIRED TO BE MADE UNDER THIS CHAPTER];

(2) knowingly making a campaign contribution [OR EXPENDITURE] which exceeds the limitations of AS 15.13.070(a) [AS 15.13.070(f)];

(3) knowingly making a false statement or report under this chapter;

(4) giving or furnishing money to another person or groups for the purpose of making a contribution or expenditure anonymously, in a fictitious name, or in the name of another, or contributing in violation of AS 15.13.070(d);

applies to groups

(5) making a communication to support or defeat a candidate without identification of sponsorship under AS 15.13.090(b)[(], IN VIOLATION OF AS 15.13.090];

(6) knowingly accepting a contribution in violation of AS 15.13.070.

* Sec. 22. AS 15.13.120(c) is amended to read:

(c) Promptly after the final date for filing statements and reports, the commission shall notify all persons who have become delinquent in filing them [, INCLUDING CONTRIBUTORS WHO FAILED TO FILE A STATEMENT IN ACCORDANCE WITH AS 15.13.040,] and shall make available a list of these delinquents for public inspection. The commission shall also report to the attorney general the names of all candidates and groups in an election whose campaign treasurers have failed to file the reports required by this chapter.

* Sec. 23. AS 15.13 is amended by adding a new section to read:

Sec. 15.13.121. EFFECT OF CERTAIN CONVICTIONS. (a) If a successful candidate for the state legislature or for a seat on a city council

or borough assembly or for borough or city mayor is convicted of a misdemeanor described in AS 15.13.170(a)(1), (3), or (6), the eligibility of the successful candidate to hold the office to which elected shall be determined as to

(1) a member of the legislature under art. II, sec. 12 of the state constitution;

(2) a borough assemblyman under AS 29.23.060(c);

(3) a borough mayor under AS 29.23.130(f);

(4) a city councilman under AS 29.23.210(b);

(5) a city mayor under AS 29.23.255.

(b) When a candidate or a nominee is charged with a misdemeanor described in (a) of this section, the case shall be promptly tried and the case shall be accorded a preferred status by the courts to ensure a speedy disposition of the matter.

* Sec. 24. AS 15.13.130(1) is repealed and reenacted to read:

(1) "candidate" means an individual who seeks nomination for election to, or election to, the state legislature, the office of governor or lieutenant governor, or municipal office, or who seeks retention in judicial office or nomination or election as a constitutional convention delegate; an individual shall be considered to seek nomination or election if

(A) he has taken the action necessary under the law of this state to qualify himself for nomination or election to an office;

(B) he has received contributions or made expenditures before filing for office;

(C) he has given his consent, implicit or explicit, for a person or group to receive contributions or make expenditures to bring about his nomination or election to office;

(D) he has campaigned as a write-in candidate for office; or

(E) he is the subject of a recall election;

* Sec. 25. AS 15.13.130(2) is amended by adding a new subparagraph to read:

(D) a contribution that is returned to the contributor within 72 hours of its receipt by a candidate or group;

* Sec. 26. AS 15.13.020(c), 15.13.040(f), 15.13.070(f) and (g), 15.13.110(d), and 15.13.120(b) are repealed.

* Sec. 27. This Act takes effect July 1, 1981. Sec. 1 & 10 others Jan 1, '82 Effect. S

PATRICK RODEY
ANCHORAGE

601 W. 5TH AVE. SUITE 820
ANCHORAGE, ALASKA 99501

DURING SESSION

POUCH V
JUNEAU, ALASKA 99811

Alaska State Senate

JUNEAU, ALASKA 99811

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MEMORANDUM

DATE: March 19, 1981

TO: Members, Senate Special Committee on Legislative Reform

FROM: Senator Rodey, Chairman PMR

RE: Legislative Reform

This is to formalize the arrangements agreed upon at our last committee meeting a week ago. At that time consensus was reached that the different areas of reform - and relevant bills and resolutions - should be divided up among the members of the special committee. The assignments are as follow:

Senator Kelly - length of session: SJR 6/HJR 12
appropriations: SJR 20
legislative employees' salaries

Senator Fischer - ethics/APOC/financial disclosure:
SB 167/SB 175/HB 107/ HB 153/HB 154

Senator Ray - terms of legislators: SJR 9/ SJR 24
conference committees: SCR 1/HCR 3
bill content/germaneness

Senators Rodey & Bennett -
uniform rules changes: SCR 8
legislative procedures: HB 155
legislative contracts: HB 156
joint finance committee
public notice of committee meetings
establishment of interim committees
other miscellaneous: HJR 7/HJR 8/HB 109/HB 168

The idea is for members to review the proposals, collect the back-up and make recommendations to the full committee. I expect the committee to have completed its task by the end of April. In addition to informal meetings which may be called between now and then, the committee will be holding public hearings in Fairbanks on Saturday, April 11, and in Anchorage on Saturday, April 18. The League of Women Voters will also be conducting a conference on legislative reform on Saturday, April 25.

If there are any questions, please contact me. Thank you.

SECTIONAL ANALYSIS OF CSSB 167(SA) work draft
"An Act relating to the Alaska Public Offices Commission..."
Prepared by the Alaska Public Offices Commission -- May 5, 1981

Section 1: Amends AS 15.13.010(a) to clarify that a municipality voting on exemption from AS 15.13 is voting to exempt candidates (rather than "elected municipal oficers"), persons, and groups active in municipal election campaigns. Also eliminates the present applicability of AS 15.13 to municipal candidates for service area boards or any local board or local commission which is advisory only.

Section 2: Amends AS 15.13.020(b) so that the fifth member of the Commmission is appointed by the Governor (not by the other four members) without regard to party affiliation; does not specify that the members are subject to Legislative confirmation.

Section 3: Amends AS 15.13.020(d) to delete references to the fifth member of the Commission for consistency with new method of appointment in Section 2; retains present 5 - year term of commission members. (SB 167 proposed three year terms which would have made it impossible to prevent the terms of 2 members of the same party from expiring in consecutive years. Three - year terms would also diminish the commission's collective knowledge in gubenatorial election years unless members succeed themselves.)

Section 4: Amends AS 15.13.020(h) to make the selection of Commission vacancies consistent with the new method of original appointment established in Section 2.

Section 5: Amends AS 15.13.030(10) to make explicit the Commission's authority to issue orders. The existing language of 15.13.120(d) shows that the authority to issue orders was intended when it refers to "violation of a provision of this chapter, or a regulation or order issued under it....."

Section 6: Amends AS 15.13.040(a), replacing the present requirement to itemize all expenditures with a provision that only expenditures exceeding $100 need to be reported by date, amount, and check number -- this provision would parallel the previously-authorized deputy treasurers to certify reports; presently the ability to certify is limited to the candidate and treasurer. Makes explicit the requirement to report unpaid obligations as expenditures in keeping with the definition of expenditure in .130(3).

Section 7: Amends .040(b)(3) to clarify that "contributions" on a group report are received by the group - the present language refers to both contributions and expenditures as being "made" by the group. Provides language consistent with Section 6 alleviating the detailed listing of expenditures of $100 or less.

Section 8: Amends .040(d) to clarify that the requirements of this subsection do not apply to groups reporting under 040(b) e.g., PAC's. Eliminates language requiring that individuals submit a statement of contributions once they contribute in excess of $100. (The Commission presently ignores this inconsistency with .080 and enforces the requirement to report once a contribution exceeds $250.) Clarifies that an independent expenditure <u>against</u> a candidate is required to be reported.

Section 9: Amends .040(e) for consistency with Section 8 and eliminates a requirement to furnish the campaign with a copy of the independent expenditure report required by .040(d).

Section 10: Adds a new section to AS 15.13 allowing candidates who do not intend to accept more than $250 in contributions <u>and</u> who do not intend to expend more than $250 to file one certified exemption report. Specifies that the candidate who so files and later exceeds the limitations must report within three days but that returning an unsolicited contribution within 72 hours of its receipt will prevent loss of the exemption. For two years the Commission has, by regulation, allowed those who planned zero campaign activity to file a "Campaign Exemption Reporting Form." The process has been of benefit to both the Commission and many municipal candidates; the Commission asks that it be part of the Statute and that it include those whose plans call for limited financial activity.

Section 11: Housekeeping which amends AS 15.13.050 by transferring language from .130(3) (defining a political group) into the section which presently provides information about group requirements.

Section 12: Amends 15.13.070(a) by removing reference to expenditure limitations which no longer exist and removes confusion over the intent of the phrase "competing candidates." Does not address two things which may deserve further attention: 1) specifying that political party subdivisions are exempt from the $1,000 limitation only so long as they are not, in actuality, acting as a candidate's campaign committee; and 2) clarifying in (a)(2) that initiative, referendum or recall petition efforts are not subject to the $1,000 limitation.

Section 13: Amends 070(b) so that the recipient of a cash contribution in excess of $100 must issue a receipt rather than -- as is presently the case -- refuse it or be in violation. The Commission feels that cash contributions exceeding $100 should be allowable as long as a receipt is issued because there are areas of the state where facilities for purchasing money orders, cashier's checks or bank drafts are limited. Deletes the phrase "or by cash payment" which presently forbids purchasing with cash an item intended as a non-monetary contribution if the cost exceeds $100.

Section 14: Amends .070(d) to allow a candidate to accept contributions of $5 or less without recording the name of the contributor. The amendment appears harmless, but it creates a large "loophole" should an individual choose to circumvent the law. If this language were enacted, there would be nothing illegal about making a contribution of $5 daily in addition to donating the $1,000 maximum allowed by law. If the intent is to relieve the burden of bookkeeping at fund-raisers, the Commission's administrative regulation, 6 AAC 29.326, exempts the recording by name of those at fund-raisers so long as there are 25 or more paying participants and no one pays more than $50.

+16:

Section 15: Amends 15.13.090 concerning identification of communications so that a candidate need include only his or her name or that of the candidate's campaign committee in the identification but an individual, person, or group would be required to provide a name as well as an address or phone number. The Commission feels that the intent of .090 would be well served by alleviating some of the detail presently required of candidates on the items they pay for themselves but continuing to require that those not known to the public need to provide fuller identification.

~~Section 16:~~ Amends 15.13.090 by adding a new subsection which says the Commission can exempt small items from the identification requirements. The Commission has already promulgated such a regulation, 6 AAC 29.370.

Section 17: Amends 15.13.100 so that candidates are allowed to expend money before filing formally for office. The present language prohibits such expenditures except for personal travel and surveys or polls and has often caused candidates to violate the law inadvertantly. The new language also clarifies that contributions may be accepted before filing and mentions the need to report such contributions and any expenditures on the first report required under 15.13.110.

Section 18: Amends AS 15.13.110(b) to eliminate the requirement to file reports of major expenditures (in excess of $250) during the week prior to the election. Extends the time period during which major contributions must be reported from 7 to 10 days, thereby eliminating the 3 day gap between the present 7 Day reporting period and the 24 Hour reporting period. Increases the amount of time from 24 to 48 hours within which the reports of major contributions must be filed. Allows deputy treasurers to file 48 Hour reports consistent with changes in section 6.

Section 19: Amends AS 15.13.110 by adding a new subsection which names the 10 Day post-election report as the final campaign disclosure report if the campaign has closed and all debts are paid. Clarifies that year-end reports must be filed until any outstanding debt or obligation is satisfied.

Section 20: Adds a new section to AS 15.13 which is substantially the same as the present language in AS 15.13.120(d) concerning the the right of a person to file a complaint and specifying the Commission's responsibility to investigate such complaints.

Section 21: Amends AS 15.13.120(a), the criminal penalty section of the statute, in an effort to clarify specific violations which should be viewed as class A misdemeanors. The current language makes any violation of AS 15.13 a criminal offense.

Section 22: Amends AS 15.13.120(c) to clarify that the Commission should report to the Attorney General the names of both candidates and groups when they have failed to file a report. Deletes language requiring referral of contributors in keeping with changes in Section 9.

Section 23: Adds a new section to AS 15.13 which specifies the procedures for determining the eligibility of a successful candidate to hold office, if convicted of a misdemeanor. In conjunction with the repeal of .120(b), would eliminate the existing provision which says that the election of a successful candidate who violates the law is null and void but fails to suggest what procedures are to be undertaken by whom in enforcement.

Section 24: Repeals and reenacts AS 15.13.130(1), expanding the definition of candidate to include not only those who file or campaign as write-ins, but also those who receive contributions or make expenditures, or who consent to such activities on their behalf.

Section 25: Amends AS 15.13.120(2) to exclude from the definition of "contribution" a contribution that is returned to the contributor within 72 hours of its receipt by a candidate or group.

Section 26: Repealers include:

- AS 15.13.020(c), the selection of the 5th Commission member by the other four;
- 15.13.040(f), the Statement of Contributions by contributors giving over $100;
- 15.13.070(f) and (g), language on spending limits, found to be unconstitutional;
- 15.13.110(d), the Supplier of Services report; and
- 15.13.120(b), concerning eligibility of convicted candidates to hold office.

Finally, SB 167 would have repealed the 30 Day Pre-election report also. One of the major objectives of disclosure is to give the public access to information in a timely fashion, and requiring only one large report just before the election would mean that the information would not, in fact, be available before the election. Cutting down the number of reports would not eliminate their complexity; approval of sections 6 and 7 would be of more aid to those reporting, without diminishing the value of the information to the public.

CSSB 167(SA) makes no provision to rectify the current inconsistency between AS 15.13.120(e) which provides a four year statute of limitations for Campaign Disclosure violations and AS 15.56.131 which allows only one year for initiating prosecution of any violation in the Election Code. From Senate floor discussion in 1980 when the Election Code revisions were passed, it is clear that 15.56.131 was not intended to affect 15.13.120(e).

Perhaps something like the following would accomplish the task:

Section . AS 15.56.131 is amended to read:

Sec. 15.56.131. TIME LIMITATION. A prosecution for an offense described in the Alaska Election Code (AS 15.05 - 15.10 and 15.15 - 15.60) may not be maintained unless it is begun within one year after the date of the election in connection with which the offense is alleged to have been committed.

15.13

STATE OF ALASKA
ALASKA PUBLIC OFFICES COMMISSION

JAY S. HAMMOND, GOVERNOR

JUNEAU BRANCH OFFICE:
POUCH CO
JUNEAU, ALASKA 99811

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130 SEWARD STREET
PHONE: (907) 465-4864 OR 465-3471

February 5, 1981

The Honorable Senator Tim Kelly
Pouch V
Juneau, Alaska 99811

Dear Senator Kelly:

The Alaska Public Offices Commission would like to express its appreciation for the opportunity to present its views regarding revisions to Alaska's Disclosure Laws. As you are aware, each year since its creation in 1974, the Commission has offered suggestions to eliminate many of the burdensome requirements while also safeguarding the public mandate for disclosure.

During the 1980 session the Legislature passed FCCS HB 230 which was eventually vetoed by the Governor. The Commission felt that a major portion of this Bill contained amendments which would solve many of the present criticisms; however, it also contained several sections which would have severely hampered the Commission's ability to monitor the 1980 elections, as well as, damaged the public perception of the stature of the Commission in years to come. Therefore, the Commission supported Governor Hammond's veto of FCCS HB 230.

It is the understanding of the Commission, however, that FCCS HB 230 will be used as the basic guideline for legislative changes to be made this session. Therefore, the following discussion includes the Commission's views on those sections of FCCS HB 230 which were found to be objectionable, areas the Commission supports and has expanded upon, and several further suggestions that were not addressed in the original Bill.

This discussion paper, in most instances, does not include specific language for the suggested revisions, but rather explains the problem and offers recommendations.

Should you wish further discussion of the comments offered herein, our staff will be happy to accommodate you.

On Behalf of

ALASKA PUBLIC OFFICES COMMISSION

RICHARD F. LISTOWSKI
Chairman

RFL:NAC/jk

cc: Senator Vic Fischer
Senator Bettye Farenkamp
Senator Pat Rody

AMENDMENTS TO AS 15.13
CAMPAIGN DISCLOSURE LAW

Sec. 15.13.010 (Re: Applicability)

Presently all candidates who run in a municipal race, in a city with a population of more than 1,000, must register and file with the APOC. On several occasions the Commission has received requests from various clerks regarding the applicability of AS 15.13 to candidates for Service Area Boards or members of an elective board who serve in an advisory capacity. According to the clerks it is often difficult to get people to run for these positions, the candidates spend no money, and the positions are strictly of an advisory nature. A review of the reports on file with the APOC shows that ninety-nine percent of the time there are no expenditures and that when expenditures are made, they average approximately $10.

Having such candidates file the periodic reports or the statement that will be discussed under Sec. 042 later in this paper, appears to be meaningless. Therefore, the Commission recommends that language which eliminates filing by candidates for Service Area Boards and advisory boards be included.

Sec. 15.13.020 (Re: Selection of Commission Members)

FCCS HB 230 proposed that the current five-year terms of Commission members be reduced to three years. And, that the present process of selection -- recommendation by the two major political parties -- be eliminated.

The Commission opposes elimination of party recommendation. The current process gives credence to the ideology of a bi-partisan commission and guarantees the public appropriate input into the selection of individuals who will monitor the campaign process.

The Commission agrees that the Governor should confirm the remaining fifth Commission member. However, it suggests that the Governor appoint such a member from a list of two names submitted by the four members selected under .020(b). This mechanism would protect the independent and neutral status of this fifth position as well as respect the executive and legislative roles in the appointment process.

Reduction of the term length creates major problems. First, the initial selection process becomes somewhat confusing. In order to avoid the term of two members of the same political party from expiring in consecutive years, initial appointment would be as follows: One Democrat and one Republican serve an initial one-year term; one Democrat and one Republican serve an initial three-year term; the fifth position serves an initial two-year term. This system avoids the problem of consecutive expiration; however, it also means that two new members are appointed each year. Since the major elections are held every other year, the Commission could often find itself with two members who have relatively little knowledge regarding the complex issues of the campaign process and resulting disclosure.

Therefore, the Commission suggests amending this section by 1)

retaining the current process of political party input; 2) appointment of all members by the governor -- rather than only four; 3) confirmation of all members by the legislature; and, 4) retaining five-year terms with the provision of serving no more than one full term.

Sec. 15.13.030 (Re: Limitation on Regulations)

The new subsections contained in FCCS HB 230 to .030, do not prohibit the Commission from promulgating regulations, but these sections do limit the effectiveness of such. The Commission is aware that it must be cautious, especially once the campaign process has begun, not to change guidelines which will ultimately leave candidates unaware of the requirements. However, given the time it takes to promulgate regulations, such an amendment severely hampers the Commission's ability to clarify certain areas of the law in times when it can be proven that a specific need exists.

Sec. 15.13.042 (Re: Filing a Report of Limited or No Campaign Activity)

FCCS HB 230 included language which would allow candidates who did not intend to spend money or accept contributions to file a single report at the beginning of the campaign certifying zero monetary activity. The Commission suggests retaining this exemption provision but would include language allowing candidates to receive and spend up to $250 before the periodic reports set out in Sec. 110 would be required.

Sec. 15.13.060 (Re: Certification of Reports)

Sec. 15.13.060 requires a candidate or group to appoint a campaign treasurer and states that the treasurer or the candidate is responsible for filing the necessary reports. This requirement has caused several problems, in that, there are often times when the candidate or a group treasurer is out of town on the due date. The group may have several deputy treasurers yet none has the authority to sign the report.

Therefore, the Commission suggests that appropriate language be included in Sec. .060 which allows a deputy treasurer to sign the reports in the absence of the candidate or group treasurer.

AS 15.13.070(b) (Re: Limit on Cash Contributions)

It has been brought to the attention of the Commission that the prohibition against cash contributions which are in excess of $100 creates problems, especially for those in the bush areas. Often there are no facilities for purchasing money orders, cashier's checks or bank drafts.

Therefore, the Commission suggests that cash contributions in excess of $100 be allowed; however, for any contribution in excess of this amount, the candidate or group is required to issue a written receipt. By issuing a receipt, the contribution gets into the system, the paper trail begins, and the possibility of the cash being inadvertently misplaced is minimized.

Sec. 15.13.070(d) (Re: Exemption from Recording Requirements)

An amendment offered in FCCS HB 230 to AS 15.13.070(d) allows candidates to accept contributions of $5.00 or less without recording the name of the contributor. This amendment appears harmless enough; however, it does leave a very large "loophole," should an individual choose to circumvent the law. If this language were to be enacted, there would be nothing to prevent an individual from mailing a five dollar contribution on a daily basis to the same candidate in addition to donating the maximum amount allowed by the law. Such an amendment does not appear to be in line with the intent of the Act. If the impetus for inclusion of this exemption was to eliminate the recording of the names of contributors at events such as fund-raisers where the individuals in attendance are contributing small sums of money, please note that the Commission has adopted administrative regulation 6 AAC 29.326 which pertains to record-keeping requirements for fund raisers. This regulation eliminates the need to record the names of individuals donating to a fund-raiser so long as there are 25 or more persons in attendance and the cash amount received from any individual does not exceed $50.00.

Sec. 15.13.090 (Re: Identification of Political Communications)

Sec. 15.13.090 has long been an area of criticism and concern. Presently all political advertisements must be identified with the words "paid for by" the name and address of the group and the name of the campaign chairman of the group. Many candidates and groups feel that if there is a billboard which states "Vote for John Smith," and the placard is paid for by John Smith's campaign committee, requiring a full trailer which gives the name, address and treasurer of the committee is unnecessary and tantamount to bureaucratic harassment.

However, the flip side of the coin is the advertisement which says "Vote Against John Smith" or "John Smith Opposes The Curb Your Dog Law," and the authors fail to appropriately identify who is sponsoring the communication.

This past election has given the citizens of Alaska an extensive education regarding "negative campaign" efforts. And, it remains essential that such advertising be properly identified so that the public has the appropriate information.

Therefore, the Commission would suggest .090 be separated into two categories. Category One would allow candidates or a candidate's campaign committee to identify all political communications in support of the candidate with the phrase "paid for by John Smith for House" or "paid for by the Committee to Elect John Smith."

Category Two would address all other groups or individuals paying for political advertisements. The identification on those advertisements must include the name of the group, as well as a contact address or phone number for the group.

FCCS HB 230 offered an amendment which 1) eliminated the 30-day pre-election report; 2) changed the 7-day pre-election report to a 10-day pre-election report; 3) eliminated reporting of expenditures during the 24 hour reporting period; and, 4) changed the 24 hour reporting period to a 48 hour reporting period. Although the Commission is in agreement with the latter two amendments, it strongly opposes elimination of the 30-day report and a change in the 7-day report.

This opposition is based on the following reasons: First, one of the major objectives of this or any disclosure law is to make information available to the public at a time when it will have the most impact. Eliminating the 30-day pre-election report and changing a 7-day pre-election report to a 10-day pre-election report means that major portion of the campaign activity information will be submitted just before the election. Given the vagaries of the mail system, it is quite possible that with the proposed changes, many reports will not reach the Commissions offices until a few days prior to the election. As campaign costs increase, so will the time it takes to audit the reports and distribute the information in a meaningful fashion.

Secondly, the 30-day pre-election report gives candidates and groups the opportunity to review the requirements and learn the proper method of reporting. This knowledge and experience helps to ensure that subsequent pre-election reports contain no major errors and that therefore, the public has access to accurate information.

The Commission is aware that many arguments have been raised in opposition to the number of reports required by AS 15.13. However, it is the opinion of the Commission that such criticisms are based on the complexity of the information required rather than the number of reports required.

The Commission has discussed this problem with its staff and feels that many of these problems are of an administrative rather than a legislative nature. The Commission has instructed staff to revise the reporting forms so that the following changes will be accommodated: elimination of itemization of expenditures which are less than $100; revision of the reporting of accrued expenditures; and revision of the reporting of repayment of loans.

The only change the Commission would suggest to Sec. 110 would be to expand the 24 hour report (i.e., amendments to 48 hours) to include the 3 day period prior to the due date of the 7-day report. This 3 day period is presently uncovered by statute.

Sec. 15.13 120 (Re: Criminal Penalties)

FCCS HB 230 would no longer consider "making a communication to support or defeat a candidate without identification of sponsorship" a criminal offense. The Commission agrees that if a candidate fails to put the words "paid for by" on a flier or leaflet, it should not be considered a criminal matter, especially if the material distributed is supportative of a candidate. However, as shown by this past election there are individuals who will circulate material in opposition to candidates; this material is often fallacious, misleading and capable of

causing irrevocable injury to the candidate. When such communications are distributed without identification, the public has no basis for making a determination regarding the validity or intent of the sponsor, or of the candidate, bond proposition or ballot issue in question.

Therefore, the Commission suggests maintaining criminal sanctions for unidentified communications whether by an individual, group or candidate, if the purpose is to oppose a candidate, ballot issue or bond proposition.

FCCS HB 230 also reduces the Statute of Limitations for prosecution of a criminal act from four years to one year. The Commission strongly objects to such a revision primarily because the Commission is not an adjudicatory body. In many instances violations do not surface until several months after a report is filed. In off-election years only one report is required at the end of the calendar year. If there is substantial reason to believe a violation has occurred, the Commission's staff must make a preliminary investigation, forward its findings to the Commission, the Commission must hold a hearing -- or in some instances two (2) hearings, and only after this process has occurred may it forward a case to the Attorney General where the decision to dismiss or prosecute is made.

Hence, the Commission recommends the Statute of Limitations remain four years.

AMENDMENTS TO AS 24.45
THE REGULATION OF LOBBYING LAW

AS 24.45.041(c) (Re: Required Photograph)

AS 24.45.041(c) makes reference to a photograph of the lobbyist which may be submitted. AS 24.45.041(e) indicates that the directory of lobbyists shall include such photographs if submitted. As few lobbyists have ever supplied a photograph, and as the directories are simply xerox copies of the registration statements -- making inclusion of any photo difficult -- the Commission suggests that all reference to lobbyist photographs be deleted.

AS 24.45.051 (Re: Reduction of Itemization)

Section 37 of FCCS HB 230 amends AS 24.45.051 to clearly state what lobbyists are required to report, although it does not expand what is currently required. The Commission recommends that this section be amended to the effect that the lobbyist need report only aggregate amounts received for the reporting period and the year, for both salary, fee or retainer and expense disbursements and reimbursements. Thus, the expense portion would not be itemized on the report, merely summarized; however, the expense total would reflect reimbursements or disbursements for the same items that now need be listed individually. This change is also suggested for employer reports required under AS 24.45.051. The Commission contends that such a change would foster simplification of the reporting requirements and thus encourage more timely compliance by those subject to the Law. Further, the Commission does not feel that this proposed change would undermine the intent of the original legislation, as the most critical financial information would still be available to the public.

Sec. 24.45.081(a) (Re: Reporting Periods)

Section 24.45.081(a) as amended by FCCS HB 230 would provide for quarterly reporting periods for lobbyists whether or not the legislature were in session. The Commission recommends that the existing situation be maintained, that is: the lobbyist be required to report monthly for the period that the legislature is in session and quarterly thereafter. This suggestion is based on the fact that if lobbyists report only on a quarterly basis throughout the session, the legislative session will be well advanced (mid to late April) before any information concerning financial activity of lobbyists is available to the public. Such a situation is viewed by the Commission as counter to the intent of the Regulation of Lobbying Law.

A final recommendation by the Commission concerning changes to AS 24.45 relates to including in the law language for employers which is comparable to that which presently exists in Sec. 041 for lobbyists. Current language in .041 states that the Commission may not renew lobbying credentials until all previously required lobbyist reports have been filed. By not registering a lobbyist for any employer who did not file all previously required employer reports, the Commission would possess a reasonable yet effective tool with which to foster compliance with the Law.

AMENDMENTS TO AS 39.50
THE CONFLICT OF INTEREST LAW

FCCS HB 230 contained only two sections amending AS 39.50. One of those amendments had been suggested by the Commission in prior years and continues to merit support; the other amendment is of dubious value. Beyond those two amendments, there are other areas of AS 39.50 which could be addressed and the Commission hopes will be addressed, particularly if it is the desire to develop an omnibus bill enacting a comprehensive review of the State's disclosure laws.

There is some "housekeeping" which will not be discussed here, except for general comments about the statute and the type of legislation it represents. Public expectation concerning the scope and jurisdiction of AS 39.50 is often disappointed because the title is a misnomer. AS 39.50 is a financial disclosure statute, not a "Conflict of Interest Law." Simply stated AS 39.50 does not define a Conflict of Interest, it doesn't prohibit conflicts of Interest, and it doesn't provide any guidance to public officials specifying the actions necessary to remedy a Conflict of Interest. The title gives rise to expectations that are not met and which would be less likely if the title were accurate. As a financial disloure law, AS 39.50 provides the public with access to information concerning the financial and business interests of key decision-makers on both the state and municipal level. The following discussion of amendments focuses on improvements to the existing financial disclosure law.

Sec. 39.50.020(a) (Re: Applicability)

In addition to concurring with the amendments proposed in FCCS HB 230 which would assure that all candidates will have Statements on file covering the same preceding year, there should be additional language requiring a termination Statement by those who leave a position which requires them to file. Presently, the public official who leaves government is not required to disclose financial and business interests for any part of the period he or she was in office since the previous Statement was filed. Thus, an official who resigns prior to the April 15th deadline for Statements covering the preceding calendar year can work a maximum of fifteen months for which financial disclosure is not required.

Two brief additions should be made to FCCS HB 230 concerning the fact that the requirement to file a municipal statement does not apply to the candidate for elective municipal office who has a current statement on file with the municipality in which he or she seeks office and that a state public official who files for state elective office is not required to file a statement at the time of becoming a candidate if he or she has a current statement on file with the Commission. The inclusion of such explicit language should be helpful in preventing the unfortunate situation of a candidate's declaration being invalidated due to simple confusion over the need to file a COI Statement.

Sec. 39.50.030(a) (Re: Contents of Statements)

Sec. 030(a) states that "...an asset or liability under $500, household goods, and personal effects need not be identified." The Commission recommends that this threshold be raised to $1,000 as current economic conditions make assets or liabilities under $1,000 of minimal value for public disclosure purposes. Further, this higher threshold is consistent with the "source of income" threshold the Commission is addressing in a later section of this discussion paper.

Sec. 39.50.030(b) (Re: Contents of Statements)

Section 46 of FCCS HB 220 eliminated requirements that public officials include in their Statements information concerning a non-dependent child. On the surface, that might appear to be sensible; however, the complete phrase in the statute is "a non-dependent child who is living with him," and, if only the words "or non-dependent child of his" are removed, the phrase "who is living with him" then modifies spouse or dependent child. The Commission is of the opinion that the financial concerns of an official's spouse or dependent child should be reported notwithstanding permanent residency status. Thus the Commission recommends that the entire phrase "or non-dependent child of his who is living with him" be removed from Sec. 030(b) where it appears.

Sec. 39.50.030(b) (1) (Re: Reporting Income over $100)

Currently, public officials or candidates must report the source of all income over $100, including capital gains, whether or not taxable, received by him or his spouse or children during the preceding calendar year. The Commission contends that this low threshold makes the reporting very burdensome for some individuals subject to the law without actually providing critical financial information. Further, the Commission asserts that by increasing the threshold to $1,000, truly significant sources of income would not be obfuscated by the inclusion of income sources of limited value.

Sec.39.50.030(b)(6) (Re: Loans or Loan Guarantees)

This subsection presently requires the reporting of only personal loans to the official and family members as indicated. Given the emphasis on the need to report business interests (i.e., partnership, professional corporation, and corporation in which there is controlling interest) in other sections of this law dealing with sources of income, contracts, and leases, this subsection should be amended to include the requirement to report the same information about business loans, loan guarantees, and creditors.

Sec. 39.50.030(b)(7) (Re: Contracts)

Subsection (7) as presently written requires State and municipal officers to report contracts they hold with the state, but not contracts they hold with the municipality. One could hardly believe that this

situation was intended; it must have been a drafting oversight. A municipal official's contract relationship (if any) with the municipality he or she serves is critical to adequate disclosure. Such could also be the case in situations in which a state official makes state funding allocation decisions regarding municipalities with which he or she has a contract. Therefore, the Commission suggests that the definition of "instrumentality of the state" be amended to include municipalities.

Sec. 39.50.050(d) (Re: Publishing of Reports)

In six years of experience there has never been a request for a copy of all the contents of all Statements; "publishing" all 500 plus Conflict of Interest Statements would only be wasteful. If a section concerning accessibility of the Statements is desirable, it should reflect the current practice of making copies of particular Statements upon request for the regular copying charge.

New Section Needed (Re: Municipal Officers)

As 39.50 does not provide for penalties for failure to report by municipal officers as it does for state public officials in sections .070, .089, .110, .120 and .130. The only penalty provision which applies to municipal officials provides a civil penalty for late filing. Short of the potential dangers of a charge of "wilful violation" under section .060, it would appear that a municipal official who doesn't file at all is in less jeopardy than one who simply files late.

SB

170

POSITION PAPER

SENATE BILL NO. 170

"An Act making special appropriations to the Department of Administration for capital expenses related to telecommunications; and providing for an effective date."

SB No. 170 provides $5,123,000 to the Department of Administration for purchase of small earth stations; purchase of mini-transmitters to provide instructional television; purchase of mini-transmitters to extend the television demonstration project; incidental upgrading of existing earth stations and other facilities related to the mini-transmitters; and lease costs for a satellite television transponder.

The Department of Health and Social Services recognizes the need for this bill as it relates to the Instructional Television Network. The Department believes that instructional television is necessary to provide more educational opportunities to children and adults throughout Alaska. The Department anticipates using this system to provide training and educational programs on health and social service related issues.

Recommended by: David Bruce

David Bruce, Deputy Director
Division of Public Health

Date: April 28 1981

Approved by: Helen O. Beirne

Helen Beirne, Commissioner

Date: 4/29/81

DECISION PAPER/Department of Health and Social Services

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SENATE BILL #170
Title "An Act making special appropriations..related to telecommunications."
Requested by Commissioner's Office Date

II. FISCAL DETAIL
Agency Affected DEPARTMENT OF HEALTH AND SOCIAL SERVICES
Program Category Affected Health/Division of Public Health
BRU, Program, or Subprogram(s) Affected Emergency Medical Services
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER (Specify Fund Source)	0	0	0	0	0	0

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

IV. DATE April 27, 1981 PREPARED BY Mark Johnson
AGENCY Emergency Medical Services
PHONE 465-3027

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named) M&B Approval M A Sweeney Date 4/28/81

33-001 (Rev. 12/80

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. S.B. 170
Title An Act Making Special Appropriations to DOA for Telecommunications
Requested by Senator Fischer Date 4/20/81

II. FISCAL DETAIL

Agency Affected Administration
Program Category Affected General Government
BRU, Program, or Subprogram(s) Affected Telecom Systems and Administrative Services
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES		168.9	185.8	204.4	224.8	247.3
200	TRAVEL		30.9	34.0	37.4	41.1	45.2
300	CONTRACTUAL		30.6	33.7	37.0	40.7	44.8
400	COMMODITIES		53.5	58.9	64.7	71.2	78.3
500	EQUIPMENT		64.8				
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		348.7	312.4	343.5	377.8	415.6

FUNDING (Thousands of Dollars)

GENERAL FUND		348.7	312.4	343.5	377.8	415.6
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		4.0	4.0	4.0	4.0	4.0
PART TIME						
TEMPORARY						

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

A total of four positions will be required as a result of S.B. 170. Three Electronic Technicians are required to service and maintain the additional equipment (based on one technician for 75-100 additional pieces); and one Supply Officer to work in the area of ordering, paying for, and maintaining records on the equipment included in this bill. First year (FY 82) costs include one-time maintenance and office equipment purchases. Costs beyond FY 82 are calculated at a 10% inflation factor.

IV. DATE 4/23/81 PREPARED BY Judy Crondahl
AGENCY Administration
PHONE 465-2277

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named) Senator Ferguson
Keith Specking

33-001 (Rev. 12/80)

	POSITION TITLE				RANGE/STEP	BARG. UNIT.	LOCATION		APPROV.	DISAPP
1	Supply Officer IV				19A	G	Juneau	GOV.		
2	TYPE OF POSITION: PFT	STAFF MONTHS: 12	RP No.	PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG.		

	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES: SALARY 2837/mo	34,044	
5	BENEFITS 15.79%	5,376	
6	FICA	2,004	
7	HEALTH INS.	1,800	
8	TOTAL PERSONAL SERVICES 01		43.2
9	TRAVEL 02		1.5
10	CONTRACTUAL 03		9.0
11	COMMODITIES 04		1.0
12	EQUIPMENT 05		1.8
13	OTHER		
14	TOTAL COST		56.5

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17	100	GEN. FUND 1004	56.5
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

AA KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

Passage of this bill will greatly increase the responsibility of the Supply function in the Department of Administration. This position is required to handle the initial purchase and payment of the equipment for which funds are t be appropriated, in addition to maintaining the day to day records for property control purposes. Specifically, it will prepare requisitions, recommend bid specifications, obtain bid proposals, let contracts, supervise inventory an maintain records pertaining to location, use and condition of equipment.

AGENCY Administration PROGRAM Centralized Admin. Services

BRU Administrative Services

COMPONENT Fiscal/Personnel

13 REQUEST FOR NEW POSITION.

Page _____ of _____

REVISED DATE _____

FY 82

1	POSITION TITLE: Electronic Technician (3 PFT positions)			RANGE/STEP: WG II	BARG. UNIT: LTC	LOCATION: Anchorage	GOV	APPROV. / DISAPP.
2	TYPE OF POSITION: PFT	STAFF MONTHS: 12 ea.	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG	

	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES: SALARY	31,871	
5	BENEFITS	6,119	
6	FICA	1,838	
7	HEALTH INS.	2,040	
8	TOTAL PERSONAL SERVICES	01	41.9
9	TRAVEL	02	9.8
10	CONTRACTUAL	03	7.2
11	COMMODITIES	04	17.5
12	EQUIPMENT	05	21.0
13	OTHER		
14	TOTAL COST		97.4

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17	100	GEN. FUND 1004	97.4
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

There will be a considerable amount of equipment added to th Division's responsibilities as a result of this bill. The Division estimates that 75 to 100 pieces of equipment can be serviced by one technician; therefore three positions will b required.

These positions will require an FCC first or second class license and will have to be familiar with equipment and technology used in the communications field and will require considerable travel. Equipment costs include 14.0 for a service monitor and 7.0 for an oscilliscope for each position in FY 82 only.

The cost for 3 positions is as follows:

Personal Services	125.7
Travel	29.4
Contractual	21.6
Commodities	52.5
Equipment	63.0
Total	292.2

AGENCY Administration PROGRAM Telecommunications

BRU Support to State Agencies

COMPONENT Telecommunications Systems

13 REQUEST FOR NEW POSITION

Page _____ of _____

REVISED DATE _____

FY 82

Alaska State Legislature

Senate

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Fischer, Chairman
Senate State Affairs Committee

FROM: Senator Ferguson

DATE: April 24, 1981

SUBJECT: Proposed CS for SB 170
Telecommunications

I have attached a proposed Committee Substitute for SB 170 for your consideration.

My original bill was an attempt to provide funds for those telecommunications projects which were vetoed by the Governor last year. After further research, I discovered that many of the projects I was proposing funding for were duplicates of present services.

This proposed committee substitute has a slightly different intent, which I feel approaches the State's telecommunications needs in a logical forthright fashion. The intent of this bill is to provide instructional television (ITV) and to extend the television satellite demonstration project (TVDP) to every Alaskan community with at least 25 permanent residents, who want this service. The exception to this are those communities which presently receive commercial service. Under this bill, these communities would only be provided with ITV, in order to avoid State competition with private enterprise.

Following is a sectional analysis of the proposed CS:

Section 1

(1) This subsection would provide television receive only (TVRO) earth station, plus two mini-transmitters at $79,000 per community.

(2) This subsection would provide TVRO and one mini-transmitter at $65,000 per community. No television demonstration project is requested because these communities are in the Grade B transmission areas of commercial stations.

(3) This subsection would provide TVDP and two mini-transmitters at $26,500 per community. These communities already have an earth station.

(4) This subsection would provide one mini-transmitter to enable these communities to get TVDP. All these communities have, or are funded for, ITV. The total of 46 communities includes 26 Alascom owned earth station sites, $14,000 each (does not include Alascom's $572 monthly lease/maintenance fee), and 20 state owned earth station sites, at $16,000 each (includes receiver).

(5) This subsection would provide one additional mini-transmitter to provide ITV at a cost of $14,000 per community (does not include Alascom's $572 monthly lease/maintenance fee). These communities have earth stations and currently receive TVDP programming.

(6) This appropriation would provide funds for distribution of ITV in the urban centers of Anchorage, Fairbanks and Juneau which presently receive no state funds for this purpose.

(7) This appropriation would provide funds for reimbursement to the North Slope Borough for expenses incurred for equipment and installation costs of mini-television in Atkasuk. Breakdown is: 1 each M/R modified satellite receiver at $2,286, 1 each broadcast antenna and necessary attachments at $340, 8 hours install technician time at $200, 8 hours rigger time at $200, 2 each RT transportation for $280.

(8) This appropriation would provide 6 receivers at $6,000 each. This will take TVDP off the microwave circuit, leaving it open for KTOO programming. The receivers will be installed at TVRP each stations funded for ITV under last years SB 165.

(9) This appropriation would provide funds to relocate the Nome Mini-TV antenna from its present location at the Alascom building to a new location at the community college. Presently, the local residents experience extreme difficulty in receiving a dishtinguishable signal. The appropriation would provide service as it was originally intended to at least 90% of the local user population vs. the existing 10% - 15% direct service viewers.

(10) This appropriation would provide funds for telecommunications equipment in several Southeastern logging communities. These communities all have state supported schools and are stable communities with 20 to 30 year life spans. It would

be my intent in including these communities in this bill that these communities (most probably the logging company in charge of the operation) be responsible for moving the telecommunications equipment to their new location when they relocate.

(11) This appropriation would provide funds to replace 2 out-dated TV translators (which need continuous maintenance and frequently break down) in the Upper Susitna Valley. This appropriation would also provide ITV for Talkeetna and Trappers Creek and will serve a minimum of 200 people.

(12) This appropriation would provide funds for a TV transmitter antenna and building at Tolsona Hill, which would serve over 90 people. Break-down: building to house equipment (current one is a deteriorating shack with wind bombardment) for $6,000, transmitter for $8,000, tower for $5,000, gravel pad for building and road upgrade for service maintenance access for $5,000 and freight/wiring for $1,000.

(13) This appropriation would provide funds for a WGN tie-in for King Mountain TV. This will serve over 30 year-round residents with a heavier population of 100 in the summer.

(14) This appropriation would provide funds for an uplink and radio station in Unalakleet, which would serve over 600 people. This would vastly improve communications for Unalakleet.

(15) This appropriation would provide funds to the University of Alaska in Anchorage, Fairbanks and Juneau, for a 2-way cable distribution system for ITV. The LEARN/Alaska Instructional Telecommunications Networks would be substantially strengthened for on and off-campus use.

(16) This appropriation would provide funds for a down-link from Dillingham to Sand Point. This would replace the request for a separate public radio station at Sand Point. Residents of Sand Point strongly support the concept of satellite radio.

(17) This appropriation would provide funds for critically needed emergency medical service communications equipment for KOTZ. Break-down: equipment for KOTZ for $10,500, tape recorder cabinet for $400, turntables (4) for $800, audio console boards (2) for $18,000, bearcab scanner for $300, utility tower for $1,000, cart machine for $2,700, tape machines (5) for $13,500, program timers (3) for $830, technic decks (3) for $2,100, recorder couples for $600 and transmitter refit equipment for $3,300.

Section 2. This section would provide purchase of additional commercial television programming services for urban areas, to prevent periodic rural television transmission blackouts.

Section 3. This section would provide a toll-free number to all legislators while the legislature is in session.

Section 4. This section would provide funds for the production of programming in all academic subject areas. This would be revolutionary in the improvement of the educational quality in Northwest Arctic School District. One of the obstacles to improving education in small village school has been limited teaching staff. A fully developed ITV program would immeasurably supplement the existing curriculum. In addition, this section would provide funds for production of programs on Inupiaq art, language and heritage. Preservation of the Inupiaq skills is at a critical time and the funds will enable the Northwest Arctic School District to document and perpetuate their skills and values through the Inupiaq Heritage Program.

Version #2
Sofo

Original sponsors: Ferguson, Sackett, Hohman and Mulcahy

Funding Information
General Fund $14,637,280
Other Funds -0-
$14,637,280

IN THE SENATE BY THE STATE AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 170 (State Affairs)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making special appropriations to the Department of Administration for telecommunications; and providing for an effective date."

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

* Section 1. The sum of $10,379,280 is appropriated from the general fund to the Department of Administration, division of telecommunications systems, to be allocated as follows:

(1) $3,476,000 to purchase and install equipment to extend instructional television and, if comparable commercial broadcast service is not available, to also extend the satellite television demonstration project to Anderson, Bettles, Big Lake Louise, Birch Creek, Brevig Mission, Chignik Bay, Chauthbaluk, Clarks Point, Ekuk, Eek, Elfin Cove, English Bay, Ernestine, Gakona, Girdwood, Goodnews Bay, Gustavus, Hope, Hyder, Kasigluk, Kasilof, Klawock, Kokhanok, Kwethluk, Levelock, Naknek, Napaskiak, Newhalen, Pitkas Point, Lower Kalskag, Manokotak, Metlakatla, Meyers Chuck, Moose Pass, Port Moller, Portage Creek, Quinhagak, Scammon Bay, Sheldon Point, Tuluksak, Tuntutuliak, Wales, White Mountain, and Wiseman.

(2) $845,000 to purchase and install equipment to extend instructional television to Anchor Point, Big Lake, Eagle River, Homer, Houston, Kenny Lake, Ninilchik, Palmer, Seldovia, Sterling, Sutton, Wasilla, and Willow.

(3) $742,000 to purchase and install equipment to extend instructional television and, if comparable commercial broadcast service is not available, to also extend the satellite television demonstration project to

Adak, Alakanuk, Chefornak, Chignik Lagoon, Chignik Lake, Central, Circle, Crooked Creek, Ekwok, Galena, Hooper Bay, Igiugig, Ivanoff Bay, Kasaan, Kotlik, Kwigillingok, Manley Hot Springs, Minchumina, Newtok, Nightmute, Pedro Bay, Pilot Station, Point Baker, Port Alsworth, Russian Mission, Stevens Village, Sparrevohn, and Tununak.

(4) $684,000 to purchase and install equipment to provide the satellite television demonstration project for Akhiok, Akutan, Aleknagik, Aniak, Arctic Village, Atka, Beaver, Buckland, Chevak, Cold Bay, Craig, Deering, Dot Lake, Eagle Village, Egegik, Elim, False Pass, Golovin, Iliamna, Karluk, King Salmon, Klukwan, Kobuk, Kongiganak, Koyuk, Marshall, Mentasta Lake, Nelson Lagoon, New Stuyahok, Nikolski, Nondalton, Northway, Ouzinkie, Pelican, Port Lions, Rampart, Red Devil, Shaktoolik, Shishmaref, Saint Mary's, Saint Michael, Skagway, Stebbins, Teller, Tok, and Tooksook Bay.

(5) $238,000 to purchase and install equipment to provide instructional television for Allakaket, Atkasuk, Cantwell, Chalkyitsik, Chitina, Cooper Landing, Kaltag, King Mountain, Kipnuk, Koliganek, Nekoryuk, Meshik, Perryville, Pilot Point, Point Lay, Port Graham, and Sleetmute.

(6) $300,000 for local distribution of instructional television in Anchorage, Fairbanks, and Juneau.

(7) $3,850 to reimburse the North Slope Borough for expenses incurred in purchasing and installing mini-television in Atkasuk.

(8) $64,000 to purchase and install receivers and mini-TV transmitters to provide the television demonstration project via satellite for Angoon, Kake, Petersburg, and Wrangell. 4 of 6

(9) $20,000 to relocate the Nome television transmitter to the community college in order to increase the broadcast of usable reception.

(10) $948,000 to purchase and install equipment to extend instructional television and, if comparable commercial broadcast service is not available, to also extend the satellite television demonstration project

to the following logging communities: Coffman Cove, Corner Bay, Eight Fathom Bight, Freshwater Bay, Labouchere Bay, Big Naukati, Naukati Bay, Port Alice, Rowan Bay, Saint John Harbor, Thorne Bay, Tuxekan Bay, and Whale Pass.

(11) $30,000 to replace the existing inoperable television translator in the Upper Susitna Valley to improve service and provide instructional television for Talkeetna and Trappers Creek.

(12) $25,000 for a television transmitter antenna and building at Tolsona Hill.

(13) $10,000 to provide King Mountain with a tie-in to WGN.

(14) $462,00 for an uplink and radio station in Unalakleet.

(15) $1,558,400 to the University of Alaska for

(A) the purchase and installation of a two-way cable distribution system for instructional television on the campuses of Anchorage, Fairbanks, and Juneau; and

(B) the purchase and installation of a monitor system for instructional television in Juneau and Fairbanks.

(16) $30,000 for a downlink for Dillingham to Sand Point.

(17) $54,030 for emergency medical service communications equipment for KOTZ.

(18) $14,000 for the television demonstration project for Ketchikan and Sitka.

(19) $325,000 for broadcast audio and video routing capability for all committee rooms in the State Capitol.

(20) $550,000 for dual ~~transponder~~ microwave transmission capability from the State Capitol statewide.

* Sec. 2. The sum of $1,008,000 is appropriated from the general fund to the Department of Administration, division of telecommunications systems, for the purchase of additional commercial television programming services

for urban areas, in order to prevent periodic rural television transmission blackouts during the fiscal year ending June 30, 1982.

* Sec. 3. The sum of $2,500,000 is appropriated from the general fund to the Department of Administration, division of telecommunications systems, for a toll-free telephone number to all state agencies.

* Sec. 4. The sum of $750,000 is appropriated from the general fund to the Department of Administration, division of telecommunications systems, for instructional television programming for the Northwest Arctic Regional Educational Attendance Area.

* Sec. 5. The appropriations made by secs. 1 and 3 of this Act are for capital projects and are subject to AS 37.25.020.

* Sec. 6. The unexpended and unobligated portions of the appropriations made in secs. 2, 4 and 5 of this Act lapse into the general fund June 30, 1982.

* Sec. 7. This Act takes effect July 1, 1981.

SB 170

Appropriations (special) (telecommunications)

HOUSE BILL NO. 138, by Reps. Adams and Hurlbert. Appropriates a total of $5,123,000 from the general fund to the Department of Administration, Div. of Telecommunications Systems for various expenses related to telecommunications, as follows:

--purchase of small earth stations - $1,340,000
--purchase of mini-transmitters to provide instructional television - $1,187,500
--purchase of mini-transmitters to extend the television demonstration project - $1,137,500
--incidental upgrading of existing earth stations & other facilities related to the mini-transmitters purchased - $450,000
--lease costs for a satellite television transponder - $1,008,000

States that the appropriations are for capital projects and are subject to AS 37.25.020 (they do not lapse). Provides Act effective July 1, 1981.

Introduced February 11 and referred to Labor & Commerce then to Finance.

WICHE Program (fields of study)

HOUSE BILL NO. 139, by the Rules Committee by request of the Governor. Amends AS 14.40.685 which relates to the provision, by the state, of adequate services and facilities in certain fields of study under the Western Interstate Commission on Higher Education exchange program. Deletes dental hygiene, and adds maritime technology. See Governor's letter below for further explanation. (HB 110, p. 181 amends the same section.) Provides Act effective immediately.

Introduced February 11 and referred to Health, Education and Social Services.

In his message transmitting the bill to the House for consideration, Governor Hammond stated:

> Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill which would amend AS 14.40.685 to delete dental hygiene as a WICHE exchange field, and to add maritime technology as a WICHE exchange field for Alaska.
>
> At their December 1980 meeting, the states who are members of the Western Interstate Commission on Higher Education (WICHE) removed dental hygiene as an exchange field. Therefore, this bill would remove the reference to dental hygiene from AS 14.40.685.
>
> WICHE has added maritime technology to its Student Exchange Program, and the member states must decide whether to sponsor students in this field. The California Maritime Academy is the only institution in the 13 western states that will be offering this program. The Alaska Commission on Postsecondary Education and the Alaska WICHE commissioners endorse the addition of this field of study in the WICHE program.
>
> Since graduates of the maritime technology program would be employed in the merchant marine and tanker industry, they would be able to put their knowledge to valuable use in the state. I urge the enactment of this legislation.

Longevity Bonus (increasing)

HOUSE BILL NO. 140, by Reps. Duncan, Adams, Buchholdt, Chuckwuk, Clocksin, Cotten, Fuller, Gardiner, Grussendorf, Halford, Hayes,

SB

174

ALASKA POWER AUTHORITY

MEMORANDUM

TO: Senator Frank Ferguson
Alaska State Legislature

DATE: February 11, 1981

FROM: Eric P. Yould
Executive Director
Alaska Power Authority

SUBJECT: Power Production Cost Assistance Program

As you requested, the following information illustrates the additional funding needed to insure that the Power Production Cost Assistance Program is fully funded through the present fiscal year. The approximately $1.4 million with which the program commenced operations was one-half of the original appropriation, due to an executive veto. The details below include the $796,345 remaining in the fund for the calculation to determine the additional $1,050,000 necessary to avoid discontinuance or reduction of this program before the end of the fiscal year.

1.	Probable Monthly Payments to Utilities Currently Participating	$ 273,000
2.	Possible Monthly Payments to Utilities Planning to Participate, Including Nome, North Slope Borough, Manley Hot Springs, and Village of Takotna	75,000
3.	Subtotal	$ 348,000
4.	Months Remaining	5
5.	Funds Required	$ 1,740,000
6.	Less Funds Available *	(796,345)
7.	Funds Presently Lacking	$ 943,655
8.	Contingency Funds 10% **	94,365
9.	Additional Appropriation Necessary	$ 1,038,020
		or approximately $1,050,000

* - Includes payments approved but not yet disbursed.

** - Contingency for payments to utilities which might participate, but which have not yet started the application process.

Alaska State Legislature

Senate

Official Business

Pouch V
State Capitol
Juneau, Alaska 9981

TO: Vic Fischer
Chairman, Senate State Affairs Comm.

FROM: Senator Frank R. Ferguson

DATE: February 16, 1981

SUBJECT: SB 174

Attached is the back-up for SB 174.

ALASKA POWER AUTHORITY

MEMORANDUM

TO: Senator Frank Ferguson
Alaska State Legislature

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FROM: Eric P. Yould
Executive Director
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ENABLING ACT FOR AN

ALASKA CONSTITUTIONAL CONVENTION

Prepared by:

GUY A. VAN DOREN,
ADMINISTRATIVE ASSISTANT
CONSTITUTIONAL CONVENTION COMMITTEE

1981

INTRODUCTION

to

ENABLING ACT

In preparation for a constitutional convention, one of the first things that the Legislature must do is pass legislation providing the basis for establishing the convention. Great care should be taken in writing this act for its purpose is to enable this convention to get under way, not to control the convention. No better word of warning on this score has come than that from the Judiciary Committee of the New York Convention of 1894:

> "It is of the greatest importance that a body chosen by the people of this state to revise the organic law of this state should be as free from interference from the several departments of government as the legislative executive and judiciary are from interference by each other. Unless this were so, the will of the people might easily be nullified by the existing judiciary or legislature Should the latter attempt to enact a law prohibiting the constitutional convention from restricting

the existing power of the legislature the act would be at once be recognized as an unwanted invasion of the rights of the people." [1]

---

[1] Quoted in Walter F. Dodd, "The Revision and Amendment of State Constitutions" (Baltimore, The John Hopkins Press, 1910), pp 79 - 80.

The purpose of an enabling act is to facilitate the selection of delegates and the operation of the convention, nothing more. The following items are suggested as matters which must be settled before the convention can get under way. Decision on the following subjects must be made:

I. Selection of delegates:
   - A. Number
   - B. Qualifications
   - C. Basis of thier selection (district, at large, etc.)
   - D. Method of their nomination an/or election
   - E. Date of the election
   - F. Administration of the election
   - G. Method of filling vacancies

II. Date and procedure of convening the delegates

III. Site of the Convention

IV. Provision for pre-convention planning and accumulation of materials

V. Appropriation (Can be a separate bill)
   - A. Amount adequate to finance all convention needs, including official pre-convention activities
   - B. Post-convention activities
   - C. Accounting practices

VI. Compensation of delegates

A. Basis of payment, per diem, monthly or flat amount for the whole convention

B. Amount of expenses allowed, if any, and for what purposes

C. Any special compensation for offices

The above has usually been sufficient. Three other matters, however, might be dealt with. These should be considered inherent powers of a convention, but, if there is any doubt or if there is the possibility that critics may seek to exploit the fact of their absence from the enabling act, then they should be included.

VII. Authority to require any officer of the state to furnish information or to appear before the convention or any committee thereof (this includes the authority to seek opinions from the attorney general or other legal officer of the state;

VIII. Authority to use the facilities of the state or any local government when such use is not disruptive of regular governmental activities. (This becomes particularly important if hearings by committees are conducted regionally);

IX. A schedule for the convention's work

A. Provisions for a recess during the life of the convention

B. Dates of the completion of the convention's work

C. Dates for submission of the convention's proposal to the people

X. Immunity clause

The enabling act need not go deeply into matters of organization, procedure and personnel and generally should avoid statements that may hamper the convention in carrying out its assigned functions. The convention should be free to determine how it will organize and manage itself.

In the areas of personnel and materials, the convention should have full control over its needs. The power to hire and fire personnel and within its own budgetary limits, their rate of compensation, as well as the power to purchase material and equipment and to contract for services falls in this category. The convention needs to be free to seek its personnel where it wants. It should not be required to borrow its staff from existing state agencies, nor use existing facilities. No compromise should be made which will in any sense make the convention beholden to anyone outside itself. If the convention chooses to borrow state personnel for its staff, or to use the legislative council or the attorney general for assistance and advice, it may do so. But to require the convention to use these sources is to give an external element a role in the convention. A role potentially detrimental to the objectivity which the convention seeks to achieve.

1. Delegate selection: The first Alaska Constitutional Convention in 1955-56 had 55 delegates (the number of delegates who drafted the United States Constitution in 1787).

Unless otherwise provided by law, Article XII Sec. 3 requires that a call for a constitutional convention shall conform as nearly as possible to the Act, calling the Alaska Constitutional Convention of 1955 including but not limited to. number of members, districts, election and certification of delegates.

In 1955, delegates were elected on a three level apportionment system, seven delegates were elected at large; thirty-three were elected at large within four judicial divisions; and fifteen came from newly delineated single delegate districts.

HB 117, introduced in 1971, provided for 65 delegates. Sixty delegates were to be apportioned among the election districts of both houses of the Legislature in accordance with reapportionment, pursuant to the 1970 U.S. Census. Five delegates were to be selected on a statewide basis.

In view of the 1980 Census, it can be assumed that delegate selection will be on the basis of the 1981 apportionment plan, and that any enabling legislation should contain a provision that delegates will be selected on the basis of the new apportionment plan. The use of the 60 delegates simplifies

the job of providing a basis for delegate elections. Having five delegates elected from the state at large will provide individuals of broader experience and familiarity with conditions throughout the state.

The enabling act should stipulate that the election of delegates be non-partisan and that any registered voter who has resided in the state and in the district from which he/she is running for the same period of time required of a candidate for the Legislature, is eligible.

The method of election should be a single special election with the person receiving the largest number of votes being elected as the delegate. The only problem with this is that if a district has a large number of delegates, one person may win by a small majority or by a very small percentage of the total vote. The only solution to this problem would be a run-off, but history has shown in other states that very few people vote in a run-off of this type and it can be expensive.

The date of the special election should be during an off-general-election year and should be held early enough in order that there will be sufficient time between the election of delegates and the convening of the convention for the delegates to familiarize themselves with the issues and what they are intending to accomplish. There also should be enough time to allow staff to prepare for the convention and complete the delegate materials.

The administration of the election should be carried out by the Division of Elections under the supervision of the Lt. Governor.

HB 117 required a nominating petititon to be filed with the Lt. Governor consisting of not less than 50 legally qualified voters of an election district based on a house district, 100 legally qualified voters of an election district based on a senate district and 1,000 signatures for candidates seeking election on a statewide basis. The petition of a candidate seeking election for the state at large shall be subscribed by the signatures of at least 25 qualified voters from each of the senate election districts.

2. Date and Procedure of Convening the Delegates: As with the election for delegates, there should be enough time before the convening of the convention to allow delegates to familiarize themselves with what is ahead and to have an orientation session. The date of convening should also be early enough for a 90 day session and so that the convention will not be meeting simultaneously with the legislature.

In most states, the Governor convenes the convention and then turns the convention over to the temporary presiding officer. In some states, the Lt. Governor or the Secretary of State opens the convention, but usually the Governor has done this.

Most experts in constitutional conventions have recommended that staff develop a temporary set of rules under which the convention can convene until permanent rules can be adopted by the delegates.

Provision for pre-convention planning and the accumulation of materials: SB 723 which passed both houses of the Legislature in 1980, but was vetoed by the Governor, included a provision for the establishment of a constitutional convention commission made up of persons appointed by the Governor, Legislature, and the Chief Justice of the Supreme Court.

In his veto message, the Governor cited the creation of this commission as one of the reasons he vetoed the bill, claiming that the make-up of the commission violated the separation of powers. He felt the Governor should appoint members to the commission.

Most of the states who called conventions in the seventies established commissions in the way set forth in SB 723. There was usually a cooperative effort to insure a successful convention.

The legislature in Alaska feels they have the right to appoint members to any constitutional convention based on the premise that since the constitutional convention is a law-making function

and since the Legislature, by law, may provide for the calling of a constitutional convention, including procedures, it should have a say in the appointment of a preparatory commission.

Since there is disagreement regarding the commission and the appointment of its members between the two branches of government, perhaps, in order to successfully pass enabling legislation, this matter should be left out and addressed at a later date with a solution which will satisfy both parties.

Appropriation: There is no absolute formula for the funding of constitutional conventions. Conventions in the seventies ranged from $20,000 appropriated to the Rhode Island Convention to $3.8 million appropriated for the Texas Convention. The amount should be adaquate to finance all convention needs, including official pre and post-convention activities, including but not limited to staff and consultant salaries and benefits, delegate compensation, travel, material preparation, and expenses for the functioning of the convention itself. It has been recommended that delegates be compensated at the same rate as Legislators during the legislative session.

Convention Site: The Alaska Constitutional Convention of 1955-'56, following the example of the New Jersey Convention of 1947, which was convened on a college campus, held its convention on the campus of the University of Alaska at Fairbanks.

In 1971 the legislature assigned two research persons to conduct a constitutional convention site survey. After visiting the Fairbanks campus, Anchorage and Juneau, and evaluating the three sites as to location. facilities, timing and other criteria, it was recommended that the University of Alaska at Fairbanks again be the convention site.

A preparatory commission or the legislature itself, should look into all the pros and cons of each possible site including conducting a site survey similar to the one held in 1971 to determine which place would best function physically to carry out the objectives and ideals of the convention. The changing times, technological advances and public perception since the 1955-56 convention necessitates a very thorough study of the choice for a proper site.

ALASKA POWER AUTHORITY

333 WEST 4th AVENUE - SUITE 31 - ANCHORAGE, ALASKA 99501

Phone: (907) 277-7641
(907) 276-2715

February 25, 1981

Senator Vic Fisher
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Senator Fisher:

Additional information was requested on the status of the Power Production Assistance Program and supplemental funding which may be provided by SB 174. The historical experience of administering the program to date in fiscal 1981 has been used as the primary basis for these projections. A key variable in any cost projection associated with this program is the voluntary nature of utility participation in the program. With the initiation of operation of this program all eligible utilities did not immediately apply, nor have all eligible utilities applied as of this date. The gradual growth of the program is illustrated by the total of $21,324 of payments issued in October 1980, versus the $259,348 of payments issued in January 1981. The number of participating utilities continues to grow, from 1 in October 1980 to 12 utilities presently. Available information suggests the number of utilities participating will increase to 15 or 16 before the end of fiscal 1981. Shown below is an estimate of funding required for the remainder of Fiscal Year 1981, over and above that remaining in the original appropriation.

Probable Monthly Payments to Utilities currently participating	$273,000
Possible Monthly Payments to Utilities planning to participate	75,000
Subtotal	$348,000
Months remaining in FY 1981 (as of February 1)	5
Funds Required*	$1,740,000
Funds Remaining** and Available	796,345
Funds Presently Lacking	$ 943,655
Contingency 10%***	94,365
Additional Funding Required for FY 1981	$1,038,020
or approximately	$1,050,000

*Note the lack of seasonality. It is my opinion that consumers may adjust to lower electrical rates by increasing their electrical consumption. Until this adjustment is complete, we are not likely to see definite seasonality and when we do, it will be at a higher base level. Seasonality has been taken into consideration in the FY 1982 forecast of program costs.

**Payments approved but not yet disbursed have been subtracted from funds remaining.

***Contingency for payments to utilities which might participate, but which have not yet started the application process.

If this program is continued in FY 1982, the cost will be significantly increased, as all utilities currently participating will continue to participate from the beginning of the FY 1982. It is likely to continue to grow, but the exact number of participating utilities cannot be determined due to the voluntary nature of participation in the program. To determine a forecast, I have estimated that the growth in utilities and eligible kwh's will continue at the same rate in FY 1982, as in 1981. The resulting participation of 22 utilities is well within the possible number of eligible utilities in the State. I have included an assumption of a 15% increase in power production cost, which is due to the high reliance on diesel generation in participating utilities. The resulting estimate for FY 1982 cost for the Power Production Cost Assistance Program is $4,800,000. Seasonality of participants in the program has been difficult to assess, as some evidence exists that the resulting lower cost electricity is stimulating consumption and temporarily producing a greater than normal seasonal demand for electricity, but I have attempted to consider both seasonality and possible upward demand tendencies in the forecast.

Utilities currently participating in the Program include the Alaska Village Electric Cooperative, the Copper Valley Electric Association, the Cordova Electric Cooperative, Haines Light and Power Company, Kodiak Electric Association, Kotzebue Electric Association, Matanuska Electric Association (Unalakleet), the Tlingit Haida Electric Association, and McGrath Light and Power Company. Utilities planning to participate include Nome, North Slope Borough, Manley Hot Springs, the Village of Takotna, and other villages unknown at this time. The attached memo indicates disbursements through January 1, 1981.

If you desire any further information, please let me know.

Sincerely,

Eric P. Yould
Executive Director

Attachment: As stated

cc: Senator Colletta
Senator Bradley
Senator Eliason
Senator Stimson

Also consider # 2.54m
supplem. to Sus. study

Eric Yould — by April 1.
- do deal w/ high cost in insulators
- short-term, while long-range solution

#2.8 m initial / cut in ½ by Gov's
Veto - Gov. prop. legisl changes

1.6 m reqd
.7 available
.9
Lead $1.05

Next year #4.8

Antic, 5 more coming on line

DAVE HUTCHINSON

By APR. 1

A. Power Auth — Susitna assessment

30m — 2½ yrs program → June mid '82

Leg did not fully fund.

$12.54 mi short for FY 81 studies
— need by April 1

Gov's off sympathetic

Fuel cost incr

why not stage project

Regn.

Tacketts Creek

TAKATZ LAKE

$50K. loan approp. for feasib. study
— other funds not available

GOV

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

(NAN-SB174

Rural Alaska Community Action Program
Energy Department

Report to the Governor and the Alaska State Legislature Results of the $1.5 Million Appropriation for Emergency Fuel Loans to Alaska Villages



JAY S. HAMMOND
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 25, 1980

Mr. Phil Smith
Executive Director
Rural Alaska Community
Action Program, Inc.
P.O. Box 3-3908
Anchorage, Alaska 99501

Dear Mr. Smith:

Enclosed please find a copy of Senate Bill No. 125, which I signed January 25.

This is just one week after receiving your request to myself and to the Legislature. I believe it is a fine example of cooperation between the Executive and Legislative branches of State Government.

You are being charged to carry forward this program. I pledge the cooperation of the State of Alaska and feel assured you will do your utmost to meet the needs of the people of rural Alaska.

Sincerely,

Jay S. Hammond
Governor

Enclosure

Rural Alaska Community Action Program, Inc.
P.O. Box 3-3908
Anchorage, Alaska 99501
907-279-2511

Cover Photograph by Rob Stapleton (Stapleton/RurAL CAP Photos)

RurAL CAP Energy Department

Report to the Governor and the Alaska State Legislature

Results of the $1.5 Million Appropriation for

Emergency Fuel Loans to Alaskan Villages

State Responsive Action 1980

The Governor's Office and the Alaska State Legislature, in an outstanding example of cooperation and commitment to the needs of rural Alaskans, passed HCSSB 125 in a record seven days. This bill, titled "An Act making a special appropriation for an emergency fuel supply assistance program for Alaska villages", appropriated $1.5 million to address the emergency fuel supply problems in rural Alaska.

Of this amount, RurAL CAP has committed $1.4 million to a revolving fuel loan account. By recirculating this money as villages repay loans, RurAL CAP has been able to loan more than $2 million in less than a year. The following map and list of communities assisted gives some sense of the program's impact.



Akiak (grant only)
Ambler
Aniak
Anvik
Atka

Beaver
Brevig Mission

Chefornak

Deering

Eagle*
Eek
Elim
Emmonak

Gambell*
Golovin

Hooper Bay*
Huslia

Iliamna*

Karluk
Kiana*
Kipnuk
Kivalina
Koliganek
Kongiganak*
Kotlik
Kwethluk*
Kwigillingok

Lower Kalskag

Marshall
Mekoryuk
Minto

McGrath

Newhalen
Nightmute*
Nikolai
Nikolski
Noatak*
Nondalton
Nulato (grant only)

Ouzinkie

Pedro Bay
Pilot Station
Platinum
Port Heiden

Quinhagak

Ruby
Russian Mission

St. Mary's
Savoonga*
Scammon Bay
Selawik
Shaktoolik
Sheldon's Point
Shishmaref*
Shungnak*
Stebbins

Takotna
Teller
Togiak
Toksook Bay*
Tuntutuliak*
Tununak
Tyonek

Upper Kalskag

Wales*
White Mountain

**Villages received emergency and up front loans*

The Rural Fuel Supply Paradox

Securing a winter's fuel supply is much more difficult and expensive in rural Alaska than it is for urban residents -- especially for villages located in the Western, Northern, and Interior regions of the state. There is no road system connecting rural Alaska, and air charter for fuel deliveries is prohibitively expensive. Most villages which are accessible by barge may be reached only in the summer months (June through September). Thus, the entire village's winter fuel supply must be brought in during the few months that the rivers are navigable.

Orders for fuel supplies must be placed in early spring for several reasons. If villages were to wait any longer, most barge companies would have committed their space to more lucrative contracts for construction projects, canneries, and local school districts. Low water or early freeze-up may close rivers to barge navigation so early so that barge companies may not be able to complete their scheduled deliveries.

Unfortunately, Alaskan villages must pay cash at the time of their order, but village residents usually receive wage income (through fishing, cannery work, local construction projects or firefighting) only at the end of the summer.

Of course, air charter transportation of fuel is a possibility; such transportation often triples the delivered cost of fuel. Consider the cost that three villages presently face:

Village	Price ($ Per Gallon) As of December, 1980: Heating Fuel Oil #1		
	Barge (Bulk)	Air (Bulk)	Air (Drum)
Mekoryuk	$1.366	$3.406	$4.261
Kongiganak	$1.316	$2.271	$2.771
Nightmute	$1.426	$2.776	$3.371

The problem of adequate fuel supplies for rural communities became especially acute after the 1973 Arab Oil Embargo. Each petroleum price hike hits rural residents harder than urban residents. Anchorage, for example, has been insulated from major disruption by price increases because of old contracts for natural gas.

Village residents are actually hit twice by price increases, paying first for increases in the basic product price and then for transportation costs which are driven higher by rising fuel prices. Transportation costs may add approximately 35% to the price of the heating fuel brought to the village by barge.

Another major problem is fuel storage in the village. The

bulk fuel storage facilities in rural Alaska are generally inadequate, and although the Department of Community and Regional Affairs has recently established a program authorized by Senate Bill 438 to assist rural communities to upgrade bulk fuel storage facilities, funding is not yet adequate to meet the pressing need.

Thus villages, already struggling to produce funds to pay for economical barge delivery of fuel, are further hampered by storage that may be inadequate for an entire winter's heating fuel.

RurAL CAP's Response to Rural Energy Problems

RurAL CAP is committed to assisting low-income rural Alaskans in their efforts to increase the degree of control that they exercise over their lives. High energy costs and the lack of a reliable supply are at the heart of many of rural Alaska's problems. RurAL CAP's energy department was organized in January, 1975 to help rural Alaskans deal with suddenly rising energy problems.

Rural energy problems must be addressed in at least three stages. The first and most immediate is the crisis in energy supplies, to which the emergency fuel loan program is addressed.

The second and equally crucial stage is energy conservation. The RurAL CAP weatherization program insulated and retrofitted over 900 homes statewide during 1980, producing a savings of 100,000 gallons of fuel this winter alone.

The third phase is advocacy for long-range energy planning and policy coordination responsive to the needs of rural Alaskans. Some of RurAL CAP's most significant efforts in this area include the annual energy profile, which documents the actual delivered cost of energy in over 300 communities statewide. RurAL CAP provides funds and technical

assistance to the Alaska Regional Energy Association (AREA), which represents the energy-related concerns of fourteen non-profit Regional Associations. The Rural Energy Department is also involved in research and implementation of alternative energy strategies for energy self-sufficiency.

The Loan Process.

To obtain an emergency or up-front loan for RurAL CAP, each village must provide the following information:

1. The reason for the shortage or loan requirement
2. Estimated date when the community is expected to run out of fuel in an emergency
3. The availability of bulk storage
4. The length and condition of the airstrip if fuel must be flown in.

The exact amount of fuel has to be determined through a house-by-house survey of the community.

Once the information is compiled, the village schedules a council meeting with the Fuel Loan Administrator or staff member. Such council meetings are often attended by interested village residents whose concerns focus on transportation problems, the lack of bulk storage facilities and exorbitant capital costs in setting up such bulk storage, the rising cost of fuel, and their increasing inability to pay for the product.

The RurAL CAP staff member explains the fuel loan program to the council at the meeting, including their responsib-

ility for repayment. The approximate amount of funds required to purchase the fuel supply is determined and entered on the loan papers. Council members vote on whether they wish to enter into a loan agreement with RurAL CAP. If the vote is affirmative, the Council will pass the Borrowing Resolution. The repayment schedule is calculated over the period remaining until the next regular barge shipment is due to arrive, and may not exceed one year on up-front loans. The promissory note is then executed by the designated council officers.

RurAL CAP makes arrangements for the purchase and transportation of the fuel. Because the cost of flying fuel to a village under an emergency loan is considerably higher than bringing it in by barge, RurAL CAP has been able to make grants to the community for the difference between the regular barge costs and air transportation costs. However, the availability of such grant funds is limited, and once current CSA grant funds are expended, there is no possibility of continuing this assistance.

Summary

To date, the RurAL CAP Fuel Loan Program has fully responded to village fuel loan emergencies, and it has proven to be the only effective way to deal with the increasingly serious fuel supply problems in rural Alaska. During 1980, RurAL CAP made 82 loans totalling more than $2 million to 64 communities which had experienced or anticipated fuel shortages. This volume of loans was possible from a $1.4 million fund because the program recirculated payments as they came in.

Administrative costs of the program have been minimal: to date, less than $60,000 of the state funds have been expended for this purpose. However, the loan fund is almost fully committed at this time, and RurAL CAP's ability to make additional loans depends on repayment of loans presently outstanding.

DATE 12/31/80

VILLAGE FUEL LOANS

VILLAGE/CORP.	TOTAL COMMITMENT	GRANT AMOUNT	LOAN AMOUNT	TOTAL LOAN PAYMENTS	LOAN BALANCE	DATE LOANED	TERM OF LOAN	LOAN NUMBER
AKIAK CITY COUNCIL	5,000.00	5,000.00	.00	.00	.00	0/00/00	0 MONTHS	FL148
AMBLER TRADITIONAL COUNCI	8,520.00	3,032.00	5,488.00	5,488.00	.00	4/08/80	4 MONTHS	FL125
ANIAK TRADITIONAL COUNCIL	20,088.00	9,680.00	10,408.00	10,408.00	.00	3/18/80	2 MONTHS	FL118
ANIAK CITY COUNCIL	49,988.20	.00	49,988.20	.00	49,988.20	9/17/80	10 MONTHS	FL178
INGALIK, INC. - ANVIK	5,004.00	2,404.00	2,600.00	2,600.00	.00	4/11/80	4 MONTHS	FL126
ATKA I.R.A. COUNCIL	44,834.40	.00	44,834.40	7,472.40	37,362.00	10/28/80	12 MONTHS	FL180
BEAVER INNUIT CO-OP	6,225.97	.00	6,225.97	2,490.97	3,735.00	9/05/80	10 MONTHS	FL173
BREVIG MISSION COOP ASSN	23,763.38	.00	23,763.38	3,963.38	19,800.00	8/11/80	12 MONTHS	FL163
CHEFORNAK CITY COUNCIL	26,109.00	12,815.00	13,294.00	13,294.00	.00	3/10/80	5 MONTHS	FL112
DEERING IRA COUNCIL	46,728.00	.00	46,728.00	11,682.00	35,046.00	7/14/80	12 MONTHS	FL146
EAGLE VILLAGE COUNCIL	2,440.00	1,110.00	1,330.00	1,330.00	.00	2/09/80	5 MONTHS	FL109
EAGLE VILLAGE	4,696.00	.00	4,696.00	.00	4,696.00	9/15/80	12 MONTHS	FL176
IGFIJOUAQ CO, INC. - EEK	6,600.00	1,840.00	4,760.00	4,760.00	.00	3/23/80	5 MONTHS	FL122
ELIM IRA COUNCIL-C/O ANIC	50,357.57	357.57	50,000.00	16,672.00	33,328.00	5/26/80	12 MONTHS	FL138
EMMONAK CITY COUNCIL	46,251.11	.00	46,251.11	19,713.34	26,537.77	6/11/80	12 MONTHS	FL143
GAMBELL IRA COUNCIL	11,560.00	4,286.30	7,273.70	7,273.70	.00	4/25/80	5 MONTHS	FL132
GAMBELL I.R.A. COUNCIL	50,000.00	.00	50,000.00	16,664.00	33,336.00	8/11/80	12 MONTHS	FL157
OLSON & SONS - GOLOVIN	37,795.21	.00	37,795.21	16,000.00	21,795.21	8/12/80	10 MONTHS	FL156
SEALION CORP.- HOOPER BAY	12,049.10	5,640.66	6,408.44	6,408.44	.00	3/04/80	5 MONTHS	FL115
SEALION CORP. - HOOPER BA	50,000.00	.00	50,000.00	8,330.00	41,670.00	9/23/80	12 MONTHS	FL181
HUSLIA CITY COUNCIL	42,720.00	.00	42,720.00	14,240.00	28,480.00	8/06/80	12 MONTHS	FL153
ILIAMNA VILLAGE COUNCIL	55,520.40	18,262.00	37,258.40	37,258.40	.00	2/28/80	6 MONTHS	FL110
ILIAMNA VILLAGE COUNCIL	48,780.00	.00	48,780.00	16,664.00	32,116.00	8/18/80	12 MONTHS	FL155
KARLUK TRIBAL COUNCIL	30,000.00	.00	30,000.00	3,060.87	26,939.13	11/06/80	12 MONTHS	FL185
KIANA IRA COUNCIL	48,120.00	15,346.00	32,774.00	32,774.00	.00	3/13/80	5 MONTHS	FL116

FUEL LOAN PROGRAM
DATE 12/31/80

VILLAGE FUEL LOANS

VILLAGE/CORP.	TOTAL COMMITMENT	GRANT AMOUNT	LOAN AMOUNT	TOTAL LOAN PAYMENTS	LOAN BALANCE	DATE LOANED	TERM OF LOAN	LOAN NUMBER
KIANA CITY COUNCIL	50,000.00	.00	50,000.00	16,664.00	33,336.00	7/15/80	12 MONTHS	FL147
KIPNUK VILLAGE COUNCIL	53,978.24	25,090.91	28,887.33	28,887.33	.00	2/04/80	7 MONTHS	FL102
KIVALINA I.R.A. COUNCIL	50,000.00	.00	50,000.00	.00	50,000.00	10/14/80	0 MONTHS	FL183
KOLIGANEK VILLAGE COUNCIL	26,218.05	14,458.75	11,759.30	11,759.30	.00	4/17/80	5 MONTHS	FL128
KONGIGANAK TRAD. COUNCIL	29,269.80	13,593.00	15,676.80	15,676.80	.00	2/04/80	7 MONTHS	FL101
KONGIGANAK TRAD. COUNCIL	10,954.02	4,874.10	6,079.92	.00	6,079.92	12/23/80	5 MONTHS	FL160
KOTLIK CITY COUNCIL	8,586.50	.00	8,586.50	6,000.00	2,586.50	6/12/80	12 MONTHS	FL144
KWETHLUK IRA COUNCIL	14,030.46	1,140.00	12,890.46	12,890.46	.00	3/04/80	5 MONTHS	FL114
KWETHLUK I.R.A. COUNCIL	47,366.51	.00	47,366.51	.00	47,366.51	9/30/80	10 MONTHS	FL182
KWIGILLINGOK IRA COUNCIL	62,475.76	29,264.40	33,211.36	29,976.26	3,235.10	2/05/80	5 MONTHS	FL103
LOWER KALSKAG CITY COUNCI	7,584.50	3,570.00	4,014.50	4,014.50	.00	4/27/80	3 MONTHS	FL130
MARSHALL CITY COUNCIL	9,737.00	.00	9,737.00	4,433.00	5,304.00	6/11/80	12 MONTHS	FL142
MC GRATH CITY COUNCIL	18,652.07	5,563.08	13,088.99	13,120.80	31.81	3/31/80	3 MONTHS	FL123
NIMA CORP. - MEKORYUK	12,428.00	7,380.00	5,048.00	5,048.00	.00	5/14/80	2 MONTHS	FL136
NIMA CORPORATION	17,575.00	10,425.00	7,150.00	.00	7,150.00	1/01/81	5 MONTHS	FL187
SETH-DE-YA-AH CORP. MINT	50,000.00	.00	50,000.00	16,656.00	33,344.00	7/23/80	12 MONTHS	FL149
NEWHALEN CITY COUNCIL	29,270.30	9,238.20	20,032.10	5,294.60	14,737.50	2/28/80	6 MONTHS	FL108
NIGHTMUTE CC/NGTA-OMKUMUT	28,611.00	14,795.00	13,816.00	13,816.00	.00	2/19/80	5 MONTHS	FL106
NIGHTMUTE CITY COUNCIL	11,842.20	.00	11,842.20	.00	11,842.20	10/13/80	6 MONTHS	FL186
NIKOLAI CITY COUNCIL	11,296.65	4,366.65	6,930.00	6,930.00	.00	4/01/80	2 MONTHS	FL124
NIKOLSKI I.R.A. COUNCIL	29,456.82	.00	29,456.82	9,824.82	19,632.00	8/11/80	12 MONTHS	FL152
NOATAK IRA COUNCIL	12,510.00	3,984.00	8,526.00	8,526.00	.00	3/08/80	5 MONTHS	FL119
NOATAK I.R.A. COUNCIL	50,000.00	.00	50,000.00	.00	50,000.00	10/17/80	0 MONTHS	FL184
NONDALTON VILLAGE COUNCIL	39,664.00	11,020.00	28,644.00	11,580.00	17,064.00	2/13/80	6 MONTHS	FL105
OANA-A'YOO LTD. - NULATO	5,268.00	5,268.00	.00	.00	.00	0/00/00	0 MONTHS	FL113

VILLAGE FUEL LOANS

VILLAGE/CORP.	TOTAL COMMITMENT	GRANT AMOUNT	LOAN AMOUNT	TOTAL LOAN PAYMENTS	LOAN BALANCE	DATE LOANED	TERM OF LOAN	LOAN NUMBER
OUZINKIE CITY COUNCIL	42,971.73	.00	42,971.73	10,743.00	32,228.73	8/20/80	12 MONTHS	FL175
PEORO BAY VILLAGE COUNCIL	19,017.60	.00	19,017.60	3,417.60	15,600.00	9/02/80	12 MONTHS	FL166
PILOT STATION, INC.	4,342.00	2,190.00	2,152.00	2,152.00	.00	4/23/80	1 MONTHS	FL131
PLATINUM TRAD. COUNCIL	21,668.00	9,400.00	12,268.00	12,268.00	.00	4/17/80	5 MONTHS	FL127
PORT HEIDEN CITY COUNCIL	50,000.00	.00	50,000.00	20,838.00	29,162.00	5/22/80	12 MONTHS	FL137
QUINHAGAK IRA COUNCIL	43,690.61	21,248.48	22,442.13	6,681.36	15,760.77	2/20/80	6 MONTHS	FL107
RUBY CITY COUNCIL	31,060.09	.00	31,060.09	6,633.19	24,426.90	6/18/80	12 MONTHS	FL145
RUSSIAN MISSION VILL COUN	8,468.00	3,380.00	5,088.00	5,088.00	.00	3/19/80	3 MONTHS	FL120
RUSSIAN MISSION	32,047.20	.00	32,047.20	.00	32,047.20	8/29/80	10 MONTHS	FL174
ST. MARY'S NATIVE CORP.	49,999.06	.00	49,999.06	8,340.00	41,659.06	4/15/80	12 MONTHS	FL129
SAVOONGA IRA COUNCIL	23,120.00	11,624.00	11,496.00	11,496.00	.00	4/25/80	6 MONTHS	FL133
SAVOONGA I.R.A. COUNCIL	49,999.40	.00	49,999.40	16,664.00	33,335.40	8/11/80	12 MONTHS	FL158
SCAMMON BAY CITY COUNCIL	11,074.00	.00	11,074.00	3,000.00	8,074.00	8/07/80	12 MONTHS	FL154
SELAWIK IRA COUNCIL	22,096.00	11,520.00	10,576.00	10,576.00	.00	5/06/80	3 MONTHS	FL135
SHAKTOOLIK NATIVE CORP.	14,796.00	.00	14,796.00	3,699.00	11,097.00	8/11/80	12 MONTHS	FL161
SWAN LAKE CORPORATION	42,784.00	.00	42,784.00	8,330.00	34,454.00	7/30/80	12 MONTHS	FL151
SHISHMAREF CITY COUNCIL	5,535.80	634.60	4,901.20	4,901.20	.00	5/27/80	3 MONTHS	FL139
SHISHMAREF CITY COUNCIL	25,000.00	.00	25,000.00	.00	25,000.00	5/27/80	12 MONTHS	FL140
SHISHMAREF IRA - C/O ANIC	25,000.00	.00	25,000.00	4,170.00	20,830.00	5/27/80	12 MONTHS	FL141
SHUNGNAK IRA COUNCIL	24,276.00	10,430.00	13,846.00	13,846.00	.00	3/08/80	5 MONTHS	FL117
SHUNGNAK I.R.A. COUNCIL	50,000.00	.00	50,000.00	16,664.00	33,336.00	8/11/80	12 MONTHS	FL159
STEBBINS NATIVE CORP.	24,996.00	.00	24,996.00	8,332.00	16,664.00	8/11/80	12 MONTHS	FL162
TAKOTNA VILLAGE ASSOC.	18,810.00	7,380.00	11,430.00	4,762.50	6,667.50	8/07/80	12 MONTHS	FL164
TELLER CITY COUNCIL	1,500.00	.00	1,500.00	500.00	1,000.00	8/27/80	12 MONTHS	FL167
TELLER NATIVE CORPORATION	24,250.00	.00	24,250.00	8,100.00	16,150.00	8/08/80	12 MONTHS	FL168

DATE 12/31/80

VILLAGE FUEL LOANS

VILLAGE/CORP.	TOTAL COMMITMENT	GRANT AMOUNT	LOAN AMOUNT	TOTAL LOAN PAYMENTS	LOAN BALANCE	DATE LOANED	TERM OF LOAN	LOAN NUMBER
TELLER COMMERICAL COMPANY	24,250.07	.00	24,250.07	.00	24,250.07	8/08/80	12 MONTHS	FL169
TOGIAK NATIVES, LTD.	58,115.53	10,809.75	47,305.78	33,357.36	13,948.42	4/23/80	12 MONTHS	FL134
TOKSOOK BAY CITY COUNCIL	21,966.85	11,921.25	10,045.60	10,045.60	.00	3/20/80	4 MONTHS	FL121
TOKSOCK BAY CITY COUNCIL	8,406.74	.00	8,406.74	2,106.74	6,300.00	9/10/80	12 MONTHS	FL177
TUNTUTULIAK LAND LTD.	19,564.35	6,636.00	12,928.35	12,928.35	.00	3/04/80	4 MONTHS	FL111
TUNTUTULIAK LAND LTD.	46,652.35	.00	46,652.35	15,548.35	31,104.00	8/03/80	12 MONTHS	FL172
TUNUNRMIUT RINIT CORP.	38,862.92	.00	38,862.92	6,751.42	32,111.50	7/31/80	12 MONTHS	FL150
NATIVE VILLAGE OF TYONEK	22,408.86	.00	22,408.86	8,964.00	13,444.86	8/21/80	10 MONTHS	FL165
UPPER KALSKAG CITY COUNCI	5,067.24	393.90	4,673.34	.00	4,673.34	10/01/80	5 MONTHS	FL179
WALES IRA COUNCIL	30,997.00	16,427.20	14,570.40	14,570.40	.00	1/04/80	5 MONTHS	FL104
WALES I.R.A. COUNCIL	40,670.00	.00	40,670.00	10,160.00	30,510.00	9/05/80	12 MONTHS	FL170
WHITE MOUNTAIN IRA COUNCI	50,000.00	.00	50,000.00	12,497.00	37,503.00	9/05/80	12 MONTHS	FL171
	2,453,389.22*		2,085,589.42*					
		367,799.80*		797,776.44*				
					1,287,812.98*			

TOTAL LOAN FUND $1,400,000.00

AVAILABLE LOAN AND GRANT FUND $ 255,612.78**

DATE 12/31/80

VILLAGE FUEL REQUIREMENTS

VILLAGE OR CORPORATION	HEATING OIL	GASOLINE	OTHER FUELS	FUEL COST	TRANSPORTATION COST	TOTAL COST	LOAN NUMBER
AKIAK CITY COUNCIL	.0	.0	.0	.00	.00	.00	FL148
AMBLER TRADITIONAL COUNCIL	.0	4,000.0	.0	4,208.00	4,312.00	8,520.00	FL125
ANIAK TRADITIONAL COUNCIL	.0	8,000.0	.0	9,408.00	10,680.00	20,088.00	FL118
ANIAK CITY COUNCIL	40,707.0	.0	.0	43,597.20	6,391.00	49,988.20	FL178
INGALIK, INC. - ANVIK	.0	2,000.0	.0	2,088.00	2,916.00	5,004.00	FL126
ATKA I.R.A. COUNCIL	30,000.0	5,500.0	120.0	35,534.40	9,300.00	44,834.40	FL180
BEAVER INNUIT CO-OP	.0	2,200.0	530.0	5,216.95	1,009.02	6,225.97	FL173
BREVIG MISSION COOP ASSN	19,100.0	.0	109.0	17,651.38	6,112.00	23,763.38	FL163
CHEFORNAK CITY COUNCIL	3,000.0	8,000.0	.0	10,704.00	15,405.00	26,109.00	FL112
DEERING IRA COUNCIL	36,000.0	.0	.0	31,212.00	15,516.00	46,728.00	FL146
EAGLE VILLAGE COUNCIL	.0	1,000.0	.0	1,250.00	1,190.00	2,440.00	FL109
EAGLE VILLAGE	4,000.0	.0	.0	4,376.00	320.00	4,696.00	FL176
IGFIJOUAQ CO, INC. - EEK	3,000.0	1,000.0	.0	3,860.00	2,740.00	6,600.00	FL122
ELIM IRA COUNCIL-C/O ANICA	20,000.0	23,855.0	690.0	45,634.24	4,723.33	50,357.57	FL138
EMMONAK CITY COUNCIL	33,829.0	.0	.0	38,971.11	7,280.00	46,251.11	FL143
GAMBELL IRA COUNCIL	.0	4,000.0	4,907.0	5,233.00	6,327.00	11,560.00	FL132
GAMBELL I.R.A. COUNCIL	53,533.0	.0	.0	50,000.00	.00	50,000.00	FL157
OLSON & SONS - GOLOVIN	23,549.0	10,000.0	.0	40,000.00	.00	40,000.00	FL156
SEALION CORP.- HOOPER BAY	.0	4,000.0	495.0	5,263.80	6,785.30	12,049.10	FL115
SEALION CORP. - HOOPER BAY	53,533.0	.0	.0	50,000.00	.00	50,000.00	FL181
HUSLIA CITY COUNCIL	5,000.0	20,000.0	.0	29,275.00	13,445.00	42,720.00	FL153
ILIAMNA VILLAGE COUNCIL	27,700.0	6,500.0	.0	30,418.40	25,102.00	55,520.40	FL110
ILIAMNA VILLAGE COUNCIL	31,500.0	6,000.0	.0	39,780.00	9,000.00	48,780.00	FL155
KARLUK TRIBAL COUNCIL	13,615.0	1,212.0	204.0	17,723.52	4,513.95	22,237.47	FL185
KIANA IRA COUNCIL	18,000.0	8,000.0	.0	26,794.00	21,326.00	48,120.00	FL116

DATE 12/31/80

VILLAGE FUEL REQUIREMENTS

VILLAGE OR COPPORATION	HEATING OIL	GASOLINE	OTHER FUELS	FUEL COST	TRANSPORTATION COST	TOTAL COST	LOAN NUMBER
KIANA CITY COUNCIL	35,674.0	.0	.0	40,471.19	9,528.81	50,000.00	FL147
KIPNUK VILLAGE COUNCIL	21,973.0	3,500.0	.0	24,302.19	29,676.05	53,978.24	FL102
KIVALINA I.R.A. COUNCIL	.0	.0	.0	.00	.00	.00	FL183
KOLIGANEK VILLAGE COUNCIL	3,525.0	5,101.0	.0	8,634.13	17,583.92	26,218.05	FL128
KONGIGANAK TRAD. COUNCIL	13,800.0	.0	.0	13,192.80	16,077.00	29,269.80	FL101
KONGIGANAK TRAD. COUNCIL	4,620.0	.0	.0	5,202.12	5,751.90	10,954.02	FL160
KOTLIK CITY COUNCIL	6,500.0	.0	.0	7,156.50	1,430.00	8,586.50	FL144
KWETHLUK IRA COUNCIL	7,185.0	4,800.0	.0	11,630.46	2,400.00	14,030.46	FL114
KWETHLUK I.R.A. COUNCIL	18,382.0	18,022.0	675.0	42,156.20	5,210.31	47,366.51	FL182
KWIGILLINGOK IRA COUNCIL	17,560.0	12,000.0	.0	28,038.36	34,437.40	62,475.76	FL103
LOWER KALSKAG CITY COUNCIL	.0	3,500.0	.0	3,612.00	3,972.50	7,584.50	FL130
MARSHALL CITY COUNCIL	7,000.0	.0	.0	7,707.00	2,030.00	9,737.00	FL142
MC GRATH CITY COUNCIL	11,522.0	.0	.0	11,015.03	7,637.04	18,652.07	FL123
NIMA CORP. - MEKORYUK	.0	4,000.0	.0	4,288.00	8,140.00	12,428.00	FL136
NIMA CORPORATION	.0	.0	.0	.00	.00	.00	FL187
SETH-DE-YA-AH CORP. MINTO	8,000.0	18,000.0	1,850.0	32,179.00	2,687.60	34,866.60	FL149
NEWHALEN CITY COUNCIL	11,300.0	6,000.0	.0	15,707.10	13,563.20	29,270.30	FL108
NIGHTMUTE CC/NGIA-OMKUMUTE	11,000.0	.0	.0	10,516.00	18,095.00	28,611.00	FL106
NIGHTMUTE CITY COUNCIL	.0	.0	.0	.00	.00	.00	FL186
NIKOLAI CITY COUNCIL	5,000.0	.0	.0	5,092.50	6,204.15	11,296.65	FL124
NIKOLSKI I.R.A. COUNCIL	22,000.0	1,100.0	116.0	22,636.82	6,820.00	29,456.82	FL152
NOATAK IRA COUNCIL	6,000.0	.0	.0	6,126.00	6,384.00	12,510.00	FL119
NOATAK I.R.A. COUNCIL	.0	.0	.0	.00	.00	.00	FL184
NONDALTON VILLAGE COUNCIL	15,200.0	4,800.0	.0	19,044.00	20,620.00	39,664.00	FL105
OANA-A'YOO LTD. - NULATO	7,815.0	.0	.0	.00	5,268.00	5,268.00	FL113

VILLAGE FUEL REQUIREMENTS

VILLAGE OR CORPORATION	HEATING OIL	GASOLINE	OTHER FUELS	FUEL COST	TRANSPORTATION COST	TOTAL COST	LOAN NUMBER
OUZINKIE CITY COUNCIL	30,010.0	.0	.0	29,471.73	13,500.00	42,971.73	FL175
PEDRO BAY VILLAGE COUNCIL	7,583.0	3,150.0	5,126.0	15,019.94	3,997.66	19,017.60	FL166
PILOT STATION, INC.	2,000.0	.0	.0	3,942.00	400.00	4,342.00	FL131
PLATINUM TRAD. COUNCIL	2,000.0	8,000.0	.0	10,168.00	11,500.00	21,668.00	FL127
PORT HEIDEN CITY COUNCIL	.0	.0	41,.00.0	50,000.00	.00	50,000.00	FL137
QUINHAGAK IRA COUNCIL	5,180.0	14,225.0	.0	19,143.28	24,547.33	43,690.61	FL107
RUBY CITY COUNCIL	24,986.0	.0	.0	24,311.38	6,748.71	31,060.09	FL145
RUSSIAN MISSION VILL COUNC	.0	4,000.0	.0	3,968.00	4,500.00	8,468.00	FL120
RUSSIAN MISSION	20,000.0	.0	.0	22,740.00	9,307.20	32,047.20	FL174
ST. MARY'S NATIVE CORP.	36,737.0	.0	.0	40,232.16	9,766.90	49,999.06	FL129
SAVOONGA IRA COUNCIL	.0	8,000.0	.0	8,336.00	14,784.00	23,120.00	FL133
SAVOONGA I.R.A. COUNCIL	.0	35,000.0	3,145.0	43,637.40	6,362.00	49,999.40	FL158
SCAMMON BAY CITY COUNCIL	7,000.0	.0	.0	8,036.00	3,038.00	11,074.00	FL154
SELAWIK IRA COUNCIL	.0	8,000.0	.0	8,756.00	13,340.00	22,096.00	FL135
SHAKTOOLIK NATIVE CORP.	4,500.0	.0	500.0	5,356.00	9,440.00	14,796.00	FL161
SWAN LAKE CORPORATION	10,000.0	15,000.0	6,380.0	35,777.80	7,006.20	42,784.00	FL151
SHISHMAREF CITY COUNCIL	.0	.0	6,000.0	3,415.00	2,120.80	5,535.80	FL139
SHISHMAREF CITY COUNCIL	19,260.0	.0	.0	18,066.26	6,933.74	25,000.00	FL140
SHISHMAREF IRA - C/O ANICA	27,533.0	.0	.0	25,000.00	.00	25,000.00	FL141
SHUNGNAK IRA COUNCIL	4,000.0	6,000.0	.0	10,396.00	13,880.00	24,276.00	FL117
SHUNGNAK I.R.A. COUNCIL	21,784.0	20,774.0	172.0	47,426.20	2,573.80	50,000.00	FL159
STEBBINS NATIVE CORP.	2,000.0	19,000.0	.0	23,476.00	1,520.00	24,996.00	FL162
TA OTNA VILLAGE ASSOC.	9,000.0	.0	.0	8,460.00	10,350.00	18,810.00	FL164
TELLER CITY COUNCIL	1,319.0	.0	.0	1,500.00	.00	1,500.00	FL167
TELLER NATIVE CORPORATION	21,124.0	.0	.0	24,250.00	.00	24,250.00	FL168

DATE 12/31/80

VILLAGE FUEL REQUIREMENTS

VILLAGE OR CORPORATION	HEATING OIL	GASOLINE	OTHER FUELS	FUEL COST	TRANSPORTATION COST	TOTAL COST	LOAN NUMBER
TELLER COMMERICAL COMPANY	21,710.0	.0	.0	24,250.07	.00	24,250.07	FL169
TOGIAK NATIVES, LTD.	8,780.0	28,150.0	.0	36,531.28	21,584.25	58,115.53	FL134
TOKSOOK BAY CITY COUNCIL	.0	8,250.0	.0	8,395.60	13,571.25	21,966.85	FL121
TOKSOOK BAY CITY COUNCIL	.0	.0	5,000.0	270.00	4,136.74	8,406.74	FL177
TUNTUTULIAK LAND LTD.	11,850.0	.0	.0	11,328.60	8,235.75	19,564.35	FL111
TUNTUTULIAK LAND LTD.	24,022.0	14,019.0	.0	41,060.33	5,592.02	46,652.35	FL172
TUNUNRMIUT RINIT CORP.	22,082.0	7,205.0	.0	31,540.90	7,322.02	38,862.92	FL150
NATIVE VILLAGE OF TYONEK	8,000.0	7,660.0	2,200.0	17,892.22	4,516.64	22,408.86	FL165
UPPER KALSKAG CITY COUNCIL	2,200.0	.0	450.0	4,099.20	968.04	5,067.24	FL179
WALES IRA COUNCIL	10,400.0	.0	.0	10,618.40	20,379.20	30,997.60	FL104
WALES I.R.A. COUNCIL	22,000.0	7,000.0	275.0	29,270.00	11,400.00	40,670.00	FL170
WHITE MOUNTAIN IRA COUNCIL	23,000.0	12,500.0	480.0	37,012.60	12,987.40	50,000.00	FL171
				1,614,060.75*	684,220.13*	2,298,280.88*	

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

SB

175

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907 465-3800

M E M O R A N D U M February 5, 1981

SUBJECT: Model state conflict of interest/financial disclosure law (Work Order No. 12-0463)

TO: Senator Vic Fischer

FROM: Richard A. Bradley
Legislative Counsel

Enclosed is the bill responsive to your request.

As you will immediately note from a comparison of this bill with the bill draft prepared by the National Municipal League Model State Conflict of Interest and Financial Disclosure Act, I have taken substantial liberties with the bill.

In part this is a result of the need to conform the bill to the Alaska legislative format but an equally compelling reason for the changes is that in places the bill did not seem to represent a coherent piece of legislation. In general, I will not identify changes in the bill that represent only a change in nonsubstantive language. Where I have had such difficulty that I departed from the model draft substantially, I will try to identify the changes and indicate my reasons for the departure.

Much of the material dealing with the establishment of the commission will of course duplicate existing law, most of which is contained within AS 15.13.020 and 15.13.030. The repeal of these sections will be dealt with in the latter sections of the bill.

Sec. 1, the short title is deleted; such titles are infrequently used in Alaska.

Sec. 2 of the draft becomes bill sec. 1. Consistently with our usual style, we have put the findings into temporary law.

Sec. 3 is the definitions section. It appears at the end of this section of the bill, as Sec. 39.49.400, amplified with definitions that were buried throughout the draft bill.

Sec. 4 of the draft is broken into two parts:

(1) The commission is established; and

(2) Provisions relating to the membership of the commission are collected into a single section. Bill sec. 20(e) eliminates the requirement that the legislature concur in the removal of a member of the commission. If you wish to have language offering procedural protections to the members of the commission beyond what is contained in the bill, we may do so legally. Article III, section 26 provides that members of a regulatory or quasi-judicial board or commission "may be removed as provided by law". Under that grant, the legislature may establish simple or elaborate procedures for the removal of such an officer by the governor.

You may recall the Breeze case from several years ago. At least one of the issues that that case presented what whether the legislature could "share" the power of the governor to remove an executive officer. The Alaska Pipeline Commission law states that the legislature has to concur in a removal for it to take effect. AS 42.06.050. The governor refused to acknowledge a legislative role. The Department of Law's position at a hearing on gubernatorial authority was that the law could be as elaborate as the legislature wished but the legislature could not share the power of removal.

Joe Josephson, who was attorney for Breeze at the time, told me that he did not agree with the Department of Law's position and thought that the Supreme Court stood a good chance of agreeing with his position, based on law in other states and several law review articles discussing this issue. As you may recall, complications in the case prevented the case from going to a decision.

I am agreeable to inserting such a provision into your bill, if you wish. But I should mention that it may incur a gubernatorial veto if past practice is at all predictive of future practice.

The material in sec. 4(b) regarding the initial members is moved to the end of the bill as temporary law.

Sec. 4(c) is established as a new bill sec. 30 dealing with the presiding officer of the commission. A portion of the section is deleted as stating generally understood principles and the last sentence is restated.

Sec. 4(d) is found at sec. 40. I continued the P.O.C. compensation of $50 per day in addition to travel expenses and per diem now found at AS 15.13.020(f). Sec. 4(e) has become sec. 50. I deleted the authority of the commission to engage its own legal counsel and in that regard I essentially continued the concepts now found at AS 15.-13.122. See bill sec. 90.

The material at draft sec. 4(g) is largely unnecessary. The requirements for public meetings are covered at AS 44.62.310. The authority of the commission exists and may be exercised at any point within the state though not, perhaps, outside the state. As suggested above, sec. 90 of the bill is derived from AS 15.13.122 but is substantially recast.

Draft sec. 5 becomes bill sec. 80; while largely recast, no substantive changes are made.

Sec. 90 is new material; it replaces draft sec. 5(d)(iii).

Draft sec. 6(a) seemed confused and wordy. I have rewritten the material and broken (a) into new subsections 100(a) - (c). Sec. 6(b) becomes sec. 100(d) and (e) and sec. 6(c) becomes sec. 110. Sec. 6(d) and (e) are eliminated as unnecessary; cf, Appellate Rule 45 of the Supreme Court Rules.

Draft sec. 7 is recast into sec. 120. Draft sec. 8 becomes sec. 130. Draft sec. 9 becomes sec. 140. The latter half of sec. 9(c) has been deleted from its location in the bill; it essentially states a definition and has been moved.

Sec. 9(d) is amended to delete the phrase "in its files" from the mandate. As I see the change, the files generated which are incredibly voluminous (as you are coming to know) need not be maintained within the offices of the commission but may be transferred to archives, etc. I also changed the date for destruction to ten years from the date on which

they were due rather than the date on which they were filed. The latter date has no meaning for records management.

Draft sec. 10 becomes sec. 150; the section adds financial disclosure requirements. I added the phrase "known to him" to sec. 150(a). The concept is contained within the existing law, AS 39.50.030(a): "to the extent that it is ascertainable by the public official or candidate". If it were not specified, it would need to be implied since while the law may require a public official or candidate to disclose information regarding his financial condition, I know of no mechanism by which family members may be compelled to disclose to the public official. The result is that the public official discloses what he himself knows or what is public knowledge already as to the finances of others.

Sec. 150(b) is undoubtedly a critical section. That being the case, I may say that I have made no attempt to compare the new list with the list contained within AS 39.50.030(b) nor have I sought to prepare an ideal list.

The section uses several different words to indicate what is "done" with the information. Among these words are "shown" and "disclosed". I have substituted "reported" for them wherever found. In sec. 150(b)(9), the draft had a blank requiring legislative discretion to determine the level of equity ownership in a business entity doing $25,000 or more business with the state during the year for reporting purposes. I have used the figure of 50 percent as a reasonable threshold.

Similarly, a threshold for the level of gifts that need to be reported in required in sec. 150(b)(10). I have used the figure of $100 which I took from the threshold in AS 39.50.030(b). The figure may be low and "has not been adjust d for inflation". [In my own view, a public official or candidate who is for sale for $100 does not know his own value.]

Sec. 11 has become sec. 160.

I did not delete sec. 170(b) [Draft sec. 12] though I consider it redundant to the more substantive provisions of the bill. I do consider that sec. 12(c) is completely redundant and have deleted it.

Draft sec. 13 has become sec. 180. I have reorganized the subsections of sec. 180(a) for clarity. The latter half of sec. 180(b) is a definition and I have moved it to the definitions section.

Draft sec. 16 has become sec. 210 and is rewritten for clarity and to conform it to the Alaska structure of government. For the same reasons, I have rewritten sec. 220.

Draft sec. 18 becomes sec. 230. It is rewritten to eliminate the definition of a "gift" from the early part of the section. That material is moved to the definitions section.

Draft sec. 20 becomes sec. 250. It is rewritten for clarity. This section should be carefully reviewed for the policy it proposes; it appears that the prohibitions on representation after the termination of employment or the term of office are somewhat draconian. Note also that it applies to members of the legislature.

Draft sec. 21 becomes sec. 260. Sec. 21(d) is revised to eliminate what I believe may be an unconstitutional restriction on election to public office. The qualifications for election to public office are established in the constitution. The general rule is that the legislature may not vary the qualifications.

Since there is no similar restriction as to appointive office or to employment, I have left the disqualification in place as to those situations.

Sec. 22 becomes sec. 270. Sec. 270(b) is rewritten for clarity and to eliminate unnecessary material. The latter part of the section constitutes a definition and the material is moved to that section. Sec. 270(c) is substantially changed by the "not less that $10" material which seemed desirable and by the addition of the references to AS 15.13 and AS 24.25. Note that I have repealed AS 15.-13.125 and AS 24.45.141 which are sections dealing with this subject.

Sec. 24 becomes sec. 290. Sec. 290(a)(i) is eliminated; the suggested language states the usual rule. Sec. 290(c) and

(d) are eliminated as unnecessary. Secs. 26 and 27 are also eliminated as unnecessary.

I have proposed a definitions section as Sec. 39.49.400.

Sec. 400(a)(1) defines assistant to the governor essentially the same as present law; see AS 39.50.200(a)(9).

Sec. 400(a)(2) defines "business". The definition from draft sec. 3(a) was used with modifications for clarity.

The draft law appears to require that "business with which a person is associated" be also defined. I have used draft sec. 3(b) with modifications for clarity. See sec. 400(a)(3).

The definition of "candidate" is derived from the latter portion of draft sec. 9(c).

The definition of "child" is derived from AS 39.50.-200(a)(3).

The definition of "gift" is derived from draft sec. 18(a).

The definition of "limited interest" is derived from the latter part of sec. 13(b).

The definition of "member of household" from the draft bill sec. 3(e) was extensively modified for clarity; it used the word "person" very obscurely.

I may also say that the reach of the section is extraordinaily broad and you may wish to review it to determine whether you wish to go that far. Part of the difficulty with the definition will arise from any implemention of the concept. If it is ever charged that a person has failed to report information regarding a member of the household [who may not live in the common residence of the reporting state official], sec. 400(a)(C), it will be very difficult to determine that fact without an extensive investigation that may approach the edges of a constitutional right of privacy.

The definition of "official action" is from draft sec. 22(b).

The definition of "parent" is derived from AS 39.50.200(a)(7).

The definition of securty is derived from AS 45.55.130(12).

I used the draft's definition of "state employee" with modifications that seemed reasonable. And finally I abandoned the draft definition of "state official" and returned to AS 39.-50.200(a)(1) for the definition. The draft's definition did not qualify as a useful definition and would have generated more heat than light.

The remaining sections of the bill deal with the repeal of the sections in AS 15.13 that establish the commission, the repeal of AS 39.50, and the implications these actions have for existing statutory sections that reference AS 39.50. Because there are essentially no subtleties to these amendments, I have not analyzed them.

If I can assist further, please advise.

RAB:ljb

Enclosure

SECTION BY SECTION OVERVIEW
CSSSSB 175 (State Affairs)
Work Draft

Section	Title	Summary Statement
1	Findings and Purpose	Statement of legislative intent
2		
39.49.010	Construction	This chapter is to be liberally construed to promote ethical conduct in state and municipal government.
39.49.020	Applicability	Applies to all elected and appointed officials including any state employee of the three branches of government and any municipal employee. Also applies to a person under a personal services contract to a state agency or municipality.
39.49.030	Gifts	A public official may not solicit or receive a gift under circumstances where it could be inferred that the gift was intended to influence or reward official action.
39.49.040	Confidential Information	A public official is prohibited from using information for personal gain. The public official is also prohibited from disclosing information which is not public information and which the public official acquires from official sources.
39.49.050	Fair Treatment	Specifically states what action is prohibited by a public official
39.49.060	Conflict of Interest	Spells out what constitutes a conflict of interest
39.49.070	Action on Conflict	Outlines the procedures a public official must take in the event of a personal conflict of interest
39.49.080	Government Contracts	Specifies the instances in which the public official or member of her/his household can contract with the state or municipality
39.49.090	Contracts Voidable	The state or municipality may void a contract if the contract entered into violates a provision of this chapter. States that the interest of innocent parties shall be considered in an action to

		void a contract, and that the action must also be brought within 60 days after a violation is determined.
39.49.100	Restrictions on Former Public Officials	A former public official is prohibited from 1) using information for personal gain that was acquired in the course of her/his official duties; 2) disclose information not available to the public acquired during the course of her/his official duties; 3) may not assist anyone for compensation on a matter in which she/he personally participated as a public official; and 4) for twelve months after termination of employment from assisting anyone for compensation on matters before the state agency or municipality where she/he was employed.
39.49.110	Violation	Establishes a two-year statute of limitations for prosecution of a public official or former public official
39.49.120	Reporting Conflicts of Interest by Members of Municipal Governing Bodies	This section outlines the procedures for members of municipal governing bodies to follow when a conflict of interest exists.
39.49.130	Protections for Reporting a Violation	"Whistleblower statute" to protect state and municipal public officials for reporting a violation of the ethics code
39.49.150	Commission Established	Establishes a seven member State Ethics Commission in the Department of Administration appointed by the governor and confirmed by the legislature. Term is five years with a 1 term limitation. Also outlines the qualifications and compensation for members. Gives the Commission the authority to hire an executive director and staff.
39.49.160	Offices of the Commission	Establishes an office in each senate district but limits one office to each municipality. Campaign, financial disclosure and lobbyists' reports are to be filed in the Commission's central office. The reports are public information.
39.49.170	Duties of the Commission	Outlines the duties of the Commission

39.49.180	Legal Counsel	Gives the Commission the authority to hire and employ an attorney or to use the attorney general's office for legal advice and representation
39.49.190	Powers of Commission	Incorporates the functions of the Alaska Public Offices Commission. Gives the Commission the authority to issue advisory opinions on ethics and also to initiate investigations and hold hearings.
39.49.200	Complaint Procedures	Establishes complaint procedures and due process requirements for conducting hearings
39.49.210	Determinations	Establishes procedures for the Commission to follow when a violation of the ethics code has been determined
39.49.220	Disciplinary Action for Violation	Gives the appointing authority of the public official the power to discipline a public official who has violated the ethics code. If no action is taken by the appointing authority, the Commission can discipline the public official and assess a civil penalty not to exceed $2000.
39.49.300	Definitions	Self-explanatory
3 through 9		Provisions to amend sections of existing state law to make them consistent with this bill
10		Terminates the terms of the members of the Alaska Public Offices Commission and sets the terms of the new members of the State Ethics Commission.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3500

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM February 11, 1981

SUBJECT: Model state conflict of interest/financial disclosure law (Work Order No. 12-0463)

TO: Senator Vic Fischer

FROM: Richard A. Bradley
Legislative Counsel

The bill was prepared from a bill draft prepared by the National Municipal League Model State Conflict of Interest and Financial Disclosure Act.

The bill establishes a new state ethics commission. It repeals the provisions of AS 15.13 that establish the Public Offices Commission and it repeals all of AS 39.50. New sections dealing with subjects in the law repealed are established.

Secs. 10 - 70 establish the new commission.

Sec. 80 establishes procedures for the commission.

Sec. 100 establihses a procedure under which complaints of violations are processed. Note that violations of the new AS 39.49, as well as AS 15.13 and AS 24.45 are covered.

Sec. 100 directs the commission to refer violations of the law to the Attorney General.

Sec. 120 establishes a concept new in Alaska though not elsewhere: The concept of advisory opinions from the commission which may be requested by state officials, candidates, and state employees.

Sec. 130 permits the commission to modify a reporting requirement.

Secs. 140 and 150 establish the requirements of financial disclosure. Note that financial disclosure is by "category" rather than by dollar amount. Sec. 150(a).

Sec. 160 details prohibitions on activity considered a conflict of interest. Special conflict of interest provisions for legislators appear at Sec. 170. Government contracting is regulated as Sec. 180. Conflicts of interest in employment are covered in Sec. 190. A state official or state employee other than legislator who has a personal situation that presents ethical problems is directed to a course of conduct under Sec. 210.

Sec. 220 deals with similar problems for a legislator.

Disclosure of confidential information is regulated under Sec. 240.

Sec. 250 regulates the conduct of former state officials or state employees for two years after termination of state service. Penalties are established in Sec. 260. Commission remedies for violations are established under Sec. 270, including civil penalties. Direct citizen action is authorized under Sec. 280.

The definitions section, Sec. 400 is a mix of the familiar and the new. Essentially no change was made in the list of public officials for whom financial disclosure is required. The term "candidate" is defined.

The term "gift" excludes campaign contributions reported under AS 15.13.

Secs. 3 - 19 of the bill respond to the implications of the repeal of AS 39.50 and portions of AS 15.13 and 24.45.

The Act takes effect July 1, 1981.

RAB:ljb

STATE OF ALASKA
ALASKA PUBLIC OFFICES COMMISSION

JAY S. HAMMOND, GOVERNOR

JUNEAU BRANCH OFFICE:
POUCH CO
JUNEAU, ALASKA 99811

LOCATION:
ROOM 302 GOLDSTEIN BUILDING
130 SEWARD STREET
PHONE: (907) 465-4864 OR 465-3471

February 5, 1981

The Honorable Senator Tim Kelly
Pouch V
Juneau, Alaska 99811

Dear Senator Kelly:

The Alaska Public Offices Commission would like to express its appreciation for the opportunity to present its views regarding revisions to Alaska's Disclosure Laws. As you are aware, each year since its creation in 197 , the Commission has offered suggestions to eliminate many of the burdensome requirements while also safeguarding the public mandate for disclosure.

During the 1980 session the Legislature passed FCCS HB 230 which was eventually vetoed by the Governor. The Commission felt that a major portion of this Bill contained amendments which would solve many of the present criticisms; however, it also contained several sections which would have severely hampered the Commission's ability to monitor the 1980 elections, as well as, damaged the public perception of the stature of the Commission in years to come. Therefore, the Commission supported Governor Hammond's veto of FCCS HB 230.

It is the understanding of the Commission, however, that FCCS HB 230 will be used as the basic guideline for legislative changes to be made this session. Therefore, the following discussion includes the Commission's views on those sections of FCCS HB 230 which were found to be objectionable, areas the Commission supports and has expanded upon, and several further suggestions that were not addressed in the original Bill.

This discussion paper, in most inst does not include specific language for the suggested revisions, bu r explains the problem and offers recommendations.

Should you wish further discussion of the comments offered herein, our staff will be happy to accommodate you.

On Behalf of

ALASKA PUBLIC OFFICES COMMISSION

RICHARD F. LISTOWSKI
Chairman

RFL:NAC/jk

cc: Senator Vic Fischer
Senator Bettye Farenkamp
Senator Pat Rody

AMENDMENTS TO AS 15.13
CAMPAIGN DISCLOSURE LAW

Sec. 15.13.010 (Re: Applicability)

Presently all candidates who run in a municipal race, in a city with a population of more than 1,000, must register and file with the APOC. On several occasions the Commission has received requests from various clerks regarding the applicability of AS 15.13 to candidates for Service Area Boards or members of an elective board who serve in an advisory capacity. According to the clerks it is often difficult to get people to run for these positions, the candidates spend no money, and the positions are strictly of an advisory nature. A review of the reports on file with the APOC shows that ninety-nine percent of the time there are no expenditures and that when expenditures are made, they average approximately $10.

Having such candidates file the periodic reports or the statement that will be discussed under Sec. 042 later in this paper, appears to be meaningless. Therefore, the Commission recommends that language which eliminates filing by candidates for Service Area Boards and advisory boards be included.

Sec. 15.13.020 (Re: Selection of Commission Members)

FCCS HB 230 proposed that the current five-year terms of Commission members be reduced to three years. And, that the present process of selection -- recommendation by the two major political parties -- be eliminated.

The Commission opposes elimination of party recommendation. The current process gives credence to the ideology of a bi-partisan commission and guarantees the public appropriate input into the selection of individuals who will monitor the campaign process.

The Commission agrees that the Governor should confirm the remaining fifth Commission member. However, it suggests that the Governor appoint such a member from a list of two names submitted by the four members selected under .020(b). This mechanism would protect the independent and neutral status of this fifth position as well as respect the executive and legislative roles in the appointment process.

Reduction of the term length creates major problems. First, the initial selection process becomes somewhat confusing. In order to avoid the term of two members of the same political party from expiring in consecutive years, initial appointment would be as follows: One Democrat and one Republican serve an initial one-year term; one Democrat and one Republican serve an initial three-year term; the fifth position serves an initial two-year term. This system avoids the problem of consecutive expiration; however, it also means that two new members are appointed each year. Since the major elections are held every other year, the Commission could often find itself with two members who have relatively little knowledge regarding the complex issues of the campaign process and resulting disclosure.

Therefore, the Commission suggests amending this section by 1)

retaining the current process of political party input; 2) appointment of all members by the governor -- rather than only four; 3) confirmation of all members by the legislature; and, 4) retaining five-year terms with the provision of serving no more than one full term.

Sec. 15.13.030 (Re: Limitation on Regulations)

The new subsections contained in FCCS HB 230 to .030, do not prohibit the Commission from promulgating regulations, but these sections do limit the effectiveness of such. The Commission is aware that it must be cautious, especially once the campaign process has begun, not to change guidelines which will ultimately leave candidates unaware of the requirements. However, given the time it takes to promulgate regulations, such an amendment severely hampers the Commission's ability to clarify certain areas of the law in times when it can be proven that a specific need exists.

Sec. 15.13.042 (Re: Filing a Report of Limited or No Campaign Activity)

FCCS HB 230 included language which would allow candidates who did not intend to spend money or accept contributions to file a single report at the beginning of the campaign certifying zero monetary activity. The Commission suggests retaining this exemption provision but would include language allowing candidates to receive and spend up to $250 before the periodic reports set out in Sec. 110 would be required.

Sec. 15.13.060 (Re: Certification of Reports)

Sec. 15.13.060 requires a candidate or group to appoint a campaign treasurer and states that the treasurer or the candidate is responsible for filing the necessary reports. This requirement has caused several problems, in that, there are often times when the candidate or a group treasurer is out of town on the due date. The group may have several deputy treasurers yet none has the authority to sign the report.

Therefore, the Commission suggests that appropriate language be included in Sec. .060 which allows a deputy treasurer to sign the reports in the absence of the candidate or group treasurer.

AS 15.13.070(b) (Re: Limit on Cash Contributions)

It has been brought to the attention of the Commission that the prohibition against cash contributions which are in excess of $100 creates problems, especially for those in the bush areas. Often there are no facilities for purchasing money orders, cashier's checks or bank drafts.

Therefore, the Commission suggests that cash contributions in excess of $100 be allowed; however, for any contribution in excess of this amount, the candidate or group is required to issue a written receipt. By issuing a receipt, the contribution gets into the system, the paper trail begins, and the possibility of the cash being inadvertently misplaced is minimized.

Sec. 15.13.070(d) (Re: Exemption from Recording Requirements)

An amendment offered in FCCS HB 230 to AS 15.13.070(d) allows candidates to accept contributions of $5.00 or less without recording the name of the contributor. This amendment appears harmless enough; however, it does leave a very large "loophole," should an individual choose to circumvent the law. If this language were to be enacted, there would be nothing to prevent an individual from mailing a five dollar contribution on a daily basis to the same candidate in addition to donating the maximum amount allowed by the law. Such an amendment does not appear to be in line with the intent of the Act. If the impetus for inclusion of this exemption was to eliminate the recording of the names of contributors at events such as fund-raisers where the individuals in attendance are contributing small sums of money, please note that the Commission has adopted administrative regulation 6 AAC 29.326 which pertains to record-keeping requirements for fund raisers. This regulation eliminates the need to record the names of individuals donating to a fund-raiser so long as there are 25 or more persons in attendance and the cash amount received from any individual does not exceed $50.00.

Sec. 15.13.090 (Re: Identification of Political Communications)

Sec. 15.13.090 has long been an area of criticism and concern. Presently all political advertisements must be identified with the words "paid for by" the name and address of the group and the name of the campaign chairman of the group. Many candidates and groups feel that if there is a billboard which states "Vote for John Smith," and the placard is paid for by John Smith's campaign committee, requiring a full trailer which gives the name, address and treasurer of the committee is unnecessary and tantamount to bureaucratic harassment.

However, the flip side of the coin is the advertisement which says "Vote Against John Smith" or "John Smith Opposes The Curb Your Dog Law," and the authors fail to appropriately identify who is sponsoring the communication.

This past election has given the citizens of Alaska an extensive education regarding "negative campaign" efforts. And, it remains essential that such advertising be properly identified so that the public has the appropriate information.

Therefore, the Commission would suggest .090 be separated into two categories. Category One would allow candidates or a candidate's campaign committee to identify all political communications in support of the candidate with the phrase "paid for by John Smith for House" or "paid for by the Committee to Elect John Smith."

Category Two would address all other groups or individuals paying for political advertisements. The identification on those advertisements must include the name of the group, as well as a contact address or phone number for the group.

FCCS HB 230 offered an amendment which 1) eliminated the 30-day pre-election report; 2) changed the 7-day pre-election report to a 10-day pre-election report; 3) eliminated reporting of expenditures during the 24 hour reporting period; and, 4) changed the 24 hour reporting period to a 48 hour reporting period. Although the Commission is in agreement with the latter two amendments, it strongly opposes elimination of the 30-day report and a change in the 7-day report.

This opposition is based on the following reasons: First, one of the major objectives of this or any disclosure law is to make information available to the public at a time when it will have the most impact. Eliminating the 30-day pre-election report and changing a 7-day pre-election report to a 10-day pre-election report means that major portion of the campaign activity information will be submitted just before the election. Given the vagaries of the mail system it is quite possible that with the proposed changes, many reports will not reach the Commissions offices until a few days prior to the election. As campaign costs increase, so will the time it takes to audit the reports and distribute the information in a meaningful fashion.

Secondly, the 30-day pre-election report gives candidates and groups the opportunity to review the requirements and learn the proper method of reporting. This knowledge and experience helps to ensure that subsequent pre-election reports contain no major errors and that therefore, the public has access to accurate information.

The Commission is aware that many arguments have been raised in opposition to the number of reports required by AS 15.13. However, it is the opinion of the Commission that such criticisms are based on the complexity of the information required rather than the number of reports required.

The Commission has discussed this problem with its staff and feels that many of these problems are of an administrative rather than a legislative nature. The Commission has instructed staff to revise the reporting forms so that the following changes will be accommodated: elimination of itemization of expenditures which are less than $100; revision of the reporting of accrued expenditures; and revision of the reporting of repayment of loans.

The only change the Commission would suggest to Sec. 110 would be to expand the 24 hour report (i.e., amendments to 48 hours) to include the 3 day period prior to the due date of the 7-day report. This 3 day period is presently uncovered by statute.

Sec. 15.13.120 (Re: Criminal Penalties)

FCCS HB 230 would no longer consider "making a communication to support or defeat a candidate without identification of sponsorship" a criminal offense. The Commission agrees that if a candidate fails to put the words "paid for by" on a flier or leaflet, it should not be considered a criminal matter, especially if the material distributed is supportative of a candidate. However, as shown by this past election there are individuals who will circulate material in opposition to candidates; this material is often fallacious, misleading and capable of

causing irrevocable injury to the candidate. When such communications are distributed without identification, the public has no basis for making a determination regarding the validity or intent of the sponsor, or of the candidate, bond proposition or ballot issue in question.

Therefore, the Commission suggests maintaining criminal sanctions for unidentified communications whether by an individual, group or candidate, if the purpose is to oppose a candidate, ballot issue or bond proposition.

FCCS HB 230 also reduces the Statute of Limitations for prosecution of a criminal act from four years to one year. The Commission strongly objects to such a revision primarily because the Commission is not an adjudicatory body. In many instances violations do not surface until several months after a report is filed. In off-election years only one report is required at the end of the calendar year. If there is substantial reason to believe a violation has occurred, the Commission's staff must make a preliminary investigation, forward its findings to the Commission, the Commission must hold a hearing -- or in some instances two (2) hearings, and only after this process has occurred may it forward a case to the Attorney General where the decision to dismiss or prosecute is made.

Hence, the Commission recommends the Statute of Limitations remain four years.

AMENDMENTS TO AS 24.45
THE REGULATION OF LOBBYING LAW

AS 24.45.041(c) (Re: Required Photograph)

AS 24.45.041(c) makes reference to a photograph of the lobbyist which may be submitted. AS 24.45.041(e) indicates that the directory of lobbyists shall include such photographs if submitted. As few lobbyists have ever supplied a photograph, and as the directories are simply xerox copies of the registration statements -- making inclusion of any photo difficult -- the Commission suggests that all reference to lobbyist photographs be deleted.

AS 24.45.031 (Re: Reduction of Itemization)

Section 37 of FCCS HB 230 amends AS 24.45.031 to clearly state what lobbyists are required to report, although it does not expand what is currently required. The Commission recommends that this section be amended to the effect that the lobbyist need report only aggregate amounts received for the reporting period and the year, for both salary, fee or retainer and expense disbursements and reimbursements. Thus, the expense portion would not be itemized on the report, merely summarized; however, the expense total would reflect reimbursements or disbursements for the same items that now need be listed individually. This change is also suggested for employer reports required under AS 24.45.061. The Commission contends that such a change would foster simplication of the reporting requirements and thus encourage more timely compliance by those subject to the law. Further, the Commission does not feel that this proposed change would undermine the intent of the original legislation, as the most critical financial information would still be available to the public.

Sec. 24.45.081(a) (Re: Reporting Periods)

Section 24.45.081(a) as amended by FCCS HB 230 would provide for quarterly reporting periods for lobbyists whether or not the legislature were in session. The Commission recommends that the existing situation be maintained, that is: the lobbyist be required to report monthly for the period that the legislature is in session and quarterly thereafter. This suggestion is based on the fact that if lobbyists report only on a quarterly basis throughout the session, the legislative session will be well advanced (mid to late April) before any information concerning financial activity of lobbyists is available to the public. Such a situation is viewed by the Commission as counter to the intent of the Regulation of Lobbying Law.

A final recommendation by the Commission concerning changes to AS 24.45 relates to including in the law language for employers which is comparable to that which presently exists in Sec. 041 for lobbyists. Current language in .041 states that the Commission may not renew lobbying credentials until all previously required lobbyist reports have been filed. By not registering a lobbyist for any employer who did not file all previously required employer reports, the Commission would possess a reasonable yet effective tool with which to foster compliance with the Law.

AMENDMENTS TO AS 39.50
THE CONFLICT OF INTEREST LAW

FCCS HB 230 contained only two sections amending AS 39.50. One of those amendments had been suggested by the Commission in prior years and continues to merit support; the other amendment is of dubious value. Beyond those two amendments, there are other areas of AS 39.50 which could be addressed and the Commission hopes will be addressed, particularly if it is the desire to develop an omnibus bill enacting a comprehensive review of the State's disclosure laws.

There is some "housekeeping" which will not be discussed here, except for general comments about the statute and the type of legislation it represents. Public expectation concerning the scope and jurisdiction of AS 39.50 is often disappointed because the title is a misnomer. AS 39.50 is a financial disclosure statute, not a "Conflict of Interest Law." Simply stated, AS 39.50 does not define a Conflict of Interest, it doesn't prohibit Conflicts of Interest, and it doesn't provide any guidance to public officials specifying the actions necessary to remedy a Conflict of Interest. The title gives rise to expectations that are unt met and which would be less likely if the title were accurate. As a financial disloure law, AS 39.50 provides the public with access to information concerning the financial and business interests of key decision-makers on both the state and municipal level. The following discussion of amendments focuses on improvements to the existing financial disclosure law.

Sec. 39.50.020(a) (Re: Applicability)

In addition to concurring with the amendments proposed in FCCS HB 230 which would assure that all candidates will have Statements on file covering the same preceding year, there should be additional language requiring a termination Statement by those who leave a position which requires them to file. Presently, the public official who leaves government is not required to disclose financial and business interests for any part of the period he or she was in office since the previous Statement was filed. Thus, an official who resigns prior to the April 15th deadline for Statements covering the preceding calander year can work a maximum of fifteen months for which financial disclosure is not required.

Two brief additions should be made to FCCS HB 230 concerning the fact that the requirement to file a municipal statement does not apply to the candidate for elective municipal office who has a current statement on file with the municipality in which he or she seeks office and that a state public official who files for state elective office is not required to file a statement at the time of becoming a candidate if he or she has a current statement on file with the Commission. The inclusion of such explicit language should be helpful in preventing the unfortunate situation of a candidate's declaration being invalidated due to simple confusion over the need to file a COI Statement.

Sec. 39.50.030(a) (Re: Contents of Statements)

Sec. 030(a) states that "...an asset or liability under $500, household goods, and personal effects need not be identified." The Commission recommends that this threshold be raised to $1,000 as current economic conditions make assets or liabilities under $1,000 of minimal value for public disclosure purposes. Further, this higher threshold is consistent with the "source of income" threshold the Commission is addressing in a later section of this discussion paper.

Sec. 39.50.030(b) (Re: Contents of Statements)

Section 46 of FCCS HB 230 eliminated requirements that public officials include in their Statements information concerning a non-dependent child. On the surface, that might appear to be sensible; however, the complete phrase in the statute is "a non-dependent child who is living with him," and, if only the words "or non-dependent child of his" are removed, the phrase "who is living with him" then modifies spouse or dependent child. The Commission is of the opinion that the financial concerns of an official's spouse or dependent child should be reported notwithstanding permanent residency status. Thus the Commission recommends that the entire phrase "or non-dependent child of his who is living with him" be removed from Sec. 030(b) where it appears.

Sec. 39.50.030(b) (1) (Re: Reporting Income over $100)

Currently, public officials or candidates must report the source of all income over $100, including capital gains, whether or not taxable, received by him or his spouse or children during the preceding calendar year. The Commission contends that this low threshold makes the reporting very burdensome for some individuals subject to the law without actually providing critical financial information. Further, the Commission asserts that by increasing the threshold to $1,000, truly significant sources of income would not be obfuscated by the inclusion of income sources of limited value.

Sec. 39.50.030(b)(5) (Re: Loans or loan Guarantees)

This subsection presently requires the reporting of only personal loans to the official and family members as indicated. Given the emphasis on the need to report business interests (i.e., partnership, professional corporation, and corporation in which there is controlling interest) in other sections of this law dealing with sources of income, contracts, and leases, this subsection should be amended to include the requirement to report the same information about business loans, loan guarantees, and creditors.

Sec. 39.50.030(b)(7) (Re: Contracts)

Subsection (7) as presently written requires State and municipal officers to report contracts they hold with the state, but not contracts they hold with the municipality. One could hardly believe that th

situation was intended; it must have been a drafting oversight. A municipal official's contract relationship (if any) with the municipality he or she serves is critical to adequate disclosure. Such could also be the case in situations in which a state official makes state funding allocation decisions regarding municipalities with which he or she has a contract. Therefore, the Commission suggests that the definition of "instrumentality of the state" be amended to include municipalities.

Sec. 39.50.050(d) (Re: Publishing of Reports)

In six years of experience there has never been a request for a copy of all the contents of all Statements; "publishing" all 500 plus Conflict of Interest Statements would only be wasteful. If a section concerning accessibility of the Statements is desirable, it should reflect the current practice of making copies of particular Statements upon request for the regular copying charge.

New Section Needed (Re: Municipal Officers)

As 39.50 does not provide for penalties for failure to report by municipal officers as it does for state public officials in sections .070, .089, .110, .120 and .130. The only penalty provision which applies to municipal officials provides a civil penalty for late filing. Short of the potential dangers of a charge of "wilful violation" under section .050, it would appear that a municipal official who doesn't file at all is in less jeopardy than one who simply files late.

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

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Sponsor Substitute for Senate Bill No. 175
Title An Act relating to a standard of conduct for public officials and employees; ....
Requested by Senators Fischer, Hohman, Stimson, Bradley, et al. Date April 21, 1981

II. FISCAL DETAIL
Agency Affected Department of Administration
Program Category Affected Legislative and Elective Operations
BRU, Program, or Subprogram(s) Affected Alaska Public Offices Commission
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		555.3	635.8	671.9		
200 TRAVEL		120.5	132.6	145.9		
300 CONTRACTUAL		168.4	185.2	203.7		
400 COMMODITIES		11.6	12.8	14.1		
500 EQUIPMENT		9.7	-	-		
600 LAND & STRUCTURES		-	-	-		
700 GRANTS, CLAIMS, ETC.		-	-	-		
TOTAL		865.5	966.4	1035.6		

FUNDING (Thousands of Dollars)

GENERAL FUND		865.5	966.4	1035.6		
FEDERAL FUNDS		-	-	-		
OTHER (Specify Fund Source)		-	-	-		

POSITIONS

FULL TIME		13	13	13		
PART TIME		3	3	3		
TEMPORARY			2			

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

PERSONAL SERVICES (including benefits) FY 82 Salary Schedule; 10% inflation factor projected

FY 82 APOC Request: 290,800

-- 1 Executive Director, range 24, 12 ms
-- 1 Assistant Director, range 21, 12 ms
-- 1 Regulations Specialist, range 16, 12 ms
-- 1 Administrative Assistant, range 14, 12 ms
-- 1 Research Analyst, range 16, 8 ms
-- 1 Secretary, range 10, 12 ms
-- 2 Clerk IV's, range 9, 12 ms
-- 1 Clerk III, range 8, 8 ms
-- 1 Data Entry Clerk, range 9, 6 ms

IV. DATE May 5, 1981 PREPARED BY [signature]
AGENCY Alaska Public Offices Commission
PHONE 276-4176

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named) Senator Fischer
Gov. Offices Betty Sperberg

33-001 (Rev. 12/80)

Sponsor Substitute For Senate Bill No. 175 continued.....

Additional Funding, Ethic's Commission	
-- Reclass Executive Director: 24A to 26A	6,405
-- Attorney, range 24, 12 ms	59,689
-- Reclass Assistant Director; 21A to 23A	6,753
-- Assistant Director; 23, 12ms	55,854
-- Regulations Specialist to Administrative Officer; 16A to 17A	2,400
-- 2 Investigators; range 17, 12 ms	75,436
-- Reclass Secretary: 10A to 12A	2,883
-- Reclass Clerk to Auditor: 9A to 12A	4,184
-- Reclass Clerk to Auditor: 9A to 12A	4,184
-- 2 Clerk IV's; range 9, 12ms	46,760
	555,348

TRAVEL - 10% inflation factor projected

FY 82 APOC Request	38,700
Additional Funding, Ethics Commission	
Staff Travel: 25 trips @ $400/trip; 2 days each @ $67/day	13,350
Convention: 1; 5 people @ $1,000/ea 5 days @ $60/day	3,900
Commission Travel: 12 meetings per year	
7 members x 12 @ $400/trip (less FY 82 APOC Request)	26,000
7 members x 12 x 3 days @ $67/day (less FY 82 APOC Request)	8,884
Non-Employee Travel 25 person @ $400/trip	10,000
Honorarium 12 meetings @ 2 days each, 7 members @ 150/day (less FY 82 APOC Request level)	19,600
	120,434

CONTRACTUAL - 10% inflation factor projected

FY 82 APOC Request:	88,900
Additional Funding, Ethics Commission	
Communications	16,300
Printing and Advertising	16,800
Space Expense	16,200
Repair and Maintenance	6,000
Equipment Rental - word processing	14,600
Witness fees	600
Municipal Contracts (service & instruction)	15,000
	168,400

COMMODITIES - 10% inflation factor projected

FY 82 APOC Request:	6,800
Additional Funding, Ethics Commission	
Misc. Supplies	4,800
	11,600

EQUIPMENT - 10% inflation factor projected

FY 82 APOC Request:	2,100
Additional Funding, Ethics Commission	
6 desks	2,276
6 chairs	903
8 side chairs	698
4 tables	660
2 credenzas	706
6 file cabinets	1,221
3 calculators	822
1 bookcase	105
1 storage cabinet	185

POSITION TITLE	RANGE/STEP	BARG. UNIT	LOCATION	GOV	APPROVE	DISAPP.
Assistant Director	23 A	X	Anchorage			

TYPE OF POSITION	STATE MONTHS	NP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG
PFT	12			1		

TYPE OF EXPENDITURE		AMOUNT
1	2	3
PERSONAL SERVICES:		
SALARY	44,952	
BENEFITS	7,098	
FICA	2,004	
HEALTH INS.	1,800	
TOTAL PERSONAL SERVICES	01	55,854
TRAVEL	02	12,300
CONTRACTUAL	03	10,200
COMMODITIES	04	800
EQUIPMENT	05	1,300
OTHER		
TOTAL COST		80,454

CODE	FUNDING SOURCE	
	FED RCPTS. 1002	
	GF MATCH. 1003	
	GEN. FUND 1004	80,454
	I-A RCPTS. 1005	
	PGM RCPTS 1028	
	OTHER	

CONTINUATION
ADDITION

FOR BRU USE ONLY

BRU KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

This person would be one of two Assistant Directors reporting to the Executive Director of the Commission. The existing Assistant Director in the Commission's budget would be responsible for Administrative and Technical Services; the new position request is for an Assistant Director for Enforcement. The essential responsibility of this person would be to handle investigations which were necessary either as a result of audits conducted by Commission staff or in response to complaints filed by the public. Routine auditing of reports filed under all of the laws administered by the Commission would be handled by the staff in the Administrative and Technical Services division; in-depth investigations, including field audits, necessitated by complaints would be the responsibility of the Enforcement division. This division also would be responsible for presenting the investigation results to the Commission during the hearing process in order that the Commission could determine whether a violation had occurred and whether referral to the Attorney General was warranted.

AGENCY Administration PROGRAM Legislative & Elective Operations

BRU Alaska Public Offices Commission

COMPONENT Alaska Public Offices Commission

13 REQUEST FOR NEW POSITION

REVISED DATE _____

FY 82

POSITION TITLE				RANGE/STEP	BARG. UNIT	LOCATION	GOV.	APPROV.	DISAPP.
Attorney				24 A	X	Anchorage			
TYPE OF POSITION	STAFF MONTHS	RP No.	PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG.		
PFT	12			1					

TYPE OF EXPENDITURE		AMOUNT
1	2	3
PERSONAL SERVICES: SALARY	48,264	
BENEFITS	7,621	
FICA	2,004	
HEALTH INS.	1,800	
TOTAL PERSONAL SERVICES	01	59,689
TRAVEL	02	12,300
CONTRACTUAL	03	10,300
COMMODITIES	04	800
EQUIPMENT	05	1,300
OTHER		
TOTAL COST		84,389

CODE	FUNDING SOURCE	
	FED RCPTS. 1002	
	GF MATCH. 1003	
	GEN. FUND 1004	84,389
	I-A RCPTS. 1005	
	PGM RCPTS 1020	
	OTHER	

CONTINUATION
ADDITION

FOR OMB USE ONLY

KEY NUMBER COLUMN NO.

JUSTIFICATION:

The major function of this position is the preparation of Advisory Opinions which the Commission would be required to issue to those subject to the Ethics Law who sought direction concerning their requirements in order to be considered in compliance. Such advisory opinions require the services of an attorney who is knowledgeable in both the Ethics Law and in business/financial matters as well. Under the Ethics Law, those subject to it or those contemplating a position under it will need to be advised concerning the potential and actual conflicts between their financial matters and their position in government. In some cases it may be necessary to recommend disposal of particular holdings; in others, some form of blind trust may be sufficient. The Commission's response to such requests are binding and, hence, must be timely, accurate and precise -- the services of an attorney "in-house" will be required to assure such. There are approximately 525 state officials who are subject to the present Conflict of Interest Law, AS 39.50. About the same number would be subject to this ethics legislation and, therefore, the workload dictates the full-time services of an attorney.

DEPARTMENT Administration PROGRAM Legislative & Elective Operations

BRU Alaska Public Offices Commission

COMPONENT Alaska Public Offices Commission

13 REQUEST FOR NEW POSITION

REVISED DATE

FY 82

	POSITION TITLE			RANGE/STEP	BARG. UNIT.	LOCATION	GOV	APPROV.	DISAPP.
1	Investigator			17 A	X	Anchorage			
2	TYPE OF POSITION: PFT	STAFF MONTHS: 12	RP No.	PCN No.	PRIORITY: 1	FORM 12 PAGE/LINE	LEG.		

3	TYPE OF EXPENDITURE	1	2	AMOUNT 3
4	PERSONAL SERVICES: SALARY		29,460	
5	BENEFITS		4,652	
6	FICA		1,806	
7	HEALTH INS.		1,800	
8	TOTAL PERSONAL SERVICES	01		37,718
9	TRAVEL	02		18,400
10	CONTRACTUAL	03		10,200
11	COMMODITIES	04		800
12	EQUIPMENT	05		1,300
13	OTHER			
14	TOTAL COST			64,418

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	64,418
18		I-A RCPTS 1005	
19		PGM RCPTS 1020	
20		OTHER	
21	CONTINUATION		
22	ADDITION		

FOR OMB USE ONLY

AA KEY NUMBER: COLUMN NO:

JUSTIFICATION:

This full-time position is vital if the proposed State Ethics Commission is to fulfill the enforcement provisions inherent in the legislation. Without adequate investigative staffing, the intent of any ethics legislation would be severely undermined. The person filling this position would report to the Executive Director, the Assistant Director for Enforcement and the Attorney, as necessary. He or she would investigate complaints filed by the public and perform other investigations required by the Commission. While it is anticipated that the majority of the investigative work would stem from enactment of the ethics bill, this person also would perform investigations relative to the Campaign Disclosure Law and the Regulation of Lobbying Law.

AGENCY: Administration

PROGRAM: Legislative & Elective Operations

BRU: Alaska Public Offices Commissio..

COMPONENT: Alaska Public Offices Commission

13 REQUEST FOR NEW POSITION

REVISED DATE:

FY 82

1	POSITION TITLE Investigator			RANGE/STEP 17 A.	BARG. UNIT. X	LOCATION Anchorage	GOV.	APPROV.	DIS
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY 1		FORM 12 PAGE/LINE	LEG.	

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES: SALARY	29,460	
5	BENEFITS	4,652	
6	FICA	1,806	
7	HEALTH INS.	1,800	
8	TOTAL PERSONAL SERVICES	01	37,718
9	TRAVEL	02	18,400
10	CONTRACTUAL	03	10,200
11	COMMODITIES	04	800
12	EQUIPMENT	05	1,300
13	OTHER		
14	TOTAL COST		64,418

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	64,418
18		I-A RCPTS 1005	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION		

FOR BAR USE ONLY

AGENCY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

This full-time position is vital if the proposed State Ethics Commission is to fulfill the enforcement provisions inherent in the legislation. Without adequate investigative staffing, the intent of any ethics legislation would be severely undermined. The person filling this position would report to the Executive Director, the Assistant Director for Enforcement and the Attorney, as necessary. He or she would investigate complaints filed by the public and perform other investigations required by the Commission. While it is anticipated that the majority of the investigative work woul stem from enactment of the ethics bill, this person also wou perform investigations relative to the Campaign Disclosure L and the Regulation of Lobbying Law.

AGENCY Administration PROGRAM Legislative & Elective Operations

BRU Alaska Public Offices Commission

COMPONENT Alaska Public Offices Commission

13 REQUEST FOR NEW POSITION

REVISED

FY 82

	POSITION TITLE				RANGE/STEP	BARG. UNIT	LOCATION	GOV	APPROV	DISAPP
1	Clerk IV				9 A	X	Anchorage			
2	TYPE OF POSITION	STAFF MONTHS	RP No.	PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG		
	PFT	12			1					

	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES:		
5	SALARY	17,700	
6	BENEFITS	2,795	
7	FICA	1,085	
8	HEALTH INS.	1,800	
9	TOTAL PERSONAL SERVICES 01		23,380
9	TRAVEL 02		
10	CONTRACTUAL 03		6,100
11	COMMODITIES 04		800
12	EQUIPMENT 05		1,200
13	OTHER		
14	TOTAL COST		31,480

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	31,480
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION		

FOR BGM USE ONLY

AA KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

This full-time clerk position would function as support staff for the two Investigator positions. This position also would perform clerical functions for the Attorney as necessary. The person filling this position would utilize the word processing equipment for typing correspondence, investigative reports and recommendations, and advisory opinions. Filing and other clerical skills would be necessary.

ENCY Administration PROGRAM Legislative & Elective Operations

BRU Alaska Public Offices Commission

COMPONENT Alaska Public Offices Commission

13 REQUEST FOR NEW POSITION

REVISED DATE _____

FY 82

POSITION TITLE	RANGE/STEP	BARG. UNIT.	LOCATION	GOV	APPROV.	DISAPP.
Clerk IV	9 A	X	Anchorage			

TYPE OF POSITION	STAFF MONTHS	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LGG		
PFT	12			1				

TYPE OF EXPENDITURE			AMOUNT
1		2	3
PERSONAL SERVICES: SALARY		17,700	
BENEFITS		2,795	
FICA		1,085	
HEALTH INS.		1,800	
TOTAL PERSONAL SERVICES	01		23,380
TRAVEL	02		
CONTRACTUAL	03		6,100
COMMODITIES	04		800
EQUIPMENT	05		1,200
OTHER			
TOTAL COST			31,480

CODE	FUNDING SOURCE	
	FED RCPTS. 1002	
	GF MATCH. 1003	
	GEN. FUND 1004	31,480
	I-A RCPTS. 1005	
	PGM RCPTS 1028	
	OTHER	
CONTINUATION		
ADDITION		

FOR BGR USE ONLY

KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

This full-time clerk position would serve as direct support staff to the Assistant Director for Enforcement and the Attorney, as necessary. The person filling this position would utilize the word processing equipment for typing reports, findings, memoranda, and correspondence. This person also would be required to be able to retrieve information stored in the word processor's records management system. Filing and other clerical skills would be necessary.

ICY Administration PROGRAM Legislative & Elective Operations

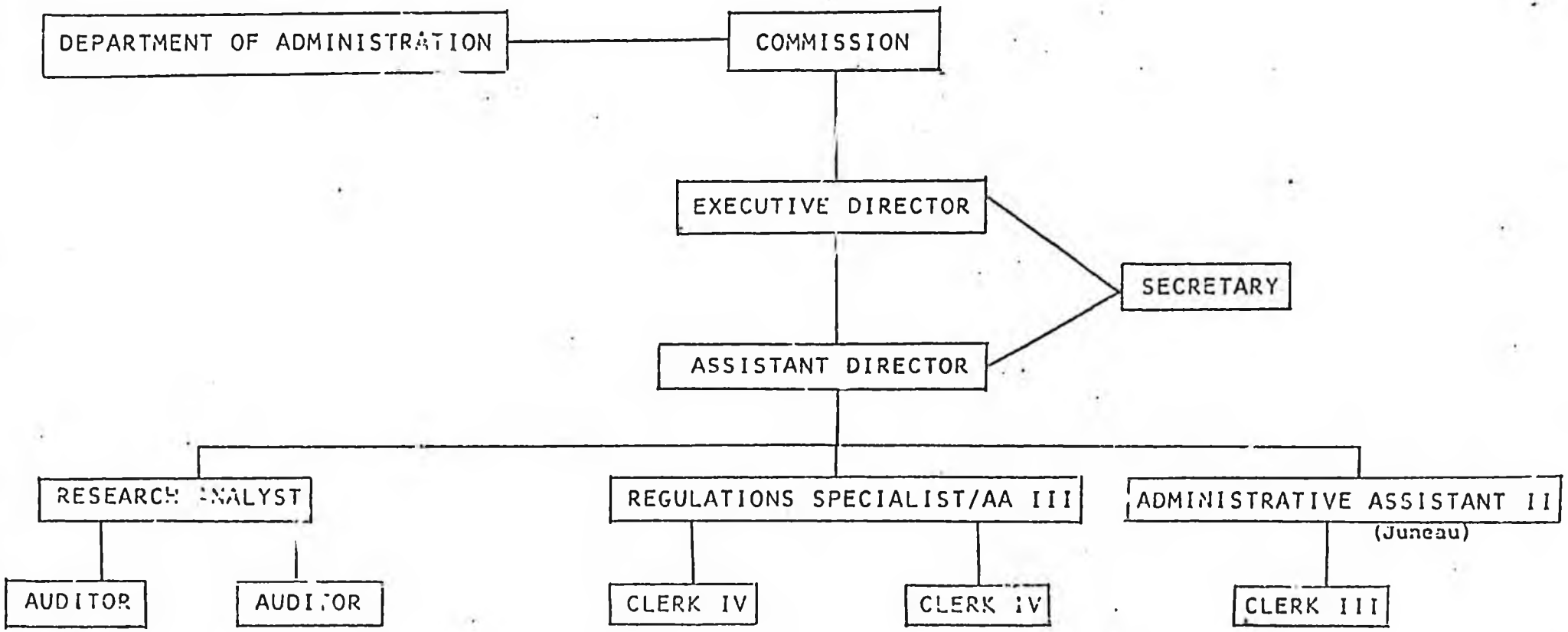
BRU Alaska Public Offices Commission

COMPONENT Alaska Public Offices Commission

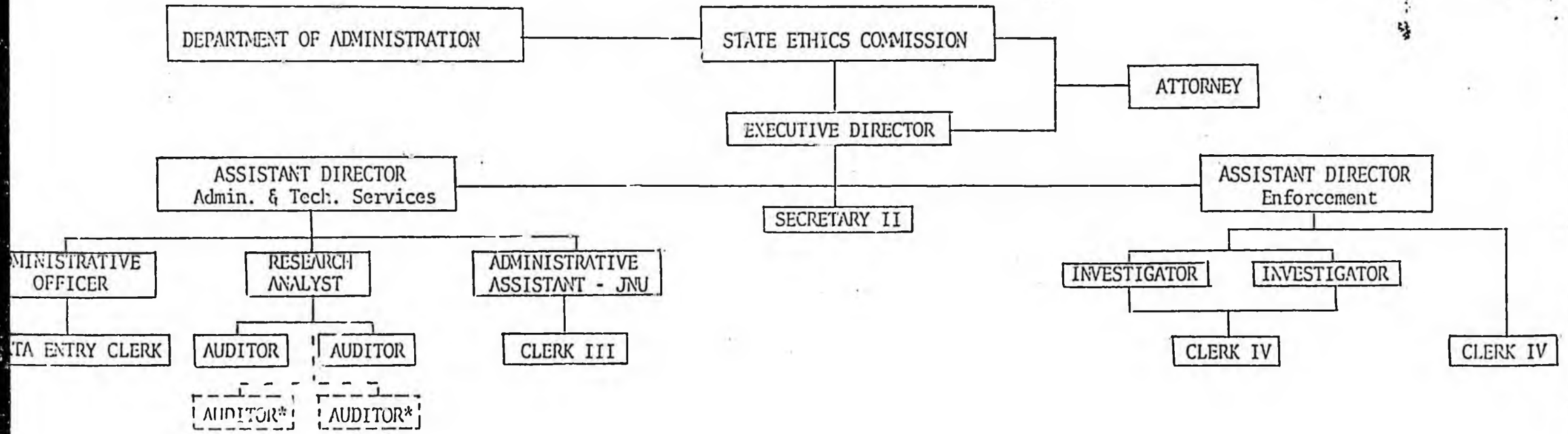
13 REQUEST FOR NEW POSITION

REVISED DATE _____

FY 82



ALASKA PUBLIC OFFICES COMMISSION
ORGANIZATIONAL CHART



STATE ETHICS COMMISSION

ORGANIZATIONAL CHART

positions required during
state election years only

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

SB 517, (cont'd)

States facility must maintain licensing to be eligible. Provides 75 percent of the grant shall be used for staff salaries and the remainder shall be used as determined appropriate by the facility to meet nutritional requirements, to purchase equipment appropriate for use by children and for staff training. Provides for issuance of regulations by Department to carry out purposes of section. Provides Act takes effect immediately.

Introduced April 24 and referred to Community & Regional Affairs, then to Finance.

Appropriations (special) (Child Care Assistance)

SENATE BILL NO. 518, by Senator Parr. Makes special appropriations in the amount of $4,050,000 from the general fund to the Department of Community and Regional Affairs to be distributed to licensed day care facilities under the Child Care Grant Program ($4,000,000) and to be paid to municipalities for administrative costs of administering the Day Care Assistance Program ($50,000). Provides unexpended and unobligated portions of the appropriations lapse into the general fund June 30, 1982. Provides Act takes effect on the effective date of SB 517.

Introduced April 24 and referred to Community & Regional Affairs, then to Finance.

Appropriations (special) (Little League field improvements)

SENATE BILL NO. 519, by Senators Colletta, Mulcahy, Kerttula, Dankworth, Stimson, Rodey, Fischer, Sturgulewski and Bradley. Makes special appropriations for Little League teams for capital improvements to fields and facilities: $240,000 for payment as a grant to the Municipality of Anchorage to be divided equally among various neighborhood areas of the city for capital improvements to fields and facilities; $40,000 for payment to the Matanuska-Susitna Borough to be divided equally between the Wasilla and Mat Valley Little League teams for capital improvements to fields and facilites; $20,000 for payment as a grant to the Kodiak Island Borough to be divided equally among the Kodiak Little League teams for capital improvements to fields and facilities. Provides Act takes effect immediately.

Introduced April 24 and referred to Community and Regional Affairs, then to Finance.

Code of Ethics (state officials & employees)

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 175, by Senators Fischer, Hohman, Stimson, Bradley, Kerttula, Rodey, Dankworth, Colletta, Parr, Kelly, Eliason and Sturgulewski. (original bill page 219). Incorporates provisions contained in Senate Bill No. 336 (page 561) as well as provisions of the original bill. Provides the purpose of the bill relating to ethics is to prescribe standards of conduct for public officials of the state and its municipalities and to establish an ethics commission to render advisory opinions and enforce the provisions of the bill so that public confidence in public officials will be preserved.

Adds new chapter to Title 29 relating to Ethics. Applicability section states: "This chapter applies to each elected or appointed public official, including an employee of the state, a state agency or a municipality. This chapter also applies to a person under a personal services contract to a state agency or to a municipality."

SSSB 175, (cont'd)

Outlines standards of conduct in relation to accepting of gifts, use or disclosure of confidential information, conflicts of interest, and fair treatment. Provides for action to be taken for a conflict of interest. Prohibits public official or a member of his household from having an interest in the profits or benefits of a state or municipal contract or an investment of state or municipal money. States that a contract entered into by the state or a municipality is voidable if entered into in violation of provisions of the chapter. Restricts former public officials for use of information which is not available to members of the public and which was acquired in the course of official duties. Provides a member of municipal governing bodies shall report conflicts of interest.

Establishes the State Ethics Commission in the Department of Administration to administer statutes dealing with Conflict of Interest, Regulation of Lobbying and State Election Campaigns. Provides Commission may issue advisory opinions upon request of public or former public official as to whether stated facts and circumstances may constitute a violation, accept or initiate charges concerning violations, initiate investigations and hold hearings, subpoena witnesses and take testimony relating to matters before the commission and require the production for examination of books or papers relating to a matter under investigation before the commission; publish summaries of opinions of decisions, and distribution of publications and initiation of programs to educate the public. Futher sections deal with complaint procedures, determinations and disciplinary action for violation.

Technical amendments relate to the deletion of language relating to the Alaska Public Offices Commission and replacing it with the State Ethics Commission. Repeals provisions of AS 15.13 (State Election Campaigns): sec. 020 (Alaska Public Offices Commission), sec. 030 (Duties of the Commission), sec. 045 (Investigations, hearings), and sec. 122 (Legal counsel). AS 39.25.120(12) (Partially exempt service. "(12) the executive director and the staff of the Alaska Public Offices Commission."). AS 39.50.090(a) - (e) (Conflict of Interest. Prohibited Acts). Provides for terms of the members of the State Ethics Commission and terminates members of APOC. Provides Act takes effect July 1, 1981.

Introduced April 21 and referred to State Affairs, Judiciary, then to Finance.

Hunting & Fishing License & Tag Fees

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 275, by Senator Kerttula by Request. (See page 435, original bill). Relates to the compensation of persons collecting hunting and fishing license and tag fees, amending section of the Fish & Game Code relating to the fee for issuance of licenses and tags (AS 16.05.390) providing a person is entitled to be compensated at a rate of $50 per year or $1 per license or tag sold during the year (was entitled to keep five percent of the fee or a fee of 25 cents, whichever is greater). Provides person transmit proceeds on the last day of each month, deleting "except the amount authorized to be retained".

Introduced April 20 and referred to Resources, then to Finance.

Code of Ethics (state officials & employees)

SENATE BILL NO. 175, by Senators Fischer, Hohman, Stimson, Bradley, Kerttula, Rodey, Dankworth, Colletta, Parr, Kelly, Eliason and Sturgulewski. Adopts a code of ethics for state officials and employees to establish ethical standards for the avoidance of conflicts of interest, and to aid them in avoiding situations or conduct that may give rise to the appearance of impropriety. Adds a new chapter (49) to AS 39, "Conflict of Interest and Financial Disclosure", under which is established the State Ethics Commission within the Department of Administration. Commission to consist of seven members appointed by the Governor and concurred in by the Legislature. Outlines requirements for members (may not hold an elected office, may contribute to political campaign but may not hold a party office or participate in a campaign, may not be a lobbyist). Provides for election of presiding officer, compensation, appointment of an executive director, delegation of authority, establishment of regional offices in each senate district, and outlines the powers and duties of the commission. States that the Attorney General is the legal counsel for the commission and shall advise it in legal matters arising in the discharge of duties and shall represent the commission in actions to which it is party. Provides commission may request the chief justice of the supreme court to appoint a special prosecutor in proceeding involving violation if the AG fails or refuses to prosecute the violation. Provides for initiation of investigations by the commission on its own determination or on the receipt of a sworn complaint. States that the commission shall refer to the AG general violations of the law which it determines merit prosecution, and that the AG has the responsibility for prosecutions and may request evidence from the commission. States commission may issue opinions and interpretations of the law.

Outlines requirements for financial disclosure by state officials and a candidate for state office. States that public official shall file a statement each year, and that a new official shall file for the 12 months before he became a public official. A candidate for state office shall file a statement with the director of elections for the 12 full months before he became a candidate at the time he becomes a candidate. Statements show value of economic interests of official or candidate or members of his household as indicated by categories (from Category I--$5,000 to Category IV--$100,000 or more). Statement shall include name, address and position sought by official or candidate, names of household members and names under which they are engaged in business; occupations and principal places of business of official, candidate of household members, name of business associated with during filing year and description and nature of business or activity; listing of all interests in real property, excluding residence which exceed $5,000, including street address and legal description, date of acquisition or transfer and its value by category; listing of securities of $5,000 or more; listing of bonds regardless of value (issued by state or municipality); name and address of creditor for debts in excess of $1,000; name and address of person or business that made payments or provided gross income exceeding $1,000, excluding securities;

SB 175, (cont'd)

the name and address of a business or governmental client or customer of a business in which the official or candidate or household member is an officer, director, or partner or has an ownership interest of more than 50 percent, if the client or customer has paid an aggregate of $25,000 or more during the filing year. List of gifts received which exceed $100 in value.

Outlines conflicts of interest by a state official or employee. States a state offical or state employee may not use his public office for private advancement or gain; may not represent or assist person or business before a state agency in a transaction involving the state or municipality of the state in a transaction if the compensation is contingent on success to be achieved in the representation or assistance; may not represent or assist person or business for a fee or other compensation to secure passage of a bill, to obtain contract or payment of a claim, or in any other transaction or proposal if he has participated or may participate as an official or employee in the matter; may not represent or assist person or business before a state agency on a bill, contract, claim, or other transaction or proposal involving official action by the agency if he is an official or employee of the agency. Provides section does not apply to members of the legislature. States that a member of the legislature and a person appointed by the legislature or by a legislator may not represent or assist a person or business before a state agency or before an agency of a municipality for compensation or other benefit or promise of benefit. States that official, employee or member of household may not be a party to or have an interest in the profits or benefits of a state contract or the investment of state money unless contract is let by competitive bidding, contract involves not more than $150, or contract is for supplies or services which are unobtainable elsewhere or which are furnished as part of a continuing course of dealing, established before the official or employee became associated with the agency, and the transaction is conducted at arm's length, with agency's full knowledge of interest and official or employee takes no part in determinations of specifications, deliberations or decision of agency. States official or employee may have a limited interest as shareholder or creditor. States that a state official or employee may not seek employment with or allow himself to be employed by a business which is or may be regulated by an agency in which he serves. A business may not employ an official or employee if employment violates conflict of interest in employment. States that a state official or employee may not acquire a financial interest which he has reason to believe will be directly and immediately affected by his official action or the action of the agency in which he serves. Provides for filing of a written statement by official or employee in a situation in which he is required to take an action or make a decision in the discharge of official duties that may cause financial benefit or detriment to him, a household member or

to a business with which he is associated. Provides a member of the legislature shall prepare written statement in the same manner, and states that member may request permission to abstain from voting on the issue. States that official or employee may not solicit or accept a gift or gifts having an aggregate value of $100 or more in a calendar year. Provides official or employee may not disclose or use confidential information or information not available to the public for personal gain or benefit of for gain or benefit of another person or business if he obtained the information through his official position. Restricts use of information for two years after he ends term of office or leaves government service or employment, and states restriction on use of information supersedes a less restrictive requirement of confidentiality that may apply. States that a former state official or employee may not for two years following his term of office or his state employment assist another person or business whether or not for compensation in a transaction or in an appearance in connection with a transaction involving the state or a agency or municipality of the state in which the former state official or former state employee participated during his term of office or employment. Further states that a business in which a former state official or former state employee is a partner or member or, in the case of a professional corporation, a shareholder, and an employee of the business may not for two years following the term of office or employment of the state official or employee assist another person in an appearance or transaction involving the state or an agency or municipality of the state in which the former official or employee participated during his term of office or state employment. Provides penalties for violation of provisions (class A misdemeanor for violation for other than requirement of financial disclosure; class B misdemeanor for violation of financial disclosure), and states that a convicted person may not be eligible for appointive office or for employment with the state or act as a paid lobbyist for a period of four years following the date of conviction, unless court reduces or suspends the period. A plea of nolo contendere is considered a conviction for purposes of the chapter. Provides for enforcement, citizen action and civil actions, and discipline (includes dismissal).

Miscellaneous amendments relating to addition of new statute references. Repeals AS 15.13.020 (Alaska Public Offices Commission); sec. 030 (Duties of the commission); sec. 045 (Investigations, hearings); sec. 122 (Legal counsel); sec. 125 (Civil penalty; late filing of required reports); AS 24.45.141 (Regulation of Lobbying. Civil penalty: Late registration; filing of required statements or reports); AS 39.25.120(12)(Partially exempt service. the executive director and staff of APOC); AS 39.50 (Conflict of Interest); and AS 39.49.400(39) (enacted in this bill, the Alaska Agricultural Action Council)--repealed as of July 1, 1984. Provides Act takes effect July 1, 1981.

SB 175, (cont'd)

Introduced February 11 and referred to State Affairs, then to Judiciary.

Appropriations (special) (AK Ag Action Council)

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 162, by Senators Fahrenkamp, Sackett, Bennett and Parr. (see page 115, original bill). Makes special appropriations in the amount of $6,700,000 to the Alaska Agricultural Action Council for a small grain marketing system: $5,700,000 for construction of a tidewater grain terminal; $700,000 for construction of a grain sub-terminal and elevator facility between Fairbanks and Delta Junction; $300,000 to contract for organization and operation of a marketing system to purchase and resell small grains grown in Alaska. Provides Act takes effect immediately.

Introduced February 10 and referred to Resources, then to Finance.

INTRODUCTION OF RESOLUTIONS (Senate)

Constitutional Convention Committee

SENATE CONCURRENT RESOLUTION NO. 9, by the Rules Committee by Request of the Legislative Council (for the Interim Committee on the Constitutional Convention of the Eleventh Legislature). Establishes a joint House and Senate committee concerned with the organization and procedures of a state constitutional convention. Provides for appointment of three members of each house, appointed respectively by the Speaker and President to comprise a joint committee of the Twelfth Legislature to examine matters pertaining to the organization and conduct of constitutional conventions in Alaska. States that committee has authority both as a special and an interim committee and that work be undertaken with the full voting participation of a judge or justice of the Alaska court system appointed by the chief justice of the supreme court, the lieutenant governor, and by a person appointed by the governor. Resolves that the committee be dissolved November 30, 1982 and that its final report be submitted to the First Session of the Thirteenth Legislature not later than 1/25/83.

Introduced February 10 and referred to Judiciary, then to Finance.

COMMITTEE REPORTS (Senate)

Special Education

SENATE BILL NO. 18, (see page 10 Reported back to the Senate on February 12 by HESS with the committee recommending it be replaced with a SUBSTITUTE (HESS) , and that it do pass. The substitute provides that to receive aid a district must apply to the department and outlines application requirements. States department shall project amount needed to finance state aid and shall request an appropriation from the legislature annually. Provides monies to be appropriated and if insufficient, shall be distributed pro rata among

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

April 23, 1981
1:30 p.m.

Juneau
Behrends Bldg.

MEMBERS PRESENT: SENATOR FISCHER, CHAIR
SENATOR COLLETTA
SENATOR BRADLEY
SENATOR STIMSON
SENATOR ELIASON

AGENDA: Note: All references to SB 175 are, in fact, to SSSB 175

SB 299---An Act relating to elections
SB 175---Code of ethics for state officials and employees, establishing the State Ethics Commission
SB 336---Relating to a standard of conduct for public officials and and employees; establishing a State Ethics Commission
SB 167---Relating to the Alaska Public Offices Commission
SB 194---Relating to nepotism in state employment

Senator Fischer called the meeting to order at 1:40 p.m. and outlined the agenda.

SB 299 started out as a series of technical amendments to election code emanating from interim committee work in that area. The proposed Senate State Affairs Committee Substitute for SB 299 includes amendments changing the state election period. The proposed substitute decreases the primary campaign period, thus shortening the period during which the public is exposed to the absorption of the media with electioneering.

SB 175 and 336 provide for a code of ethics for state employees. SB 175 would dissolve the existing APOC, the functions of which would be performed by a State Ethics Commission. The measure provides a set of specific criteria in the area of ethics and sets standards for state officials and employees.
SB 167 provides technical amendments to the statute governing the Alaska Public Offices Commission.
SB 194, concerning nepotism in state employement extends the law to include Division heads in its provisions.

Frank Flavin, Ombudsman, testified on SB 175 and SB 336. He stated that the office of the Ombudsman has run into many complaints of unethical conduct in the Administrative branch of government. The present conflict of interest law actually functions merely as a financial disclosure law; other aspects of the law are extremely vague and limited in application (only high level public officials are subject to the disclosure law). Mr. Flavin stated that both

SB 336 and SB 175 are adequate. The scope of SB 175 covers all public officials and sets standards of conduct and clarifies areas of the present law which are vague and difficult to apply.

Mr. Flavin then cited potential problems which he encountered in the proposed legislation. He stated that the independence of the commission is essential (including independent legal counsel rather than reliance on the Attorney General in those cases where the commission determines it necessary). The powers provided the commission are "good" in SB 175. Advisory power only would be insufficient; disciplinary action should be part of the function. If the capacity for action rests with the executive branch, the grievance procedure may be pursued in accordance with the collective bargaining process. An appeal to the court, if necessary, could be made after the determination is made by the commission on a given case. SB 175, Mr. Flavin stated, takes the best of ethics legislation of other states.

Senator Fischer asked if SB 175 adequately sets out standards of conduct and criteria for what constitutes a conflict of interest, using as an example a state official applying for a state housing loan, agricultural land or business loan under certain circumstances.

Frank Flavin responded that one can only lay down general standards, that it is impossible to cover every situation. The bill provides for advisory opinions prior to taking action.

Senator Stimson asked about interaction between the office of the Ombudsman and the proposed Ethics Commission.

Frank Flavin responded that the Ombudsman's office might get some referrals for the Ethics Commission in the process of certain investigations if violations are discovered. The Ombudsman's office, he pointed out, is solely advisory; it is a quasi-judicial agency and has no enforcement capability. The Ethics Commission could do a better job in this aspect of the proceeding. Currently, there are no specific standards for conduct. There will be a legislative review of Ethics Commission activities, and the accountability of the agency will depend to some extent on reports received by the legislature.

Richard Listowski and Theda Pittman of the Alaska Public Offices Commission testified on SB 175 and SB 336.

Mr. Listowski stated that if the state were going to establish an Ethics Commission he hoped that it would be adequately funded, with at least $500,000. He then addressed the issue of municipalities and the problems that arise in second class cities in achieving conformity with the law. The APOC has inadequate staff and budget to permit a traveling staff person. He stated that all municipalities with populations of under 1000 should be able to opt out of compliance with the bill due to logistical obstacles. Mr. Listowski addressed the effective date clause of the bill, suggesting a lag time of six to twelve months on the effective date to enable municipalities to

go "on line". He expressed support for Frank Flavin's ideas on the Ethics Commission being able to seek independent legal counsel.

The Alaska Public Offices Commission, according to representatives Theda Pittman and Rich Listowski, does not express a problem with the abolishing of the APOC (as proposed by SB 175) in favor of the Ethics Commission.

Darlene Livermore, representing the Alaska Public Employees Assn., registered APEA opposition to SB 194, regarding nepotism in state employment. The crux of APEA opposition is primarily the same set of concepts forming the basis of the federal Civil Service Reform Act, part of a trend tending away from the kind of restrictions imposed by SB 194. The current state statutes on nepotism already cover the higher echelons of government officials. Darlene Livermore cited potential problems with the enactment of the legislation resulting from the lack of diversification in Alaska employment opportunities; people are forced into a position where relatives are frequently working for part of an agency. She cited also the potential impact on women, stating that a spouse, traditionally the woman, will step aside if her employment threatens that of her husband. (See personnel Rule 13, not in present statute.) The APEA's position is that nepotism is adequately covered under present law.

Senator Stimson stated that the concept of SB 194 seemed like a step backwards, and inquired as to where the impetus for the legislation had come from. Senator Fischer responded that the legislation had emanated from work conducted by the Blue Ribbon Commission.

Darlene Livermore stated that her experience was that spouses and relatives are scrupulously careful to avoid "cris-crossing" which would constitute the type of problems nepotism legislation sought to prevent.

Senator Fischer stated that the existing law applies only to heads of departments, and asked Ms. Livermore if she would object to the inclusion of Deputy Commissioners and agency heads in the nepotism statutes. She responded that APEA would object to the inclusion of any officials below the level of Commissioner and Deputy Commissioners.

Terry Cramer, Administrative Assistant to the Blue Ribbon Commission on the State Personnel Act, provided testimony in support of SB 194, introduced at the request of the Commission. The present statute prohibiting nepotism in state employment is directed at relatives of the executive head of a department or agency. However, the Personnel Rules also prohibit the employment of persons related (also within the second degree of kindred) to the head of a division or subdivision within which the person is working. In addition, the Rule requires that before a person may be employed in the same agency with a close relative, that the Director of Personnel and the appointing authority for the department or agency must give express approval to the appointment (Rule 13).

The problem, as Terry Cramer pointed out, is that the scope of the Personnel Rules is broader than the scope of the statute. The Attorney General has advised the Divison of Personnel that the Rules are therefore not completely enforceable. The Blue Ribbon Commission recommends that the scope of the statute be enlarged to to include the provisions of the Personnel Rules.

Senator Stimson stated that he did not see a need to expand the scope of the statute on nepotism.

Patty Ann Polley, Director of the Divison of Elections, testified on SB 299, providing committee members with a section by section analysis. Her written testimony did not address changes in election dates proposed by the legislation before the committee. Such a change, she stated, might require changes in other parts of the statutes in addition to those governing the operation of the Division of Elections. Patty Ann Polley stated that the proposed changes in SB 299 are largely housekeeping matters, including clarification of definitions and numbering problems contained in that section of the statute.

Senator Fischer noted that the current law requires that the applicant register his or her name and sex, and asked that thought be given to deleting "sex".

Barry Stern, of the Department of Law testified on SSSB 175, stating that the provisions of the bill are unconstitutional with respect to the manner in which appointments are made. Under the provisions of SSSB 175, the governor would make only two appointments to the Ethics Commission. The Department of Law maintains that when the commission exercises quasi-judicial authority the governor has full appointment power.

Senator Fischer cited instances in which the governor selects from a prepared slate of prospective members for a commission. He asked Mr. Stern if this would fall within his constitutional interpretation. Mr. Stern responded that the governor would still have the option of choosing from off of the slate.

Barry Stern then addressed the portion of SSSB 175 providing for legal counsel for the Ethics Commission. The Department of Law's position is that they would be the appropriate legal counsel for the Ethics Commission and in cases where the Department perceives a conflict they will step aside. Barry was unsure who would select counsel in such a case. He then conducted the committee members through a page by page breakdown of the bill, concluding with the statement that the fact the Ethics Commission can pursue only civil remedies should not preclude the Attorney General conducting criminal prosecution.

Rich Listowski and Theda Pittman, of the APOC, testified on SB 167. Theda Pittman outlined some aspects of SB 167, outlined in a Febru-

ary letter from the APOC to Senator Kelly, with which the Commission disagrees. Theda stated that the changes in composition and terms of commission members proposed in SB 167 promote lack of continuity and experience. She stated that the proposed legislation would generate paperwork, citing the number of reports to be filed by candidates the timing of the reports, and the manner in which big reports filed so close to election day denies the public access to the information. She suggested that 48 hour reports be submitted ten days before the election rather than seven days, that the legislation limit the need to report expenditures in the forty eight hour report, and that the committee consider limiting civil penalties for late forty eight hour reports.

Senator Fischer discussed the possibility of carrying the bills into the interim for further consideration. Senator Stimson stated that he felt the committee had an obligation to do the work, and favored continued consideration of the bills by the committee.

The meeting adjourned at 3:05 p.m.

DATE: 4-23-81

SENATE STATE AFFAIRS COMMITTEE -- HEARING SIGN-IN SHEET LOCATION: Juneau

AGENDA: SB 249, 175, 336, 167, 194

NAME	AFFILIATION/POSITION	ADDRESS/PHONE	TESTIFYING ON:
THEDA PITTMAN	APOC	610 C #211 99501	SB 167 SB 175-336
R. LISTOWSKI	APOC		
DARLENE LIVERMORE	APEA	340 N. FRANKLIN St.	SB 194 Negotiations
Patty Ann Polley	Elections	Pouch AF Juneau, AK 99811	SB 299
Barry Stern	Lake	Pouch KC	SB175
Terry Cramer	Blue Ribbon Commission	Pouch AG Juneau 99811	SB 194

GAINING MANAGEMENT AND LEADERSHIP SKILLS
THROUGH COMMUNITY SERVICE

GOLD RUSH JAYCEES

JAYCEES

ACTIVITY AREAS

Personal Dynamics
Leadership "
Spiritual "
Youth Assistance
Human Improvement
Criminal Justice
Fund Raising
Family life
Economics
Environment
Health
Safety
Energy
Communications
Publications
Governmental Affairs

STANDING COMMITTEES

FINANCE
MEMBERSHIP
PROGRAM
COM. RELATIONS
PUBLICATIONS
RECOGNITION

SPECIAL COMMITTEES

ELECTION
C P G

TESIMONY

FOR THE

STATE AFFAIRS COMMITTEE

CODE OF ETHICS

OCTOBER 27, 1981

On November 1, 1979 the Gold Rush Jaycees presented to the legislators of Alaska among others, a suggested Code of Ethics for elected officials

We again welcome this opportunity to convey to this State Affairs Committee our interests in and concerns for the character and image our various elected officials portray and exhibit.

We want our elected officials to be responsible and accountable. Most peoples ethical standards of conduct often exceeds those required by law. Ethics are simply not acquired immediately upon entering a specific arena. They are carried around by us constantly.

Elected officials will be ethical when they conform to the rules of good conduct expected of them by the public and peers. Behavior should be above reproach so it will not reflect adversely upon their office or restrict their efficiency and independence.

Constituencies often demand from their officials not what is ethical and moral, but rather what is expedient and good for them Therefore, compliance with these canons will help to assure mutual confidence, trust, respect, and responsible ideals

We recommend that a Code of Ethics be incorporated into the Uniform Rules of the Legi lature as well as the Administration.

We also recommend that a State Board of Ethics be established for oversight and enforcement

We support from the Second Session of the Eleventh Legislature SCR 57 (By the Rules Committee--Proposing an Amendment to the Uniform Rules adopting a legislative code of ethics)

We also support from the First Session of the Twelvth Legislature SSSB 175 (By Fischer Bradley, Colletta, Kelly, Sturgulewski, et al--An Act adopting a Code of Ethics for state officials and state employees, establish a State Ethics Commission repealing AS 39.50, and providing for an effective date.

The Jaycees, a leadership training organization, believes that government should be of laws, rather than men. We appreciate this opportunity to express our views.

Larry Hayden
Project Chairman
Box 4-815
Anchorage, Alaska 99509



Official Business

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

SENATE STATE AFFAIRS COMMITTEE MINUTES January 26, 1982

Members Present: Sen. Fischer, Chair
Sen. Colletta
Sen. Bradley
Sen. Eliason
Sen. Stimson

Committee meeting on: Ethics legislation

COMMITTEE CALENDAR

SSSB 175 (Proposed CS for SSSB 175)
An Act relating to a standard of conduct for public officials and employees; establishing a State Ethics Commission; and providing for an effective date.

WITNESS REGISTER

Sen. Arliss Sturgulewski
Pouch V
Juneau, Alaska
465-3818
Summarized Position Statement: Shared Sen. Stimson's concerns on question of former public officials. Problem with bill being too broad; Ethics Commission should have more flexibility.

PREVIOUS ACTION

Reference Number: Hearings held in April, 1981 (4-?-81, 4-23-81) all-sites teleconference held October, 1981 (1 81)

Statutory Reference: Title 39, primarily 39.49.010-39.50.200

Amendments Formally Considered: none

ACTION NARRATIVE

(reel to reel)

0007 Senator Fischer, Chair, opened the meeting at 1:40 p.m., with members Sen. Colletta, Sen. Stimson, and Sen. Eliason in attendance.

Sen. Fischer outlined the agenda, committee consideration of a proposed committee substitute for SSSB 175. He described the work the committee had devoted to the bill during the last

session and during the interim, in cooperation with the Attorney General's office, the Office of the Ombudsman, Legislative Affairs Agency Legal Services Division, and the Human Rights Commission. He then outlined the provisions of the latest committee draft of the proposed committee substitute. The purpose of the legislation is to prescribe standards of ethical conduct not only for legislators, but for all state employees and public officials, including municipal officials. This will help to insure that public confidence in public officials is perserved.

The committee has been working on the bill for a year. The original version had twelve sponsors in the Senate. The State Affairs meeting happened to fall on the same day that a member of the House made a speech on the subject of ethics in the legislature, however the meeting had been scheduled for more than a week, and is not in response to Rep. Fanning's remarks on the House floor this day.

Sen. Colletta added that the State Affairs committee had met the first day of the legislative session and had established ethics legislation as one of its priorities, as it had been before the session began.

0086 Sen. Fischer then outlined the major provisions of the bill.

SECTION BY SECTION OVERVIEW
CSSSSB 175 (State Affairs)
Work Draft

Section	Title	Summary Statement
1	Findings and Purpose	Statement of legislative intent
2 39.49.010	Construction	This chapter is to be liberally construed to promote ethical conduct in state and municipal government.
39.49.020	Applicability	Applies to all elected and appointed officials including any state employee of the three branches of government and any municipal employee. Also applies to a person under a personal services contract to a state agency or municipality.
39.49.030	Gifts	A public official may not solicit or receive a gift under circumstances where it could be inferred that the gift was intended to influence or reward official action.

session and during the interim, in cooperation with the Attorney General's office, the Office of the Ombudsman, Legislative Affairs Agency Legal Services Division, and the Human Rights Commission. He then outlined the provisions of the latest committee draft of the proposed committee substitute. The purpose of the legislation is to prescribe standards of ethical conduct not only for legislators, but for all state employees and public officials, including municipal officials. This will help to insure that public confidence in public officials is perserved.

The committee has been working on the bill for a year. The original version had twelve sponsors in the Senate. The State Affairs meeting happened to fall on the same day that a member of the House made a speech on the subject of ethics in the legislature, however the meeting had been scheduled for more than a week, and is not in response to Rep. Fanning's remarks on the House floor this day.

Sen. Colletta added that the State Affairs Committee had met the first day of the legislative session and had established ethics legislation as one of its priorities, as it had been before the session began.

0086 Sen. Fischer then outlined the major provisions of the bill.

SECTION BY SECTION OVERVIEW
CSSSSB 175 (State Affairs)
Work Draft

Section	Title	Summary Statement
1	Findings and Purpose	Statement of legislative intent
2 39.49.010	Construction	This chapter is to be liberally construed to promote ethical conduct in state and municipal government.
39.49.020	Applicability	Applies to all elected and appointed officials including any state employee of the three branches of government and any municipal employee. Also applies to a person under a personal services contract to a state agency or municipality.
39.49.030	Gifts	A public official may not solicit or receive a gift under circumstances where it could be inferred that the gift was intended to influence or reward official action.

39.49.040	Confidential Information	A public official is prohibited from using information for personal gain. The public official is also prohibited from disclosing information which is not public information and which the public official acquires from official sources.
39.49.050	Fair Treatment	Specifically states what action is prohibited by a public official
39.49.060	Conflict of Interest	Spells out what constitutes a conflict of interest
39.49.070	Action on Conflict	Outlines the procedures a public official must take in the event of a personal conflict of interest
39.49.080	Government Contracts	Specifies the instances in which the public official or member of her/his household can contract with the state or municipality
39.49.090	Contracts Voidable	The state or municipality may void a contract if the contract entered into violates a provision of this chapter. States that the interest of innocent parties shall be considered in an action to void a contract, and that the action must also be brought within 60 days after a violation is determined.
39.49.100	Restrictions on Former Public Officials	A former public official is prohibited from 1) using infomation for personal gain that was acquired in the course of her/his official duties; 2) disclose information not available to the public acquired during the course of her/his official duties; 3) may not assist anyone for compensation on a matter in which she/he personally participated as a public official; and 4) for twelve months after termination of employment from assisting anyone for compensation on matters before the state agency or municipality where she/he was employed.
39.49.110	Violation	Establishes a two-year statute of limitations for prosecution of a public official or former public official
39.49.120	Reporting Conflicts of Interest by Members of Mu-	This section outlines the procedures for members of municipal governing bodies to follow when a conflict of interest exists.

	nicipal Governing Bodies	
39.49.130	Protections for Reporting a Violation	"Whistleblower statute" to protect state and municipal public officials for reporting a violation of the ethics code
39.49.150	Commission Established	Establishes a seven member State Ethics Commission in the Department of Administration appointed by the governor and confirmed by the legislature. Term is five years with a 1 term limitation. Also outlines the qualifications and compensation for members. Gives the Commission the authority to hire an executive director and staff.
39.49.160	Offices of the Commission	Establishes an office in each senate district but limits one office to each municipality. Campaign, financial disclosure and lobbyists' reports are to be filed in the Commission's central office. The reports are public information.
39.49.170	Duties of the Commission	Outlines the duties of the Commission
39.49.180	Legal Counsel	Gives the Commission the authority to hire and employ an attorney or to use the attorney general's office for legal advice and representation
39.49.190	Powers of Commission	Incorporates the functions of the Alaska Public Offices Commission. Gives the Commission the authority to issue advisory opinions on ethics and also to initiate investigations and hold hearings.
39.49.200	Complaint Procedures	Establishes complaint procedures and due process requirements for conducting hearings
39.49.210	Determinations	Establishes procedures for the Commission to follow when a violation of the ethics code has been determined
39.49.220	Disciplinary Action for Violation	Gives the appointing authority of the public official the power to discipline a public official who has violated the ethics code. If no action is taken by the appointing authority, the Commission can discipline the public official and assess a civil penalty not to exceed $2000.

39.49.300	Definitions	Self-explanatory
3 through 9		Provisions to amend sections of existing state law to make them consistent with this bill
10		Terminates the terms of the members of the Alaska Public Offices Commission and sets the terms of the new members of the State Ethics Commission.

(counter # resumed)

0168 Sen. Fischer stated that it was his hope to move the bill quickly as possible to the Judiciary Committee.

0176 Sen. Stimson stated that he had many questions about the bill. On page 1, line 26-27, concerning personal services contracts, Sen. Stimson was curious about the policing mechanism. How far can we extend this authority?

Sen. Fischer responded that he did not forsee any legal obstacles, and that none had been forseen by those from the AG's office and Legal Services who had worked on the legislation; presumably it would be applied by inclusion in the personal services contracts themselves.

Sen. Stimson inquired if Sen. Fischer didn't see a problem with inclusion of persons who are on short term contracts with municipalities.

Sen. Fischer stated that he saw a special need for this provision, as many persons on short-term contracts have access to opportunities to exert influence to their own personal advantage; he feels it an important inclusion.

0200 Sen. Stimson expressed curiousity about the provision for handling public officials who are impeachable as opposed to those who are not.

Sen. Fischer clarified that impeachable officials are those who are elected officials or judges (as opposed to those who are appointed).

Sen. Stimson inquired if the definition of a "public official only removable by impeachment" was clear.

Sen. Fischer responded that the Alaska Constitution specifies which state offices are impeachable, and that on the municipal level it is usually addressed in the municipal charter.

0250 Sen. Stimson asked about impeachment proceedings con-

cerning legislators.

Sen. Fischer responded that impeachment is initiated in the Senate. He stated that he has tried to avoid this proposed legislation being confused with determinations made in the case of Sen. Hohman.

Sen. Stimson stated a need to be more practical in the approach. "The situation we're in tells us there is a void---this could be a mechanism for laying out procedures."

Sen. Fischer stated that we may need a separate statute to lay out procedures for impeachment, and suggested that if there is a concern with procedures for impeachment that it be handled separately.

Sen. Stimson stated that the legislation before the committee was a vehicle for addressing violations of many kinds, and that it provided no direction to the Senate.

Sen. Fischer stated that the committee bill was not designed to deal with felonies: rape or bribery, for that matter, but with standards of ethical conduct.

0323 Sen. Stimson responded that any conduct which is inappropriate is a question of ethical conduct. He stated the committee must have something (a bill) that is completely inclusive or nothing at all.

0331 Sen. Colletta perceived problems with the legislation applying to all public and municipal officials. He referred to an ethics bill which he sponsored in 1980 which excluded "methodology", and addressed only legislative activity. He perceived problems in the work draft before the committee which he said he had not resolved for himself, and further stated that he foresaw problems arising in the Judiciary Committee (the next committee of referral). He gave a couple of examples of situations in which it is difficult to determine whether or not there is an infraction of the proposed ethics code.

Sen. Fischer stated that the bill does not address things covered by criminal statutes as there are already laws on the books for that.

Sen. Bradley stated that he, also, saw problems with the proposed legislation with respect to determining whether or not there has been an infraction of the prohibitions.

Sen. Stimson stated that he perceived "ethics" as an umbrella covering also criminal activity.

0372 Sen. Fischer stated that certain laws are general in ap-

plication and that he did not see a need to include specific criminal provisions in the bill; he does not see the role of the Ethics Commission in criminal prosecution, or in the case of violations outside the performance of official duties. He further stated that the bill did not condone activities by virtue of not mentioning them in the bill.

Sen. Stimson queried, "Does that mean this only covers standards of conduct in the performance of duty?" In terms of the role of a legislator, he sees a need to talk about procedures--censure, other things besides impeachment. He would like to see procedures addressed in the legislation. If the committee is not careful, he
0462 stated, it will leave out pieces critical to the functioning of the Ethics Commission; this would be most detrimental. He pointed out problems he perceives in the sections of the draft governing what public officials (including former public officials) may and may not do, and noted the inclusion of a time frame in some subsections and the exclusion of it in others.

Sen. Stimson and Sen. Fischer discussed some examples, and Sen. Fischer stated that his understanding was that Sen. Stimson felt the bill should deal with more specific cases and actions.

Sen. Colletta cited what he perceived as inconsistencies in the proposed measure, and attributed the problems to the fact that the proposed bill addresses methodology. He feels that it is impossible to perfectly balance many subjective opinions as has been done in the case of this proposed bill.

0533 Sen. Colletta further stated that he had serious questions regarding the very first page of the bill, in which the Ethics Commission is given a responsibility to act upon things within a wide range of activity, however instances not spelled out in the bill are not considered to be under the purview of the Ethics Commission. The normal course of action, he said, would be to go to (the) Judiciary (branch) with a serious offense.

Sen. Fischer stated that the Commission would be issuing advisory opinions on what kinds of things constitute a violation of a prohibition. He acknowledged that there are many gray areas which cannot be covered specifically in the bill.

Sen. Stimson stated that the "former public officials" section needs clear parameters, that the committee needs to clarify "where we have areas of authority and where we don't".

Sen. Fischer stated that it needs to be done manageably.

0563 Sen. Stimson raised questions on the section "Offices of the Commission", stating that it must mean at least a dozen offices.

0587 Nancy Groszek, State Affairs Committee professional assistant, stated that the Commission would be able to contract with municipalities for office space. The concept was to provide easier access, particularly on a municipal level.

0619 Sen. Arliss Sturgulewski, a co-sponsor of SSSB 175, testified on the measure. She stated that she shared Sen. Stimson's concerns regarding former public officials. "We need to decide what the public purpose is," she stated. She cited trouble with the bill being too broad. Sen. Sturgulewski perceives problems in the present conflict of interest law. Although legislators file with the APOC information concerning their business interests, "nothing ties us into acknowledging that on the floor, or in a vote". She further stated that it is not a clear issue, and that it creates problems; she provided examples to the committee to illustrate her point. She stated that there is a need to create a way to bring potential conflicts before the body. Sen. Sturgulewski further stated that "if we are going to go into detail on what is ethical, the question of magnitude must be addressed." She added that more flexibility should be in the bill with respect to the functioning of the Ethics Commission.

(Sen. Stimson departed.)

0678 Sen. Bradley stated that he had many questions regarding the legislation, and he spoke to Sen. Sturgulewski's remarks on conflicts of interest. Sen. Bradley would like to see this area of the legislation clarified, although personally it does not present a problem for him as he has no conflicts. He stated that the bill before the committee is both too broad and too specific (depending upon the specific section under examination).

Sen. Fischer stated that the bill is designed not just to deal with the legislative branch, but with every bureaucrat, the "invisible people" who make life and death decisions. The scope of the legislation is much broader than just legislative activity. Sen. Fischer stated that the committee could continue to work on the bill, or could move it on to the Judiciary Committee and provide that committee with suggestions for proposed changes. He stated his willingness to "keep plugging away" if the members of the committee so desired.

Sen. Bradley stated, "I think we should have an ethics bill," and further that he thinks it will be hard to create one which will satisfy all of the many interested parties.

0726 Sen. Eliason suggested further examination of the areas in which the existing APOC and the proposed legislation come together, and expressed reservations about adding 16 employees to the state payroll. Sen. Eliason expressed a desire to continue work on the bill in the State Affairs Committee.

Sen. Colletta also expressed a desire to continue work on the legislation, and suggested the possibility that the State Affairs and Judiciary committess might work together on the bill.

Sen. Fischer asked that committee members provide as many specific suggestions for alternative approaches and language as they are able.

0744 Sen. Colletta stated that he had thought the legislation would address the legislative process alone...that the measure presently before the committee deals with "the whole bunch". He referred also to the APOC provision which enabled municipalities (which meet certain criteria) to opt-out, whereas the present bill has no such provision.

Sen. Fischer read a constituent public opinion message applauding efforts to pass a worthy and timely ethics bill.

Sen. Colletta reminded that the final judge of legislative action is the populous, and suggested that the Ethics Commission be given the power to determine what actions are ethical, and define its own parameters.

Sen. Fischer stated that Sen. Koerttula favored a bill which "spells out as much as possible".

0794 Sen. Colletta stated that there is a need for ethics standards and operating procedures.

Sen. Bradley cited problems with the language in the section of the bill regarding gifts. He feels that use of the word "reasonable" is a legal vulnerability, and that he does not want a commission making determinations on what is reasonable.

Sen. Fischer said, "As Sen. Colletta said, the Commission needs discretionary power to decide."

0820 Sen. Fischer adjourned the meeting at 3:40 p.m.

OFFICE OF THE OMBUDSMAN
STATE OF ALASKA

SPECIAL REPORT 81-2

STANDARDS OF ETHICAL CONDUCT FOR PUBLIC OFFICIALS AND EMPLOYEES AND THE NEED FOR AN INDEPENDENT ETHICS COMMISSION

FEBRUARY 11, 1981

[illegible]
OMBUDSMAN

TABLE OF CONTENTS

		Page No.
I.	INTRODUCTION	1
II.	DEFICIENCIES IN PRESENT LAW	2
III.	PROPOSAL	4
	APPENDIX A . . . . . (Draft Legislation)	5
	APPENDIX B . . . . . (Sec. 39.50.090 Prohibited Acts)	14
	APPENDIX C . . . . . (DOT/PF Conflict of Interest Policy)	16

I. INTRODUCTION

Legislative overview of administrative performance is a primary means of controlling administrative excess or abuse. Through investigation of complaints from the public the Ombudsman serves as a legislative agent in monitoring administrative activities. Because of the unique vantage point of the Office of Ombudsman, between citizen and government, it is in a position to offer a practical perspective to the Legislature on matters of administrative consequence.

In this spirit we recommended the establishment of a State Ethics Commission in our 1976 and 1977 Annual Reports. Our experience continues to indicate the need for such a commission.

The following allegations of misconduct of agency personnel have been investigated by the Office of Ombudsman.

77-0044 A professional board member delayed a competitor's licensing.

77-1062 A board member used his position for individual benefit.

77-0747 A board member issued an improper license to his business associate.

77-0515 A board member used privileged information to benefit his business.

78-0454, 0467, 0468 An agency supervisor revealed exam questions to a friend and subordinate who was in competition for an open position.

78-1294, 1308 A state custodian of surplus property to be auctioned was allowed to bid on the property.

79-0167 In 1975 three agency personnel formed a company that received a contract to redecorate their own state offices. [See "Interiors," Fifth Report of the Ombudsman, 1979, Page 7]

In 1980 the Office of the Ombudsman recommended that the Department of Transportation and Public Facilities establish their own conflict of interest policy as had been initially suggested by DOT/PF internal review personnel. [Ombudsman Complaint J79-0146] This recommendation was accepted and is attached as Appendix C.

The DOT/PF policy is commendable and a step in the right direction. However, it does not cover other departments nor does it have statutory or APA enforceability.

A similar recommendation was made to the Board of Fisheries, and the Board is considering the establishment of such a policy.

II. DEFICIENCIES IN PRESENT LAW

In examining the foregoing complaints we have concluded that the present law governing the ethical conduct of public officials and employees is deficient. AS 39.50 mandates disclosure of personal assets by public officials, but except for a brief section on conflict of interest (AS 39.50.090), does not establish comprehensive standards of ethical conduct. In the main, AS 39.50 addresses disclosure of personal assets, while largely ignoring the actual exercise of conflict of interest.

Present law provides few standards for the Ombudsman, supervisory personnel or the public to measure the ethical conduct of public officials and employees.

Specifically, AS 39.50 is deficient in the following respects:

A. AS 39.50.090 concerning conflicts of interest is vague and ambiguous.

1) AS 39.50.090 Prohibited Acts. provides:

(a) No public official may use his official position or office for the primary purpose of obtaining financial gain for himself, or his spouse, child, mother, or father, or business with which he is associated or owns stock. (Emphasis added)

There may be several factors involved in an official granting an unfair advantage to another. Factors such as friendship or occupational, political or similar advantages may not be primarily financial, yet are certainly unethical considerations in conducting public affairs.

2) AS 39.50.090(b) provides:

No person may offer or pay to a public official, and no public official may solicit or receive money for legislative advice or assistance, or for advice or assistance given in the course of the officials public employment . . . (Emphasis added)

Again, this section does not cover the exchange of goods and services, equipment, real estate or occupational or similar advantages for the unethical provision of advice. Money may be at the root of all evil yet it hardly constitutes the sum of all evil in the public sector.

B. AS 39.50 is limited in application.

AS 39.50, particularly AS 39.50.090 is too limited in application as it only applies to high level public

officials and their close relatives and business associates. The need for ethical conduct, particularly in regard to conflict of interest, is as necessary for ordinary state employees as it is for high level officials. Many state employees, particularly in the purchasing and contracting areas, are more directly involved with the dispersal of large sums of money than public officials.

In an era when a substantial number of persons have established domestic units outside of marriage a conflict of interest law limited to family relationships is deficient in coverage.

C. AS 39.50 is limited in scope.

AS 39.50 does not adequately cover the following areas of ethical conduct:

1) The misuse of state equipment or facilities.

2) The release of confidential information for personal gain which is not available to members of the public.

3) Financial transactions with subordinates.

4) The use of privileged or confidential information for personal gain by former employees.

5) The assistance or representation of another person for personal gain by former employees in matters which the employee participated in while employed by the state.

While some of these areas may be covered by departmental or personnel rules there is no comprehensive statutory base providing comprehensive enforceable standards.

D. AS 39.50 provides insufficient guidance for public employees in questions of ethical conduct.

AS 39.50 establishes no procedures for public employees confronted by a conflict of interest situation. Further AS 39.50 does not provide a mechanism for the issuance of advisory opinions to public officials or employees who have an ethical question.

E. Present law does not provide an adequate enforcement mechanism for the maintenance of ethical standards.

There is a need for the establishment of an enforcement tribunal to provide for traditional measure of enforcement such as censure, suspension or removal of employees or officials who have abused their position.

The limited misdemeanor sanctions presently available through AS 39.50.090 are seldom invoked due to the harshness of the remedy. Prosecutorial caseloads are determent to any comprehensive enforcement through criminal law sanctions.

There is an additional need for a provision for the voiding of contracts or agreements entered into in violation of ethical standards.

III. PROPOSAL

Appendix A sets out draft legislation similar to that prepared in our Third Annual Report (1977) and introduced as HB 603 in the Tenth Legislature, Second Session.

This legislation establishes standards of conduct for public officials and employees. It provides for the establishment of an ethics commission (expanding APOC duties) to investigate breaches of ethical conduct and the issuance of advisory opinions.

APPENDIX A

DRAFT LEGISLATION

IN THE _____

_____ BILL NO. _____
IN THE LEGISLATURE OF THE STATE OF ALASKA
_____ LEGISLATURE - _____ SESSION
A BILL

For an Act entitled: "An Act relating to a standard of conduct for public officials and employees; providing for a state Ethics Commission; and providing for an effective date."

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

* Section 1. AS 15.13.020(a) is amended to read:

Sec. 15.13.020. STATE ETHICS [ALASKA PUBLIC OFFICES] Commission. (a) There is created in the office of the lieutenant governor the State Ethics [ALASKA PUBLIC OFFICES] Commission consisting of five members.

* Sec. 2. AS 15.13.030(10) is amended to read:

(10) adopt regulations necessary to implement and clarify the provisions of AS 24.45, AS 39.50, AS 39.55 and this chapter, subject to the provisions of the Administrative Procedure Act (AS 44.62);

* Sec. 3. AS 15.13.030 is amended by adding a new paragraph to read:
(11) administer the provisions of AS 39.55.

* Sec. 4. AS 24.45.021(a) is amended to read:
(a) This chapter shall be administered by the State Ethics [ALASKA PUBLIC OFFICES] Commission created under AS 15.13.020(a).

* Sec. 5. AS 39.50.020(b) is amended to read:
(b) The governor, lieutenant governor, members of the legislature, and candidates for these offices, judicial officers, each commissioner, head or deputy head of, or director of a division within, a department in the executive branch, assistant to the governor or chairman or member of a commission or board required to report under this chapter, shall file the statement with the State Ethics [ALASKA PUBLIC OFFICES] Commission. Municipal officers, and candidates for elective municipal office, shall file with the municipal clerk or other municipal official designated to receive their filing for office. All statements required to be filed under this chapter are public records.

* Sec. 6. AS 39.50.050(a) is amended to read:

(a) The State Ethics [ALASKA PUBLIC OFFICES] Commission created under AS 15.13.020(a) shall administer the provisions of this chapter. The commission shall prepare and keep available for distribution, standardized forms on which the reports required by this chapter shall be filed.

* Sec. 7 AS 39 is amended by adding a new chapter to read:

CHAPTER 55. STANDARDS OF CONDUCT.

Sec. 39.55.010. FINDINGS AND PURPOSE. The purpose of this chapter is to

(1) prescribe standards of conduct for public officials and employees of the state;

(2) educate the public with respect to ethics in government; and

(3) establish an ethics commission which will render advisory opinions and enforce the provisions of this law so that public confidence in public servants will be preserved.

Sec. 29.55.020. CONSTRUCTION. This chapter shall be liberally construed to promote high standards of ethical conduct in state government.

Sec. 39.55.030. APPLICABILITY. This chapter applies to each nominated, appointed or elected public official, and to each employee of the state, including members of departments, boards, commissions, councils, committees, institutions, offices, corporations, authorities, organizations, and persons under personal service contract to the state.

Sec. 39.55.040. GIFTS. No public official or employee may solicit, accept, or receive, directly or indirectly, any gift, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form, under circumstances in which it can reasonably be inferred that the gift is intended to influence him in the performance of his official duties or is intended as a reward for any official action on his part.

Sec. 39.55.050. CONFIDENTIAL INFORMATION. No public official or employee may disclose information which by law or practice is not available to the public and which he acquires in the course of his official duties, or use the information for his personal gain or for the benefit of anyone.

Sec. 39.55.060. FAIR TREATMENT. (a) No public official or employee may use or attempt to use his official position to secure or grant unwarranted privileges, exemptions, advantages, contracts, or treatment, for himself or others. This prohibition includes

(1) seeking other employment or contract for services for himself by the use or attempted use of his office or position;

(2) accepting, receiving, or soliciting compensation or other consideration for the performance of his official duties or responsibilities except as provided by law;

(3) using state time, equipment or other facilities for private business purposes;

(4) soliciting, selling, or otherwise engaging in a substantial financial transaction with a subordinate or a person or business whom he inspects or supervises in his official capacity;

(5) all other uses or attempted uses of official position to secure or grant unwarranted privileges, exceptions, advantages, contracts or treatment.

(b) Nothing in this section may be construed to prohibit a legislator from introducing bills and resolutions, serving on committees, or from making statements or taking action in the exercise of his legislative functions.

Sec. 39.55.070. CONFLICT OF INTEREST. (a) No employee may take any official action directly affecting

(1) a business or other undertaking in which he has a substantial financial interest; or

(2) a private undertaking in which he is engaged as legal counsel, advisor, consultant, representative, or other agency capacity.

(b) A department head who is unable to disqualify himself on any matter described in (a) of this section is not in violation of this section if he has complied with the disclosure requirements of AS 39.50.020.

(c) A member of a board, commission, or committee, whose participation is necessary in order to constitute a quorum to conduct official business on any matter described in (a) of this section, is not in violation of this section if he has complied with the disclosure requirements of AS 39.50.020.

(d) No employee may acquire financial interests in any business or other undertaking which he has reason to believe may be directly involved in official action to be taken by him.

(e) No public official or employee may assist any person or business or act in a representative capacity before a state agency for a contingent compensation in any transaction involving the state.

(f) No public official or employee may assist any person or business or act in a representative capacity for a fee or other compensation to secure passage of a bill or to obtain a contract, claim, or other transaction or proposal in which he has participated or will participate as a legislator or employee; nor may he assist any person or business or act in a representative capacity for a fee or other compensation on that bill, contract, claim, or other transaction or proposal before the legislature or agency of which he is an employee or legislator.

(g) No employee may assist any person or business or act in a representative capacity before a state agency for a fee or other consideration on any bill, contract, claim, or other transaction or proposal involving official action by the agency if he has official authority over that state agency.

Sec. 39.55.080. ACTION UPON CONFLICT. (a) An employee who, in the discharge of his official duties, is required to take an action that is prohibited by this chapter and which would result in a conflict of interest.

(1) may not take the action:

(2) shall prepare a written statement describing the matter requiring action or decision, and the nature of the possible conflict of interest with respect to the action or decision; and

(3) shall deliver copies of the statement to the commission and to his immediate superior, if any.

(b) Upon receipt of a statement under (a) of this section, an employee's superior, if any, shall assign the matter to another employee who does not have a possible conflict of interest. If the employee has no immediate supervisor, he may seek advice from the commission to remove himself from influence over actions and decisions on the matter on which the possible conflict exists.

(c) The commission shall review the statement describing the matter requiring action or decision and the nature of the possible conflict of interest, and may advise the employee under sec. 130(2) of

this chapter. The commission may authorize its director to act in its place in instances where delay is of substantial inconvenience or detriment to the requesting party. Written advice issued under this subsection is confidential except that it may be included in materials referred to the appropriate body under secs. 150 and 160 of this chapter or may be subpoenaed by any court of record or legislative committee or appropriate agency. No person except the person who initially requested preparation of the statement may make the contents of any written advice or other records of the board public. It shall be prima facie evidence of intent to comply with this chapter when a person refers a matter to the commission and abides by the written advice.

(d) A state public official or employee may request the commission to obtain an advisory opinion from the attorney general on the application of this chapter to a given set of circumstances, real or hypothetical, or the commission may request such an opinion on its own motion.

Sec. 39.55.090. CONTRACTS. (a) A state agency may not enter into any contract with a public official or an employee or with a business in which a public official or an employee has a controlling interest, involving services or property of a value in excess of $1,000, unless the contract is made after public notice and competitive bidding.

(b) A state agency may not enter into a contract with any person or business which is represented or assisted personally in the matter by a person who has been an employee of the agency within the preceding two years and who participated while in state office or employment in the matter with which the contract is directly concerned.

(c) This section does not apply to a personal contract of employment with the state.

Sec. 39.55.100. CONTRACTS VOIDABLE. In addition to any other penalty provided by law, any contract entered into by the state in violation of this chapter is voidable on behalf of the state; however, in any action to avoid a contract under this section, the interests of third parties who may be damaged by the action shall be taken into account, and the action to void the transaction must be initiated within 60 days after the determination of a violation under this chapter. The attorney general has the authority to enforce this provision.

Sec. 39.55.110. RESTRICTIONS ON EMPLOYMENT. (a) No former public official or employee may disclose any information which by law or practice is not available to the public and which he acquired in the course of his official duties or use the information for his personal gain or the benefit of anyone.

(b) No former employee may, within 12 months after termination of his employment, assist any person or business or act in a representative capacity for a fee or other consideration, on matters in which he participated as an employee.

(c) No former employee may, within 12 months after termination of his employment, assist any person or business or act in a representative capacity for a fee or other consideration, on matters involving official action by the particular state agency or subdivision of it with which he had actually served.

(d) This section does not prohibit any agency from contracting with a former public official or employee to act on a matter on behalf of the state within the period of limitations stated in this section, and does not prevent the public official or employee from appearing before any agency in relation to that contract.

Sec. 39.55.120. VIOLATION. (a) Any favorable state action obtained in violation of the standards for public officials and employees and former public officials and employees is voidable by the state in the same manner as contracts are voidable under sec. 100 of this chapter, and the attorney general may pursue all available legal and equitable remedies.

(b) The attorney general may recover any fee, compensation, gift or profit received by any person as a result of a violation of these standards by a public official or employee or former public official or employee. Action to recover under this subsection shall be brought within two years of the violation under this chapter.

Sec. 39.55.130. DUTIES OF COMMISSION. The State Ethics Commission created under AS 15.13.020 shall administer this chapter and has the following powers and duties:

(1) to issue regulations to implement and interpret the provisions of this chapter subject to judicial review in accordance with the provisions of the Administrative Procedure Act (AS 44.62);

(2) to render advisory opinions upon the request of any public official or employee or former public official or employee as to whether the facts and circumstances of a particular case constitute or will constitute a violation of the standards; if no advisory opinion is rendered within 30 days after the request is filed with the commission, it is considered that an advisory opinion was rendered and that the facts and circumstances of that particular case do not constitute a violation of the standards; the opinion rendered or considered rendered, until amended or revoked, shall be binding on the commission in any subsequent charges concerning the public official or employee or former public official or employee who sought the opinion and acted in reliance on it in good faith, unless material facts were omitted or misstated by the public official or employee or former public official or employee in the request for an advisory opinion;

(3) to initiate, receive and consider charges concerning alleged violation of this chapter, initiate or make investigations and hold hearings;

(4) to subpoena witnesses, administer oaths, and take testimony relating to matters before the commission and require the production for examination of any books or papers relating to any matter under investigation or in question before the commission; before the commission exercises any of the powers authorized in this section with respect to an investigation or hearing, it shall by formal resolution, supported by a vote of three or more members of the commission, define the nature and scope of its inquiry;

(5) to assume jurisdiction for purposes of investigation and of taking appropriate action on alleged violations of this chapter in all proceedings commenced within one year after termination of state employment by a public official or employee; nothing in this paragraph bars proceedings against a person who by fraud or other device prevents discovery of a violation of this chapter; a proceeding shall be considered commenced by the signing of a charge by three or more members of the commission;

(6) to publish yearly summaries of decisions, advisory opinions, and informal advisory opinions; the commission shall make sufficient deletions in the summaries to prevent disclosing the identity of persons involved in the decisions or opinions;

(7) to distribute its publications without cost to the public and initiate and maintain programs with the purpose of educating the public and all legislators and employees on matters of ethics in government employment.

Sec. 39.55.140. COMPLAINT PROCEDURES. (a) Charges concerning a public official or employee or former public official or employee must be in writing, signed by the person making the charge under oath, except that any charge initiated by the commission must be signed by three or more members of the commission. The commission shall notify in writing every public official or employee against whom a charge is received and afford him an opportunity to explain the conduct alleged to be in violation of this chapter. The commission may investigate, after compliance with this section, such charges and render an informal advisory opinion to the alleged violator. The commission shall investigate all charges on a confidential basis, having available all the powers provided in sec. 130 of this chapter, and proceedings at this stage may not be public. If the informal advisory opinion indicates a probable violation, the public official or employee or former public official or employee shall request a formal opinion or within a reasonable time comply with the informal advisory opinion. If the public official or employee or former public official or employee fails to comply with the informal advisory opinion or if a majority of the members of the commission determine that there is probable cause for belief that a violation of this chapter has occurred, a copy of the charge and a further statement of the alleged violation shall be personally served upon the alleged violator. He shall have 20 days after service to respond in writing to the charge and statement.

(b) Any commission member or individual, including the individual making the charge, who divulges information concerning the charge before the issuance of the complaint by the commission or, if the investigation discloses that the complaint should not be issued by the commission, at any time divulges any information concerning the original charge or divulges the contents or disclosures except as permitted by this chapter is guilty of a felony and upon conviction is punishable by a fine of not more than $5,000, or by imprisonment for not more than five years, or by both.

(c) If, after 20 days following personal service, a majority of the members of the commission conclude that there is reason to believe that a violation of this chapter has been committed, the commission shall set a time and place for a hearing, giving notice to the complainant and the alleged violator. All parties shall have an opportunity to (1) be heard, (2) subpoena witnesses and require the production of any books or papers relative to the proceedings, (3) be represented by counsel, and (4) have the right of cross-examination. All hearings shall be in accordance with AS 44.62. All witnesses shall testify under oath, and the hearings shall be closed to the public unless the party complained against requests an open hearing. The commission is not bound by the strict rules of evidence, but the commission's findings must be based upon competent and substantial evidence. All testimony and other evidence taken at the hearing shall be recorded. Copies of transcripts of the record shall be available only to the complainant and the alleged violator at their own expense.

(d) A decision of the commission pertaining to the conduct of any public official or employee shall be in writing and signed by three or more of the members of the commission.

Sec. 39.55.150. PROCEDURE. (a) Public Officials and Employees Removable Only by Impeachment. When the commission, after hearings under sec. 140(d) of this chapter, determines that there is sufficient cause to file a complaint against a public official or an employee removable only by impeachment, it shall issue a complaint and refer the matter to the appropriate body of the legislature. The complaint shall contain a statement of the facts alleged to constitute the violation. If within 30 days after the referral the legislature has not disposed of the complaint, the commission shall make the charges public. Days during which the legislature is not in session are not included in determining the 30-day period.

(b) Public Officials and Employees other than Public Officials and Employees Removable Only by Impeachment. When the commission determines under sec. 140(d) of this chapter that there is sufficient cause to file a complaint against a public official or employee, other than a public official or employee removable only by impeachment, it shall refer the decision to the governor, for a public official or employee in the executive branch; to the legislature, for a public official or employee in the legislative branch; or to the chief justice of the supreme court, for a public official or employee of the judicial branch. The governor, legislature, or chief justice of the supreme court shall take appropriate action within 60 days and shall notify the commission of the action taken. If it is found that a violation has occurred, the governor, legislature, chief justice of the supreme court, or the commission by a vote of four members, may make the findings and the record of the proceeding public, taking into account the seriousness of the violation. This subsection does not prevent the commission from reporting decisions in the yearly summaries required by sec. 130(b) of this chapter.

(c) Former Employees. The commission may with the consent of four commissioners issue a public statement of its findings and conclusions, and the attorney general may exercise the legal or equitable remedies available to the state.

Sec. 39.55.160. DISCIPLINARY ACTION FOR VIOLATION. In addition to any other powers the personnel board or other appointing authority may have to discipline employees, the personnel board or appointing authority may reprimand, put on probation, demote, suspend, or discharge an employee found to have violated the standards of this chapter.

Sec. 39.55.180. DEFINITIONS. In this chapter,

(1) "business" includes a corporation, partnership, sole proprietorship, trust or foundation, or any other individual or organization carrying on a business, whether or not operated for profit;

(2) "commission" means the State Ethics Commission;

(3) "compensation" means any money, thing of value, or economic benefit conferred on or received by a person in return for services rendered or to be rendered by himself for another;

(4) "controlling interest" means an interest in a business or other undertaking which is sufficient in fact to control, whether the interest is greater or less than 50 per cent;

(5) "employee" means a nominated or appointed employee of the state, including members of departments, boards, commissions, councils, committees, institutions, offices, corporations, authorities, organizations, and persons under contract to the state; "employee" does not

include elected officials and judicial officers;

(6) "employment" means any rendering of services for compensation;

(7) "financial interest" means an interest held by an individual, his spouse, or minor children which is

(A) an ownership interest in a business,

(B) a creditor interest in an insolvent business,

(C) an employment, or prospective employment for which negotiations have begun,

(D) an ownership interest in real or personal property.

(E) a loan or other debtor interest,

(F) a directorship or officership in a bubiness;

(8) "official act" or "official action" means a decision, recommendation, approval, disapproval, or other action, including inaction, which involves the use of discretionary authority;

(9) "official authority" includes administrative or legislative powers of decision, recommendation, approval, disapproval, or other discretionary action;

(10) "public official" means a judicial officer, a member of the legislature, the governor and the lieutenant governor.

(11) "state agency" includes a department, board, commission, council, committee, institution, office, corporation, authority or organization in the executive, legislative or judicial branch of state government, and a department, board, commission, council, committee, institution, office, corporation, authority or organization of the state government independent of the executive, legislative and judicial branches of state government.

* Sec. 8. AS 44.62.330(39) is amended to read:

(39) State Ethics [ALASKA PUBLIC OFFICES] Commission

* Sec. 9. AS 39.50.090 is repealed.

* Sec. 10. This Act takes effect July 1, 1978.

APPENDIX B

SEC. 39.50.090 PROHIBITED ACTS

Sec. 39.50.090. Prohibited acts. (a) No public official may use his official position or office for the primary purpose of obtaining financial gain for himself, or his spouse, child, mother, or father, or business with which he is associated or owns stock.

(b) No person may offer or pay to a public official, and no public official may solicit or receive money for legislative advice or assistance, or for advice or assistance given in the course of the official's public employment or relating to his public employment. However, this prohibition does not apply to a chairman or member of a state commission or board or municipal officer if the subject matter of the legislative advice or assistance is not related directly to the function of the commission, board, or municipal body served by the municipal officer; this exception from the general prohibition does not apply to one whose service on a state commission or board constitutes him a full-time state employee under AS 39.

(c) No public official may represent a client before a state agency for a fee. However, this prohibition does not apply to a municipal officer, or chairman or member of a state commission or board except with regard to representation before his own commission or board; this exception from the general prohibition does not apply to one whose service on the commission or board constitutes him a full-time state employee under AS 39.

(d) Violation of this section is a misdemeanor, punishable upon conviction by a fine of not less than $500, nor more than $2,000, by imprisonment up to one year, or by both.

(e) In this section, "public official" includes, in addition to the persons specified in AS 39.50.200(a)(1), chairmen and members of all commissions and boards created by statute or administrative action as agencies of the state.

(f) No municipal officer may represent a client for a fee before the municipal body which he serves. (1974 Initiative Proposal No. 2, § 1; am § 12 ch 25 SLA 1975; am § 1 ch 40 SLA 1975; am §§ 2, 3 ch 211 SLA 1975)

APPENDIX C

DOT/PF CONFLICT OF INTEREST POLICY

MEMORANDUM State of Alaska

TO: Duncan Fouler
Ombudsman
Pouch WO
Juneau, Alaska

DATE: January 7, 1981

FILE NO: 200H-3109

TELEPHONE NO:

SUBJECT: Ombudsman Complaint
No. J79-0146

FROM: R. D. Shumway
Deputy Commissioner
Design & Construction
Department of Transportation
and Public Facilities

Attached is DOT/PF Policy and Procedure, 10-0002, "Conflicts of Interest" issued November 5, 1980. This policy follows your recommendations of 2/26/80.

If I can be of further assistance, please let me know.

Attachment

cc: Frank Flavin
Ombudsman
840 K Street, Room 203
Anchorage, Alaska 99501

RDS/sh

02-001A(Rev.10/79)

DEPARTMENT OF TRA. ORTATION AND PUBLIC FACILITIES

POLICY AND PROCEDURES

Effective Date: November 5, 1980

Supersedes P & P No. | Dated

SUBJECT: CONFLICTS OF INTERESTS

APPROVED BY

DIVISION	SECTION	CHAPTER TITLE
Commissioner	Commissioner's Office	Policies

PURPOSE:

To establish a policy and procedure to advise employees of their responsibility on possible "Conflicts of Interests."

POLICY:

I: shall be the policy of the Department to comply with all State rules and regulations concerning "Conflicts of Interests" which affect employees. Absolute integrity on the part of departmental employees is essential if public confidence in the Department is to be maintained and employees should be guided by the following statements in addition to the Personnel Rules.

1. Excessive fraternization with contractor's key people is discouraged.

2. The solicitation or acceptance of a loan from any contractor, or his representative, doing business with the Department is forbidden.

3. Accepting outside employment with a contractor, or his representative, doing business with the Department is forbidden. Any other type outside employment will comply with P&P 10-0005.

4. Any act that could be interpreted as adversely influencing the ethical and proper discharge of an employees duties is discouraged.

AUTHORITY:

Personnel Rules:

13 12.0 Investments in Conflicts with Official Duties
13 13.0 Use of Information
13 14.0 Gifts and Favors
13 15.0 Purchases of Commodities and Supplies
13 16.0 Conflicts of Interests

DISTRIBUTION:

All holders of the Policy and Procedures Manual.

PROCEDURES:

All employees in the Department shall be given a copy of P&P 10-0002, "Conflicts of Interests" at the time of their appointment.

Any conflicts of interest arising from an act on the part of the employee shall be cause for immediate disciplinary action.

STATE OF ALASKA

RULE 13

PROHIBITIONS AND PENALTIES

13 12.0 Investments in Conflict with Official Duties

No employee or official of the State shall invest, or hold any investment directly or indirectly in any financial, business, commercial, or private transaction, which creates a conflict with his official duties.

13 13.0 Use of Information

No employee or official of the State shall use information peculiarly within his knowledge or purview concerning the property, government, or affairs of the State to advance the financial or other private interest of himself or others.

13 14.0 Gifts and Favors

No employee or official of the State shall accept any form of gift, loan, or any gratuity for the performance of his duties other than that afforded him by the State.

13 15.0 Purchases of Commodities and Services

No employee or official may be a party to the purchase of or influence the purchase of goods or services for the use of the State from any person, company or business in which he has substantial financial interest unless approved in advance by the Commissioner of Administration. Such approval shall be in written form and be open to inspection by the public.

13 16.0 Conflicts of Interests

No employee or official of the State shall engage in any business or transaction, or shall own a financial or other private interest, direct or indirect, which is in conflict with the proper discharge of his official duties.

NOTE REGARDING THE FOLLOWING FRAME ON MICROFILM:

COMPLETE DOCUMENT IS AVAILABLE IN ORIGINAL FILES IN ALASKA STATE ARCHIVES. TITLE PAGE ONLY HAS BEEN FILMED.

Model State Conflict of Interest and Financial Disclosure Law

NATIONAL MUNICIPAL LEAGUE
47 East 68th Street
New York, New York 10021

Library of Congress Catalog Card No. 79-89590
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Printed in the United States of America by Sowers Printing Company

SB

183

SB 181 (cont'd)

Sections 16 & 18 add to AS 47.23.150 (Required Notice in Administrative Enforcement of Support Orders) and 47.23.160 (Admin. Establishment of Support Obligations; Notice & Finding of Financial Responsibiliby): "Refusal by the obligor to accept notice . . . is considered service as of the time of refusal."

Sec. 21 adds new section to AS 47.23 relating to the ratification by the court of administrative orders. States that an administrative support order issued under chapter may be forwarded to the Superior Court. Unless a notice of appeal is filed within 30 days, the court may enter an order confirming the support order.

Secs. 22 & 23 make technical amendments to 47.23.190 by deleting from "obligee or his custodian" the words "or his custodian" since obligee was redefined as being the custodian rather than the child.

Sec. 24 repeals and re-enacts AS 47.23.250 (Order to Withhold and Deliver). Section allows agency to issue to "any person, political subdivision, or department of the state an order to withhold and deliver property" if after 30 days from the date of service of notice under 47.23.150, or from the date of service of a notice and finding of financial responsibility, an obligor has failed to make child support payments. The section as repealed and re-enacted is identical to the existing section with the addition of two new subsections (subsecs. (f) & (g) in the bill) which state: "(f) A person, political subdivision, or department of the state which regularly incurs additional indebtedness to the obligor shall continue to withhold and deliver money as it comes due and owing until the liability of the obligor under AS 47.23.150 is satisfied. (g) An order to withhold and deliver issued to the Department of Revenue is effective upon receipt by the Department and remains effective for that calendar year. The order shall be sufficient to subject any tax refund or other disbursements due to be issued to the obligor in that year to the provisions of this section even though the tax refund or disbursement may be issued more than 30 days after the order."

Does not provide for effective date.

Introduced February 16 and referred to Health, Education and Social Services and Judiciary.

Motor Fuel Tax (watercraft) (repeal of)

SENATE BILL NO. 182, by Senators Mulcahy, Eliason, Ziegler, Ray, Hohman and Ferguson. Identical to HB 101, page 179.

Introduced February 16 and referred to Transportation & Finance.

Financial Disclosure (exempting physicians)

SENATE BILL NO. 183, by Senator Mulcahy by request. Exempts physicians from the financial disclosure requirements of AS 39.50 (Conflict of Interest for public officers & candidates for elective office). Adds new subsection to AS 39.50.030 (contents of financial disclosure statement) to read: "A public official, a candidate for state elective office, or a candidate for elective municipal office who is a physician licensed under AS 08.64 is not required to report the name of a person who is his patient or a patient of an entity which is a source of income to him." Pro-

SB 183 (cont'd)

vides Act effective April 14, 1981.

Introduced February 16 and referred to State Affairs and Judiciary.

Appropriations (special) (medical evacuations)

SENATE BILL NO. 184, by Senator Ferguson. Appropriates $100,000 from the general fund to the Dept. of Health & Social Services for payment as a grants to the Kotzebue Public Health Service Hospital ($50,000) and to the Norton Sound Hospital ($50,000) for medical evacuations. Appropriations shall be disbursed in accordance with AS 37.05.315 (State Grants). Provides Act effective immediately.

Introduced February 16 and referred to Health, Education & Social Services and Finance.

Appropriation (supplemental) (AHFC Mortgage Loans)

SENATE BILL NO. 185, by Senator Bennett. Appropriates $150 million from the general fund to the Alaska Housing Finance Corporation, Dept. of Revenue, for the Special Mortgage Loan Purchase Program (AS 18.56.098) for the fiscal year ending June 30, 1981. Provides Act effective immediately.

Introduced February 16 and referred to Finance.

Note: this bill was reported out of committee this week. See page 274.

Interstate Corrections Compact (adopting)

SENATE BILL NO. 186, by the Rules Committee by request of the Governor. Adopts the Interstate Corrections Compact. Art. 1, "Purpose and Policy" of the Act states: "The party states, desiring by common action to fully utilize and improve their institutional facilities and provide adequate programs for the confinement, treatment and rehabilitation of various types of offenders, declare that it is the policy of each of the party states to provide those facilities and programs on a basis of cooperation with one another, thereby serving the best interest of the offenders and of society and effecting economies in capital expenditures and operational costs. The purpose of this compact is to provide for the mutual development and execution of programs of cooperation for the confinement, treatment and rehabilitation of offenders with the most economical use of human and material resources." Provisions of compact are added to AS 33 under new Chapter 27, "Interstate Corrections Compact." Effective immediately.

In his message transmitting the bill to the Senate for consideration, Governor Hammond stated:

> Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a bill which would make Alaska a party to the Interstate Corrections Compact.
>
> Under current law, Alaska is a party to the Western Interstate Corrections Compact, along with eleven other states. This measure is similar to that compact; however, it allows the state a broader choice of correctional facilities nationwide in which prisoners may be incarcerated than is presently available. By joining the Interstate Corrections Compact, Alaska will be able to place offenders in an additional eleven states. It is not necessary to withdraw from the Western Interstate Corrections Compact in order to become a party to this compact.

Introduced: 2/16/81
Referred: State Affairs
and Judiciary

IN THE SENATE

BY MULCAHY BY REQUEST

SENATE BILL NO. 183

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act exempting physicians from financial disclosure requirements of AS 39.50; and providing for an effective date."

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

* Section 1. AS 39.50.030 is amended by adding a new subsection to read:

(d) A public official, a candidate for state elective office, or a candidate for elective municipal office who is a physician licensed under AS 08.64 is not required to report the name of a person who is his patient or a patient of an entity which is a source of income to him.

* Sec. 2. This Act takes effect April 14, 1981.

LAW OFFICES OF
MARY A. NORDALE
1919 LATHROP STREET, DRAWER 33
FAIRBANKS, ALASKA 99701

MARY A. NORDALE

(907)456-6903
(907)452-2930

J. John Franich, Jr.

February 2, 1982

Arthur S. Hansen, D.D.S.
3487 Airport Way
Fairbanks, Alaska 99701

Re: APOC disclosure requirements
Our File No. 62-3154

Dear Art:

You have asked for a memorandum on the legal questions posed for you by the provisions of AS39.50.010 et seq. and the regulations issued pursuant thereto.

Statement of Facts

Arthur S. Hansen, D.D.S., is a duly licensed dentist practicing denistry as an employee of Arthur S. Hansen, D.D.S., a Professional Corporation. In 1981 he declared himself a candidate for membership on the Fairbanks North Star Borough School Board and in conjunction with the filing of his declaration of candidacy, filed a conflict of interest disclosure from and request for exemption with the Alaska Public Officers Commission pursuant to AS 39.50.020-030 and 2 AAC 50.100. Arthur S. Hansen was not elected to the School Board in the election held in October, 1981. After the election the APOC ruled against Hansen's claim of privilege and demanded submission of the names of all patients of Arthur S. Hansen, DDS, a Professional Corporation, receiving services for which they paid in excess of $100.00. Hansen has refused to submit the information and the APOC has declared its intention of submitting the matter to the Attorney General for further action.

Applicable Law

1. AS 39.50.010 et seq. This Chapter requires financial disclosure of public officials and candidates, including disclosure of the finanacial interests of members of this family.

2. 2 AAC 50.090-320. These regulations set forth in modest detail the information required and the methods by which the APOC will enforce the statutory requirements.

3. AS 10.45.090-250. This Chapter is the Alaska Professional Corporations Act which permits a person or persons licensed to perform professional services to incorporate their business. This statute permits the provision of professional services through a corporate business entity subject to restrictions on the shareholders, the disposition of shares, and qualifications of directors. Additionally the statute preserves the traditional relationship between the person providing the service and the recipient insofar as the rights, duties and liabilities between them are concerned. The statute also made the corporation jointly and severally liable with the professional employee to the service recipient. In all other respects, a professional corporation must operate pursuant to the Alaska Business Corporation Act, AS 10.05.010.594.

4. Article I, Sec. 22, Alaska Constitution. This section guarantees a right of the people to privacy and is applicable under the present circumstances to Arthur S. Hansen, D.D.S., the professional corporation and to the recipients of services of the corporation.

Memorandum

In Falcon v. APOC, 570 P.2d 469 (Alaska 1977) the Court was confronted with the question of whether or not a physican should be required to disclose the names of his patients paying more than $100.00 for services in order to comply with AS 39.50.200. Dr. Falcon was an employee of a professional corporation known as Kodiak Island Medical Center. AS 39.50.200(a)(8) defines source of income as a client or patient of a professional corporation.

In Falcon the court held that the provisions of AS 39.50.200 were not an impermissible infringement of the patient's constitutional right of privacy. In his argument Falcon apparently pointed out that the Alaska State Medical Association Council had declared that publication of the names of patients of Alaska Medical Board members to be a violation of professional ethics, but the Court held that such a declaration could not be construed as amending or modifying the provisions of AS 39.50.200 and further buttressed that by citing cases that had held that disclosure only of the name of a patient was not an invasion of the evidentiary doctor-patient privilege.

However, the Court did find that in certain instances, some of which it described, mere disclosure of a patient's name would constitute an impermissible invasion of a patient's right of privacy. The APOC merely lifted from Falcon the instances in which the Court thought an impermissible invasion might occur insofar as a physican's patient's right

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of privacy is concerned and did not address similar questions which might arise in the delivery of other professional services.

One aspect of the statute which has received only cursory consideration is whether or not the requirement of disclosure constitutes such a burden on the office holder or candidate as to have a chilling effect upon all professions delivering services to individuals so as to prevent their members from seeking and holding public office.

2 AAC 5.050 excludes retail charge accounts, revolving charge accounts and credit card sales. Likewise, all cash customers are excluded. These exclusions would seem not to fall within any zone of privacy of a customer or a retail business, but to be the result of a practical determination that compliance would be unduly burdensome. It probably also stems from a belief that retail business transactions do not give rise to a relationship from which influence would flow. Nothing in the statute forms a basis for such a belief and it can only be assumed that the excluded retail transactions would constitute too great a burden.

The Falcon case did not address the benefit-burden problem, only the scope of the physician - client privilege. Thus, we have neither a statutory nor a judicial determination of the extent of influence a retail customer might be able to exert.

Another practical aspect of the regulations and the statute which has escaped legislators and the APOC is that the area of greatest conflict in which a professional might be found is in professional considerations or matters of particular concern to the profession, i.e., medical malpractice.

To return to the chilling effect, a professional desiring to offer himself for public office would have to plan approximately 18 months ahead of the last filing date so as to be prepared with the names of his patients or clients.

Neither the statute nor the regulations imposes a duty upon the APOC to act in a timely fashion upon the application for exemption filed by a declared candidate. Thus, as in this case, the Commission may fail or refuse to act on an application for an exemption until either the election has been held or it is too late to withdraw a candidacy. In such event, the purpose of the statute are defeated and candidates who believe themselves entitled to claim a privilege in behalf of others are subjected to the possible imposition of penalties they are entitled by law to avoid.

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In summary and to return to the state of the law applicable, all professions whether sole proprietors, partners or employees of professional corporations must disclose the names of all persons receiving services for which those persons paid $100.00 or more in the preceding year, unless those recipients fall within the classes of persons who are protected by 2 AAC 50.100.

Penalties

AS 39.50.060(a) provides that a person who refuses or knowingly fails to disclose information is guilty of a misdemeanor and upon conviction is punishable by a fine of not less than $100.00 and not more than $1,000.00 or by imprisonment for not more than 6 months or both.

Additionally, one who is elected or appointed shall forfeit his office. See APOC v. Marshall, Op. No. 2406 (1981).

AS 39.50.135 permits the imposition of a civil penalty of not more than $10.00 per day. 2 AAC 50.110 sets the schedule of civil penalties but the regulation is applicable only to public officials. The definition of public official contained in AS 39.50.200 does not include candidates. 2 AAC 50.135 sets a similar schedule for municipal officers.

Sincerely yours,

LAW OFFICES OF MARY A. NORDALE

Mary A. Nordale

MAN/jm

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

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3820

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

March 18, 1982

SUBJECT: Exemptions from financial disclosure (CSSB 183 (SA))

TO: Senator Vic Fischer
Chairman, Senate State Affairs Committee

FROM: Richard A. Bradley
Legislative Counsel

The bill is provided as requested. It exempts from the requirement that a public official or candidate report "the name of a person who is a patient or a patient of an entity which is the source of income to him" in the following groups of individuals: those licensed under

AS 08.20 chiropractors;

AS 08.32 dental hygienists;

AS 08.36 dentists;

AS 08.64 physicians;

AS 08.68 nurses;

AS 08.80 pharmacists;

AS 08.84 physical therapists; and

AS 08.86 psychologists and psychological associates.

The bill does not exempt nursing home administrators (AS 08.-70) or dispensing opticians or optometrists (AS 08.71; 08.-72).

You also asked whether a classification exempting the particular professional from disclosure would withstand equal protection scrutiny.

I believe that it would. Note, however, that it is possible that the classification implicit in the bill (members of the healing arts professions) is both overbroad (in its inclusion of "medical" professionals for whom the privilege is unnecessary) and underinclusive (in its omission of members of other professions whose clients might have such claims to privacy: for example lawyers whose practice is limited to divorce or similarly private matters). In that connection, it may be useful to review the language of the case analyzing these questions that reached the Alaska Supreme Court: Falcon v. Alaska Public Offices Com'n, 570 P.2d 469, 479 (Alaska 1977):

> "In particular situations, however, as the state admits, disclosure of the mere fact that an individual has visited a certain physician may have the effect of making public certain confidential or sensitive information.
>
> "According to one commentator:
>
> > "'[s]ensitive information is that which a person desires to keep private and which, if disseminated, would tend to cause substantial concern, anxiety or embarrassment to a reasonable person.'
>
> "As an example, the commentator suggests:
>
> > "'the decision to have an abortion [is one] which many people would be reluctant to discuss even with their closest friends. . . . (footnotes omitted)'
>
> "Where an individual visits a physician who specializes in contraceptive matters or whose primary practice is known to be giving abortions and the fact of a visit or rendering of services becomes public information, private and sensitive information has, in our view, been revealed. Even visits to a general practitioner may cause particular embarrassment or opprobrium where the patient is a married person who seeks treatment without the spouses's knowledge or a minor who does so without parental intelligence. Similar situations would be presented where, because of specialized practice, the disclosure of the patient's

> identity also reveals the nature of the treatment, and the particular type of treatment is one which patients would normally seek to keep private. Some examples would include the patients of a psychiatrist, psychologist or of a physician who specialized in treating sexual problems or venereal disease.
>
> "In these situations, at least, we find that the extent to which the governmental interest in promoting fair and honest government would be impeded, does not outweigh the individual's privacy interest in protecting sensitive personal information from public disclosure. In emphasizing these examples, we reiterate that situations involving specialized practice of psychiatry or venereal disease present the exception rather than the general rule and that, ordinarily, identification as a patient of a general practitioner who also engages in some of these functions does not infringe a significant privacy interest."

The last sentence of the Court's opinion should also be noted:

> In addition, the [Alaska Public Offices] Commission may well wish to promulgate regulations which apply to relationships other than that of physician-patient.

The committee should finally note that the need for the bill is somewhat undercut by the regulations of the commission responsive to the Falcon case. See 2 AAC 50.100, copy enclosed. It provides exemptions in a different framework than that of the bill:

> The names of the following persons should not be disclosed:
>
> (1) a patient of a physician whose primary practice is generally known to be in contraception or abortion;
>
> (2) a patient of a psychiatrist;
>
> (3) a patient of a psychologist;

(4) a patient of a physician whose primary practice is generally known to be in treating sexual problems or venereal disease;

(5) a married client who seeks medical or legal assistance without the spouse's knowledge, if disclosure would likely cause substantial embarrassment or opprobrium;

(6) a minor who seeks medical treatment without parental knowledge, if disclosure would likely cause substantial embarrassment or opprobrium. [2 AAC 50.100(a)]

The different approaches of the regulations and the bill are therefore clear. The regulations seek to protect the patient from disclosure, only in some cases exempting all of the practice of the physician; the bill does not distinguish between the practice of the psychiatrist or physician who performs abortions frequently from the practice of a foot doctor.

The legislature possesses very broad powers of classification. In my view, the classifications presented in the bill are for the reasons suggested arguably both overbroad and underinclusive. Considering the commission's regulations, the existing requirements for disclosure by physicians are undoubtedly constitutional. SB 183 does not, therefore, respond to the mandate of the Supreme Court in the Falcon case. That is not to say that physicians covered by the commission's regulations (who are still required to disclose) are happy with the result.

I do suggest that the classification used may present some theoretical equal protection problems. They may remain theoretical to the extent that those not excluded by the bill may be excluded by the commission's regulation.

If I may assist further, please advise.

RAB:ljb

Enclosures

information and also requires reporting of all required information actually known. (Eff. 5/16/76, Reg. 58)

Authority: AS 15.13.030(10)
AS 39.50.030(a)

2 AAC 50.040. LOANS AND INDEBTEDNESS. AS 39.50.030(b)(6) includes all loans or indebtedness of $500 or more made or still outstanding during the preceding calendar year. (Eff. 5/16/76, Reg. 58; am 5/14/80, Reg. 74)

Authority: AS 15.13.030(10)
AS 39.50.030(b)(6)

2 AAC 50.050. RETAIL CHARGE ACCOUNTS. For purposes of reporting liabilities under AS 39.50.030(a) and 39.50.030(b)(6), the reporting official is not required to report retail charge accounts, revolving charge accounts or credit card obligations. (Eff. 5/16/76, Reg. 58)

Authority: AS 15.13.030(10)
AS 39.50.030(a)
AS 39.50.030(b)(6)

2 AAC 50.060. WRITE-IN CANDIDATES. A public statement by an individual not appearing on the ballot that he will seek elective office constitutes a declaration of candidacy under AS 39.50.020. (Eff. 5/16/76, Reg. 58; am 5/14/80, Reg. 74)

Authority: AS 15.13.030(10)
AS 39.50.020

2 AAC 50.070. INCOME. In this chapter and in AS 39.50, "income" includes gross income under Section 61 of the Internal Revenue Code (26 USC § 61) in effect on May 16, 1976. (Eff. 5/16/76, Reg. 58)

Authority: AS 15.13.030(10)
AS 39.50.030(b)(1)

2 AAC 50.080. CONTROLLING INTEREST IN A CORPORATION. In AS 39.50.200(8), "controlling interest" in a corporation means ownership of more than 50 percent of the outstanding shares of a corporation at any time during the year for which a report is being filed. In this section, the rules of constructive ownership in Section 318 of the Internal Revenue Code (26 USC § 318) in effect on May 16, 1976, will be used to determine ownership of a corporation's shares. (Eff. 5/16/76, Reg. 58)

Authority: AS 15.13.030(10)
AS 39.50.200

2 AAC 50.090. MUNICIPALITIES AS INSTRUMENTALITIES OF THE STATE. In AS 39.50.200(5), "instrumentality of the state" includes municipalities. (Eff. 5/16/76, Reg. 58)

Authority: AS 15.13.030(10)
AS 39.50.200(5)

2 AAC 50.100. CLAIMING CONSTITUTIONAL OR STATUTORY EXEMPTION FROM THE REPORTING REQUIREMENTS OF AS 39.50.030(b)(1). (a) Disclosure of another person's name in a report is not required and should not be made where that disclosure alone would likely result in disclosing sensitive information which the person would want to keep private and which, if made public, would tend to cause substantial concern, anxiety, or embarrassment to a reasonable person. The names of the following persons should not be disclosed:

(1) a patient of a physician whose primary practice is generally known to be in contraception or abortion;

(2) a patient of a psychiatrist;

(3) a patient of a psychologist;

(4) a patient of a physician whose primary practice is generally known to be in treating sexual problems or venereal disease;

(5) a married client who seeks legal or medical assistance without the spouse's knowledge, if disclosure would likely cause substantial embarrassment or opprobrium;

(6) a minor who seeks medical treatment without parental knowledge, if disclosure would likely cause substantial embarrassment or opprobrium.

(b) A physician, pursuant to (g) of this section, may request an exemption on behalf of any other patient similarly situated where the disclosure of that patient's name would likely result in disclosing information which he would want to keep private and which, if made public,

would tend to cause substantial concern, anxiety, or embarrassment to a reasonable person, to be determined on a case-by-case basis as set forth in (g) of this section.

(c) A patient not exempted in (a) of this section may request, pursuant to (g) of this section, that his physician apply for an exemption on his behalf when disclosure of his name would likely result in disclosing information which he would want to keep private and which, if made public, would tend to cause substantial concern, anxiety, or embarrassment to a reasonable person, to be determined on a case-by-case basis as set forth in (g) of this section.

(d) It is recommended that an individual who is self-employed as described in AS 39.50.200(8), and who acts in such a way as to become subject to the requirements of AS 39.50, and whose business or profession is such that disclosure of the names of his clients or customers may significantly infringe on their constitutional guarantees to right of privacy, apprise those clients or customers not exempted by (a) of this section of his reporting requirements under law and the options available to the parties involved, as set forth in (b), (c), and (g) of this section.

(e) An individual who must submit a report pursuant to AS 39.50, and who is required to list the names of his clients or customers, but who claims an exemption for some or all of his clients or customers under (a) of this section, must request APOC Form 39-0, entitled "Claimed Exemption Report," from the commission. The form, which must be filed with and attached to the individual's conflict-of-interest statement, and signed under oath and on penalty of perjury, requires that the following information be disclosed:

(1) if the individual is claiming total exemption from the requirement, as in (a)(1), (2), (3), or (4) of this section, then he must

(A) state that the primary focus of his practice is the treatment of patients seeking psychiatric or psychological therapy, or seeking treatment related to sexual problems, venereal disease, contraception, or abortion, and that he is generally known in the area in which he practices as specializing in that practice;

(B) state that all income resulting from patients that was not derived as described in (1)(A) of this subsection was received in the practice of his profession and that all nonprofession related income is reported separately in Part 3 of the report, and followed by the letters "NE" (not exempt) to so identify;

(2) if the individual is claiming an exemption for some, but not all, of his clients or customers, as in (a)(5) or (6) of this section, then he must state the number of exemptions he is claiming in each of the applicable exempted categories listed on the form.

(f) An individual who must submit a report pursuant to AS 39.50, and who is required to list the names of his clients or customers, but who has been granted an exemption pursuant to (b), (c), or (g) of this section, will be furnished a completed copy of APOC Form 39-0, entitled "Claimed Exemption Report," from the commission within 10 days of the favorable decision granting the exemption. The original of the form will be placed in the individual's file.

(g) Any person not exempted by (a) of this section may claim an exemption either under the Alaska Constitution, art. I, sec. 22 (right of privacy) or under AS 39.50.035 (legally privileged professional relationship may preclude complete compliance) by proceeding as follows:

(1) As soon as practicable, but in any event no later than the time for filing the initial disclosure report, or, in the case of the annual filing, by April 15 of each following year, advise the commission of the claimed exemption and the reason for it, and request a staff ruling on the matter; if, in doing so, the person claiming the exemption finds that it may be necessary to reveal to the staff information which he believes is confidential, he shall so indicate, and that information must be kept confidential until an unappealed staff or commission ruling is made or the release is authorized by a court of competent jurisdiction.

(2) The staff will rule on a request within 30 days after its receipt. If the ruling of the staff is

favorable to the person claiming the exemption, he need not disclose, and that ruling is final and closed with respect to the report for that year. If a request for an exemption is made in a future year on the same grounds, it is granted unless a relevant change of facts or law (or the general understanding of either or both) has intervened.

(3) If the ruling of the commission's staff is adverse to the person making the request, he may appeal to the commission by filing a written notice of appeal and stating his reasons for it with the commission's staff no later than 30 days after receiving notice of the staff's ruling. Unless the staff's ruling is appealed within the time required, it is final. The commission will not hear an appeal if the notice and statement of reasons for it are not filed within the time required.

(4) An appeal timely made to the commission will be heard at the next regular meeting of the commission held more than 30 days after the filing, unless the appellant and the commission agree upon another time for the hearing.

(5) The hearing will be recorded. At the hearing, appellant may be represented by counsel and may request that the hearing be held in private in order to protect a person's character or otherwise avoid disclosing the information claimed as protected. Appellant presents his case first. The commission staff then presents its case. Strict rules of evidence do not apply, but the commission gives slight weight to the kind of information that would not be relied upon by prudent persons in the conduct of important affairs. Witnesses are sworn and testify upon oath. Legal arguments may be supported by a written memorandum. Either the appellant or the commission staff may, upon request to the commission – and shall upon the request of the commission – made no later than at the close of the hearing, file a post-hearing memorandum in support of its position within 15 days of the close of the hearing.

(6) Within 30 days after the close of the hearing the commission will make its decision and immediately thereafter notify the appellant of the result.

(7) If the decision of the commission is favorable to the appellant, he need not disclose, and that decision is final and closed with respect to the report for that year. If a request for an exemption based on the same grounds is made in a future year, it will be granted unless a relevant change of facts or law (or general understanding or either or both) has intervened.

(8) If the decision is adverse, the appellant has 30 days in which to appeal on the record to the superior court under Rule 45 of the Appellate Rules of the Alaska Court System. If a timely appeal is not made and the appellant continues not to disclose, the matter will be referred to the attorney general for appropriate action.

(9) Tapes of the hearing must be made available upon request to the appellant or his attorney or agent for listening within the offices of the commission. Transcripts of the hearing must be prepared by the commission staff upon request, with costs to be borne by the appellant.

(h) In considering the request for a ruling on the claimed exemption, the commission staff may seek an opinion from the attorney general as to whether it may reasonably be said that the state courts have determined that the constitutional right of privacy or legally privileged professional relationships preclude complete compliance with respect to the exemption claimed. If the attorney general finds that state courts have so determined, the staff ruling must be in favor of the person claiming the exemption, unless the facts he adduces fail to show that he falls within the scope of the exemption. If, in the attorney general's opinion, the courts have not determined that there is a bar to complete compliance with respect to the exemption claimed, the staff shall rule adversely.

(i) Until the matter has been finally decided administratively or judicially against him, a person claiming an exemption from disclosure requirements is not considered to be in wilful violation of the law for failure to disclose or file a report with respect to the subject of his claimed exemption, unless he thereafter continues to refuse or fails to disclose or it is judicially determined that his claim of exemption was not made in good faith but rather was made without any reasonable prospect for succeeding.

(j) Nothing in this section precludes the commission or its staff from determining on its own initiative that information disclosed to it is either protected by the constitutional right of privacy or legally privileged, even if neither is claimed. Upon that determination, the information must be placed in a secure, confidential place, and, if it is also determined that there cannot reasonably be a good reason for retaining the information, it must be destroyed. (Eff. 9/9/78, Reg. 67; am 5/14/80, Reg. 74)

Authority: AS 15.13.030(10)
AS 39.50.035
AS 39.50.050(b)

2 AAC 50.105. FILING BY A STATE PUBLIC OFFICIAL OR A CANDIDATE FOR STATE ELECTIVE OFFICE. (a) All reports required to be filed under the provisions of AS 39.50 and this chapter must be received by the commission on or before the due date. "Received" means either

(1) hand-carried to the commission's central office or its branch office in the state capital; or

(2) postmarked. The date shown by the postmark is presumed to be the date it was deposited in the United States mail.

(b) A person hired or appointed as an ombudsman, or hired or appointed within the executive branch as a department head, deputy department head, or division head, or as an assistant to the governor, must file a conflict-of-interest statement

(1) within 30 days of the first day of work for which compensation is received by the official; and

(2) no later than April 15 in each following year.

(c) A person hired or appointed as a commission chairman, or member of a state commission or board specified in AS 39.50.200(9) must file a conflict-of-interest statement

(1) within 30 days of the date the board member signs his oath of office; and

(2) no later than April 15 in each following year.

(d) A judicial officer must file a conflict-of-interest statement

(1) within 30 days of the date the judicial officer is sworn into office; and

(2) no later than April 15 in each following year.

(e) A legislator, the governor, and the lieutenant governor must file a conflict-of-interest statement no later than April 15 of each year.

(f) An incumbent state public official who campaigns for state public office need not file a conflict-of-interest statement at the time of filing a declaration of candidacy, or within 30 days of filing a petition or within 30 days of becoming a candidate by any other means, so long as a statement covering the year preceding the year in which he declares for office with the lieutenant governor is currently on file with the commission. Incumbent state public officials filing for elective municipal office must file a separate statement with the clerk of the municipality in which they seek public office. (Eff. 9/9/78, Reg. 67; am 5/14/80, Reg. 74)

Authority: AS 15.13.030(10)
AS 39.50.020
AS 39.50.050(b)
AS 39.50.200(1),(2), and (10)

2 AAC 50.110. CIVIL PENALTY ASSESSMENTS FOR LATE FILING OF A REPORT BY A STATE PUBLIC OFFICIAL. (a) The conflict-of-interest statement of a state public official is delinquent if not received by the commission on or before the due date.

(b) The statement continues to be delinquent and subject to a civil penalty until received by the commission, or until the state public official resigns or is removed from office for refusal or failure to file. Resignation or removal from office, however, does not relieve the official from the requirement that he file the conflict-of-interest statement.

(c) Commission staff will send notice to the state public official that he is delinquent, and

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

SB

186

JAY S. HAMMOND
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 17, 1981

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a bill which would make Alaska a party to the Interstate Corrections Compact.

Under current law, Alaska is a party to the Western Interstate Corrections Compact, along with eleven other states. This measure is similar to that compact; however, it allows the state a broader choice of correctional facilities nationwide in which prisoners may be incarcerated than is presently available. By joining the Interstate Corrections Compact, Alaska will be able to place offenders in an additional eleven states. It is not necessary to withdraw from the Western Interstate Corrections Compact in order to become a party to this compact.

Enactment would enable the Division of Corrections to enter into contracts with party states for incarceration of our prisoners. Thus a wider range of rehabilitative programs would be available without the increased costs attendant in establishing such programs within our own correctional facilities.

Jurisdiction over persons confined out-of-state is retained by Alaska although such persons would still be subject to the rules of the institution where confined. The state also retains the power to inspect the facilities utilized and to visit the inmates.

Sincerely,

Jay S. Hammond
Governor

ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. _____
Title Interstate Corrections Compact
Requested by Governor Date _____

II. FISCAL DETAIL
Agency Affected Department of Health and Social Sevices - Division of Adult Corrections
Program Category Affected Offender Confinement, Reformation & Supervision
BRU, Program, or Subprogram(s) Affected Adult Confinement
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND			-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

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

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

It is estimated that enactment of this legislation would not result in any increase of expenditures. It will provide for an increased number of out-of-state facilities for placement of convicted offenders. Since the census of Alaskan State Correctional Centers are at maximum levels now, the Federal Bureau of Prison System must be relied upon to provide bed space. Enterning into the compact would also open several other state resources, when appropriate, to Alaska.

Roger C. Lange

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

Prepared by: Roger C. Lange Date: December 30, 19
Division/Office: Adult Corrections PH: 465-3376
Department of Health & Social Services

Approval DHSS Mgt. & Bdgt: _____ Date: 12/31

33-001 (Rev. 12/79)
Modify by DHSS (11-28-79)

POSITION PAPER/Department of Health and Social Services

POSITION PAPER

SENATE BILL NO. 186

"An Act adopting the Interstate Corrections Compact; and providing for an effective date."

Basically, this law would enable the State of Alaska to engage in contracts with the 16 other party states for the placement and/or exchange of prisoners for the purpose of treatment, long-range release planning and, in some cases, for protection purposes.

Alaska is presently signatory to the Western Corrections Compact (AS 33.25.010) along with 11 other states. The two compacts are very similar; in fact, the Interstate Corrections Compact was developed in order to encompass eastern states that were interested in expanding their placement resources. By adding the Interstate Corrections Compact, Alaska would increase placement resources by 100% or 11 additional states.

Although it is true that we are expanding our correctional facilities in order to return prisoners to the state, we must realize that for two to three years more, we will have no choice but to house many of our prisoners out of state. Recent developments indicate that the Federal Bureau of Prisons is having problems in accommodating so many state prisoners and may not be able to help us indefinitely to the extent they have in the past. We think it essential for us to develop other options.

Membership in the Interstate Corrections Compact would enable us to return some prisoners to home states, rather than placing them in the Federal Bureau of Prisons and, in some cases, accept Alaska residents who have been convicted and sentenced in other states. Alaska would not be under obligation to accept prisoners from other party states as mandatory reciprocation is not required in the Compact, nor would other party states be obligated to accept Alaska inmates. In each case of interstate placement, a contract must be negotiated between the party states.

Even though we are expanding our correctional facilities, there will always be a few prisoners with special needs who would benefit from being placed in specialized facilities outside of Alaska. By being party to the Interstate Corrections Compact, we would be in a better position to place those few offenders in appropriate settings. It should be noted some prisoners request to be returned to their home states and the Compact would provide an expedient means for us to do do.

POSITION PAPER/Department of Health & Social Services

Recommended by: C Flan Hill

Charles F. Campbell, Director
Division of Adult Corrections

Date: 2/27/81

Approved by: Helen O. Beier

Commissioner
Department of Health and
Social Services

Date: 2-28-81

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 186

Title Interstate Corrections Compact

Requested by Rules Committee Date 02/17/81

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services - Division of Adult Corrections

Program Category Affected Offender Confinement, Reformation & Supervision

BRU, Program, or Subprogram(s) Affected Adult Confinement

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-	-0-	-0-	-0-	

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-	-0-	-0-	-0-	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

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

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

It is estimated that enactment of this legislation would not result in any increase of expenditures. It will provide for an increased number of out-of-state facilities for placement of convicted offenders. Since the census of Alaska state correctional centers are at maximum levels now, the Federal Bureau of Prisons system must be relied upon to provide bed space. Entering into the compact would also open several other state resources, when appropriate, to Alaska.

IV. DATE 02/25/81 PREPARED BY Roger C. Lange

AGENCY Division of Adult Corrections

PHONE 465-3376

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) M&B Approval _____ Date 2/25/81

33-001 (Rev. 12/80)

SB

193

Alaska State Legislature

JUNEAU, ALASKA

BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT
Pouch AG/Mail Stop 0123
Juneau, Alaska 99811
(907) 465-4442

Senator Bill Ray
Chairman

MEMORANDUM

March 31, 1981

TO: Members of the Senate State Affairs Committee

FROM: Teresa B. Cramer
Administrative Assistant

SUBJECT: SB 193 - Amending the State Personnel Act

Senate Bill 193 makes a comprehensive revision of the State Personnel Act, to change personnel practices, to expand the protections granted employees in the exempt and partially exempt services, and to make the Act consistent with the Public Employment Relations Act. The major changes made in the bill are noted below:

Section 6. Amending AS 39.25.080. PUBLIC RECORDS.

This section amends the current law to provide that only those personnel records listed are available for public inspection. In fact, the materials listed are those which are presently made available under existing law for public inspection. The law now states that except for those materials made confidential by the Personnel Rules, state personnel records are public.

Section 8. Amending AS 39.25.110. EXEMPT SERVICE.

The bill deletes the material in the existing paragraph (8) which states that "certificated teachers employed by the state to teach in schools operated by the state" are in the exempt service. After being advised by the Personnel Office of the Department of Education that there were no employees of schools operated by the state, the commission deleted the paragraph. In fact, there are employees considered to fall within this group. They are employed as correspondence study teachers in Juneau and in the Alaska Skills Center in Seward. The commission has not had an opportunity to consider whether it wishes to change its initial action of deleting paragraph (8).

Section 9. Amending AS 39.25.120. PARTIALLY EXEMPT SERVICE.

Paragraph (19) of this section of the bill adds a group of employees to the partially exempt service who are presently members of the classified service but do not participate in collective bargaining. These are the employees of the Division of Labor Relations within the Department of Administration who are responsible for representing the state in collective bargaining. The majority of the commission recommends that these employees be placed in the partially exempt service in order to insure that they are directly responsive to the policies of the administration.

Section 12. Amending AS 39.25.140. AMENDMENT OF PERSONNEL RULES.

The bill proposes that those Personnel Rules which fall within areas of concern to the public be required to be adopted in accordance with the Administrative Procedures Act to insure an opportunity for public comment. All of the Personnel Rules are presently exempt from the requirements of the APA.

Section 13. Amending AS 39.25.150. SCOPE OF THE RULES.

Paragraph (16) of the bill no longer sets a limit of 30 days for disciplinary suspension.

Paragraph (17) of the bill provides that the Personnel Rules shall include procedures for resolving disputes from the general public.

Paragraph (23) of the bill is added to permit the adoption of Rules relating to special employment programs for the disadvantaged.

Section 14. Amending AS 39.25.153. PERSONNEL OFFICERS.

Subsection (a) provides that all personnel officers shall be employees of the department in which they serve.

Subsection (b) amends the powers granted to the personnel officers listed in the statute.

Section 15. Amending AS 39.25.160. GENERALLY.

Subsection (c) extends protection from being required to make contributions to a political party to all employees. The existing

subsection applies only to those employed in the classified service.

Subsection (e) adds a requirement that members of the partially exempt service resign from state employment when seeking political office.

Subsection (f) extends protection from unlawful discrimination to all state employees, not merely to members of the classified service.

Section 17. Amending AS 39.25.170. HEARINGS AND APPEALS UPON DISMISSAL, DEMOTION, OR SUSPENSION.

Subsections (c) and (i) repeat the expanded coverage from unlawful discrimination which was granted in AS 39.25.160(f).

TBC:lmk

NANCY (when returns)

Ombudsman

Frank Flavin

State of Alaska

Reply to:

☐ 840 K Street, Room 203
Anchorage, Alaska 99501
(907) 276-4011

☐ Pouch WO
Juneau, Alaska 99811
(907) 465-4970

☐ P.O. Box 74358
Fairbanks, Alaska 99707
(907) 452-4001

June 2, 1981

Neil Thomas
Executive Director
Human Rights Commission
431 W. 7th Ave.
Suite 150
Anchorage, Alaska 99501

Re: Ombudsman Complaint F81-0406

Dear Mr. Thomas:

On April 3, 1981, this complaint was filed in our Fairbanks office. The complainant alleged that he was denied proper consideration for employment with the Human Rights Commission under AS 39.25.150 which states:

> The Personnel Rules shall provide for:
>
> (25) The granting of employment preference to severely handicapped persons; this includes the right to provisional appointment without competitive examination... (emphasis added.)

Personnel Rule 5 03.19 states:

> If no agency layoff lists exist, or if such eligibles decline appointment or are not available, a person certified as severely handicapped by the director of Vocational Rehabilitation may also be certified to a vacant position by the Director of Vocational Rehabilitation. Such eligibles may be appointed on provisional status for a period not to exceed four months within a twelve-month period.

Finding:

We have found this complaint to be unsupported. The complainant has not been certified as severely handicapped by the Division of Vocational Rehabilitation. In addition, Personnel Rule 5 03.19 does not establish mandatory procedures for hiring handicapped persons and AS 39.25.120 exempts the Human Rights Commission position at issue from AS 39.25.150 (3) and (10). Although paragraph (25) is not specifically exempted, it is rendered so by the exemption of the earlier paragraphs.

Additional Consideration:

The complaint raises a serious issue regarding AS 39.25.150(25). The language used in this statute requires steps to be taken in the Personnel Rules that are not reflected in the language of Personnel Rule 5 03.19.

Robert Walton of our Fairbanks office talked with the Director of the Division of Vocational Rehabilitation, the Executive Director of the Human Rights Commission, the Chief of Recruitment and Examining in the Division of Personnel, Department of Administration and a staff member of the Division of Programs for Handicapped Individuals in the Federal Equal Employment Opportunity Commission. He learned that the common practice in Alaska and nationwide is consistent with the Personnel Rule, not the statute. Because of this inconsistency, and the possibility that AS 39.25.150(25) does not accurately reflect the prevailing Vocational Rehabilitation philosophy, we are sending copies of this letter to the appropriate committees and agencies for their information.

Thank you for your patience and cooperation during the course of this investigation.

Sincerely yours,

Frank Flavin
Ombudsman

FF/RW:jb

cc: Senator Patrick Rodey, Chair
Senate Judiciary Committee

Senator Vic Fischer, Chair
Senate State Affairs Committee

Representative Mike Miller, Chair
House State Affairs Committee

Senator Bill Ray, Chair
Blue Ribbon Commission

Michael C. Morgan, Director
Division of Vocational Rehabilitation

Bruce Cummings, Director
Division of Personnel

AMERICAN ASSOCIATION OF UNIVERSITY WOMEN

ALASKA DIVISION



April 1981

To: Members of the Senate State Affairs
From: Susan R. Clark, Legislative Chair, Alaska Division of the American Association of University Women
1109 C Street, Juneau, Alaska 99801 (586-6952)

Re: Veterans' Preference for State Employment (SB 193, SB 104)

I would like to begin first with an acknowledgement to Sen. Bradley, because I know that his hard work in this area has been done in good faith and out of a sincere concern for the welfare of those men and women who made personal sacrifices for the sake of our country's safety.

I also want to point out that I personally grew up in the military. My father, godfather, and father-in-law were all career officers in the armed services, and my husband and brother were both active in the military during the Vietnam war. I had planned at one time to make the Navy a career. I also wnat to point out that the new Alaska division president of A.A.U.W. is herself a vetran.

A.A.U.W. feels that we must bring to the attention of the legislature that while the goals of preference are legitimate, and while the current state statute may not have been enacted for the purpose of discriminating against women, the exclusionary impact upon women is so severe as to require the state to further its goals through a more limited form of preference.

Looking at the current law as too broad, please consider who is covered: a person with a minimum of 90 (181 is a change currently being proposed) days active service serving during World War I, World War II, and Vietnam or Korea who has been honorably discharged. According to the Veterans' Preference Act of 1944, such preference was designed to reward veterans for the sacrifice of military service, to ease the transition from military to civilian life, to encourage patriotic service, and to attract loyal and well disciplined people to civil service occupations. In terms of the last reason, it should be pointed out that preference itself has little if any relevance to actual job performance. The first two reasons for preference seem the most pertinent to Alaska - reward for sacrifice and ease of transition into civilian life. Both reasons are valid, but as lifetime preferences, they are subject to the objection that they give the veteran more than a square deal. Certainly, upon returning to civilian status, a veteran should have access to his or her job, and perhaps for 5 years or so after returning, preference could be given as reward and help for veterans, but there should be some sort of limit on the length of time one can reap rewards for what can be a brief and unhazardous term of service.

Because the extent to which the status of veteran is one that few women have been permitted to achieve, every hiring preference for veterans, however modest or extreme, must admit inherent gender-bias, and therefore legislated preference must be considered with due caution and careful consideration. The 5 points for veterans and 10 points for disabled veterans comes directly from the 1944 Federal Veterans' Preference Act. These points are added to a veteran's score after other writen tests are administered. In Alaska where mere hundreths of a single point can separate job applicants, the system is overly weighted, especially when compared with other handicapped, disadvantaged or suspect classes of people.

Conceding that the goal here is to benefit the veteran, there is no reason to absolve the legislature from awareness that the means chosen to achieve this goal reserves a major sector of public employment to an already established class, which, as a matter of historical fact, is already 80% male in catagories other than the clerical and para-professional jobs. The current point system and lifetime preference, only compounds and contributes to sex bias in all levels of state employment.

Women have been overtly excluded from the military, and not just by tradition and culture. During WW I for example "a variety of proposals were made to enlist women for work in the Army as doctors, telephone operators, and clerks, but all were rejected by the War Dept." Navy women did achieve military rank and status during this time, and were the first women to do so. While the Army Nurse Corps was the first official military unit for women, they were not granted full military rank until 1944 - forty-three years later. During the Second World War several temporary women's units were formed including WAAC (Women's Army Auxiliary Corps), WAVES (Women Accepted for Voluntary Emergency Service), and WASP (Women Airforce Pilots). These women, however, were in fact civilians and had no regular military status, and thus no veteran status. In fact, although the WASP personnel were filling some of the most hazardous of flying jobs, that of towing targets for air gunnery practice, and testing planes fresh out of repair depots, they were denied commissions based on the fact that "the authority of the act of September 1941, to make temporary appointments as officers in the U.S. Army 'from among qualified persons' refers to and contemplates men exclusively, and may not be regarded as authority for commissioning women as officers...." These women finally won their hard earned veterans' status in September 1976, but other women who had been active in the war have not.

Women's services were finally established on a permanent basis in 1948, however quotas were placed on the numbers that could enlist. Women were not to exceed 2% of the total enlisted strength, their eligibility requirements were more stringent than were those for men, and career opportunities were also limited. In addition women were involuntarily removed from service for pregnancy, parenthood, and even marriage. These strictures have carried on into the '60's and '70's. Not until 1967 was the 2% quota lifted, and the many restrictive policies concerning women's participation in the military were not modified or eliminated until the 1970's. Amazingly, or perhaps not so, once the barriers were down women joined in large numbers.

In just three years from 1973-1975 the percentage of enlisted women in the military had doubled.

There are two ways to ameliorate the effects of the veterans' preference on women and minorities. One is to modify the point system and to place a time limit on prefential access to jobs. The other solution is to look to expanding what is considered by the word veteran, and thereby include in this law others who have served their country every bit as well and as patriotically as have those on "military active duty". Other states include language that recognizes nurses and other women who were discharged and so served in any "corps or unit of the United States established for the purpose of enabling women to serve with, or as auxiliary to, the armed forces of the United States..." Language should also recognize those who underwent severe hardship because of the war. In WW II both the Aleut Americans and the Japanese Americans were uprooted and forced into relocation camps. We have never rewarded their sacrifices with jobs or appeasements of any sort. In expanding the concept of who is a veteran, we need also to look at the men and women who served in civil defense jobs, with the American Red Cross, the Civil air patrol, as war correspondants, and in the merchant marine (who incidentally were in the same waters as navy destroyers and also under attack, but receive no reward in terms of their patriotism, personal sacrifice and danger).

Looking again at the contributions of women to the war effort, we are but slightly aware of the sacrifices and contributions of over 2 million World War II women who took the places of the absent men working in the American war industries: in shipyards, aircraft plants, ammunition plants. The call to "inlist" in the factories was every bit as organized and strong as for men in the armed forces. Concern about dangerous working conditions and long hours took a back seat to America's call to keep up the production to supply the war with weapons, and ammunition. For the short-handed women in the farm communities, the call was to get out the crops to feed the troops. If personal sacrifice, patriotism and danger is a standard for preference, then these women deserve veterans' status every bit as much as the service veterans. One amazing statistic of which you may be unaware is that during the war period "more deaths occurred from industrial accidents than from combat." Where was and is their reward? For their commitment and patriotism, they received not preferred lifetime access to civil service jobs, but firings. No one helped them with their transition back into "civilian" jobs. For many minority women who were even then the major financial support for their families, this transition meant leaving highly skilled, well paying jobs to go back to the dead end drudgery and poverty wages of domestic work.

It is interesting to note that the Federal Veterans' Preference Act of 1944 included in its preference the wives of disabled service personnel and the unmarried widows of deceased ex-service personnel. We tend to look at patriotic service and personal sacrifice as being a military male perogative, but I feel we need to look hard at the patriotism and sacrifice of the service personnel spouses who held the country and family together as essentially single parents, frequently having to hold down another job to

support their families because the salary range for enlisted personnel in the military is so low that those families qualify for government assistance. Vietnam vets, in addition, currently have the highest divorce rate of any class of Americans. a rate that is generally high among all military personnel. This means, for example, that those women who held families together during the father's service, and who now must have full time employment to support themselves and their children (of whom women still usually have custody), who traditionally are not educated for well paying jobs, and who have traditionally been denied many levels of employment advancement, now in addition find that the men to whom they gave support are receiving preferential treatment in the jobs the women need to support their families.

As you can see, equitable expansion of the term veteran would be a formitable legislative task, but should be attempted so that families of veterans and those who served alongside veterans can be recognized. As it now stands, the Alaska statute exacts a substantial price from a group of individuals who have long been subject to employment discrimination, and who, because of circumstances totally beyond their control, have had little if any chance of becoming members of the preferred class. Admitting that any hiring preference for veterans does at this time have a severe impact on the public employment opportunities of women, we nevertheless recognize the sacrifice and hardship of military veterans must not be ignored. Through workable modifications in the law, we can strive together to discover solutions that recognize the needs, sacrifices, and contributions of both the military veteran groups and the groups of minorities and women which are so impacted by historical discrimination.

April 6, 1981

Senator Jalmar Kertulla
Pouch V
Juneau, Ak 99811

Dear Senator:

We recently found that Senate Bill 193 includes a section 8 that repeals and re-enacts A.S. 39.25.110, but deleted "teachers employed by the state to teach in schools operated by the state." This may have been due to an oversight that the teachers of the Alaska Skill Center and the Correspondence Study Teachers are still included in this category. Several individuals (Terry Cameran, Bruce Cummings, Bob Manners and Jerry Hiley) have testified that the exemption from the classified service remain in effect, and we agree. Would you please keep an eye on this and inform us of any action or further hearings on this bill?

Thank you.

Sincerely yours,

Al Lamberson, Sec-Treas.

for Ben Ikerd, President
Alaska Skill Center Teachers Association

c.c. Booher
Hiley
Bill Ray, Chairman
Blue Ribbon Commission on the State
Personnel Act
Ikerd
Sen. Vic Fisher, Chairman
Senate State Affairs Committee

Ombudsman

Frank Flavin

State of Alaska

Reply to:

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(907) 452-4001

MEMO

DATE: May 14, 1981

TO: Senate State Affairs Committee

FROM: Frank Flavin, Ombudsman

RE: Proposed CS for Senate Bill 193

Proposed Amendment:

In section 39.25.140 at page 8, line 3 of the proposed CS insert subsection (d) of Sec. 39.25.140 of the original SB 193 found at page 8 lines 6 through 8. This subsection to become subsection (c) in the proposed CS to read:

(c) If the proposed amendments concern matters of public policy, the personnel board shall adopt them in accordance with the Administrative Procedure Act (AS 44.62).

The present subsection (c) at page 8 line 3 of proposed CS should become subsection (d) and read:

(d) If the proposed amendments relate only to internal management of the state agencies [when the proposed amendments are submitted to the personnel board,] the commissioner of administration shall post notice in public buildings throughout the state that the personnel board has the proposed amendments under consideration. The notice required by this subsection shall be posted at least 30 days before any decision is made to amend the personnel rules and shall include an address for the receipt of written comments.

Subsections (d), (e), (f) and (g) should be respectively relettered as subsections (e), (f), (g) and (h).

BASIS

As drafted, Sec. 34.25.140 of the proposed CS presumes that amendment of personnel rules is a matter of concern only to state employees and management. In fact, many procedures, such as recruitment, examination, selection methods and eligible lists directly impact members of the general public. It is safe to say there are as many people who would like to be state employees as those who are. We receive many complaints concerning state hiring practices. The Administrative Procedures Act is the established vehicle for insuring participation by members of the general public.

ALASKA
LABOR RELATIONS AGENCY
P O BOX 0701 • ANCHORAGE ALASKA 99502
TELEPHONE (907) 243-6955

JAN 1 1980

DIV. OF PERSONNEL
& LABOR RELATIONS

C. R. "STEVE" HAFLING
CHAIRMAN
RONALD H. HENRY
MORGAN REED

JAMES R. LUCAS
CONSULTANT

ORDER AND DECISION NO. 56
PERTAINING TO CORRESPONDENCE
TEACHERS

On November 23, 1979, the Correspondence Teachers organized as an association known as the Centralized Correspondence Study Education Association submitted a petition seeking recognition as a bargaining unit. The Agency finds that it has jurisdiction to determine the appropriate bargaining unit determination under the provisions of A.S.23.40.090. Further the Agency concludes that pursuant to Alaska Regulations 2AAC 10.060 where it does not appear that there has been a prima facia showing of the appropriateness of a bargaining unit the petition may be dismissed. A.S.23.40.090 provides:

> "The Labor Relations Agency shall decide in each case in order to insure to employees the fullest freedom in exercising the rights guaranteed by §70 - 260 of this Chapter, the unit appropriate for the purposes of collective bargaining based upon such factors as community of interests, wages, hours and other working conditions of the employees involved, the history of collective bargaining and the desires of the employees. The bargaining unit shall be as large as is reasonable and unnecessary fragmenting shall be avoided."

In the present situation, it appears that the correspondence teachers have heretofore not been members of any organized bargaining unit. They are a small group consisting of

thirteen (13) individuals employed by the Department of Education in Juneau, Alaska. These individuals are certified teachers but they are not employees of any shcool board nor are they under direct supervison of any local school board. Instead they appear to be under the supervision of administrative employees of the Department of Education. These individuals participate in the teacher's retirement system, but in all other respects would appear to have the same working conditions and interest of the other employees of the Department of Education. The Agency finds as a matter of fact, that allowing the correspondence teachers to establish a separate bargaining unit would lead to unnecessary fragmentation in contravention of the policy established in A.S.23.40.090. The Agency further finds that there is substantial community interest between these employees and the employees presently in the General Government Employees Bargaining Unit represented by the Alaska Public Employees Association. The Agency concludes as a matter of law that the employees should be accreted to the General Government Employees Bargaining Unit presently represented by the Alaska Public Employees Association.

ORDER AND DECISION NO. 56

It is the Order of the Alaska Labor Relations Agency:

1. The petition for representation submitted by the Centralized Correspondence Study Education Association is denied because the proposed bargaining unit is not appropriate.

2. The employees in question are ordered to be included in the General Government Employees Bargaining Unit presently represented by the Alaska Public Employees Association.

DATED this 21 day of December, 1979.

SIGNED: C. R. "Steve" Hafling
C. R. "Steve" Hafling, Chairman

SIGNED: s/ Ronald M. Henry
Ronald M. Henry, Member

SIGNED: s/ Morgan Reed
Morgan Reed, Member

State of Alaska

LABOR RELATIONS AGENCY

P. O. BOX 6701 • ANCHORAGE, ALASKA 99502
TELEPHONE (907) 243-0955

DIRECTOR'S OFFICE

ORDER AND DECISION NO. 56A

FEB 13 1980

DIV. OF PUBLIC EMPLOYEE RELATIONS

The Agency has received a request for reconsideration of Order and Decision No. 56. The Agency has reviewed the records, and is of the opinion that the parties may not have been allowed sufficient time to state their positions with regard to the petition. It is therefore the Order of the Agency that:

1. The effect of Order and Decision No. 56 be stayed pending the Agency's action upon the request for reconsideration.

2. The Agency will hear and consider evidence with regard to the matter of the petition from all of the interested parties at its next scheduled hearing. The parties will be notified of the specific hearing date.

DATED this 13th day of February, 1980.

C. R. "Steve" Harling, Chairman

Ronald M. Henry, Member

Morgan Reed, Member

CARPENETI & COUNCIL
ATTORNEYS AT LAW
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JUNEAU, ALASKA 99801

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WILLIAM T. COUNCIL
WALTER L. CARPENETI

JULIENNE E. BRYANT

RECEIVED
NOV 18 1980
N.E.A. ALASKA

November 18, 1980

Mr. C. R. Hafling, Chairman
State Labor Relations Agency
P. O. Box 6701
Anchorage, AK 99502

Re: Correspondence Study Teachers

Dear Mr. Hafling:

Enclosed please find an original and three copies of the Correspondence Teachers' Reply Memorandum in Support of Petition for Certification and Determination of Unit Appropriate for Purposes of Collective Bargaining. Copies have been provided to the other appropriate parties.

Sincerely,

William T. Council

WTC/bl
Encl.
cc: William P. Pauzauskie
Patrick E. Murphy
Bruce Ludwig
Robert C. Manners

STATE OF ALASKA

LABOR RELATIONS AGENCY

RECEIVED
NOV 18 1980
N.E.A. ALASKA

In the matter of	)	
	)	
The Petition of Centralized Correspondence Study Education Association for Certification and Determination of Appropriate Bargaining Unit.	)	
	)	No. UA 79-2

REPLY MEMORANDUM IN SUPPORT OF PETITION FOR CERTIFICATION AND DETERMINATION OF UNIT APPROPRIATE FOR PURPOSES OF COLLECTIVE BARGAINING

1. Appropriate Bargaining Unit Alternatives

Before the hearing in this proceeding held on October 3, 1980, and before the submission of briefs by DLR and APEA, four alternatives had been presented to the Agency in connection with granting the teachers free exercise of their collective bargaining rights, as follows:

No representation

Accretion to Alaska Skill Center Teachers Association

Inclusion in the General Government Employees Bargaining Unit, represented by the Alaska Public Employees Association

Recognition as a separate bargaining unit represented by the Centralized Correspondence Study Education Association

At this stage of the proceeding, the issues have been greatly simplified. It is manifest that the parties to this proceeding recognize that only the last two of those

alternatives are legally and factually supportable. No party has argued for the alternative of no representation, since such a result would clearly violate the rights secured by PERA. The Agency recognized the general unacceptability of such a result in Order and Decision No. 36, dated June 19, 1978:

> To hold that the unit is too small or too fragmented but at the same time cannot logically be included with any other unit would be to frustrate the intent of the Public Employment Relations Act, which is to guarantee to all state employees . . . the right to join together for the purpose of collective bargaining. (p. 6)

Counsel for the APEA argued strenuously against such a result during the hearing held on October 3, 1980. The DLR disavowed any notion that it favored such a result in its brief:

> Past correspondence from this division may have indicated a strong desire for the Correspondence Study teachers to be specifically excluded from the provisions of AS 23.40 or, alternatively, to be accreted to the Alaska Skill Center teachers' bargaining unit. That has not been our intent. (DLR Brief, p. 1)

Similarly, all parties have strenuously opposed accretion to the ASCTA. Mr. Ben Ikerd, president of the ASCTA, testified against such a result during the October 3 hearing. Counsel for the APEA both in his argument during the hearing and in his brief stated very clearly why such a result would not be legally or factually supportable.

Finally, as set out in the above quote from the DLR brief, the state has disavowed any intention of favoring such a result.

The two alternatives remaining are either inclusion in GGU or recognition as a separate bargaining unit. While DLR in its brief strenuously argues against inclusion in GGU, it apparently does not oppose recognition as a separate bargaining unit. In its brief it is stated:

> We are, and continue to be, interested only in maintaining the long-standing segregation, for purposes of collective bargaining, of classified employees, exempt employees and partially exempt employees. (Id., p. 1)

Similarly, it is also stated in the DLR brief:

> Once again, our sole interest in this case is to preserve the historical distinction between classified, partially exempt and exempt employees. (Id., p. 3)

Since DLR proposes no alternatives other than recognition as a separate bargaining unit, apparently that is the only alternative which in its judgment is legally and factually supportable.

APEA, on the other hand, opposes recognition as a separate bargaining unit and argues strenuously for inclusion in GGU, for which it is the representative for collective bargaining purposes. The basis for its opposition is that a separate bargaining unit would result in unnecessary fragmentation and would be contrary to precedent established by the Agency.

The teachers have maintained throughout these proceedings that either inclusion in GGU or recognition as a separate bargaining unit would be factually and legally supportable, and has requested that the Agency order that an election be held to decide between those two alternatives.

In short, there are only two alternatives which are legally and factually supportable. Either of those two alternatives is acceptable to the teachers, while DLR opposes inclusion in GGU and APEA opposes establishment of a separate bargaining unit. This reply memorandum will accordingly address only DLR's objections to inclusion in GGU and APEA's objections to creation of a separate bargaining unit. No party has raised any serious question concerning the record in this proceeding. It would thus appear that, short of the Agency's requesting further factual presentation or briefing, this matter is ready for decision.

2. Inclusion in GGU is Factually and Legally Supportable

The propriety of inclusion in GGU has been exhaustively discussed in the teachers' opening brief and in the APEA brief. DLR's opposition to this alternative is based solely on their objection to mixing exempt and classified employees in one bargaining unit. The basis for their objection is, in their words, "relatively simple:"

> Classified employees are ruled by the State Personnel Act (AS 39.25) and rules promulgated thereunder, while employees in the exempt service are not. (DLR brief, p. 1)

DLR's objection is simply not well-founded. As succinctly discussed in the APEA brief, there is no reason why the

teachers could not be subject to the same terms and conditions of employment addressed in AS 39.25 and incorporated in the agreement between the State of Alaska and the Alaska Public Employees Association covering General Government Unit employees. As counsel for the teachers discussed during the October 3, 1980, hearing, any doubts about this should be laid to rest by the terms of the statute and a single supreme court decision.

AS 23.40.070(2) requires

> public employers to negotiate with and enter into written agreements with employee organizations on matters of wages, hours, and other terms and conditions of employment (emphasis added)

The phrase "terms and conditions of employment" is defined in AS 23.40.250(7) to mean

> the hours of employment, the compensation and fringe benefits, and the employer's personnel policies affecting the working conditions of the employees.

As set out in the APEA brief, PERA supersedes AS 39.25; that is, all "terms and conditions of employment" addressed in AS 39.25 may be the subject of collective bargaining. If there is any doubt about whether the general language of PERA, set out above, includes the terms and conditions of employment provided for in AS 39.25, it should be laid to rest by the court's decision in Kenai Peninsula Borough School District v. Kenai Peninsula Education Association, 572 P.2d 416 (Alaska 1977). In that case, the court concluded that "salaries, fringe benefits, the number of hours worked, and

the amount of leave time are negotiable." (Id., 423) The significance of that decision for this proceeding is that the court's general statement respecting appropriate subjects for collective bargaining is virtually identical to AS 23.40.260(7); what is more important, the court attached as an appendix to that opinion (Id., 424) a list of some thirty-eight items which are appropriate subjects for collective bargaining. That list is exhaustive of the terms and conditions of employment addressed in AS 39.25. In short, should the teachers vote for inclusion within GGU, there is no reason why the subject matter of AS 39.25 cannot be subjects of negotiation in the collective bargaining process.

3. Recognition as a Separate Bargaining Unit is Legally and Factually Supportable

As discussed, the only objection to the teachers' inclusion in GGU is that they are not subject to AS 39.25. It is submitted that the teachers and APEA in their briefs have established beyond any question that DLR's position is not well-founded. DLR does not oppose recognition of the teachers as a separate bargaining unit. APEA, however, does. In so doing, it attempts to perpetuate an improper reading of the statute and this Agency's prior orders and decisions which have throughout this proceeding been posed as an obstacle to the teachers' securing their collective bargaining rights. Dispelling this improper interpretation of the statute and prior orders and decisions is absolutely essential to a correct ruling in this proceeding. AS 23.40.090 provides that the Agency shall, "in order to assure to

employees the fullest freedom" in exercising their collective bargaining rights, determine the unit appropriate for collective bargaining purposes. According to the statute, that determination is to be based on four generally identified factors:

> Community of interest
>
> Wages, hours and other working conditions of the employees involved
>
> The history of collective bargaining
>
> The desires of the employees

It is manifest that these four items must always be addressed in determining the appropriate unit. The statute also provides that, in the course of determining the appropriate bargaining unit based on those four factors, the Agency must also avoid unnecessary fragmentation. Counsel for APEA maintains that

> the 'unnecessary fragmentation' legislative mandate supersedes, modifies, clarifies and controls the other four factors. Reference to all Agency Orders and Decisions dealing with the subject bear this out. (APEA brief, p. 8)

This is not a correct reading of the statute, and it emphatically is not the way that the Agency has interpreted the statute in its past orders and decisions. As stated in the teachers' opening brief, unnecessary fragmentation is one of five factors, to be balanced against the other four and to be given no more than equal weight. In actuality, the process of determining the appropriate bargaining unit is totally separate from determining whether giving that unit

recognition would result in unnecessary fragmentation. The Agency has interpreted the "unnecessary fragmentation" directive to mean that a bargaining unit must be "exhaustive of the classification or classifications concerned and must be state-wide." Order and Decision No. 25, dated July 26, 1976, p. 5. The teachers do not concede that this is necessarily a correct interpretation of the "unnecessary fragmentation" directive; situations might very well arise in the future experience of the Agency involving groups of employees petitioning for recognition for collective bargaining purposes which do not comprise all similarly situated employees on a state-wide basis. It might very well be that denial of the employee group's petition on the basis that the group seeking representation was not exhaustive of all similarly situated employees on a state-wide basis would result in a denial of the employees' right to the "fullest freedom" in exercising the collective bargaining rights guaranteed by PERA. If the Agency were called upon in a future proceeding to balance the administrative efficiency resulting from recognizing a bargaining unit only if it were exhaustive of all similarly situated employees on a state-wide basis, against guaranteeing the collective bargaining rights of a group which did not meet that requirement, the Agency must, in most cases, necessarily decide in favor of the guarantee of the fullest freedom in exercising collective bargaining rights. To do otherwise would exalt administrative efficiency over very valuable substantive rights guaranteed by the legislature.

Fortunately, that issue is not raised by this proceeding; the group of teachers seeking recognition in this proceeding is exhaustive of all employees similarly situated, on a state-wide basis. The only attempt at rebuttal of this obvious fact is found at page 6 of the APEA brief where it is stated:

> The correspondence teachers have emphatically stated that they do not wish association with similarly situated certificated personnel.

The reference is to the teachers represented by ASCTA. That the correspondence teachers and the teachers represented by ASCTA are not "similarly situated" can admit of no serious refutation; see the discussion in the teachers' opening brief at pages 20 through 27 and in appendices 19 and 22 to that brief. If there is any doubt whatsoever about whether the correspondence teachers and the teachers represented by ASCTA are "similarly situated," Order and Decision No. 36, supra, will resolve that doubt. The facts addressed in that decision are strikingly similar, and the reasoning in that decision is dispositive on the question of accretion to ASCTA. Other than arguing for inclusion in GGU, no party to this proceeding has maintained that there is another group of employees in the state with whom the correspondence teachers should be placed for purposes of collective bargaining. The reason for this is self-evident: The group petitioning the Agency in this proceeding for recognition for collective bargaining purposes is exhaustive, on a state-wide basis, of similarly situated employees.

The only possible refutation of this position would be to argue that the teachers and all exempt employees are "similarly situated," and to argue further that the teachers' collective bargaining rights should go unrecognized until a petition is presented to organize all exempt employees in a single unit. But an examination of AS 39.25.110 lays to rest any notion that all exempt employees are "similarly situated." As discussed at length during the October 3, 1980, hearing, the exempt employees will never be organized as a single unit; to wait for such an attempt will result in the permanent denial of the teachers' collective bargaining rights. See the exerpt from Order and Decision No. 36, supra, set out on page 2 of this brief. In short, there are only two alternatives which are legally or factually supportable, and in order to allow the teachers the fullest freedom in exercising their collective bargaining rights guaranteed by PERA, they should be permitted to choose between those two alternatives.

One final point in the APEA brief requires a reply. Counsel for APEA maintains that the teachers must pursue their collective bargaining rights either under 14.20.550 or under PERA. This being the case, so counsel for APEA maintains, the possibility that the teachers have collective bargaining rights under AS 14.20.550 has no relevancy to this proceeding. That is simply not the case; that statute is crucial to a correct determination in this

proceeding for two reasons. First, as set out on pages 19 and 20 of the teachers' opening brief, AS 14.20.550 is an unequivocal indication of the legislature's recognition of the unique status of teachers for collective bargaining purposes. Legislative intent as expressed in that statute clearly rebuts any notion that this group of teachers, due to their small number, should be denied their collective bargaining rights. More importantly, that legislation is relevant, as discussed on pages 6 through 10 of the teachers' opening brief, because the teachers' collective bargaining rights are secured by that statute. As discussed extensively during the October 3, 1980, hearing, this does not mean that the Agency does not have jurisdiction. That statute and PERA must be construed together. In Hafling v. Inlandboatman's Union of the Pacific, 585 P.2d 870 (Alaska 1978), the court held that a previous statute allowing the commissioner of public works to negotiate with ferry system employees was not impliedly repealed by the subsequent enactment of PERA, despite arguable inconsistencies between the two statutes. Instead, the court construed the two statutes together, upholding the ferry system employees' collective bargaining rights under the prior statute, but providing that any negotiations were nevertheless under the jurisdiction of the Agency. The teachers maintain that this is the same situation that pertains here. Alaska Statute 14.20.550 was enacted prior to PERA. While the teachers' right to bargain collectively was secured by a prior enactment, there

is no reason why they should not be amenable to the provisions of PERA. The reasoning of the supreme court in Hafling, supra, is particularly applicable here. In that case, the court observed that, while under the earlier statute successful agreements had been negotiated, there was no assurance that the system would continue to work. The court then stated:

> It is preferable then to have any future problems controlled by the same general mechanism that governs collective bargaining agreements by other public employees. (Id., p. 876)

The teachers maintain that the Agency has jurisdiction over any collective bargaining pursuant to AS 14.20.550, and that it should accept that jursidiction. AS 14.20.550 and PERA should be construed together for the two very important reasons set out by the court in Hafling, supra: First, it provides a uniform mechanism to govern collective bargaining agreements with state employees. Second, it secures a speedy and efficient resolution of any problems that might arise in the course of negotiating or carrying out collective bargaining agreements. The first reason speaks to administrative efficiency, and will benefit the employer. The second reason speaks to protection of the rights of the employees; the record in this proceeding amply demonstrates the need for that protection.

4. Conclusion

For the foregoing reasons, it is respectfully submitted that the Agency order that an election be held among all personnel employed on certified teachers' contracts in the Centralized Correspondence Study School administered by the Alaska Department of Education. Voters should be given the choice of deciding between (1) recognition as a separate bargaining unit, or (2) inclusion in the General Government Employees Bargaining Unit and representation by the Alaska Public Employees Association.

Dated at Juneau, Alaska, this 17th day of November, 1980.

CARPENETI & COUNCIL
Attorneys for Centralized
Correspondence Study
Education Association

By: W. T. Council
William T. Council

STATE OF ALASKA

LABOR RELATIONS AGENCY

In the Matter of The Petition of Centralized Correspondence Study Education Association for Certification and Determination of Appropriate Bargaining Unit.	No. UA 79-2

PETITION FOR CERTIFICATION OF PUBLIC EMPLOYEE REPRESENTATIVE AND FOR DETERMINATION OF QUESTION OF AFFILIATION WITH LABOR ORGANIZATION

1. The petitioners, comprising teachers employed on certified teachers' contracts in the Centralized Correspondence Study Program administered by the Alaska Department of Education (hereinafter referred to as "the teachers") and organized as an association known as the Centralized Correspondence Study Education Association (hereinafter referred to as "CCSEA"), hereby petition the Labor Relations Agency (hereinafter referred to as "the agency") pursuant to 2 AAC 10.010 et seq. and the agency's Order and Decision No. 56B dated December, 19, 1980, to conduct an election on the following two questions:

1.1 First question; representation. Whether or not the teachers wish to engage in collective bargaining with their employer on the terms and conditions of their employment. The choices to be presented to the teachers on that question are:

1.1.1 Whether the teachers wish to engage in collective bargaining with their employer on the terms and conditions of their employment, and accordingly wish to have the agency certify CCSEA as the teachers' public employee representative for collective bargaining purposes; or

1.1.2 Whether the teachers wish not to engage in collective bargaining with their employer on the terms and conditions of their employment.

1.2 Second question; affiliation. Whether or not the teachers wish to have CCSEA, their public employee representative, affiliate with a labor organization to assist in the collective bargaining process. The purpose of a vote on this question is to allow the teachers the opportunity to express by secret ballot their wishes on the question of affiliation. The effectiveness of the vote on this second question is contingent upon the outcome of the election on the first question; in other words, if the teachers on the first question vote against collective bargaining (1.1.2 above), then the results of the election on the second question are irrelevant. The choices to be presented to the teachers on that question are:

1.2.1 Whether the teachers wish to affiliate with the Alaska Public Employees Association for collective bargaining purposes.

1.2.2 Whether the teachers wish to affiliate with the National Education Association for collective bargaining purposes; or

1.2.3 Whether the teachers want no affiliation at all for collective bargaining purposes.

2. In accordance with 2 AAC 10.020, petitioners submit the following information:

2.1 The public employer is the Department of Education, State of Alaska, Sixth Floor, State Office Building, Pouch F, Juneau, Alaska 99811, telephone (907)465-2800. The person to contact on the employer's behalf is William D. Thomson, at the address and telephone number noted in this paragraph.

2.2 As provided in Order and Decision No. 56B, dated December 19, 1980, the unit appropriate for purposes of collective bargaining is comprised of all of the teachers employed on certified teachers' contracts in the Centralized Correspondence Study Program administered by the Alaska Department of Education. All of the teachers work in the Community Building located at 3rd and Main Streets, Pouch GA, Juneau, Alaska 99811, telephone (907)465-2835. The number of employees in the unit is seventeen (17). The teachers have no job classifications or position control numbers.

2.3 The undersigned, comprising in excess of thirty percent of the permanent and probationary employees

in the proposed bargaining unit, want to be represented by CCSEA for collective bargaining purposes, and want the opportunity to vote by secret ballot on the question of CCSEA's affiliation with the above-named labor organizations for collective bargaining purposes.

2.4 Petitioners are teachers employed on certified teachers' contracts in the Centralized Correspondence Study Program administered by the Alaska Department of Education and are organized as an association known as the Centralized Correspondence Study Education Association. CCSEA's address and telephone number are 4950 Steelhead, Juneau, Alaska 99801, telephone (907)789-0111. Neither petitioners nor CCSEA are at present affiliated with any other organization for collective bargaining purposes.

2.5 Copies of a current roster of CCSEA's officers and board members and of CCSEA's constitution and by-laws are attached to this petition as Exhibit A.

2.6 This petition constitutes, pursuant to 2 AAC 10.020(c), the showing of interest of not less than thirty percent of the permanent and probationary employees in the bargaining unit.

2.7 Petitioners request that the agency conduct an election on the question of CCSEA's affiliation for collective bargaining purposes with the above-named labor organizations in order to allow the teachers the

opportunity to express by secret ballot their wishes on the question of affiliation. This request is not to be construed as an acknowledgment by the teachers or the above-named labor organizations that the agency has jurisdiction over the question of affiliation with a labor organization for collective bargaining purposes, nor does the acquiescence by any party to this proceeding in the agency's conducting that election constitute a similar acknowledgment. It is also understood that the agency's consent to conduct the election is not to be construed as an assertion by the agency that it has jurisdiction over questions of affiliation with labor organizations; to the extent that there is any question about the agency's jurisdiction over such questions, then it is understood that no actions by the agency or any party to this proceeding have any relevance to a determination of that question.

3. The undersigned, including the petitioners, CCSEA and the labor organizations, pursuant to 2 AAC 10.120 hereby waive the labor relations hearing provided for in 2 AAC 10.060 and agree to a consent election. The bargaining unit, as approved by the agency in Order and Decision No. 56B, dated December 19, 1980, is comprised of all of the teachers employed on certified teachers' contracts in the Centralized Correspondence Study Program administered by the Alaska Department of Education. The undersigned hereby stipulate

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-19-81

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-15, 1981

Jean Ann Alter, Member — Dated: Feb. 19, 1981

Jazine Andersen, Member — Dated: Feb. 19, 1981

Natalie Bradford, Member — Dated: 2-23-81

Don Cary, Member — Dated: 2-19-81

Guy Condreay, Member — Dated: 2-19-81

Bob Falle, Member — Dated: 2-19-81

Lee Grogan, Member — Dated: 2-19-81

Gail Hocker, Member — Dated: 2-20-81

Barbara Huerth, Member — Dated: 2-23-81

Claudia Jones, Member — Dated: 2-23-81

Duke Ludwig, Member — Dated: 2-18-81

Margaret MacKinnon, Member — Dated: 2-18-81

Phyllis Marchese, Member — Dated: 2-23-81

Mary Lou Purvis, Member Dated: 2/20/81

Linda Schultz, Member Dated: 2-19-81

Ann Symons, Member Dated: 2-18-81

Judy Woytowich, Member Dated: 2-19-81

The undersigned hereby stipulate that an election on the issues described in the foregoing petition may be held in accordance with 2 AAC 10.120 and other applicable law and regulation.

ALASKA PUBLIC EMPLOYEES ASSOCIATION

By: John E. Casperson

Dated: Feb 26, 1981

NATIONAL EDUCATION ASSOCIATON

By: Robert C. Manners

Dated: 2 Mar 81

DIVISION OF LABOR RELATIONS

By: [see attached letter]
Robert Stewart

Dated: _____

TWELFTH LEGISLATURE

Finance

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 193 Page 1 of 4

Title An Act amending the State Personnel Act (AS 39.25)

Requested by Rules Committee (for the Blue Ribbon Commission) Date 02-20-81

II. FISCAL DETAIL

Agency Affected Administration

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Personnel

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		56.4	62.1	68.3	75.1	82.6
200 TRAVEL		.7	.8	.9	1.0	1.1
300 CONTRACTUAL		6.4	7.0	7.7	8.5	9.4
400 COMMODITIES		6.0	.9	1.0	1.1	1.2
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		69.5	70.8	77.9	85.9	94.3

FUNDING (Thousands of Dollars)

GENERAL FUND		69.5	70.8	77.9	85.9	94.3
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		2	2	2	2	2
PART TIME						
TEMPORARY						

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

Personal Services: A Regulations Specialist II and a Clerk II will be needed to fulfill the requirements of the Administrative Procedures Act.

Travel was inflated at a rate of 12 per cent. All other factors were inflated at a rate of 10 per cent. FY 82 contains one time furnishing costs in commodities.

The cost of the Hearing Officer and Legal Notices will be sustained by the Personnel Board Budget.

IV. DATE March 12, 1981

PREPARED BY for Bruce Cummings

AGENCY Division of Personnel

PHONE 465-4430

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Senator Ray

cc: Keith Specking (Office of the Governor)

33-001 (Rev. 12/80)

1	POSITION TITLE: Regulations Specialist II			RANGE/STEP: 16 A	BARG. UNIT: K	LOCATION: Juneau	GOV	APPROV. / DISAPP.
2	TYPE OF POSITION: PFT	STAFF MONTHS: 12	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG	

	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES: SALARY 2,291 per mo.	27,492	
5	BENEFITS 15.79 %	4,341	
6	FICA 6.13 %	1,685	
7	HEALTH INS. 150 per mo.	1,800	
8	TOTAL PERSONAL SERVICES 01		35,318
9	TRAVEL 02		700
10	CONTRACTUAL 03		3,200
11	COMMODITIES 04		3,000
12	EQUIPMENT 05		
13	OTHER		
14	TOTAL COST complete		42,218

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	42,218
18		I-A RCPTS. 1007	
19		PGM RCPTS 1008	
20		OTHER	
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

4A KEY NUMBER ..... COLUMN NO. ____

JUSTIFICATION:

To properly implement Senate Bill 193, as it has been presented, will require the services of a Regulation Specialist II.

The Regulation Specialist II will assist the Director of Personnel in the proper preparation and drafting of new or revised regulations under the Admin. Proc. Act.

AGENCY Administration PROGRAM Centralized Administrative Services

BRU Personnel

COMPONENT Personnel

13 REQUEST FOR NEW POSITION

REVISED DATE ____

FY 82

	POSITION TITLE				RANGE/STEP	BARG. UNIT.	LOCATION	GOV	APPROV.	DISAPP.
1	Clerk II				7 A	K	Juneau			
	TYPE OF POSITION	STAFF MONTHS	RP No.	PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG		
2	PFT	12								

	TYPE OF EXPENDITURE			AMOUNT
	1		2	3
4	PERSONAL SERVICES: SALARY	1,319 per mo.	15,828	
5	BENEFITS	15.79 %	2,500	
6	FICA	6.13 %	970	
7	HEALTH INS.	150 per mo.	1,800	
8	TOTAL PERSONAL SERVICES		01	21,098
9	TRAVEL		02	
10	CONTRACTUAL		03	3,200
11	COMMODITIES		04	3,000
12	EQUIPMENT		05	
13	OTHER			
14	TOTAL COST			27,298

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	27,298
18		I-A RCPTS. 1005	
19		PGM RCPTS 1007	
20		OTHER	
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

To properly implement Senate Bill 193, as it has been presented, will require the services of a Clerk I. The Clerk I will assist the Regulation Specialist II in the proper distribution of the proposals and in the technical requirements.

AGENCY Administration PROGRAM Centralized Administrative Services

BRU Personnel

COMPONENT Personnel

13 REQUEST FOR NEW POSITION.

REVISED DATE _____

FY 82

TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 193 Page 4 of 4

Title An Act amending the State Personnel Act

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Labor Relations Agency (Personnel Board)

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		17.0	18.7	20.6	22.6	24.9
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		17.0	18.7	20.6	22.6	24.9

FUNDING (Thousands of Dollars)

GENERAL FUND		17.0	18.7	20.6	22.6	24.9
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Above costs assume costs of $75/hour for a hearing Officer and a total of 120 hours; $500/month for contracted secretarial services and 2.0 publications costs. Inflation beyond FY 82 is calculated at 10%.

IV. DATE 03-06-81 PREPARED BY Judy Crondahl

AGENCY Administration

PHONE 465-2277

Original: Legislative Finance

cc: Budget and Management
Prime Sponsor (First Legislator Named)
Senator Ray
Keith Specking

33-001 (Rev. 12/30)

STATE
of ALASKA

MEMORANDUM

NAME?

TO: Senator Vic Fischer
Chairman
Senate State Affairs Committee

DATE : April 6, 1981

FROM: Robert J. Simon
Chairman
Commercial Fisheries Entry
Commission

SUBJECT: SB 193 (Personnel Act Amendments)

A member of the Commercial Fisheries Entry Commission (CFEC) has listened to a tape recording of the testimony of Cherie Shelley (APEA) regarding the exempt status of CFEC staff. Her testimony was a bit ambiguous regarding the appearance last year of CFEC before the Blue Ribbon Commission on the State Personnel Act.

At the time the Entry Commission was asked to make a presentation to the Blue Ribbon Commission, we offered evidence regarding the legal status of the Entry Commission and the results of a secret ballot which the staff completed regarding their classification preferences. Briefly, the Commission is a quasi-judicial, regulatory commission created outside of the executive. It is not "subject" to the executive, and is therefore appropriately placed in the exempt service under guidelines developed by the Blue Ribbon Commission.

The results of the secret ballot were also disclosed to the Blue Ribbon Commission. No staff member of the CFEC voted in favor of being changed to classified service. Four staff voted for partially exempt service. The remainder voted to stay as exempt. A tape recording was provided the Blue Ribbon Commission of the discussion which occurred between the staff and the commission directors prior to that vote. That tape could be obtained from them if you should wish to review the instructions which were provided the staff.

We are providing you with this memorandum to clarify any misconception which may have resulted from Ms. Shelley's testimony. Should you desire the commission to present formal testimony on this matter, we would be happy to do so. Our testimony would be in favor of the Commercial Fisheries Entry Commission's officers and employees being in the exempt service in accordance with Sec. 39.25.110(11)(A) as proposed in SB 193.

JAY S. HAMMOND
GOVERNOR

PHONE
(907) 276-3003

STATE OF ALASKA
OFFICE OF THE GOVERNOR

ALASKA COMMISSION ON THE STATUS OF WOMEN
338 DENALI STREET, SUITE 850
ANCHORAGE, ALASKA 99501

STATEMENT ON DISCRIMINATION IN STATE EMPLOYMENT

Presented to Blue Ribbon Commission on the
State Personnel Act by
Barbara Schuhmann, Chair
Alaska Commission on the Status of Women
November 19, 1981

Chairman Ray and members of the Blue Ribbon Commission, my name is Barbara Schuhmann and as Chair of the Alaska Commission on the Status of Women I am pleased to be able to address you today on a topic which is of great importance to the well-being of Alaska's women and minorities. The Commission on the Status of Women wanted to undertake an overall review of the state's personnel system, following testimony we received that criticized the system itself as discriminating against women. Our lack of money and time prevented us from undertaking such a study. In addition, the Commission felt that if such a review were undertaken, it sould not be limited to questions of sex discrimination, but should include questions as to other bases of unconstitutional discrimination as well.

So, my purpose in coming here today is to thank you for holding these hearings, and to ask that you undertake the review that the Commission would have done if it had the time and resources.

The most recent comprehensive study of the distribution of women and minorities in state government was that done by the Alaska Advisory Committee to the United States Commission on Civil Rights in July, 1980. Among the

findings of that study are that:

- state employment "tends to be mostly white and male;"
- the state offers no child care facilities to encourage women to work for the state;
- when women are hired they are "for the most part relegated to the lowest paying jobs in clerical, sec etarial and technical fields;"
- the hiring procedures in some departments are "both consciously and unconsciously discriminatory;"
- the state has not adequately communicated hiring and romotional opportunities.

While there has been some progress made since the release of that report the statistics which it included have not changed significantly.

Persons claiming discrimination on the basis of race or sex against private employers often prove their cases by the use of statistics. If a statistical case were built against the state of Alaska, the state would have a very hard time showing it has not discriminated in hiring and promotion on the basis of race and sex.

According to the report published by the Civil Rights Commission, in 1977 only 8% of those people in the top state salary ranges (22-28) were women, while at the same time women occupied over 35% of those at the lowest end of the salary scale (ranges 05-09). In five state departments not a single woman occupied a position in these top salary ranges.

While women in general were faring so poorly the situation for

minority women was even worse. In all of the administrative departments of the state government, only one, solitary minority woman could be found who occupied a position in the top salary ranges (22-28).

A more recent survey of the state's affirmative action effort was released by the Division of Equal Employment Opportunity this year, and it does not offer much encouragement. Minority women represent less than 6% of the state's workforce and only 1% of the state's officials and administrators. Women in general fare somewhat better than minority women. Women comprise 42% of the state's workforce but that figure alone may not represent any real growth. Over 90% of the clerical positions in state government are filled by women, according to the Division of Equal Employment Opportunity, while at the same time only 17% of the official and administrators are female.

I think these figures support what we believe to be the case -- that despite the fact that we have a preponderance of highly educated, capable, and experienced females in the Alaskan population, many of these same women experience a tremendous amount of difficulty in breaking into the state personnel system or rising in it once they have entered. You are here today to receive testimony from women and minorities as to the difficulties that they have experienced, and any solutions which they can offer. The Commission which I represent has held public hearings throughout the state at which women have cited many instances where the state personnel system was obstructive to them in their attempts to find suitable employment. I want to share some of their observations with you because the state, as one of the largest single employers in Alaska, can

have a very significant impact on the lives of many by correcting the weaknesses in its personnel system.

In testimony to us women have cited repeated instances where the inflexibility of the personnel system prevented qualified women from obtaining suitable employment or achieving upward mobility. Women in professional positions have had difficulty advancing to supervisory positions and receiving equal compensation for equal work. In some instances they have performed comparable work as male counterparts but have not received equal compensation or have had to take extreme measures to obtain it. It would appear from the testimony we have heard that most women in the lower paid clerical positions (where nearly half of the women employed by the state are located) are afforded practically no incentive to learn new skills or take on additional responsibility; little, if any, on-the-job training for career advancement; and no career ladders or clearly defined steps which, if followed, would help them move toward promotion and advancement. The personnel system needs the flexibility to reward employees for shouldering additional responsibilities. Bonuses based on performance and career ladders that enable staff to advance systematically are essential management tools. Without these incentives the employees will no doubt restrict themselves to performing only those duties which are part of the job description. We need a personnel system which encourages all workers to grow and develop and rewards them for doing so. This is not only fair and equitable - it is good business sense. The somewhat perfunctory merit increase which discriminates quite significantly against those employees found in the

lower ranges of the state salary system, does not qualify as a monetary incentive for excellence such as what I am referring to here.

We experienced frustration with the inflexibility of the personnel system when we attempted to hire staff for our own Commission. We wanted to hire people with very diverse skills so that in a small office they could each do a wide variety of tasks. The classifications of the state personnel system were too rigid to allow for our needs and I'm sure our experience was not unique. This inflexibility costs the state in more ways than one because too often the solution to the problems caused by the inflexibility of the personnel system is to create more exempt positions than already exist. Exempt positions are outside of the very EEO (Equal Employment Opportunity) directives which the Commission strongly supports, and they are frequently overpriced.

I mentioned that merit increases also discriminate against those in the lower salary ranges and I would like to clarify that point. In positions from range 05 to 09, and employee would receive between a 2.6% and a 3% merit increase when moving from step A to B. On the other hand, in positions that are range 15 or above the first step increase is never below 3.5%. Not only are many women trapped in dead end jobs at the lower ranges of the salary scale but they suffer the double hardship of receiving a smaller percentage merit increase as well.

On a more positive note, we believe that there are several efforts presently underway which bear great potential for correcting some of the systemic problems in the personnel procedures which have had adverse impact on women and minorities. First, the practice of expanded certification or the "5 + 5" system is a valuable management tool for obtaining

the opportunity to interview the five most qualified women and minorities to achieve better representation in all levels of the workforce. When the House Committee on Education and Labor reported on the (successful) efforts to extend Title VII to cover government as an employer in 1972, they observed the following:

> "Civil Service requirements (are) replete with artificial selection and promotion requirements which place a premium on paper credentials which frequently prove of questionable value as a means of predicting actual job performance."

What the expanded certification process enables a manager to do is to go beyond those paper credentials which may or may not be predictive of job performance; and to go beyond those tests which may be culturally biased; to go to the actual candidates who meet the basic requirements for the job to determine if their interest, motivation and commitment suggest them as the most qualified for the needs of that office -- including the need for better representation of protected classes.

Female state employees have testified to us that the main problem with this tool is that it is optional and many managers simply never request the additional names. We would hope to see a system developed which better encouraged managers to use this tool on a regular basis until their utilization goals were reached.

We also support the law passed several years ago which enables state employees to share jobs. Women frequently interrupt their careers to assume the duties of homemaking and are placed at a disadvantage when it comes to full time employment. They often experience greater need for such options as job sharing, flextime and part time work. Our

concern in these areas is that too many employees are unaware of the existence of these options, or have great difficulty pursuing them. All such programs, including any internships or tuition reimbursement plans should be well publicized in all state offices and information should be readily available. It should not require long distance telephone calls to distant voices in the central offices in Juneau to find out about these programs, as is often the case today.

In addition to expanded certification, the concepts reflected in two bills which were introduced last session have our Commission's support. HB 906 was introduced for your Commission by the Rules Committee and it addresses an issue which we have also addressed in a slightly different context. It is sometimes reasonable to extend preference for non-merit reasons under certain conditions and one of the conditions which has received such preference is that of veterans' scoring. Because of the original purpose of veterans' preference, which included reward for sacrifice and ease of transition into civilian life it is certainly more reasonable to grant this preference only upon return from active duty and for a period of time not to exceed three years, rather than for a lifetime, as is presently the case. Passage of such a bill limiting the duration of any veterans' preference will have a significant impact on what has been a major source of systemic discrimination against women in the state personnel system.

Finally, the Committee Substitute for Senate Bill 248 deserves attention during the next session. The Division of Equal Employment Opportunity now has the responsibility for carrying out the State's

policy equal opportunity, for monitoring the activities of all departments and ensuring that compliance occurs. As I understand it this bill (CSSB 248) would define those responsibilities in state law. We believe it is essential to have a fully functioning, adequately staffed Division of Equal Employment Opportunity and would urge your favorable consideration of this bill as well as a fiscal note sufficient to appoint an Equal Employment Officer for each department within the Executive branch.

In summary I would like to say that the testimony we have heard and the reports we have studies make it clear that:

- state employment, particularly at the higher levels of responsibility and salary, is primarily white and male;
- women are for the most part relegated to the lowest paying jobs in clerical and technical fields;
- no systematic process of recruitment and promotion exists which would enable women to recognize and use opportunities for promotion;
- hiring procedures such as the expanded certification process are helpful, but must be used on a regular rather than a hit-or-miss basis if they are to prove effective.

In addition we believe that the subjects of sexual harassment, comparable worth and discriminatory hiring practices should be thoroughly studied to determine the impact they have on women's employment opportunities and conditions.

Finally, we would urge that as much information as is necessary for comparison and analysis be included in all reports. For example, the

recent affirmative action report published by the Division of Equal Employment Opportunity does not contain any salary figures and these are essential data for conducting a thorough and comprehensive review.

We appreciate this opportunity to address you and look forward to your work on resolving some of the aspects of discrimination in state employment.

Introduced: 1/26/81
Referred: State Affairs and Finance

IN THE SENATE BY BRADLEY

SENATE BILL NO. 104

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to veteran's preference in state employment."

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

* Section 1. AS 39.25.150(23) is repealed and reenacted to read:

(23) the granting of employment preference rights to a veteran in accordance with AS 39.25.185.

* Sec. 2. AS 39.25 is amended by adding a new section to read:

Sec. 39.25.185. VETERAN'S PREFERENCE. (a) a veteran who applies for employment in the state service, not within the area of promotion, and who possesses the qualifications in the job classification for which he applies shall have

(1) five extra points added to his passing score on a merit system examination;

(2) ten extra points added to his passing score on a merit system examination if he is a disabled veteran;

(3) notification of his position on an eligible list within 72 hours of his request for notification;

(4) at least 30 days to respond to an inquiry concerning his continued availability for employment before his name is removed from an eligible list;

(5) immediate notification of an offer of employment; and at least 72 hours to accept an offer of employment before another person is appointed.

(b) If a veteran is not hired for a position for which he is

eligible, he may request and receive a statement of reasons explaining why he was not hired.

(c) If a position in the classified service is eliminated and employees must be released, a non-veteran shall be released before a veteran if job qualifications are equal.

(d) If job qualifications are equal, a veteran shall be promoted from one position in the classified service to another before a non-veteran. If examination results are used in determining qualification for promotion, the additional points allowed under (a)(1) and (2) of this section remain in effect during the promotion process.

(e) In this section

(1) "veteran" means a person with 90 days or more active service in the armed forces of the United States who has been honorably discharged;

(2) "disabled veteran" means a veteran who is rated by the United States Veterans' Administration as having at least a ten percent service-connected disability.

SENATE BILL 104

AMENDMENT

Page 2, Line 6: After the word "qualifications," insert "and all other things pertinent to position status"

Page 2, Line 8 through 10: After the word "veteran", delete remainder of the sentence and insert the following sentence: "If a veteran or disabled veteran desires to waive his additional preference points for an entry position into the classfied service, he may, at his discretion, use those points at a later time for another position within the same job classification exclusive of an area of promotion."



Page 2, Line 12: Delete "90" and insert "181"

Terry Cramer
Bruce Cummings Vic — see pgs. 11+12, 14, 15, 16
Yarr

Introduced: 2/20/81
Referred: State Affairs and Judiciary

BY THE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE COUNCIL (for the Blue Ribbon Commission on the State Personnel Act)

IN THE SENATE

SENATE BILL NO. 193

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act amending the State Personnel Act (AS 39.25); and providing for an effective date."

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

* Section 1. AS 39.25.040 is amended to read:

Sec. 39.25.040. DIRECTOR OF PERSONNEL. The head of the division of personnel is the director of personnel appointed by the commissioner of administration and responsible to the commissioner of administration for the execution of the duties and responsibilities imposed by this chapter and the rules adopted under this chapter. The director of personnel shall [MUST] have at least three years of practical working experience in the field of personnel administration.

* Sec. 2. AS 39.25.060(b) is amended to read:

(b) Members of the board may not be [SHALL BE QUALIFIED ELECTORS OF THE STATE WHO ARE NOT] employees [OR OFFICERS] of the state. Not more than two members of the board may be members of the same political party.

* Sec. 3. AS 39.25.070(1) is amended to read:

(1) approve or disapprove amendments to the personnel rules in accordance with AS 39.25.140 [THE ORIGINAL RULES OR A PART OF THEM WITHIN 60 DAYS OF THEIR SUBMISSION TO THE BOARD AND APPROVE OR DISAPPROVE AMENDMENT TO THE RULES WITHIN 30 DAYS OF SUBMISSION TO THE BOARD, AND IN CARRYING OUT THIS DUTY, THE BOARD, IF REQUESTED, MAY HOLD THE PUBLIC HEARINGS IT CONSIDERS NECESSARY];

* Sec. 4. AS 39.25.070(3) is amended to read:

(3) hear and determine appeals by employees [IN THE CLASSIFIED SERVICE] as provided in AS 39.25.170;

* Sec. 5. AS 39.25.070 is amended by adding a new paragraph to read:

(7) employ staff members, who shall be in the classified service.

* Sec. 6. AS 39.25.080 is repealed and reenacted to read:

Sec. 39.25.080. PUBLIC RECORDS. (a) State personnel records, including employment applications and examination materials, are confidential and are not open to public inspection except as provided in this section.

(b) The following information is available for public inspection, subject to reasonable regulations on the time and manner of inspection:

(1) the names and position titles of all state employees;

(2) the position held by a state employee;

(3) prior positions held by a state employee;

(4) whether a state employee is in the classified, partially exempt, or exempt service;

(5) the dates of appointment and separation of a state employee; and

(6) the compensation authorized for a state employee.

(c) A state employee has the right to examine his own personnel files and may authorize others to examine his files.

(d) An applicant for state employment who appeals an examination score may review written examination questions relating to the examination unless the questions are to be used in future examinations.

* Sec. 7. AS 39.25.090 is amended to read:

Sec. 39.25.090. COVERAGE OF CHAPTER. This chapter and the rules adopted under it apply to all positions in (1) the classified service, and (2) the <u>exempt and</u> partially exempt service as specifically pro-

vided.

* Sec. 8. AS 39.25.110 is repealed and reenacted to read:

Sec. 39.25.110. EXEMPT SERVICE. Unless otherwise provided by law, the following positions in the state service constitute the exempt service and are exempt from the provisions of this chapter and the rules adopted under it:

(1) persons elected to public office by popular vote or appointed to fill vacancies in elected offices;

(2) justices of the supreme court, judges of the court of appeals, judges of the superior court, and judges and magistrates of other state courts established by law;

(3) employees of the state court system, and employees and members of the Judicial Council;

(4) employees of the state legislature and its agencies;

(5) the head of each principal department in the executive branch;

(6) officers and employees of the University of Alaska;

(7) certificated teachers and noncertificated employees employed by a regional educational attendance area established and organized under AS 14.08.031 - 14.08.041 to teach in, administer, or operate schools under the control of a regional educational attendance area school board;

(8) patients and inmates employed in state institutions;

(9) persons employed in a professional capacity to make a temporary or special inquiry, study or examination as authorized by the governor, the legislature, or a legislative committee;

(10) members of boards, commissions, or authorities;

(11) the officers and employees of the following boards, commissions and authorities:

(A) Alaska Commercial Fisheries Entry Commission;

(B) Alaska Gas Pipeline Financing Authority;

(C) Alaska Permanent Fund Corporation;

(D) Alaska Energy Center;

(E) Alaska Industrial Development Authority;

(12) the executive officer of the Alaska Commission on Post-secondary Education;

(13) the ombudsman and his staff;

(14) the executive secretary and legal counsel of the Alaska Municipal Bond Bank Authority;

(15) licensed physicians, as defined in AS 47.30.340(9), employed by the division of mental health and developmental disabilities, Department of Health and Social Services;

(16) petroleum engineers and petroleum geologists employed in a professional capacity by the Department of Natural Resources except for those employed in the division of geological and geophysical surveys;

(17) officers, agents, and employees of the Alcoholic Beverage Control Board granted limited peace officer powers by the Alcoholic Beverage Control Board under AS 04.06.110;

(18) persons employed by the division of marine transportation as masters and members of the crews of vessels who operate the state ferry system and who are covered by a collective bargaining agreement provided in AS 23.40.040.

* Sec. 9. AS 39.25.120 is repealed and reenacted to read:

Sec. 39.25.120. PARTIALLY EXEMPT SERVICE. (a) Positions in the partially exempt service are included in the position classification plan established under this chapter and are compensated according to the pay plan (AS 39.27.011).

(b) A person holding a position in the partially exempt service is not required to take an examination or qualify or earn a place on a register, and is not eligible for a hearing by the personnel board in case of dismissal, demotion, or suspension, except as provided in AS 39.25.170. Positions in the partially exempt service are specifically exempt from the rules established under AS 39.25.150(3) - (10), (13), (14), and (17).

(c) The following positions in the state service constitute the partially exempt service:

(1) deputy and assistant commissioners of the principal departments of the executive branch, including the assistant adjutant general of the Department of Military Affairs;

(2) the directors of the major divisions of the principal departments of the executive branch and the regional directors of the Department of Transportation and Public Facilities;

(3) attorney members of the staff of the Department of Law and of the public defender agency;

(4) one private secretary for each head of a principal department in the executive branch;

(5) employees of the Office of the Governor and the office of the lieutenant governor, including the staff of the governor's mansion;

(6) the executive director and deputy director of the Alaska Public Utilities Commission;

(7) the state forester in the Department of Natural Resources;

(8) the director, deputy director, staff legal counsel, and hearing officers of the Alaska Transportation Commission;

(9) not more than two special assistants to the commissioner

of each of the principal departments of the executive branch, but the number may be increased if the partially exempt service is extended under AS 39.25.130 to include the additional special assistants;

(10) the principal executive officer of the following boards, councils, or commissions:

(A) Alaska Public Broadcasting Commission;

(B) Professional Teaching Practices Commission;

(C) Parole Board;

(D) Board of Nursing;

(E) Real Estate Commission;

(F) Alaska Royalty Oil and Gas Development Advisory Board;

(G) Alaska Historical Commission;

(H) Alaska State Council on the Arts;

(I) Alaska Police Standards Council;

(J) Council on Science and Technology;

(11) Alaska Pioneers' Home managers;

(12) hearing examiners in the Department of Revenue;

(13) the comptroller in the division of treasury, Department of Revenue;

(14) investment officers in the Department of Revenue;

(15) the chief of subsistence in the Department of Fish and Game;

(16) airport managers in the Department of Transportation and Public Facilities employed at the Anchorage and Fairbanks International Airports;

(17) the deputy director of the division of tourism and the deputy director of the division of insurance in the Department of Commerce and Economic Development;

(18) the executive director and staff of the Alaska Public Offices Commission;

(19) the director, deputy director, personnel analysts II, labor relations analysts I, labor relations analysts II, senior negotiators, and research directors of the division of labor relations in the Department of Administration.

* Sec. 10. AS 39.25.130(a) is amended to read:

(a) The [AFTER JUNE 30, 1961, THE] personnel board, upon written recommendation of the commissioner of administration, may extend the partially exempt service to include any position [WHICH WAS] in the classified service [ON APRIL 19, 1960,] which, in the judgment of the board:

(1) involves principal responsibility for the determination of policy;

(2) involves principal responsibility for the way in which policies are carried out; or

(3) involves responsibilities and duties of a type not susceptible to the ordinary recruiting and examining procedures.

* Sec. 11. AS 39.25.130(c) is amended to read:

(c) The [AFTER JUNE 30, 1961, THE] personnel board, upon written recommendation of the commissioner of administration, may extend the classified service to include any position [WHICH WAS] in the partially exempt service [ON APRIL 19, 1960].

* Sec. 12. AS 39.25.140 is repealed and reenacted to read:

Sec. 39.25.140. AMENDMENT OF PERSONNEL RULES. (a) The director of personnel shall prepare and submit proposed amendments of the personnel rules to the commissioner of administration for review and approval.

(b) The commissioner of administration shall review the proposed amendments and if he approves them, he shall submit them to the person-

Dept. items - not pub policy

Internal Management Directives

nel board.

(c) When the proposed amendments are submitted to the personnel board, the commissioner of administration shall post notice in public buildings throughout the state that the personnel board has the proposed amendments under consideration.

(d) If the proposed amendments concern matters of public policy, the personnel board shall adopt them in accordance with the Administrative Procedure Act (AS 44.62).

(e) If the proposed amendments relate only to the internal management of the state agencies

(1) notice of the proposed amendments shall be posted for at least 30 days;

(2) if requested by the commissioner of administration or by a person receiving notice of the proposed amendments, the personnel board may hold public hearings on the proposed amendments and may appoint a hearing officer to conduct the hearings;

(3) the personnel board may amend the proposed amendments;

(4) the proposed amendments become effective 45 days after they are submitted to the personnel board unless the board has disapproved them;

(5) the amended rules shall be published in the Alaska Administrative Register and Code for informational purposes.

(f) In this section "matters of public policy" include, but are not limited to, matters concerning

(1) recruitment;

(2) examinations;

(3) selection methods;

(4) prohibitions and penalties;

(5) public records;

(6) eligible lists;

(7) hours of work;

(8) merit increases; and

(9) hearings and appeals relating to matters listed in (1) - (8) of this subsection.

* Sec. 13. AS 39.25.150 is repealed and reenacted to read:

Sec. 39.25.150. SCOPE OF THE RULES. The personnel rules shall provide for

(1) the preparation, maintenance, and revision by the director of personnel, subject to approval of the commissioner of administration and the personnel board, of a position classification plan for all positions in the classified and partially exempt services; the position classification plan shall include

(A) a grouping together of all positions into classes on the basis of duties and responsibilities;

(B) an appropriate title, a description of the duties and responsibilities, training and experience qualifications, and other necessary position specifications for each class of positions;

(2) the preparation, maintenance, revision and administration by the director of personnel of a pay plan for all positions in the classified and partially exempt services; the pay plan (A) shall be based upon the position classification plan; (B) shall provide for fair and reasonable compensation for services rendered, and reflect the principle of like pay for like work; (C) may be amended, approved, or disapproved by the legislature in regular or special session; after the pay plan is in effect, a salary or wage payment may not be made to a state employee covered by the plan unless the payment is in accordance with this chapter and the rules adopted under this chapter or unless

the payment is in accordance with a valid agreement entered into in accordance with AS 23.40;

(3) the use of employee selection methods which will fairly test the capacity and fitness of the person examined to efficiently discharge the duties of the class in which employment is sought;

(4) the establishment and maintenance of eligible lists for appointment and promotion providing the names of eligible candidates in order of their relative performance in the examinations;

(5) the procedure for certifying eligible candidates;

(6) promotions from within the state service when there are qualified candidates in the state service; vacancies shall be filled by promotion whenever practicable and in the best interest of the state service and promotion shall be by competitive examination whenever possible; in considering promotions, applicants' qualifications, performance record, seniority, and conduct shall be evaluated;

(7) a period of probation not to exceed one year before an appointment to a position becomes permanent, except that a permanent employee receiving a promotional appointment retains permanent status in the service and job class from which appointed for the duration of the probationary period and may be demoted to a former class without right of appeal, notwithstanding AS 39.25.170, but if the employee is dismissed from the service the appeal rights under AS 39.25.170 apply;

(8) nonpermanent and emergency appointments to positions in the state service in accordance with AS 39.25.195 - 39.25.200;

(9) provisional appointment without competitive examination when appropriate eligible lists are not available;

(10) transfers from one department to another and from another merit system jurisdiction to the state service;

(11) transfers from one area of the state to another;

(12) the payment of transportation costs when an employee transfers from one area to another at the request of the employer;

(13) the reinstatement of a person who resigns in good standing;

(14) layoffs for reason of lack of money or work, abolition of positions, or material changes in duties or organization; both performance and seniority records shall be considered in the development of layoff orders;

(15) the development, maintenance, and use of employee performance records;

(16) the establishment of disciplinary measures which may include disciplinary suspension without pay;

(17) the procedures for review of disputed personnel actions, for resolving employee and interagency grievances, and for resolving grievances of the general public concerning the operation of the state personnel system;

(18) hours of work for all employees in the state service;

(19) methods and procedures covering overtime work and pay;

(20) the granting of employment preference rights to a veteran at each time application is made for employment not within the area of promotion, when the veteran possesses the necessary qualifications in the job classification applied for under this chapter; in the examination to determine the qualification of applicants for entrance into the classified service under merit system examination, five additional points shall be added to the passing grade of a veteran and ten additional points shall be added to the passing grade of a disabled veteran; if a position in the classified service is eliminated, employees shall be released in accordance with rules which give due effect to all factors; if all job qualifications are equal, the veteran shall be

given preference over the nonveteran and the veteran shall be kept on the job; in this paragraph

(A) "veteran" means a person with 90 days or more active service in the armed forces of the United States who has been honorably discharged after having served during any period between April 6, 1917, and December 1, 1919, between September 16, 1940, and December 31, 1947, or between June 27, 1950, and November 7, 1975;

(B) "disabled veteran" means a veteran who is rated by the United States Veterans' Administration as having at least a 10 percent service-connected disability;

(21) the employment of persons in permanent positions on a part-time basis of 15 hours or more a week, including the employment of two persons to fill one permanent full-time position; these employees shall be designated as permanent part-time employees;

(22) the granting of employment preference to severely handicapped persons; this includes the right to provisional appointment without competitive examination for periods up to four months and the granting of eligibility to a severely handicapped person provisionally appointed under the rules who demonstrates ability to perform the job for permanent appointment without competitive examination; provisional employment under this paragraph may not exceed four months during a 12-month period; "severely handicapped" as used in this paragraph means persons certified by the director of the division of vocational rehabilitation to be severely handicapped;

(23) the establishment of programs facilitating the employment of disadvantaged persons, including limitation of competition for appointment and promotion to individuals who meet the program requirements;

(24) the delegation, when feasible, of personnel responsibilities and duties to the principal departments of the executive branch;

(25) other rules and administrative regulations, not inconsistent with this chapter, which are necessary for its enforcement.

* Sec. 14. AS 39.25.153 is repealed and reenacted to read:

Sec. 39.25.153. PERSONNEL OFFICERS. (a) If a principal department of the executive branch has a personnel officer, the personnel officer shall be employed by and located within that department.

(b) Subject to the provisions of (d) of this section, the personnel officers for the Departments of Transportation and Public Facilities, Fish and Game, Education, Labor, and Health and Social Services, have the following powers with respect to the classes of positions unique to their departments:

(1) to assign positions to an existing class in the state classification plan and to the salary range for that class as established by the state pay plan or by a valid agreement entered into in accordance with AS 23.40;

(2) to administer and score examinations and to place successful applicants on the eligible lists;

(3) to certify those eligible to the appointing authorities.

(c) The initial determination of classes of positions unique to the departments listed in (b) of this section shall be made by the personnel officer of the department in consultation with the commissioner of his department subject to the approval of the director of personnel in the Department of Administration.

(d) The assumption of a power set out in (b) of this section must be approved by the commissioner of administration and must be in harmony with the merit principle of personnel administration (AS 39.25.010).

* Sec. 15. AS 39.25.160 is repealed and reenacted to read:

Sec. 39.25.160. GENERALLY. (a) A classified employee or an exempt employee in a position named in AS 39.25.110(3) may not take an active part in the management of a political party above the precinct level.

(b) A person may not give, render, pay, offer, solicit, or accept money, services, or other valuable thing in connection with securing or making an appointment, promotion, or advantage in a position in the classified service.

(c) A person may not require an assessment, subscription, contribution, or service for a political party from a state employee.

(d) A person may not seek or attempt to use a political party endorsement in connection with an appointment or promotion in the classified service.

(e) An employee in the classified or partially exempt service who seeks nomination or becomes a candidate for state or national elective political office shall immediately resign any position held in the state service.

(f) Action affecting the employment status of a state employee or an applicant for a position in state service, including appointment, promotion, demotion, suspension, or removal, may not be taken or withheld on the basis of unlawful discrimination due to race, sex, color, religion, national origin, age, ~~or~~ handicap, marital status, changes in marital status, pregnancy parenthood and other non-merit reason

(g) Action affecting the employment status of an employee in the classified service or an applicant for a position in the classified service, including appointment, promotion, demotion, suspension, or removal, may not be taken or withheld on the basis of unlawful discrimination due to political beliefs.

(h) A person may not knowingly make a false statement, certificate, mark, rating, or report with regard to a test, certification, or

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in human rights statutes

appointment made under this chapter or in any manner commit a fraud preventing the impartial execution of this chapter and the personnel rules adopted under this chapter.

(i) A person may not obstruct the right of another person to examination, eligibility, certification, appointment, or promotion under this chapter.

* Sec. 16. AS 39.25.170 is repealed and reenacted to read:

Sec. 39.25.170. HEARINGS AND APPEALS UPON DISMISSAL, DEMOTION, OR SUSPENSION. (a) An employee may be dismissed, demoted, or suspended by delivery of written notice of the proposed action and the reason for it from the appointing authority to the employee.

(b) A permanent employee in the classified service who has been dismissed, demoted, or suspended may appeal the action to the personnel board.

(c) An employee who has been dismissed, demoted, or suspended due to unlawful discrimination based on race, sex, color, religion, national origin, age, ~~or~~ handicap, marital status, changes in marital status, pregnancy, parenthood or any other non-merit reason, may appeal the action to the personnel board.

(d) An employee in the classified service who has been dismissed, demoted, or suspended due to unlawful discrimination based on political beliefs may appeal the action to the personnel board.

(e) A permanent employee in the classified service who holds probationary status in his present position may appeal a dismissal from the classified service to the personnel board.

(f) An employee who is on leave without pay from a position in the classified service and who is employed by the state in another capacity, either in the exempt or partially exempt service, may appeal a dismissal from the classified service to the personnel board.

(g) An employee begins an appeal by filing a written request for review of the action with the personnel board within 15 days of receiv-

ing written notice of the action from the appointing authority.

(h) If requested by the employee at the time of filing an appeal, the personnel board shall hold a hearing to determine the reasonableness of the the action taken by the appointing authority. If the employee requests it, the hearing shall be open to the public. The employee may be represented by another person and has the right to present evidence. Technical rules of evidence do not apply to the hearing.

(i) If the personnel board finds that the action complained of was due to unlawful discrimination based on race, sex, color, religion, national origin, political beliefs, age, handicap, marital status, changes in marital status, pregnancy, parenthood or any of these, or in violation of the provisions of this chapter or the personnel rules, the employee shall be reinstated to the position without loss of pay or leave benefit for the period of dismissal, demotion, or suspension. In all other cases, the board shall report its findings and recommendations to both parties.

* Sec. 17. AS 39.25 is amended by adding a new section to read:

Sec. 39.25.175. PROCEDURE. (a) A subpoena shall be issued at the request of a party to a proceeding begun under AS 39.25.170.

(b) If a person refuses to respond to a subpoena issued under this section, or refuses to testify at a hearing authorized by AS 39.-25.170, the personnel board may apply to the superior court for an order requiring the person to respond to the subpoena or to testify.

(c) Failure to obey the order of the superior court requiring response to a subpoena or testimony at a hearing may be punished as contempt of court.

* Sec. 18. AS 39.25 is amended by adding a new section to read:

Sec. 39.25.181. DEFINITIONS. In this chapter,

(1) "fraud" means for a person to knowingly

(A) create or confirm another's false impression which the person does not believe to be true, including false impressions as to law or value and false impressions as to intention or other state of mind;

(B) fail to correct another's false impression which the person previously has created or confirmed;

(C) prevent another from acquiring pertinent information;

(2) "knowingly" means for a person to be aware with respect to conduct or to a circumstance described by a provision of law that his conduct is of that nature or that the circumstance exists; when knowledge of the existence of a particular fact is required, that knowledge is established if a person is aware of a substantial probability of its existence, unless he actually believes it does not exist;

(3) "precinct" means the territory within which resident voters may cast votes at one polling place;

(4) "state employee" means a person employed by the state who is paid a wage or salary, but does not include a person hired by the state to work as an independent contractor.

* Sec. 19. AS 39.25 is amended by adding a new section to article 6 to read:

Sec. 39.25.192. EMPLOYEE POLITICAL RIGHTS. A state employee may

(1) be a member of a national, state, or local political party;

(2) take part in a political campaign;

(3) express political opinions;

(4) register party preference;

(5) serve as a voting or nonvoting delegate to a party convention;

(6) be appointed, nominated, or elected to nonpartisan public office in a local government unit; and

(7) make contributions to a political party or a candidate for public office.

* Sec. 20. AS 39.25.180 is repealed.

* Sec. 21. This Act takes effect July 1, 1981.

PERSONNEL RULES

Fischer
File SB 193



JUNE 1980

STATE OF ALASKA
DEPARTMENT OF ADMINISTRATION
DIVISION OF PERSONNEL

TABLE OF CONTENTS

		PAGE
RULE 1	DEFINITIONS	1-1 -- 1-5
RULE 2	CLASSIFICATION	2-1 -- 2-3
2 01.0	General	2-1
2 02.0	Class Specifications	2-1
2 03.0	Use of Class Titles	2-1
2 04.0	Allocation of Positions	2-2
2 05.0	Review of Allocations	2-2
2 06.0	Effective Date of Allocation Action	2-3
2 07.0	Establishment of Positions	2-3
RULE 3	RECRUITMENT AND EXAMINATIONS	3-1 -- 3-6
3 01.0	Recruitment	3-1
3 01.1	Continuous Examinations	3-1
3 01.2	Specific Examinations	3-1
3 01.3	Promotional Examinations	3-1
3 02.0	Application for Examination	3-2
3 02.1	Forms	3-2
3 02.2	Admission of Examination	3-2
3 02.3	Disqualification of Applicants	3-2
3 03.0	Character of Examinations	3-3
3 04.0	Conduct of Examinations	3-3
3 05.0	Rating of Examinations	3-3
3 06.0	Notification of Examination Results	3-4
3 07.0	Preference in State Employment for Veterans	3-5
3 08.0	Re-examinations	3-5
3 09.0	Special Boards of Examiners	3-5
RULE 4	ELIGIBLE LISTS	4-1 -- 4-3
4 01.0	Establishment	4-1
4 02.0	Application of Lists	4-2
4 03.0	Duration	4-2
4 04.0	Removal of Names	4-2
4 05.0	Statement of Availability	4-3
4 06.0	Reinstatement of Names	4-3
4 07.0	Public Notice	4-3
RULE 5	CERTIFICATION AND APPOINTMENT	5-1 --- 5-10
5 01.0	Requests for Employees	5-1
5 01.1	Classified Service	5-1
5 01.2	Exempt or Partially Exempt Service	5-1
5 02.0	Methods of Filling Vacancies	5-1
5 03.0	Certification of Eligibles	5-2
5 03.1	Certification shall be as follows	5-2
5 03.3	Concurrent Certification	5-4

PAGE

5 03.4 Less than Normal Number of Eligibles 5-4
5 03.5 Incomplete Certification 5-4
5 03.6 Withdrawal of Certification 5-4
5 03.7 Subfilling Positions 5-4
5 03.9 Preference in State Employment for Alaskans 5-5
5 04.0 Position Must be Classified Before Being Filled 5-5
5 05.0 Permanent Appointments 5-5
5 06.0 Nonpermanent Appointments 5-5
5 07.0 Emergency Appointments 5-6
5 08.0 Provisional Appointments 5-7
5 08.5 Conversion to Probationary Status 5-7
5 09.0 Trainee Appointments 5-8
5 10.0 Transfer 5-8
5 10.1 Intra-agency transfer 5-8
5 10.2 Inter-agency tranfer 5-8
5 10.3 Status of transferred employee 5-8
5 10.4 Parallel job class transfer 5-9
5 10.5 Employee request for transfer 5-9
5 10.6 Other rights accruing to a transferred employee 5-9
5 10.7 Transfer for the good of the service 5-9
5 11.0 Appointment of Federal Employees 5-9
5 12.0 Re-employment 5-10
5 13.0 Promotion Boards 5-10
5 14.0 National Emergency or Civil Disaster 5-10

RULE 6 PROBATIONARY PERIODS 6-1 -- 6-3
6 01.1 Objective 6-1
6 02.0 Duration 6-1
6 03.0 Performance Evaluation Report 6-2
6 04.0 Dismissal During the Probationary Period 6-2
6 05.0 Permanent Appointments 6-2
6 06.0 Demotion During the Probationary Period 6-3
6 07.0 Probationary Period Following Promotion 6-3

RULE 7 HOURS OF WORK 7-1 -- 7-2
7 01.0 Scheduled Hours of Work 7-1
7 02.0 Minimum Work Week 7-1
7 03.0 Normal Work Week 7-1
7 04.0 Normal Work Day 7-1
7 05.0 Overtime 7-1
7 06.0 Other Employment 7-1
7 07.0 Legal Holidays 7-2

PAGE

RULE 8 PERSONNEL EVALUATION AND TRAINING 8-1 -- 8-2
8 01.0 Personnel Evaluation 8-1
8 02.0 Employee Training 8-1
8 03.0 Intern and Apprenticeship Training Programs 8-1
8 04.0 Reimbursement Agreement for Educational Costs 8-2

RULE 9 PAY 9-1 -- 9-7
9 01.0 General 9-1
9 02.0 Administration 9-1
9 02.1 Beginning Salary 9-1
9 02.11 New Employee 9-1
9 02.12 Former Employee 9-1
9 02.13 Promoted Employee 9-2
9 02.14 Transferred Employee 9-3
9 02.15 Demoted Employee 9-3
9 02.16 Effective Date 9-4
9 02.2 Merit Increases 9-4
9 02.3 Total Remuneration 9-5
9 03.0 Hourly, Part-time and Partial Monthly Rates 9-6
9 04.0 Overtime Compensation 9-6
9 05.0 Compensatory Time 9-6
9 06.0 Moving Expenses 9-7
9 06.1 Current Employees 9-7
9 06.2 New Employees 9-7
9 07.0 Salary Range Changes 9-7

RULE 10 LEAVES OF ABSENCE 10-1 -- 10-7
10 01.0 Annual Leave 10-1
10 01.1 Accrual 10-1
10 01.2 Use and Payment 10-2
10 02.0 Sick Leave 10-3
10 02.1 Accrual 10-3
10 02.2 Availability of Sick Leave 10-3
10 02.3 Payment 10-4
10 02.4 Reinstatement of Sick Leave 10-4
10 03.0 Maternity Leave 10-4
10 04.0 Court Leave 10-5
10 05.0 Not Applicable 10-5
10 06.0 Military Leave 10-5
10 07.0 Leave of Absence to Accept an Exempt or Partially Exempt Appointment 10-6
10 08.0 Sick Leave Without Pay 10-6
10 09.0 Other Leaves of Absence, Without Pay 10-6
10 10.0 Cancellation of Leaves of Absence 10-7
10 11.0 Effect of Leave Without Pay on Anniversary Date 10-7

PAGE

RULE 11 SEPARATION AND DEMOTION 11-1 -- 11-4
11 01.0 Retirement 11-1
11 02.0 Resignation 11-1
11 03.0 Suspension 11-1
11 04.0 Layoff 11-1
11 04.3 Organizational Units 11-2
11 05.0 Dismissal 11-3
11 06.0 Demotion 11-4
11 07.0 Termination 11-4

RULE 12 DISPUTES: HEARINGS AND APPEALS 12-1 -- 12-4
12 01.0 Employee - Agency 12-1
12 01.1 General Grievance Procedure 12-1
12 01.2 Dismissal, Demotion or Suspension Over 30 Days 12-3
12 02.0 Inter-agency 12-4

RULE 13 PROHIBITIONS AND PENALTIES 13-1 -- 13-4
13 01.0 Political Activity 13-1
13 02.0 Securing of Positions 13-1
13 03.0 Party Assessments 13-1
13 04.0 Party Endorsements 13-1
13 05.0 Nomination and Candidacy 13-1
13 06.0 Racial, Religious or Political Action 13-1
13 07.0 Fraud 13-1
13 08.0 Rights of Others 13-2
13 09.0 Nepotism 13-2
13 10.0 Information from Applicant 13-2
13 11.0 Outside Employment 13-2
13 12.0 Investments in Conflict with Official Duties 13-3
13 13.0 Use of Information 13-3
13 14.0 Gifts and Favors 13-3
13 15.0 Purchases of Commodities and Services 13-3
13 16.0 Conflicts of Interests 13-3
13 17.0 Interpretations 13-3
13 18.0 Penalties 13-3

RULE 14 GENERAL PROVISIONS 14-1 -- 14-2
14 01.0 Citizenship Qualifications 14-1
14 02.0 Oath of Office 14-1
14 03.0 Roster of Employees 14-1
14 04.0 Personnel Actions: General 14-1
14 05.0 Delegation of Personnel Duties 14-1
14 06.0 Coverage of the Rules 14-1
14 07.0 Public Records 14-1
14 08.0 Enforcement 14-2

1-1

Rule 1

Definitions

Unless the context requires otherwise, the definitions in this Rule govern the construction of these Rules.

"Act" means Title 39, Chapter 25, State Personnel Act, of the Alaska Statutes, as amended.

"Agency" includes "department," "council," "office," and every other government organizational unit of the State of Alaska.

"Alaskan" means a person whose domicile is within the State of Alaska.

"Allocation of Position" means the action taken to place a position in an appropriate class of positions and officially assigning to that position the class title of the appropriate class.

"Appointing Authority" means the authority to appoint to positions in the State service as set out in AS 39.25.020 and includes any official to whom appointing authority has been delegated in conformity with the Act.

"Certification" means the act of submitting available names on the eligible list to an appointing authority for the purpose of making an appointment.

"Certified" means 1) signed by the head of a department or agency or by a responsible person designated by him/her, or 2) issued a certification in accordance with Rule 5 03.0.

"Class" or "Class of Positions" means one or more positions sufficiently similar as to duties and responsibilities, degree of supervision exercised or required, and as to entrance requirements that the same descriptive title may be used to designate them. The same requirements as to education, experience, knowledge and ability may be demanded of applicants, the same tests of fitness may be used to choose qualified persons, and the same schedule of pay made to apply with equity to all positions in the class.

"Class Specification" is a written statement of duties and responsibilities which are characteristic of a class of positions and includes the education, experience, knowledge and ability required to perform the work of the class of positions.

"Classification Plan" means the orderly arrangement into classes of all positions in the classified and partially exempt services.

1-2

"Commissioner" means the Commissioner of Administration.

"Complete certification" means three or more eligibles available for appointment.

"Current Rate of Pay" means the salary received by an employee for his scheduled hours of work.

"Demotion" means the change of an employee from a position in one class to a position in another class with a lower salary range.

"Departmental Promotional List" means an eligible list of those employees in a given department who have permanent status and who are on the eligible list for a class of positions at a higher salary level than the positions which the employees currently hold.

"Director" means the Director of Personnel in the Department of Administration.

"Disabled Veteran" means a person who meets the definition of a "Veteran" in these Rules who, in addition, is rated by the United States Veterans' Administration as having at least ten percent service connected disability.

"Dismissal" means separation of an employee from the State service for reasons other than resignation, retirement, or layoff.

"Domicile" means the true and permanent home of a person, from which he has no present intention of removing and to which he intends to return whenever he is away.

"Eligible" means any person who has qualified under these Rules for appointment to positions in a specified class.

"Emergency Employee" means an employee appointed for a period not to exceed 30 calendar days whose appointment was made under conditions requiring immediate action to carry on work required in the public interest.

"Employee" means any person in the State service who is paid a salary or wage and who is wholly or partially subject to the Act as amended and these Rules.

"Examination" means a test or combination of tests held by the Director to determine the relative fitness of applicants for positions in the classified service. These may consist of a written test, oral interview, evaluation of training and experience, performance test, aptitude test, or such other measures of fitness as deemed appropriate by the Director.

"Exempt Service" means those positions in the State service specifically exempted by Section 39.25.110 of the Alaska Statutes. These Rules do not apply to the exempt service.

"Immediate Family" means father, mother, husband, wife, sons, daughters, brothers, and sisters.

"Interdepartmental Promotional List" means an eligible list of those employees of the State who have permanent status and who are on the eligible list for a class of positions at a higher salary level than the positions which the employees currently hold.

"Layoff" means an involuntary separation of an employee in the State service because a position has been abolished, because of insufficient funds, or because of lack of work.

"Maintenance Allowance" means lodging, meals, or other basic necessities representing cash value to the employee and additional cost to the State.

"Nonpermanent Employee" means a person who is employed in a position which is not in the exempt or partially exempt service, who is not a permanent or an emergency employee and whose employment is time-limited.

"Nonpermanent Position" means a work assignment of less than 120 days or one established for a specific program or project.

"Partially Exempt Service" means those positions in the State service listed or provided for in AS 39.25.120 and AS 39.25.130. These Rules apply to the partially exempt service only as provided by law.

"Pay Plan" means a schedule of salaries established pursuant to the Act as amended and these Rules, covering all classes of positions in the classified and partially exempt services.

"Permanent Employee" means an employee who has satisfactorily completed his probationary period in accordance with these rules during current classified service with the State.

"Personnel Evaluation Report" means the appraisal in writing of an employee's work performance on forms prescribed by the Director.

"Position" means an office or employment in the State service composed of specific duties and requiring the full-time or part-time services of one person or the part-time services of one or two persons.

"Position Control Number" is the number assigned by the Director to identify a classified and budgeted position.

"Probationary Employee" means an employee who is serving an initial probationary period in the classified service.

"Probationary Period" is a working test period following an appointment and preceding permanent employment in a class.

1-4

"Program or Project Employee" means a nonpermanent employee, including a student intern, who is employed in State service with prior written understanding that employment in that position will continue for at most the duration of a specified program or project which is not a regular and continuing function of a department or agency, and which has an established probable date of termination.

"Promotion" means the change of an employee from a position in one class to a position in another class with a higher salary range.

"Reallocation" means the action taken to place an existing position in a new class due to changes in the requirements for the position or amendment of the Classification Plan.

"Resignation" means the termination of employment at the request of the employee.

"Seasonal Position" means a permanent position established to meet recurring seasonal needs of less than twelve months duration during any calendar year where it is anticipated that the same employee will return when needed.

"Second Degree of Kindred" means father, mother, son, daughter, brother, sister, husband, wife, grandfather, grandmother, grandson, granddaughter, uncle and aunt including those involving half or step relationships.

"State" means the State of Alaska.

"Substitute Appointment" means an appointment made to a position which is to be vacant for longer than six months because of an authorized leave of absence where the incumbent has reinstatement rights.

"Suspension" means an enforced leave of absence for disciplinary purposes or pending investigation of charges made against an employee.

"Termination" means the release from employment of a nonpermanent or emergency employee upon completion of the term of service or the need for services.

"Transfer" is the lateral movement of an employee from one position to another position in the same job class or to a parallel job class at the same pay range without any break in service.

"Veteran" means any person who has received an honorable discharge, an honorable separation or a certificate of satisfactory service from the Armed Forces of the United States of America and who has 90 days or more of active duty during one of the following periods:

1-5

between April 6, 1917 and December 1, 1919
or
between September 16, 1940 and December 31, 1947
or
between June 27, 1950 and a date to be determined by the legislature which shall be on or about six months after the termination of hostilities involving forces of the United States in Viet Nam.

2-1

Rule 2

CLASSIFICATION

2 01.0 General

The Director shall prepare and maintain a position classification plan which provides for a grouping into classes of all positions in the classified service and the partially exempt service on the basis of duties, responsibilities, and qualifications required.

2 02.0 Class Specifications

The Director shall provide and maintain written specifications for each class of positions which shall include an appropriate title, a description of the duties and responsibilities, training and experience qualifications and other necessary specifications. Class specifications shall be considered as descriptive guidelines and shall not be considered as inclusive of all duties to be found in positions allocated to a particular class. To the extent possible, specifications shall be kept up to date so that positions existing at any time will be covered by current published class specifications.

2 02.1 The statement of minimum qualifications expresses the minimum background in terms of education, experience, and other qualifications which would be required of any new appointee to a position in the class as partial evidence of his ability to perform the work properly, and is not to be construed as imposing in itself any new or additional requirements upon incumbents of positions allocated to the class.

2 02.2 Personal suitability qualifications commonly required of any employee occupying a position in any class such as good citizenship, loyalty, honesty, sobriety, industry, amenability to supervision, and willingness to cooperate with associates shall be qualifications required for each class, even though such traits may not be specifically mentioned in the specifications.

2 03.0 Use of Class Titles

The title of a class shall be the official title of every position allocated to that class for all purposes having to do with the position, and shall be used on all payrolls, budget estimates, and official records and reports relating to the position, but any abbreviations or code symbol approved by the Director may be used in lieu of the title to designate the class of a position in any such connection, and any other title desired by the appointing authority may be used to designate any position for purposes of internal administration and in any other connection not involving the personnel processes covered by the Act or these Rules.

2-2

2 04.0 Allocation of Positions

2 04.1 The Director shall, with the advice and assistance of the appointing authorities, allocate all existing and new positions in the classified service and the partially exempt service to the classes which he finds to be appropriate by comparison with class specifications and consideration of other factors affecting classification, such as the organizational location of the position and the relationships of the position to other positions.

2 04.2 Each appointing authority shall report to the Director the establishment of new positions and material changes in the duties and responsibilities of existing positions in the classified and partially exempt services. Each such report shall set forth the duties, responsibilities, and authority of the position, its place in the organization, and such other information as may be required by the Director and such classification recommendations as the appointing authority may deem appropriate.

2 04.3 Each appointing authority shall supply to the Director organizational charts supplemented by functional statements clearly identifying the position for which classification action is requested.

2 04.4 The principal executive officer of each department may, with the approval of the Governor, establish divisions or other administrative or organizational units within the department in the interests of economy and efficiency and in accord with sound administrative practices and principles. All requests for creation of divisions or other units shall be submitted to the Commissioner of Administration for review and submission for action by the Governor (AS 44.17.020). Such approval will be obtained prior to requesting classification or other personnel action.

2 04.5 Positions must be budgeted before classification action is completed. Departments must certify that funds are available or will be as of a given date before a position control number will be issued by the Director. The Director, Division of Budget and Management will be the authority as to existence of funds in departmental budgets with regard to new positions.

2 05.0 Review of Allocations

The Director shall provide for a systematic and periodic review of positions in the classified and partially exempt services for the purpose of adjusting the allocations of positions when the duties and responsibilities may have materially changed, or when current classifications are found by him, upon review, to be in error.

2-3

2 06.0 Effective Dates of Allocation Action

The effective date of any allocation action taken by the Director shall normally be the sixteenth of the month following the date on which he took the action unless he specifies another.

2 06.1 Any personnel actions required to be taken as a result of allocation actions shall be taken not later than 30 days or the beginning of the second pay period following the effective date of the allocation action.

2 06.2 The preceding effective date provisions shall apply to allocation review decisions as well as other allocation actions.

2 07.0 Establishment of Positions

2 07.1 No person can be appointed, promoted, transferred or demoted except to an established, classified position.

2 07.2 The duties and responsibilities of each position, after it has been established and classified, shall be recorded in the form of any official position description, copies of which shall be kept on file in the Department of Administration and in the office of the agency in which the position is located.

3-1

Rule 3

RECRUITMENT AND EXAMINATION

3 01.0 Recruitment

Written public notice of all examinations for positions in the classified service shall be given by the person or board responsible for the examination and every reasonable effort shall be made to attract qualified persons to compete in the examinations. Copies of announcements shall be posted in public places, and may be sent to public officials, educational institutions, professional and vocational societies, newspapers, and such other individuals, organizations and media consistent with obtaining qualified applicants.

3 01.1 Continuous Examinations

Where it has been determined to be necessary in order to maintain eligible lists adequate for the filling of positions or nonpermanent positions, examinations may be announced on a continuous basis without a designated closing date for the receipt of applications. Such continuous examinations shall be periodically publicized.

3 01.2 Specific Examinations

3 01.21 For any examinations for which a specific closing date for the receipt of applications is designated, public notice shall be given at least 15 days in advance in accordance with procedures established by the Director.

3 01.22 An employee of record who holds permanent status in a position which has been reallocated to a higher class shall be admitted to examination for the higher class if (1) he meets the minimum qualifications for the class and (2) he has not already acquired a place on the eligible list for the class, Rule 3 02.2 notwithstanding.

3 01.3 Promotional Examinations

When it is determined by the Director to be in the best interests of the State service, and where adequate competition exists among permanent employees qualified for promotion, an examination may be announced on a promotional basis. When a promotional examination is announced, applications will be accepted only from employees of the State who have permanent status.

3-2

3 02.0 Application for Examination

3 02.1 Forms

Applications for examinations shall be made on forms prescribed by the Director and shall constitute an integral part of every examination. On these forms the Director may require information as to education, training and experience of the applicant and such other information as he may deem pertinent. The Director may require any applicant for any examination to submit documented proof of the possession of any license, certificate, degree or other qualification claimed or required and may refuse credit for such qualification in the absence of proof. No applicant for examination may be accepted after the close of any announced filing period.

3 02.2 Admission to Examination

Any person who submits application on or before any established deadline for filing and whose application clearly indicates that he meets the requirements for admission to the examination in which he wishes to compete, as set forth in the public announcement, shall be admitted to compete in the examination. Where doubt exists as to whether an applicant meets the requirements for admission to the examination, the Director may authorize conditional admission to the examination, but such action shall not be construed as entitling the applicant to become eligible for certification or appointment until the circumstances leading to the conditional acceptance are clarified to the Director's satisfaction. Each applicant whose application has been accepted for any examination shall be notified of the date, time and place of the examination and such notice shall be his authorization to compete in the examination. No persons shall be permitted to compete in any examination without such an authorization or other satisfactory evidence of acceptance or conditional acceptance of his application.

3 02.3 Disqualification of Applicants

The Director may refuse to examine an applicant, or after examination refuse to place his name on an eligible list or may remove his name from an eligible list or may refuse to certify any person on an eligible list who:

3 02.31 has failed to submit his application correctly or within the prescribed time limit;

3 02.32 is found to lack any of the preliminary requirements established for admission to the examination;

3 02.33 is so disabled as to be rendered unfit for the performance of the duties required;

3-3

3 02.34 is addicted to the use of narcotics or the excessive use of intoxicating liquors;

3 02.35 has been convicted of any infamous crime or a crime involving moral turpitude;

3 02.36 has made a false statement of material fact in his application;

3 02.37 has been dismissed from public service for delinquency, misconduct, unsatisfactory performance of duties, or other similar cause;

3 02.38 has used or attempted to use political pressure or bribery to secure an advantage in the examination or appointment;

3 02.39 has directly or indirectly obtained information regarding examinations to which as an applicant he is not entitled.

3 03.0 Character of Examinations

All examinations for job classes in the classified service shall relate to those matters which will fairly test the capacity and fitness of the persons examined to discharge efficiently the duties of the position or nonpermanent positions sought by them. Any means or measures may be used which are reasonably well calculated to test the fitness of candidates to become employees in positions or non-permanent positions of the class for which the examination is held. Such means or measures may include any required statement or any investigation of education, experience, or record of accomplishment; any test of knowledge, skill, capacity, intelligence, or aptitude; and any inquiry into the character, or any other quality or attribute which, in the judgment of the Director, seems desirable. No test or question in any application or examination shall be construed to require the disclosure of any information concerning any political, religious, fraternal, or racial affiliations, preferences, or opinions.

3 04.0 Conduct of Examinations

Examinations shall be conducted in such locations in the State and elsewhere as are convenient for applicants and practicable for administration. They shall be conducted either by or under the control of the Director and all examiners and monitors used in the conduct of examinations shall be provided with such instructions as may be required for fair and impartial administration.

3 05.0 Rating of Examinations

3 05.1 Appropriate scientific techniques and procedures shall be used in rating the results of examinations and determining the relative rankings of the competitors. In all examinations

3-4

the minimum ratings by which eligibility may be achieved shall be set by the Director. The final examination grade may be based on all factors of the examination including educational requirements, experience and other qualifying elements as shown in the competitor's application or other verified information. The final earned rating of each competitor shall be determined by averaging the earned ratings on each part of the examination in accordance with the weights established for each part prior to the date of examination. All competitors may be required to obtain at least a passing grade in each part of the examination in order to receive a final passing grade or to be rated on the remaining parts of the examination.

3 05.2 In addition to other factors, the performance record and seniority of an employee in the classified service who has satisfactorily completed an initial probationary period shall be evaluated.

3 05.3 The Director may designate an examining procedure which rates applicants as qualified or not qualified for specialized professional job classes which require licensure and the condition of the eligible list or the history of selection indicates a lack of competition.

3 06.0 Notification of Examination Results

3 06.1 Each person competing in an examination shall be given written notice of his final rating. Upon request and proper identification an eligible shall be given information concerning his relative position, if any, on an eligible list, but such information shall otherwise be kept confidential.

3 06.2 The examination papers and records of ratings of competitors shall be held as official records of the Director's office during the life of the eligible list for which they competed.

3 06.3 Within 30 calendar days following receipt of written notice of his final rating, a competitor, upon request, shall be given the opportunity during regular office hours to examine in the presence of authorized personnel any tests that were used in determining his final rating. Reports regarding character, previous employment, ratings by individual oral board members, background investigations, and similar information obtained by the Director as a result of confidential inquiries, shall be kept confidential.

3 06.4 Any written test used for a continuous recruitment class under Rule 3 01.1 shall not in any case be open for inspection by a competitor until after the test is no longer used for competitive testing. A competitor may obtain information concerning the types of items failed, may have the answer sheet rescored, or make any other reasonable request concerning the means or methods used in determining his grade

3-5

that does not involve releasing the specific test items currently in use for competitive examinations being held under continuous recruitment.

3 07.0 Preference in State Employment for Veterans

3 07.1 Application for veterans' preference points shall be made in the manner prescribed by the Director. Documentary proof of service may be required.

3 07.2 To establish disabled veterans' preference, the requirements of Rule 3 07.1 must be fulfilled and, in addition, a letter from the United States Veterans' Administration must be presented, dated within the past six months immediately prior to the date that the candidate is placed on the eligible register, stating that the veteran has currently at least a ten percent wartime service connected disability.

3 07.3 For the purpose of entry into the classified service through the open competitive list and when the required application for and proof of veteran status has been duly established there will be added to the final earned examination rating (Rule 3 05.1) five points for a veteran and ten points for a disabled veteran.

3 08.0 Reexaminations

3 08.1 A candidate who has failed the written portion of an examination may, after the expiration of three months following the date of said examination, be scheduled for retesting, provided the class is open for recruitment at the time of reapplication.

3 08.2 A candidate who has failed the performance portion of an examination may be scheduled to retake the performance portion of the examination, provided said class is open for recruitment.

3 08.3 A candidate who wishes to retake an examination in an effort to raise a passing score may do so after a minimum of three months, provided the class is open for recruitment. The reexamination shall include all portions of the examination and the reexamination scores shall replace the previous scores.

3 08.4 When a candidate becomes actually sick during the course of an examination the Director may, after investigation of the facts, modify the three month reexamination period.

3 09.0 Special Boards of Examiners

For the purpose of examining applicants for specialized scientific, professional, or technical positions, the Director may establish special boards of examiners. Such boards shall conduct competitive examinations as designated and according to guidelines and instruc-

3-6

tions provided by the Director. The latter shall continually review the activities of these boards to insure compliance with pertinent laws, rules, and instructions. The eligibles obtained from the special boards shall be certified to vacancies under Rule 4.

4-1

Rule 4

ELIGIBLE LISTS

4 01.0 Establishment

The Director shall establish and maintain eligible lists necessary to carry out the purpose of the Personnel Law and Rules.

4 01.1 Each list shall be by job classification and shall consist of the names of all persons who have passed the required competitive examination, ranked in order of final earned rating based upon the competitive examination plus any credited rating based upon satisfactory performance in the classified service, and any credited veterans' preference, provided Alaskans shall be listed in rank order above non-Alaskans.

4 01.2 Credit shall be given to each permanent employee in the classified service who is competing for an appointment, in accordance with a rating scale established and made public by the Director.

4 01.3 If a vacancy exists in a job classification for which there is no appropriate eligible list, the Director may prepare an appropriate list for the class from one or more existing related lists.

4 01.4 The name of any permanent or probationary employee who has been involuntarily separated from the classified service while in good standing because of shortage of work or funds, changes in organization, or other reasons not involving his own conduct or performance, shall be placed on the appropriate layoff list by agency and position and position classification.

4 01.5 Any permanent or probationary employee who separated in good standing may upon written request, have his/her name placed as a rehire on the eligible list for the job class from which he/she separated. Such a request must be made within two years of the date of separation. Upon advance approval of the Director, the name of the individual may be placed as a rehire on the eligible list for a lower class in the same series or in a parallel class series. If the class no longer exists or if major changes have been made in minimum qualifications, the name may be placed on the list of the most closely related class for which qualified.

4 01.6 Any permanent or probationary employee who has submitted the proper forms through his supervisor and obtained approval may have his name placed on the appropriate eligible list as a transfer.

4 02.0 Application of Lists

Each list shall be statewide in application for all agencies except where these Rules or action of the Director specifically call for establishment of lists by geographical area, agency, or organizational unit. Except as otherwise provided in Rule 5, all vacancies in the classified service shall be filled by certification and appointment from competitive eligible lists.

4 03.0 Duration

The Director shall determine the period during which eligible lists shall remain in effect, but this period shall not exceed two years. When the Director deems it necessary, a new eligible list may be combined with an existing list. The maximum length of time for which the name of any individual shall remain on an eligible list without reexamination shall be two years from the date of original entry on the eligible list.

4 04.0 Removal of Names

In addition to the reasons stated in Rule 3 02.3 and Rule 13, the Director may remove names from eligible lists permanently or temporarily for any of the following reasons:

4 04.1 Appointment through certification from such list to fill a permanent position.

4 04.2 Appointment to fill a permanent position through certification from another list or from a list for another class at the same or higher salary. Any person whose name is so removed may have his/her name restored for the duration of such lists other than the one from which appointment was made by making written application for such action to the Director.

4 04.3 Failure to respond to a written inquiry of the Director or appointing authority relative to availability for appointment within the time limits specified below.

4 04.31 Fourteen calendar days when the applicant resides outside Alaska.

4 04.32 Ten calendar days when the applicant resides within Alaska.

4 04.33 Deleted April 15, 1980.

4 04.4 Failure to respond within five working days to a telegraphed inquiry from the Director or appointing authority relative to availability for appointment.

4 04.5 Declination of appointment for any reasons with regard to conditions which the eligible previously indicated he/she would accept.

4-3

4 04.6 Failure to report for duty within the time prescribed by the appointing authority.

4 04.7 Expiration of the term of eligibility on the eligible list.

4 04.8 Failure to promptly advise the Director in writing of his/her current mailing address or any change of address and phone number. For this purpose the return of a letter by the postal authorities, if properly addressed to the last address on record, shall be deemed sufficient grounds for such removal of the name from the eligible list.

4 04.9 Unsatisfactory reference which has resulted in rejection by one or more appointing authorities.

4 04.10 Rejection by two or more departments under Rule 5 03.14.

4 04.11 Appointment through certification to fill a nonpermanent position. Persons whose names are removed for this reason will remain on eligible lists for permanent positions.

4 05.0 Statement of Availability

Whenever an eligible submits a statement restricting the conditions under which he/she will be available for employment, his/her name shall be withheld from all certifications which do not meet the conditions he/she has specified. An eligible may file a new statement at any time during the duration of an eligible list modifying any prior statement as to conditions under which he/she will be available for employment, except that if such statement results in the withdrawal of his/her name from a certification outstanding at the time of receipt of the statement, it may be deemed a declination of appointment. For the purposes of this rule the Director may accept telephone information as having the same effect as a written statement provided the Director confirms the telephone information by letter, clearly stating the conditions under which the eligible will be certified on the basis of such information.

4 06.0 Reinstatement of Names

The name of any candidate placed on the inactive eligible list may be returned to the active eligible list at any time during the life of the list and during his maximum period of eligibility upon the written request of the candidate, provided that the removal was not made under the provisions of Rule 3 02.3, Rule 13, or permanently removed under Rule 4 04.0.

4 07.0 Public Notice

No eligible list shall be established until there has been written public notice of at least 15 calendar days.

5-1

Rule 5

CERTIFICATION AND APPOINTMENT

5 01.0 Requests for Employees

5 01.1 Classified Service

Whenever an appointing authority wishes to fill a vacated or a new position or nonpermanent position in the classified service, a requisition for an employee shall be submitted to the Director on the prescribed form. Insofar as practicable, each vacancy shall be anticipated sufficiently in advance to permit the Director to determine who may be available and eligible for appointment, or, if necessary, to establish a list of eligibles.

5 01.2 Exempt or Partially Exempt Services

The Director, upon request, may make the names of candidates from eligible lists available to appointing authorities for the purpose of making appointments to positions in the exempt or partially exempt services. If such appointments are offered, the appointees should be advised in writing by the appointing authority that the positions are not covered in the classified service.

5 02.0 Methods of Filling Vacancies

Upon receipt of a request to fill a vacant position or nonpermanent position, the Director shall certify the names from the appropriate eligible list or authorize some other kind of appointment as provided in these Rules. No appointment other than an emergency appointment (Rule 5 07.0) shall be made without such certification or prior authorization. If the position to be filled is a permanent one, the Director shall certify from the agency layoff list. If no such layoff list exists, he/she shall certify from the competitive eligible list he/she deems appropriate, taking into consideration any request made by the appointing authority.

5 02.1 Appointment shall be made on the basis of merit by selection from the highest available eligibles on the certification in accordance with the duties of the position being filled.

5 02.2 When selection is made from the open competitive list, such selection shall be from among the top five available eligibles. If two or more eligibles have identical scores and one such eligible must be reached to consider five eligibles, all such eligibles shall be considered among the top five.

5-2

5 02.3 When a certification request has been limited to the departmental or interdepartmental promotional list, selection shall be from among the top five available eligibles.

5 02.4 For those positions or nonpermanent positions not subject to Federal Standards for a Merit System of Personnel Administration: Appointments will be made on the basis of merit by selection from the highest available eligibles on the certification in accordance with the duties of the position being filled. Appointment will normally be made from among the top five eligibles, provided, however, that whenever practicable and in the best interest of the State service vacancies shall be filled by promotion.

In addition, an eligible ranked lower than fifth on the list may be appointed when unique or unusual circumstances are recorded by the appointing authority and a copy submitted to the Director with the appointment documents. Full responsibility for justification of an appointment of such an eligible lies with the appointing authority.

5 02.5 For those positions or nonpermanent positions subject to Federal Standards for a Merit System of Personnel Administration: When there exist unique or unusual circumstances such that all eligibles for a class would not be expected to be able to perform the duties of a particular position, the appointing authority may request from the Director approval to select from the certification on the basis of unique and unusual circumstances. Such requests must be approved prior to the issuance of the certification. When approval is given to select on the basis of unique or unusual circumstances, the appointing authority shall record his evaluation of the selected eligible and each eligible standing higher on the eligible list than the individual selected in regards to the unique or unusual circumstances. Selection shall be made from among the top five available eligibles who would be able to perform the duties of the position.

In considering a request to select on the basis of unique or unusual circumstances the Director shall consider the position description, the class specification of the job class, and other factors relating to the principles of selection on the basis of merit from among the highest available eligibles.

5 03.0 Certification of Eligibles

5 03.1 Certification shall be as follows:

5 03.11 If an agency has established organizational units for layoff purposes under Rule 11 04.31, the one highest on the layoff list for that organizational unit will be certified for one vacancy. If no organizational unit layoff list exists or if such eligibles decline appointment or are not available, the one name highest

5-3

on the agency layoff list for the position shall be certified for one vacancy.

5 03.12 If no agency layoff list exists, or if such eligibles decline appointment, or are not available and the reason for seeking certification is because the position has been reallocated to another job class, the incumbent of the position shall be deemed certified to the position as of the effective date of the reallocation action. When these conditions do not exist, the names from the applicable competitive list shall be certified.

5 03.13 The names of any persons on the layoff list of other agencies for the same job class shall be certified along with the competitive eligibles referred to in Rule 5 03.12. Consideration shall be given to the employees on the layoff list. Selection may be made from either the competitive eligible list or the layoff list at the election of the appointing authority concerned.

5 03.14 A candidate certified three times to an appointing authority and not selected will not, at the request of the appointing authority, be again certified to that appointing authority.

5 03.15 An employee whose name is reinstated on the eligible list under provisions of Rule 4 06.0 may, for reinstatement purposes only, be certified at the request of the appointing authority as an additional name on the certification to the agency where he last held permanent status.

5 03.16 An employee whose name is made available under Rule 5 10.5 for interdepartmental transfer may be certified as an additional name on certification for that job class. The hiring authority shall give consideration to persons so certified.

5 03.17 The name of any person on the list as a rehire shall be certified as an additional name for that job class. The hiring authority shall give consideration to persons so certified.

5 03.18 The maintenance of lists of qualified persons in the labor, trades, and craft series in the classification outline may be delegated by the Director to the various departments under administrative regulations issued by the Director. Post audit of minimum qualifications, Alaskan residence and veterans' preference will be performed by the Director.

5-4

5 03.19 If no agency layoff lists exist, or if such eligibles decline appointment or are not available, a person certified as severely handicapped by the director of Vocational Rehabilitation may also be certified to a vacant position by the Director of Vocational Rehabilitation. Such eligibles may be appointed on provisional status for a period not to exceed four months within a twelve-month period.

5 03.2 Deleted January 1, 1980.

5 03.3 Concurrent Certification

Groups of eligibles shall be certified to vacancies in order of receipt of requisitions for employees, with due regard for the rights of eligibles standing highest on the list. This section shall not require simultaneous certification of the same name on different certifications made concurrently.

5 03.4 Less than Normal Number of Eligibles

Whenever there are not sufficient names on an eligible list to make a complete certification, the Director may augment those names by a sufficient number of names from other lists deemed appropriate by him to make a complete certification.

5 03.5 Incomplete Certification

When the number of names available for filling any vacancy is fewer than three, except in case of certification from an agency layoff list, the appointing authority may decline certification for that vacancy and proceed to fill the vacancy in any other manner provided in these Rules.

5 03.6 Withdrawal of Certification

In the event appointment is not reported within fourteen days of the date of certification, the Director may withdraw such certification and shall certify the names of eligibles included in such certification on the next requisition received for the approriate class of employment.

5 03.7 Subfilling Positions

5 03.71 In the absence of a complete certification, the appointing authority may request authorization from the Director to subfill the position at a lower classification level. Upon approval, the appointing authority shall request a certification from the eligible list of the lower classification in accordance with Rule 5 02.0. An employee receiving a subfilled appointment shall be so advised in writing by the appointing authority, and the employee shall perform the duties of the lower classification.

5 03.8 Deleted January 1, 1980.

5 03.9 Preference in State Employment for Alaskans

Preference shall be provided for Alaskans wherein Alaskans shall be certified in rank order ahead of any non-Alaskans on the eligible list.

5 04.0 Position Must Be Classified Before Being Filled

No appointment can be made except to a position that has been classified, or a nonpermanent position that has been approved, and where minimum qualifications have been established and a salary range assigned.

5 04.1 No commitment of appointment or salary rate may be made to a prospective employee until a position has been established, or a nonpermanent position has been approved, and the classification action has been completed, and the proper procedures for filling the vacancy have been followed.

5 05.0 Permanent Appointments

All vacancies in positions in the classified service having an expected duration in excess of the probationary period established for the positions shall be filled by appointment from certification from eligible lists except as otherwise provided in these Rules.

5 06.0 Nonpermanent Appointments

Except when otherwise stated, this Rule shall apply to regular nonpermanent appointments and to nonpermanent program or project appointments.

Nonpermanent appointments require prior written approval of the Director.

The hiring department or agency must certify the following to the Director when seeking approval for nonpermanent hire: 1) that the Legislature appropriated money for the work in question knowing that it is to be performed by a nonpermanent employee; 2) that there is an immediate need to fill an authorized, permanent position and it is impractical either to establish the position or to make certification within a reasonable time; 3) that they could not reasonably have been expected to anticipate the need; 4) that a program or project exists; (this requirement is necessary only when a department or agency is seeking approval to hire program or project employees); and 5) adequate money is available for the duration of the appointment. A person who make a false certification is personally liable in a civil action to an individual terminated under AS 39.25.197 for any resultant damages and for punitive damages of an amount not to exceed three times the gross monthly salary at which the nonpermanent employee was appointed.

5-6

Nonpermanent appointments shall be made from eligible lists in accordance with Rule 4, unless in appropriate circumstances the Director has waived this requirement.

Nonpermanent employees may not be placed on the State payroll unless the Director has first approved the personnel action for the employee's department.

A department or agency may not employ any individual as a nonpermanent employee for more than 120 calendar days in a 12-month period unless the Director authorizes an extension. This limitation does not apply to program or project employees.

A department or agency may not use nonpermanent employees to perform a given work assignment for more than 120 calendar days in a 12-month period. This limitation does not apply to program or project employees.

Appointments of program or project employees require prior approval of the Director who must agree a program or project exists.

With prior approval of the Director, an appointing authority may appoint a nonpermanent employee to perform the work of a permanent employee when the permanent employee is on medical, personal or military leave, or in other situations in which the Director determines the appointment of an emergency or permanent employee would be inappropriate or when delay in making a temporary replacement would cause serious disruption. Such employees are not limited to the 120 calendar day limitation. Nonpermanent employees appointed under the provisions of this Rule do not have the rights of employees who hold substitute appointments.

5 07.0 Emergency Appointments

An emergency appointment is an appointment for a period not to exceed thirty (30) calendar days, made under conditions necessitating immediate action to provide for carrying on work that must be continued in the public interest.

An emergency appointment and the circumstances which required it shall be reported to the Director within fifteen days after it is made on a form prescribed by the Director.

In any case in which the need for action for filling a vacancy shall have been known, or could have been known by the exercise of due diligence, far enough in advance to afford opportunity for appropriate action under some other provisions of the Act and these Rules, no emergency shall be deemed to exist and no emergency appointment shall be made.

5 08.0 Provisional Appointments

5 08.1 When authorized by the Director and in the absence of an appropriate eligible list, a provisional appointment of a

5-7

qualified person may be made to fill a vacant position. Such an appointment shall be terminated upon expiration of the probationary period established for the position or upon certification and appointment from an eligible list, whichever occurs first.

No person shall receive more than one provisional appointment to the same position nor serve in the position beyond the probationary period, except with prior approval of the Director.

5 08.2 Where the work carried on under provisional appointment is on other than a continuing fulltime basis, the length of the appointment shall be limited to the number of hours which is equivalent to the probationary period on the basis of the work schedule for the agency and the type of employment concerned.

5 08.3 The appointing authority, in nominating a person for provisional appointment, shall transmit to the Director a statement of qualifications of the nominee, in such form as the Director shall prescribe.

5 08.4 No seniority shall be gained as a result of a provisional appointment except for the continuance of seniority in a lower class, unless the appointment later becomes a permanent appointment.

5 08.5 Conversion to Probationary Status

5 08.51 Retroactive probationary status may be granted to a provisional employee who earns a place on the eligible register at the first opportunity and is reachable for appointment.

5 08.52 Probationary status may be made effective no earlier than the date certified to the appointing authority in those cases where the provisional failed to earn a place on the eligible register at the first opportunity.

5 08.53 Retroactive permanent status may be granted to a provisional employee who is otherwise eligible for permanent status upon promotion and who earns a place on the eligible list at the first opportunity and is reachable for appointment.

5 08.54 Permanent status may be made effective no earlier than the date certified to the appointing authority in those cases where the provisional failed to earn a place on the eligible list at the first opportunity and who is otherwise eligible for permanent status upon promotion.

5-8

5 08.55 A provisional employee who was certified to his current position under provisions of Rule 5 03.19 and has demonstrated his ability to perform the duties of the position may be appointed to the position as a probationary employee. The demonstrated ability shall be recorded by the appointing authority with a performance evaluation as provided for in Rule 8.

5 09.0 Trainee Appointments

Appointments of students or other suitable persons to serve as interns or apprentices shall be in accordance with an approved and established training program and shall be made to established trainee positions or by underfilling other established positions. Such appointments shall be in accordance with other provisions of these Rules.

5 10.0 Transfer

The lateral movement of an employee from one position to another position in the same job class or to a parallel job class at the same pay range without any break in service.

5 10.1 Intra-agency transfer

5 10.11 The transfer of an employee within an agency to a different position in the same job class may be made at the discretion of the appointing authority.

5 10.12 The transfer of an employee within an agency to a parallel job class at the same pay range shall require prior approval of the Director.

5 10.2 Inter-agency transfer

5 10.21 At the joint request of the appointing authorities and with the prior approval of the Director, an employee may be transferred in the same job class between two departments. The requests must be on the form established by the Director for this purpose. Transfer to a parallel job class may also be accomplished through the same procedure.

5 10.3 Status of transferred employee

5 10.31 On an intra-agency or inter-agency transfer no change in status will result.

5 10.32 When transferred under Rule 5 10.12 the department must indicate the proposed status, the Director must approve, and the employee must be notified by the department of the approved status.

5-9

5 10.4 Parallel job class transfer

5 10.41 Transfer to a parallel job class may be made only upon the approval of the Director after it has been determined that the employee possesses the necessary qualifications and the job classes involved have a sufficient relationship. The Director may require a written examination or other evidence for purpose of determining the employee's qualifications for the new class.

5 10.5 Employee request for transfer

5 10.51 A permanent or probationary employee who requests intradepartmental transfer for personal reasons shall submit his request through normal departmental channels to the appointing authority.

5 10.52 A permanent or probationary employee who requests interdepartmental transfer either for personal reasons or as the incumbent of record in a position which has been reallocated to a lower class and for whom intradepartmental transfer has not been accomplished shall submit his request to the Director through the appointing authority. If approved, his name shall be made available to other appointing authorities through Rule 5 03.16.

5 10.6 Other rights accruing to a transferred employee

5 10.61 An employee transferred under provisions of this section shall be entitled to all accrued fringe benefits, and length of service with the State shall remain unbroken.

5 10.7 Transfer for the good of the service

5 10.71 Any transfer effected for the good of the service without the voluntary consent of the employee must be approved by the Director.

5 11.0 Appointment of Federal Employees

A federal civil service employee who qualifies as an Alaskan under these Rules may be appointed to a position in the classified service in a comparable classification without examination if he meets the minimum qualifications for the position to which he is being appointed and has been on permanent status under federal civil service for not less than six months immediately preceding his appointment. Such appointment may not be made if an eligible register consisting of three or more persons is available for filling the position. The employee may be required to serve a probationary period of employment. The qualifications of the federal employee and evidence that other provisions of this Rule have been fulfilled must be approved by the Director prior to the appointment.

5-10

5 12.0 Reemployment

5 12.1 An employee who separated in good standing while holding a permanent or probationary appointment may be reemployed in the same job class without examination or certification, provided such reemployment takes place within two years from his date of separation. Upon advance approval of the Director, such reemployment may be in a lower class in the same class series or in a parallel class series.

5 12.2 Deleted April 15, 1980.

5 12.3 Deleted April 15, 1980.

5 13.0 Promotion Boards

The Director may establish policies and procedures for the operation of promotion boards within the departments and agencies of the State. Such boards may conduct competitive examinations of permanent or probationary employees within established policies and procedures. Jurisdiction of promotion boards shall be limited to classifications designated by the Director and activities of the boards shall be continually reviewed. The eligibles obtained from these promotional boards shall be certified to vacancies under Rule 4.

5 14.0 National Emergency or Civil Disaster

In the event of national emergency or civil disaster so declared by the President of the U.S.A., or the Governor of the State of Alaska, such emergency appointments to the State service will be for the duration and/or until services of the employee are no longer required. Current employees may be reassigned to such duties as are necessary for the duration, and such reassigned employees upon cessation of the emergency shall return to their regular duties.

6-1

Rule 6

PROBATIONARY PERIODS

6 01.0 Objective

The probationary period in the classified service shall be regarded as an integral part of the examination process and shall be utilized for closely observing the employee's work, for securing the most effective adjustment of the employee to his position, and for rejecting any employee whose performance does not meet the required standards.

6 02.0 Duration

6 02.1 All original, rehire, and probationary promotional appointments in the classified service shall be subject to a probationary period of one year of continuous service, except for appointments to positions assigned to salary ranges 13 and below where the probationary period shall be six months. For each period of leave without pay totaling 23 working days or more, whether taken consecutively or at separate times, the probationary period shall be increased by one month. For periods less than the above, no change will be made in the probationary period.

6 02.2 An employee who is promoted prior to the completion of his probationary period to a higher level position in the same class series shall complete his probationary period in the lower position by service in the higher position and shall be considered as having permanent status in the lower classification at the end of the applicable probationary period following his appointment to the position in that classification and shall complete the full probationary period in the higher class.

6 02.3 Former employees appointed from eligible lists other than the layoff list shall be subject to a complete probationary period beginning the day of the new appointment.

6 02.4 Former employees reappointed from an agency layoff list by the same agency to the same class shall be subject to the probationary period only to the extent of completing any incompleted probationary period. Former employees in layoff status from one agency who are appointed by another agency shall be subject to the probationary period in the different agency.

6 02.5 Employees transferred from the jurisdiction of one appointing authority to that of another appointing authority are subject to the probationary period, except as provided in Rule 5 10.0.

6-2

6 02.6 Time served on emergency, nonpermanent or program or project employment shall not be counted as part of the probationary period.

6 02.7 The probationary period of an employee in salary range 13 or below may be extended in extenuating circumstances not to exceed three (3) months at the option of the appointing authority and with the approval of the Director. Notice of such extension and the reason therefore shall be given in writing to the employee prior to the end of the established probationary period, and a copy shall be sent to the Director.

6 03.0 Performance Evaluation Report

At any time or times during the probationary period and in such manner as the Director may prescribe, the appointing authority shall report in writing his evaluation of the employee's work performance to the Director.

6 04.0 Dismissal During the Probationary Period

6 04.1 At any time during a probationary period an employee other than an employee holding permanent status at the time of his probationary appointment may be dismissed from the service at the discretion of the appointing authority after prior notice but without right of appeal or hearing, and the reasons given for the dismissal shall be filed with the Director at the time the notice is given. If dismissal was due to discrimination based on race, color, sex, religion, national origin, or political beliefs, the right to appeal exists.

6 04.2 An employee dismissed in accordance with Rule 6 04.1 of this section may petition the Director for a review of the dismissal action. On the basis of such review, including consultation with the appointing authority, the Director may restore the name of the probationary appointee whose services have been terminated to the register from which he was certified, but the Director shall not in the future certify the name of such person to the same appointing authority from the same register, and in certifying the name of such person to other appointing authorities he shall give full fact concerning the previous unsuccessful probationary period.

6 05.0 Permanent Appointments

Permanent appointments to positions in the classified service shall be made upon satisfactory completion of the probationary period.

6 05.1 Within fifteen days prior to the expiration of an employee's probationary period, the appointing authority shall notify the Director in writing as to whether the services of the probationer have been satisfactory.

6-3

6 05.2 If the probationary services have been satisfactory and the employee is being given a permanent appointment, the employee shall be given permanent position status in the classified service beginning the day after the end of the probationary period.

6 05.3 Unless the appointing authority has separated or demoted the employee or extended the probationary period in accordance with other sections of these Rules, the appointment shall become permanent immediately following completion of the probationary period.

6 06.0 Demotion during the probationary period

6 06.1 An employee holding permanent status at the time of probationary appointment may only be demoted after prior notice for unsatisfactory performance of the duties of the higher class. Such notice shall be in writing, setting forth the reasons for the demotion, and a copy shall be filed with the Director at the time the notice is given. Except as stipulated in Rule 6 04.1, the right of appeal does not exist.

6 07.0 Probationary period following promotion

There shall be probationary periods as specified in Rule 6 02.1 before an appointment to a position becomes permanent, except that a permanent employee receiving a promotional appointment shall retain permanent status in the service and the job class from which appointed for the duration of the probationary period, and may be demoted to his former class without right of appeal. If, however, the employee is dismissed from the service, he shall have appeal rights under Rule 12 01.2.

7-1

Rule 7

HOURS OF WORK

7 01.0 Scheduled Hours of Work

Each appointing authority, with the prior approval of the Director, shall establish the scheduled hours of work for employees within his department. Such hours shall not be less than the minimum hours described herein and shall, as far as practicable, be uniform for employees in the same unit assigned to perform the same duties.

7 02.0 Minimum Work Week

37 1/2 hours of actual attendance on duty shall constitute the minimum work week for fulltime employees in the classified service and the partially exempt service with due allowance for authorized holidays and leaves of absence with pay.

7 03.0 Normal Work Week

The normal work week shall consist of five consecutive work days, Monday through Friday.

7 04.0 Normal Work Day

The normal work day shall consist of seven and one-half (7 1/2) hours, beginning at 8:00 a.m. and ending at 4:30 p.m. with a one hour period therein constituting a lunch period.

7 05.0 Overtime

7 05.1 All hours of work performed by an employee which fall between any Sunday midnight and the following Sunday midnight, whether scheduled in accordance with Rule 7 01.0 or authorized to meet peak work loads or emergency situations, shall be included in the same work week.

7 05.2 Payment of overtime shall be subject to policies and regulations prescribed by the Commissioner of Administration.

7 05.3 Hours worked in excess of the minimum work week by an employee who is eligible under 7 05.2 shall be considered overtime hours for compensation purposes, provided that overtime shall not be paid in cash unless authorized in writing by the appointing authority.

7 06.0 Other Employment

No employee shall engage in any other employment, either public, private or self employment, during the hours he is scheduled to work for the State, nor outside such hours in a manner or to an extent

7-2

which conflicts with the State's interest or that adversely affects his availability and usefulness as an employee of the State. Any employee who engages in any employment outside his normally scheduled hours of duty shall notify the appointing authority of his agency in writing of the nature and extent of such employment.

7 07.0 Legal Holidays

7 07.1 The following days are observed as State holidays:

(1) the first of January, known as New Year's Day

(2) the 12th of February, known as Lincoln's Birthday

(3) the third Monday in February, known as Washington's Birthday

(4) the last Monday in March, known as Seward's Day

(5) the last Monday in May, known as Memorial Day

(6) the Fourth of July, known as Independence Day

(7) the first Monday in September, known as Labor Day

(8) the 18th of October, known as Alaska Day

(9) the 11th of November, known as Veterans' Day

(10) the fourth Thursday in November, known as Thanksgiving Day

(11) the 25th of December, known as Christmas Day

(12) every day designated by public proclamation by the President of the United States or the Governor of the State as a legal holiday.

7 07.2 If a holiday listed in Rule 7 07.1 falls on a Sunday, the following Monday shall be a holiday.

7 07.3 If a holiday listed in Rule 7 07.1 falls on a Saturday, the preceding Friday shall be a holiday.

7 07.4 Departments which by nature of their duties require holiday work shall establish rules and regulations concerning employees working on holidays. These shall be posted where employees can see them. A copy must be filed with the Commissioner of Administration.

8-1

Rule 8

PERSONNEL EVALUATION AND TRAINING

8 01.0 Personnel Evaluation

8 01.1 Standards of performance established as a basis for personnel evaluation shall have reference to the quality and quantity of work performed, the manner in which the service is rendered, the faithfulness of the employee to his duties, and such other characteristics as will measure the value of the employee to the classified service and partially exempt service.

8 01.2 The Director shall prescribe the nature, form, and frequency of the reports and may investigate the accuracy of evaluation reports and take any necessary action to secure the adjustment of an evaluation to conform to the facts as ascertained. To the exent possible it shall be the duty of the Director to provide for uniformity of application of the standards by different rating officers.

8 01.3 The appointing authority or immediate supervisor shall discuss the evaluation with the employee with a view to assisting the employee to better understand what is expected of him and how he is measuring up to these expectations.

8 01.4 The reports and records of an employee's evaluation shall be filed with the Director and may be open to inspection by the employee or the employee's designated agent, by the appointing authority of the employee, and at the discretion of the Director to any other appointing authority who is considering appointment of the employee to his jurisdiction. They may not be open to inspection by any other person outside the Divisions of Personnel and Labor Relations except by proper written demand citing the judicial or statutory authority.

8 02.0 Employee Training

The Director shall cooperate with appointing authorities, employees, and others, in fostering and aiding in programs of preservice training for the State service and inservice training of employees, to the end that the quality of personal services rendered to the State may be raised and that employees may be aided to prepare themselves for advancement in the service.

8 03.0 Intern and Apprenticeship Training Programs

Appointing authorities with the approval of the Director may establish intern or apprenticeship training programs.

8-2

8 04.0 Reimbursement Agreement for Educational Costs

Employees receiving training for which they receive reimbursement, travel, or educational costs shall be required to sign an agreement to reimburse the State for all or part of such expenditure should they leave the service of the State as a result of their own action prior to the completion of the required amount of service as contained in regulations to be issued by the Commissioner of Administration.

9-1

Rule 9

PAY

9 01.0 General

The Director shall prepare, maintain, and administer a pay plan based upon the classification plan for all positions in the classified service and the partially exempt service in accordance with AS 39.25.150 (2) and Chapter 27 of AS 39. This Rule applies to the partially exempt service in all instances unless specific exception is made.

9 02.0 Administration

The following provisions assume that funds are available and that expenditures have been authorized.

9 02.1 Beginning Salary

9 02.11 New Employee

The minimum rate of pay in the assigned salary range for a class shall normally be paid upon initial appointment. Any exception in the classified service shall require the prior approval of the Director. Any exception in the partially exempt service shall require the prior approval of the commissioner of the employing department. All exceptions shall be based on one of the following:

9 02.111 Advance step pay because of the exceptional qualifications of the appointee.

9 02.112 Substep pay due to the lack of minimum qualifications of the appointee or lack of budgeted funds. Substep pay shall normally be accomplished through subfilling at a lower classification. Exceptions to the latter shall require prior approval of the Director.

9 02.113 Advance step pay in classes specifically designated in writing by the Director as being classes where recruitment is exceedingly difficult.

9 02.12 Former Employee

If a former employee eligible for rehire is reappointed to a class or to a parallel class with prior approval of the Director under Rule 5 12.0 in which he/she previously held permanent or probationary status, the appointing authority may make the appointment at the same step in

9-2

salary range for the class that the employee occupied before separation, provided that he/she is rehired within a period of two years. If appointed above the beginning step of the range, his/her merit anniversary date shall be the sixteenth of the month following completion of one year of service after rehire.

9 02.121 If a former employee is rehired with prior approval of the Director in a lower class in the same class series, the employee may be paid at the step in the range of the lower class of positions that best reflects the earned step based on creditable State service, or at such other step approved in advance by the Director.

9 02.13 Promoted Employee

9 02.131 When an employee is promoted, his/her entrance salary shall be at a step in the salary range for the new class such as to provide a minimum of an increase equal to the next step in the range of the class where the employee holds permanent or probationary status. In instances where the step in the new range provides less than one full step in the range of the class from which promoted, the next step in the new range is authorized. If an employee has served one-half or more of the time required to be considered for his next step increase he/she shall, upon promotion to a higher salary range, have his/her new salary fixed at the minimum rate of pay of the higher range or such other step as will provide an increase of two steps, whichever is greater. In the determination of the steps upon promotion, Alaska remote area differentials and cost-of-living differentials will be excluded.

9 02.132 The merit anniversary date of a promoted employee shall be the sixteenth of the month following completion of his/her probationary period in the higher class, provided the new range was entered at the minimum rate of pay; if entered at a higher step in the range, then the merit anniversary date shall be the sixteenth of the month following completion of one year of service.

9 02.133 A promoted employee entering the new range at a longevity increment shall be treated as if he/she had earned the increment in the new range and granted further increments accordingly. The anniversary date shall be the sixteenth of the month following the one year of probationary service.

9-3

9 02.134 No promotion will be approved by the appointing authority or the Director after an employee has given written notice of resignation.

9 02.14 Transferred Employee

9 02.141 An employee transferred from one position to another position assigned to the same pay range and meeting the test of Rule 5 10.0 shall be appointed at the same step rate held prior to transfer and his/her merit anniversary date shall remain unchanged. Those moving to a position at the same pay range but not considered as a transfer shall have a new merit anniversary date and the step in the range shall remain unchanged.

9 02.142 The merit anniversary date and salary step assignment of an employee whose position is reallocated from one class to another class at the same salary range shall remain unchanged.

9 02.15 Demoted Employee

9 02.151 An employee who is demoted because of inability to perform satisfactorily at the higher level, or for any other just cause, shall enter the new range at the same step as the earned step occupied in the old range, or at such other step approved in advance by the Director.

9 02.152 An employee occupying a position which is assigned to a lower pay range or reallocated to a classification which carries a lower pay range and who continues in the same position shall be treated as follows:

9 02.1521 If his/her current salary is the same as any step in the new range, he/she shall enter the new range at that step.

9 02.1522 If his/her current salary falls within the lower range but between steps, his/her salary will remain frozen until his/her next merit anniversary date at which time he/she shall be placed at the next higher step.

9 02.1523 If his/her current salary exceeds the maximum of the new range, his/her salary shall remain frozen until such time as the employee is promoted to a position having a salary range encompassing the frozen salary or until adjustments to the compensation plan cause the assigned range to encompass the frozen salary.

9-4

9 02.153 The merit anniversary date of an employee demoted, pursuant to Rule 9 02.15, shall remain unchanged.

9 02.154 An employee who receives a voluntary demotion may be paid at the step in the range of the lower class of positions that best reflects the earned step based on creditable State service, or at such other step approved in advance by the Director.

9 02.16 Effective Date

An appointment shall normally be made effective on the employee's first working day. An appointment designed to be made effective on the first of a pay period may be so made even though the first of the pay period does not fall on a regular working day.

9 02.2 Merit Increases

9 02.21 Merit increases shall be based upon the appointing authority's evaluation of an employee's performance. A merit increase of one step in the salary range may be given to an employee who has received an overall performance evaluation of "Acceptable" or better on his/her merit anniversary date. The sixteenth day of the month following the satisfactory completion of his probationary period shall constitute an employee's merit anniversary date, unless he enters the pay range above the minimum rate of pay in which case his merit anniversary date shall be the sixteenth of the month following completion of one year of service in the position.

9 02.22 Steps (b), (c), (d), (e), and (f) of the salary range shall be used for merit increases where an employee has demonstrated satisfactory service of a progressively greater value to the State.

9 02.23 Where an employee has received an overall performance evaluation of "Outstanding" a merit increase of two steps in the range may be given on his merit anniversary date at the discretion of the appointing authority. No merit increase may place an employee at a higher salary level than the top step of his assigned salary range.

9 02.24 The merit anniversary date does not change when a merit increase is withheld. If the employee standard of performance reaches acceptable levels later in the merit year, the step increase may be granted effective the sixteenth of any month and no change in the merit anniversary date will result.

9-5

9 02.25 When an employee's level of work performance becomes less than "Acceptable," an interim performance evaluation may be prepared. When such an evaluation is prepared, and the level of performance does not reach "Acceptable" within the subsequent 30-day period, one salary step may be withdrawn on the sixteenth day of the month following completion of the 30-day period, provided the employee's salary is other than the entry step of the salary range. No more than one salary step may be withdrawn in a 12-month period. Before a personnel action withdrawing a salary step is prepared, the employee shall be notified in writing that his performance has not improved. If the employee's level of performance subsequently reaches "Acceptable," the salary step may be restored effective the sixteenth of the month following preparation of a performance evaluation report confirming the improved level of performance. Employees on longevity pay steps which were awarded under the provisions of AS 39.27.022 are not subject to the provisions of this Rule. An employee who feels he has been unfairly treated under this rule may bring action under Personnel Rule 12 01.1.

9 02.3 Total Remuneration

9 02.31 The salary paid to an employee in the classified service or partially exempt service shall represent the total remuneration for the employee, exclusive of reimbursement for official travel. Except as otherwise provided in these Rules or upon prior approval by the Director, no employee shall receive pay from the State in addition to the salary authorized under the schedule provided in the pay plan for services rendered by him either in the discharge of his ordinary duties or any additional duties which may be assigned to him or which he may volunteer to perform.

9 02.32 Any maintenance allowance received in lieu of cash shall be considered as part of the total salary. Whenever maintenance is provided in lieu of cash, a schedule of such allowance together with a statement of the policies and rules to be followed in the use of the allowance must be submitted to the Director for prior approval.

9 02.33 Whenever an employee works for a period less than the regularly established number of hours per day, days per week, or weeks per month, the amount paid shall be proportionate to the time actually employed. The payment of a separate salary from two or more State agencies for duties performed in each of such agencies is permissible if the total salary received from these agencies is based upon the respective salary ranges for the positions and divided proportionally to the time spent in each position.

9 03.0 Hourly, Part-time and Partial Monthly Rates

9 03.1 Monthly rates of pay shall normally be paid except that on certification by an appointing authority that payment of monthly rates for certain classes within his jurisdiction is not feasible for stated reasons, the Director may authorize payment of hourly rates for the classes concerned. Such hourly rates shall be computed from the monthly rates established in the pay plan by the following formula:

$$\text{Hourly Rate} = \frac{\text{Monthly rate} \times 12}{(\text{No. of hours per work week} \times 52)}$$

9 03.2 Rates for part-time service shall be proportionate to the rates for full-time service.

9 03.3 An employee hired on a monthly salary who works less than a full pay period will be paid a proportional part of his monthly salary based on the ratio of days worked to the total number of working days in the pay period.

9 04.0 Overtime Compensation

An employee who is normally eligible for overtime in accordance with Rule 7 05.2 and who is scheduled or required to work in excess of the minimum work week as defined in Rule 7 02.0 shall be compensated for such excess hours worked at one and one-half times the hourly rate established in Rule 9 03.1. Such compensation may be in cash or compensating time off. In determining the type of compensation to be made, the wishes of the employee shall be considered; however, the best interest of the State as specified by the appointing authority shall be the final determining factor. An employee who is not normally eligible for overtime compensation may be compensated for overtime in accordance with regulations by the Commissioner of Administration under Rule 7 05.2.

9 05.0 Compensatory Time

9 05.1 No eligible employee shall accrue a balance of more than 300 hours of compensatory time in any accrual year. Any authorized overtime work which would extend the accrual balance beyond 300 hours shall be compensated in cash.

9 05.2 Compensatory time must be liquidated by April 15 of each year unless extended in advance by the Commissioner of Administration for a period not to exceed six months based on the best interest of the State and the concurrence of the affected employees. Any balance remaining on April 16 or the extension date shall be paid in cash at the end of April or the first payday following the period of extension. The period between April 16 and April 15 of the following calendar year shall be known as overtime accrual year.

9-7

9 05.3 Any employee who terminates while he has uncompensated overtime shall receive cash payment in full with his last check. Methods applied shall be the same as those employed for the payment of unused annual leave.

9 05.4 In determining when compensatory time off may be taken, the wishes of the employee will be considered; however, the best interest of the State as specified by the appointing authority shall be the final determining factor.

9 06.0 Moving Expenses

9 06.1 Current Employees

Current employees in the classified service or in the partially exempt service who are required by the appointing authority to be transferred from one permanent duty station to another shall be paid for all actual necessary moving and travel expenses from their former to their new permanent duty station according to regulations issued by the Commissioner of Administration.

9 06.2 New Employees

New or former employees being appointed to certain positions requiring professional and technical training or experience may be reimbursed for a part of their transportation and/or moving expenses when, in the judgment of the appointing authority and the Commissioner of Administration, such expenditure is required to recruit qualified employees.

9 06.21 Such maximum reimbursable expenses shall be established by the Commissioner of Administration.

9 06.22 New employees shall be required to sign an agreement to reimburse the State for all or part of such expenditures should they leave the service of the State as a result of their own action prior to the completion of two years of service.

9 07.0 Salary Range Changes

When a class of positions is advanced from one pay range to a higher pay range, the salary of all employees in that class shall be advanced to the corresponding step in the new range. This action shall be called a salary range change. Unless all employees in the class are advanced to the higher pay range, the actions cannot be considered a salary range change.

10-1

Rule 10

LEAVES OF ABSENCE

10 01.0 Annual Leave

10 01.1 Accrual

10 01.11 Officers and employees of the State, as otherwise provided herein, shall accrue annual leave at the rate of:

10 01.111 One and one-quarter working days for each full monthly pay period in the case of officers and employees with less than two years of service;

10 01.112 One and three-quarter working days for each full monthly pay period in the case of officers and employees with two but less than five years of service;

10 01.113 Two working days for each full monthly pay period in the case of officers and employees with five but less than 10 years of service;

10 01.114 Two and one-half working days for each full monthly pay period in the case of officers and employees with 10 years or more of service.

10 01.115 There shall be no accrual of annual leave during any monthly pay period during which an employee is absent without approved leave.

10 01.12 An officer or employee shall not accrue leave until he has completed ninety (90) calendar days of full-time service after his appointment. Upon completion of ninety (90) days, the employee shall be credited with accrual as provided in Rule 10 01.11 retroactive to the date of his appointment.

10 01.13 An officer or employee appointed to a nonpermanent position shall not accrue leave credit. Employees filling classified part-time or seasonal positions, in accord with the provisions of these Rules, shall accrue leave credit on a pro-rated basis.

10 01.14 Changes in the rate of accrual as provided in Rule 10 01.11 shall take effect at the beginning of the pay period immediately following the pay period in which the officer or employee completes the prescribed period of service. This date shall be referred to as the leave anniversary date.

10-2

10 01.15 The Director shall certify to the department or agency head the years and full months of service prior to July 1, 1960, which are to be credited to each employee of the agency for purposes of computing any changes in rate of accrual as provided in Rule 10 01.11.

10 01.2 Use and Payment

10 01.21 Each department or agency head shall establish such policies and procedures as are necessary in the agency to assure that all employees are able to schedule and take accrued annual leave. The appointing authority may at any time direct the employee to take accrued annual leave in excess of sixty (60) days as established under Rule 10 01.23.

10 01.22 Each officer and employee shall take at least five days annual leave during each calendar period beginning January 16 and ending January 15. It is the responsibility of each department or agency head to assure that each employee is given the opportunity to use this leave.

10 01.221 Any employee who does not use this leave shall have the unused portion deducted from his leave balance.

10 01.23 Annual leave accrued but not used shall accumulate to a maximum of not more than sixty (60) days on January 15 of any calendar year. Unused leave in excess of the maximum at the close of business on January 15 of any calendar year shall be cancelled and nothing in this section shall impose any obligation on the part of the department or agency head to permit such unused leave to be posted to the employee's leave balance except when certified by the Commissioner of the employing department that the employee could not be released from his duties to take the subject accrued leave. In those cases the employee is entitled to have excess leave added to his balance for the following calendar year.

10 01.24 Each department and agency head shall maintain a leave record for each officer or employee of the department or agency, as required by the Director of Personnel, and such record shall be subject to annual audit and approval by the Director.

10 01.25 Changed to Rule 9 02.134 January 1, 1980.

10 01.26 Any officer or employee who is separated from full-time State service by layoff, resignation, or dismissal shall receive within thirty (30) days terminal leave in the form of a lump sum payment for the number of working days of accrued annual leave.

10-3

10 01.27 If an officer or employee is re-employed in the State service prior to the expiration of the period paid for in Rule 10 01.26, he shall refund to the State an amount equal to the compensation covering the period between the date of re-employment and the expiration of such leave period. The leave represented by such refund shall then be recredited to the officer or employee by the appointing department or agency.

10 01.28 Leave earned during a monthly pay period will be credited on the first day of the following pay period.

10 01.29 Annual leave may be taken by an employee at any time business permits upon permission by the head of the department or agency for whom the employee works. Such approval may be delegated.

10 02.0 Sick leave

10 02.1 Accrual

10 02.11 Officers and employees of the State, except as otherwise provided herein, shall accrue sick leave at the rate of one and one-quarter (1-1/4) days for each full monthly pay period.

10 02.12 An officer or employee appointed to a non-permanent position shall not accrue sick leave credit. Employees filling a classified part-time or seasonal position, in accord with the provisions of these Rules, shall accrue sick leave credit on a pro-rated basis.

10 02.13 Sick leave accrued but not used shall accumulate until termination of full-time employment at which time it shall be automatically cancelled without pay for it.

10 02.14 There shall be no accrual of sick leave during any monthly pay period during which an employee is absent without approved leave.

10 02.2 Availability of Sick Leave

10 02.21 Sick leave shall be granted by the department or agency head only in the following instances:

10 02.211 An employee may be granted sick leave for a medical or dental appointment or illness or injury for himself or his immediate family at the discretion of the supervisor. Such absence, at the discretion of the supervisor, may be required to be supported by a physician's certificate.

10-4

10 02.212 Illness within the officer's or employee's immediate family which requires the attendance of the officer or employee or where his presence on the job could jeopardize the health of fellow employees. Such absence in all instances shall be supported by a physician's certificate.

10 02.213 Upon the death of the spouse or other member of the immediate family of an officer or employee, the officer or employee may avail himself of not more than five days of accrued sick leave with pay.

10 02.214 In each case of absence due to illness or injury it shall be the responsibility of the employee to notify his supervisor of his absence immediately and to report periodically the anticipated duration of his absence. Failure to notify the supervisor may result in disciplinary action.

10 02.3 Payment

10 02.31 An officer or employee whose absence has been approved as being justified under Rule 10 02.2 shall be paid for such time lost, to the extent that he has sick leave accrued, at his current salary, less the amount of any time loss payments made to him under the Alaska Workmen's Compensation Act.

10 02.4 Reinstatement of Sick Leave

10 02.41 An employee who separated from the service in good standing and who re-enters the State service within six (6) calendar months after his separation will have his leave account credited with one-half (1/2) of the sick leave that he had accrued at the time of separation.

10 03.0 Maternity Leave

Immediately preceding and following childbirth, a female employee is entitled to take a total of nine (9) weeks' leave. This leave shall be charged first to sick leave and if this is insufficient, to annual leave, then leave without pay for the balance of the period of nine (9) weeks.

Upon application and under extenuating circumstances, additional leave may be granted by the appointing authority.. A physician's certificate shall be required to support the additional leave request.

10-5

10 04.0 Court Leave

10 04.1 An officer or employee appointed to a full-time position who is called to serve as a juror or subpoenaed as a witness, shall be entitled to court leave.

10 04.2 Court leave shall be supported by written documents such as subpoena, marshal's statement of attendance, and compensation for services, per diem and travel.

10 04.3 The officer or employee shall turn over to his department or agency head for deposit in the State treasury to the credit of the appropriation of the department or agency all monies received from the court as compensation for service and in turn shall be paid his current salary while on court leave.

10 05.0 Not Applicable. The provisions of this Rule do not apply to:

10 05.1 Members of the State Legislature, the Governor, the Lieutenant Governor, and justices and judges of the supreme and superior courts, and nothing in this Rule shall be construed to diminish the salaries fixed by law for these officers by reason of absence from duty on account of illness or otherwise.

10 05.2 Deputy magistrates serving the State on less than a full-time basis.

10 05.3 Certificated teachers employed by the State to teach in schools operated by the Department of Education.

10 05.4 Persons employed in a professional capacity to make a temporary and special inquiry, study, or examination as authorized by the Governor, the Legislature or a legislative committee.

10 05.5 Members of boards, commissions and authorities who are not otherwise employed by the State.

10 05.6 Nonpermanent employees.

10 06.0 Military Leave

10 06.1 A permanent or probationary employee shall be entitled to a Military Leave of Absence without pay to serve in the Armed Forces of the United States and shall be entitled to the reemployment benefits granted under Section 9 of the Universal Military Training and Service Act, as amended, 50 USC Section 459.

10 06.2 An official or employee of the State who is a member of a reserve component of the United States Armed Forces is entitled to a leave of absence without loss of pay, time, or performance rating on all days during which he is ordered to

10-6

training duty, as distinguished from active duty, with troops or at field exercises, or for instruction. The leave of absence may not exceed 16-1/2 working days in any calendar period beginning January 16 and ending January 15.

10 06.3 The filling of a position made vacant by the granting of a Military Leave of Absence of less than six months shall be by nonpermanent appointment under the provisions of Rule 5 06.0. If such authorized leave is for a period of six months or more it may be filled by a substitute appointment under Rule 5 05.0.

10 06.4 A permanent or probationary employee who is ordered by the United States Selective Service System to report for a pre-induction physical examination is entitled to a leave of absence without loss of pay, time or performance rating. The leave of absence shall not exceed three working days.

10 07.0 Leave of Absence to Accept an Exempt or Partially Exempt Appointment

An appointing authority may grant a leave of absence without pay to a permanent employee in the classified service to permit the employee to accept an appointive position in the exempt or partially exempt service. Such leaves shall be deemed to be in effect unless both the employee and the Director of Personnel receive a written notice to the contrary prior to the employee leaving his classified position. If such authorized leave may be expected to have a duration in excess of six months, the vacancy created may be filled by a substitute appointment under Rule 5 05.0.

10 08.0 Sick Leave Without Pay

Upon application by a probationary or permanent employee, a leave of absence without pay may be granted by an appointing authority for disability because of sickness or injury. Such leave shall be limited to one month for each full month of service to a maximum of 24 months. The appointing authority or the Director, from time to time, may require that the employee submit a certificate from the attending physician or from a designated physician. In event of a failure or refusal to supply such certificate or if the certificate does not clearly show sufficient disability to preclude the employee from the performance of his duties, the appointing authority with the approval of the Director may cancel such sick leave and require the employee to report for duty on a specified date.

10 09.0 Other Leaves of Absence, Without Pay

10 09.1 Permanent/Probationary employees may be granted leave without pay, not to exceed a total of twelve months, on the basis of applications for leave without pay approved by their respective department or agency head under the following conditions.

10-7

10 09.11 Such leave shall be granted only when it will not result in undue prejudice to the interests of the State beyond any benefits to be realized. An application for leave of absence for travel or study calculated to equip the employee to render more effective service to the State may be deemed to involve such compensating benefits to be measured against the loss of prejudice to the interests of the State involved in keeping open the position, filling it with a nonpermanent employee, or on a substitute basis if the leave exceeds six months until the return of the employee.

10 09.2 A seasonal employee shall be placed on leave without pay when the work load decreases to the point the employee is no longer needed, and the employee is expected to return to the position when the work resumes.

10 10.0 Cancellation of Leaves of Absence

All leaves of absence without pay shall be subject to the condition that the appointing authority may cancel the leave at any time upon prior written notice to the employee and the Director specifying a reasonable date of termination of the leave. The Director, upon prior notice to the employee and the appointing authority, may cancel an approved leave of absence at any time he finds that the employee is using the leave for purposes other than those specified at the time of approval.

10 11.0 Effect of Leave Without Pay on Anniversary Date

The leave anniversary date and the merit anniversary date of an employee shall be set forward one month to account for any leave of absence without pay totaling twenty-three (23) accumulated working days in any anniversary year unless such leave is part of the nine-week maternity leave period or is approved for training purposes by the appointing authority under Rule 10 09.1.

11-1

Rule 11

SEPARATION AND DEMOTION

11 01.0 Retirement

Employees in the classified and partially exempt service are eligible for retirement in accord with applicable statutes and the regulations of the Public Employees Retirement System provided that retirement must be voluntary with the employee.

11 02.0 Resignation

11 02.1 An employee may resign from the service by presenting his resignation in writing to the appointing authority. To resign in good standing an employee must give the appointing authority at least 14 calendar days prior notice. A copy of such resignation shall be supplied by the appointing authority to the Director. The Director may make such investigation as he deems to be warranted for the purpose of verifying the facts as to the reasons for each resignation. Upon approval of the appointing authority an employee may withdraw his resignation at any time prior to the effective date of the resignation.

11 02.2 No form of resignation filed without date or with a future date, and that is not intended to be a bona fide and voluntary resignation to be acted upon at the time of filing, shall be accepted by the Director as a resignation.

11 03.0 Suspension

The appointing authority may, by giving written notice to the employee, suspend any employee in the classified service or partially exempt service without pay for delinquency or misconduct.

11 03.1 The reason for suspension shall be given the employee in writing and a copy filed with the Director.

11 03.2 No seniority shall accrue during any period of suspension.

11 03.3 Upon the employee's return to duty, the period of suspension shall be considered as leave without pay for other purposes of these Rules such as effect upon leave and upon anniversary dates.

11 04.0 Layoff

11 04.1 An appointing authority may lay off an employee in the classified service if the employee holds a substitute appointment, or by reason of abolition of position, shortage of work or funds or other reasons outside the employee's control which

11-2

do not reflect discredit on the services of the employee. The name of such an employee may remain on the layoff list for a period of two years. If not reappointed within this time, the employee shall be considered to have terminated without prejudice. No loss of earned leave or other earned benefits shall occur during the period the employee is on the layoff list.

11 04.2 No permanent employee or probationary employee in the classified service shall be laid off while there are emergency, provisional or nonpermanent employees serving in the same position classification in the same agency or organizational unit or in other position classifications performing work to which the permanent or probationary employee could reasonably be assigned.

11 04.3 Organizational Units

11 04.31 An appointing authority may propose subdivision of his agency into organizational units for purposes of employment or layoff by submitting to the Director a written plan for such subdivision together with the reasons therefor. The Director shall consider such proposal and the needs of the State service and may recognize organizational units within the agency. Such organizational units may be recognized on the basis of geographic area, function or class of employment and may be different for different classes and types of employment. For purposes of this Rule types of employment are full-time, part-time and seasonal.

11 04.32 The Director shall notify the appointing authority of recognized organizational units and such units shall thereafter be used for employment or layoff. The appointing authority shall post a copy of such notice or shall distribute copies to notify affected employees of the recognition of such units.

11 04.33 The Director may withdraw recognition of such units upon notice to the appointing authority at any time he deems such notice to be in the best interest of the State service.

11 04.4 The order of layoff due to reduction in force shall be based upon performance reports and seniority under a formula established by the Director. The appointing authority may allow an employee to volunteer for layoff before an employee whose name appears higher on the layoff list.

11 04.5 In every case of layoff of a permanent employee, the appointing authority shall, at least fifteen days before the date thereof, give written notice to the employee and the Director, stating the reasons therefor.

11-3

11 04.6 In every case of layoff of a probationary employee, the appointing authority shall give written notice to the employee and the Director, stating the reason therefor.

11 04.7 Incumbents of seasonal positions shall be placed on leave without pay at the end of the prescribed work season. Such an employee remains the incumbent of the position and is not on layoff status.

11 04.8 The names of permanent or probationary employees demoted in lieu of layoff, may be placed in order on the appropriate layoff list for the class and agency or other recognized organizational unit from which the layoff took place, in accordance with Rule 11 04.4.

11 04.9 The provisions of this section shall be applicable to the following:

11 04.91 An employee subfilling a position if he is displaced by the filling of the position at the proper classification level by a certified eligible; or

11 04.92 An employee with probationary or permanent status as a substitute appointee if he is replaced by the reinstated incumbent; or

11 04.93 Deleted January 1, 1980.

11 05.0 Dismissal

11 05.1 Employees who do not hold permanent status may be dismissed at any time at the discretion of the appointing authority. The employee shall be advised in writing of the reason for the dismissal and a copy shall be filed with the Director. If dismissal was due to discrimination based on race, color, sex, religion, national origin, or political beliefs, the right to appeal exists.

11 05.2 An employee who holds permanent status may be dismissed by the appointing authority for just cause only. Any dismissal of an employee who holds permanent status will normally be preceded by a suspension of not less than three (3) days nor more than thirty (30) working days to enable the employing department to make a thorough investigation of the cause for dismissal. An employee who is being dismissed for cause shall be provided with a statement in writing setting forth reasons for the dismissal. A copy shall be sent to the Director.

11 05.3 Any employee found in violation of the prohibitions set forth in Rule 13 shall be dismissed. Charges alleging such violation may be initiated by the employee's appointing authority or by the Director.

11-4

11 05.4 If an employee is permitted to resign in lieu of dismissal, the appointing authority shall so notify the Director in writing and shall set forth the reasons why the employee would have been dismissed had he not resigned.

11 06.0 Demotion

11 06.1 Demotion for Cause

An appointing authority may demote an employee for just cause. A permanent employee shall, before the action is taken, be furnished with a statement in writing, setting forth the reasons for the demotion. A copy of the statement shall be immediately submitted to the Director.

11 06.2 Voluntary Demotion

A permanent employee may request in writing a voluntary demotion to a lower class of position in the same series of positions.

11 06.3 A demoted employee who has obtained permanent status in a classification shall retain permanent status in the classification to which demoted, provided that the position to which the employee is demoted is in the same class series.

11 06.4 An employee demoted under provisions of Rule 6 06.1 shall be returned to the class in which he holds permanent status, provided that if the promotion was interdepartmental, he shall be appointed to a vacancy in his former classification in the department in which he holds probationary status. If no such vacancy exists, he shall return to the department in which he last held permanent status. The removal of employees to vacate a position in the former department shall be in accordance with Rule 11 04.0.

11 07.0 Termination

Termination means the release from employment of a nonpermanent or emergency employee upon completion of the term of service or the need for services.

12-1

Rule 12

DISPUTES: HEARINGS AND APPEALS

12 01.0 Employee Agency

12 01.1 General Grievance Procedure

Any employee occupying a position in the classified service who has a grievance relating to his position, working conditions or employment over which the Executive Head of his department may lawfully exercise discretion shall be offered the opportunity to be heard as follows.

12 01.11 The employee shall discuss his grievance with his immediate or intermediate supervisor if the immediate supervisor is unavailable. If not satisfied with the results of this discussion, the employee shall reduce his grievance to writing within 10 working days after learning of the grieved act. The written statement shall set forth the nature of the problem and the action which he feels should be taken to relieve the grievance. The supervisor shall reply to the grievance in writing within 5 working days with a copy to the departmental Personnel Officer. Grievances should be settled fairly, informally, and promptly at or near their place of occurrence.

12 01.12 If not satisfied with the results obtained from the supervisor, the employee may within 5 working days submit his grievance in writing to the departmental Personnel Officer who will immediately notify the Division of Personnel of same. A determination will be made whether a violation or misinterpretation of the Personnel Rules is involved. If the grievance stems from violation or interpretation of the Rules, the Director shall consider the matter and make a written finding to the grievant and the employing department within 5 working days from receipt of the grievance.

12 01.13 If the grievance does not involve a violation or interpretation of the Personnel Rules and is within the lawful discretion of the appointing authority, the departmental Personnel Officer, in conjunction with the employing division head, will investigate the grievance and render a recommendation to the Executive Head of the agency within 10 working days of receipt of the grievance. The agency head or his designated representative will after receiving the grievance and recommendation, render a decision to the grievant within 5 working days.

12-2

12 01.14 If a satisfactory solution has not been obtained by the decision of the Executive Head of the agency, the employee may send a request for a hearing to the Commissioner of Administration.

12 01.141 A grievance committee shall be created within 10 calendar days after request for a hearing has been received by the Commissioner of Administration. The committee shall consist of three members, one of whom shall be appointed by the Commissioner of Administration or his designated representative, one designated by the the employee organization or association, if any, with which the employee is associated or of which he is a member, or otherwise by the organization or association named in writing by the employee and one mutually agreeable neutral party. No person may be selected who has made or been called upon to make an administrative decision in the case. The Commissioner of Administration or his representative may designate the chairman.

12 01.142 The committee shall conduct its hearing as near as practical to the place where the grievance occurred.

12 01.143 The employee shall have the right to be accompanied, represented and advised by a representative of his own choosing in presenting his grievance at any step in the procedure. The employee and his representative shall be given a reasonable amount of work time for preparing and presenting the grievance.

12 01.144 The committee shall conduct the hearing expeditiously and in a manner to obtain a clear understanding of the facts. The procedure shall be informal. Technical rules regarding evidence and witnesses do not apply. Witnesses will be considered on duty status if they would otherwise be in a duty status at the time. Witnesses shall be encouraged to express themselves freely without fear of intimidation or reprisal. The committee shall complete its hearing within 14 calendar days.

12 01.145 The committee shall submit a report of its findings and recommendations to the employee's department within 10 calendar days after the hearing has been closed. A copy of the report and recommendations shall be furnished to the employee. Another copy shall be furnished the organization or association with which the employee is associated or of which he is a member, and if the grievance stemmed from the action or actions of a supervisor or another official or member of the employee's

12-3

department, a copy of the report shall be placed in his personnel file upon recommendation of the grievance committee when the committee finds that the grievance resulted from misconduct or notably poor judgment on the part of the supervisor, official or employee.

12 01.15 The employee or the department or individual against whom the grievance was filed may appeal the committee's findings or recommendations to the Personnel Board. An appeal to the Personnel Board must be made within 15 days after receipt by the employee of the report of the committee. The Personnel Board upon receipt of an appeal shall review the findings of the grievance committee and may affirm, modify or set aside the findings. If it considers it necessary, the Personnel Board may, upon appeal, conduct a hearing before affirming, modifying or setting aside the findings of the committee. The Personnel Board shall submit a report of its findings or recommendations in the same manner as provided for committee reports under 12 01.145.

12 01.16 The employees covered by these procedures shall have freedom to seek adjudication of their grievances without fear of restraint, interference, coercion, discrimination or reprisal. This principle shall apply equally to any employee taking part in the presentation and adjudication of a grievance.

12 01.17 In this chapter "grievance" means an employee's expressed feeling of dissatisfaction with aspects of working conditions and environment, relationships with supervisors and with other employees and officials, manner of execution or failure to execute personnel laws, rules or policies as established and/or interpreted by the Director, and with disciplinary action excluding dismissal, demotion or suspension over thirty (30) days. Interpretations of the Director are not subject to grievance but may be appealed to the Personnel Board for its adjudication.

12 01.2 Dismissal, Demotion, or Suspension over 30 Days

An employee in the classified service who is dismissed, demoted, or suspended for more than 30 working days in a 12-month period shall have the right to appeal as follows:

12 01.21 Within five days following receipt of notification in writing of such action, he may address an appeal in writing to the Personnel Board through the Director with a copy to the Executive Head of his agency setting forth his reasons for appealing the action.

12-4

12 01.22 The Personnel Board shall consider the appeal of the employee, and if a hearing is requested, the Board shall, as soon as practicable, set a date, time and place for such a hearing and shall give at least two weeks notice in writing of the hearing to both the employee and the appointing authority. The hearing shall be closed or open as requested by the employee and the employee may be represented by counsel if he so desires.

12 01.221 If the Board finds that the action complained of was due to discrimination based on race, color, sex, religion, national origin, political beliefs, or in violation of the provisions of the State Personnel Act as amended or these Rules, the employee shall be reinstated to his position without loss of pay or leave benefit for the period of his dismissal, demotion, or suspension.

12 01.222 In all other cases the board shall report its findings and recommendations to the appointing authority and the employee, and in the case of the adjudication of an interpretation of a personnel law, rule or policy by the Director, to the Director in addition to the appointing authority and the employee.

12 01.3 The time limits established herein are designed to expedite the appeal process and shall normally be adhered to. They may be extended by the Director, however, in instances where they impose undue restrictions upon either party.

12 01.4 If a satisfactory solution has not been obtained by the decision of the Executive Head of the agency or the five days have elapsed, the employee may send a request for a hearing to the Director within 10 working days.

12 02.0 Interagency

12 02.1 Any disputes arising from personnel actions involving two or more agencies shall first be considered and, if possible, resolved by appointing authorities of the agencies involved.

12 02.2 If the dispute is not resolved, one or more of the agencies may present the matter to the Director for his review. The Director shall report his findings and recommendations to the agencies involved and to the Commissioner of Administration.

13-1

Rule 13

PROHIBITIONS AND PENALTIES

13 01.0 Political Activity

An employee in the classified or partially exempt service shall not take an active part in the management of a political party above the precinct level.

13 02.0 Securing of Positions

No person may give, render, pay, offer, solicit, or accept any money, service, or other valuable things in connection with any appointment, any promotion, or any advantage in a position in the classified service.

13 03.0 Party Assessments

No person may require any assessment, subscription, contribution, or service for any political party from any employee in the classified service.

13 04.0 Party Endorsement

No person may seek or attempt to use any political party endorsement in connection with any appointment or promotion in the classified service.

13 05.0 Nomination and Candidacy

Any employee in the classified service who seeks nomination or becomes a candidate for any state or national elective political office shall immediately resign his position in the State service.

13 06.0 Racial, Religious, or Political Action

No action affecting the employment status of any employee in the classified service or applicant for a position in the classified service, including appointment, promotion, demotion, suspension, or removal may be taken or withheld on the basis of sex or for racial, political, national origin, religious, or other non-merit reasons. However, this section shall not be construed as prohibiting the Director from establishing programs to facilitate the employment of disadvantaged persons. For such programs competition for appointment and promotion may be limited to those individuals who meet the program requirements.

13 07.0 Fraud

No person may make any false statement, certificate, mark, rating or report with regard to any test, certification or appointment made

13-2

under any provision of these Personnel Rules or in any manner commit any fraud preventing the impartial execution of these Personnel Rules.

13 08.0 Rights of Others

No State employee or other person may defeat, deceive, or obstruct any person in his right to examination, eligibility, certification, appointment, or promotion under these Rules.

13 09.0 Nepotism

13 09.1 No person may be employed in a position in any agency who is the spouse of or is related by blood or marriage within and including the second degree of kindred to the appointing authority of the agency.

13 09.2 No person may be employed in a position in any division or subdivision of any agency who is the spouse of or is related by blood or marriage within and including the second degree of kindred to the head of the division or subdivision of the agency.

13 09.3 No person may be employed in a position in any agency who is the spouse of or is related by blood or marriage within and including the second degree of kindred to any other employee in the agency without the expressed approval of the appointing authority and the Director.

13 10.0 Information from Applicant

No State agency or agency supported in whole or in part by State funds may request or suggest that an applicant for employment provide information concerning the applicant's religious opinions, or his membership in fraternal organizations or of an applicant for a classified position as to his political convictions.

13 11.0 Outside Employment

13 11.1 No employee or official of the state shall engage in or accept private employment, or render services for private interest when such employment or service is incompatible with the proper discharge of his official duties.

13 11.2 No employee or official of the State may solicit, negotiate for, or promise to accept employment by or anything of substantial value from any person, firm or company with which he or his agency is engaged in the transaction of business on behalf of the state, or which may be affected by his official action.

13-3

13 12.0 Investments in Conflict with Official Duties

No employee or official of the state shall invest, or hold any investment directly or indirectly in any financial, business, commercial or private transaction, which creates a conflict with his official duties.

13 13.0 Use of Information

No employee or official of the State shall use information peculiarly within his knowledge or purview concerning the property, government or affairs of the State to advance the financial or other private interest of himself or others.

13 14.0 Gifts and Favors

No employee or official of the State shall accept any form of gift, loan, or any gratuity for the performance of his duties other than that afforded him by the State.

13 15.0 Purchases of Commodities and Services

No employee or official may be a party to the purchase of or influence the purchase of goods or services for the use of the State from any person, company or business in which he has substantial financial interest unless approved in advance by the Commissioner of Administration. Such approval shall be in written form and be open to inspection by the public.

13 16.0 Conflicts of Interests

No employee or official of the State shall engage in any business or transaction, or shall own a financial or other private interest, direct or indirect, which is in conflict with the proper discharge of his official duties.

13 17.0 Interpretations

At the request of any concerned employee or official, or on its own motion the Personnel Board shall render interpretive opinions regarding the application of Rule 13. Insofar as possible, all such opinions shall be worded so as not to disclose the identity of any individual seeking an opinion. All such opinions shall be published and kept current as a supplement to the Personnel Rules.

13 18.0 Penalties

Any person who willfully violates any provision of these Personnel Rules is guilty of a misdemeanor. Any State employee who is convicted of a misdemeanor under these Personnel Rules shall immediately forfeit his office or position.

13 18.1 In any case in which a violation of these Rules has occurred and a department head has failed to take action to

13-4

enforce the Rules within a reasonable period of time, the Director shall take whatever action is necessary to secure compliance with the Rules.

14-1

Rule 14

GENERAL PROVISIONS

14 01.0 Citizenship Qualifications

All employees of the State must be citizens of the United States except where otherwise provided for by law.

14 02.0 Oath of Office

All officers and employees of the State, before entering upon their duties, must take and subscribe to the oath or affirmation required by AS 39.05.130.

14 03.0 Roster of Employees

The Director shall establish and maintain a roster of all employees in the classified and partially exempt service.

14 04.0 Personnel Actions: General

All personnel actions affecting positions in the classified and partially exempt services, and the employees appointed to such positions, shall be issued in writing on such forms as may be prescribed by the Director, and a record of all such actions shall be sent to the Director.

14 05.0 Delegation of Personnel Duties

In accordance with the Act and these Personnel Rules, the Director may delegate personnel responsibilites and duties concerned with personnel to the principal departments covered by the Act.

14 06.0 Coverage of the Rules

These Rules apply to the positions in the classified service and to nonpermanent positions as stated. They apply to the positions in the partially exempt service only when such application is specifically stated.

14 07.0 Public Records

Except for examination materials, performance evaluations, personal history, or other confidential materials so designated by the Director, employee records shall be public records. Such records shall be available for inspection in the presence of authorized personnel by the public during regular office hours in accordance with such procedure as the Director may establish.

14-2

14 08.0 Enforcement

The Director may take any necessary action such as terminating or correcting the status of an employee, or bringing an employee's salary into conformance with the classification and pay plan to enforce these Rules and/or to correct any appointment which is not in accordance with the Law or these Rules. Such determinations may be carried to the Personnel Board for review.

SB

194

ALASKA PUBLIC EMPLOYEES ASSOCIATION
State Headquarters: 340 North Franklin Street, Juneau, Alaska 99801 • Tel: (907) 586-2334

TO: Senate State Affairs Committee

FROM: Darlene S. Livermore for Cherie Shelley,
Executive Director

SUBJECT: Senate Bill No. 194
Opposition Statement

DATE: April 23, 1981

The current Alaska Statute 39.10.010 provides that it is unlawful for a person who is a spouse, or related by blood within the second degree of kindred (cousins, aunts, uncles) to the executive head of principal state department commissioner to be employed by that department.

SB 194 attempts to place a modified form of existing Personnel Rules, derived through the authority of 39.25.150, into statute. More importantly SB 194 appears to create a major inconsistency with AS 18.80.220. AS 18.80.220 provides that it is an unlawful employment practice to refuse employment or discriminate against an employee, because of marital status or changes in marital status (emphasis added). APEA believes that with the number of working couples working for the State of Alaska, often within the same department, there seems to be no valid reason for such discrimination.

With the Civil Service Reform Act of 1978, the federal government repealed its 97-year-old "members of family restriction" statute that prohibited employment of relatives in certain situations. Instead, the remaining regulation (Section 310 of Title V of the US Code), passed in 1968, is directed at abuse of power by elected officials. This nepotism statute prevents a public official or a member of Congress from appointing or promoting family members.

The formal government stance, backed up by a 1966 addition to Title V of the US Code, prohibits discrimination because of sex and marital status. Evidently it's effective. Under President Carter, eight married couples held jobs, with combined salaries of up to $100,000.

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ANCHORAGE, ALASKA 99501
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825 D COLLEGE ROAD
FAIRBANKS, ALASKA 99701
TELEPHONE (907) 456-5412

JUNEAU FIELD OFFICE
227 4TH STREET
JUNEAU, ALASKA 99801
TELEPHONE (907) 586-6305

Similar nepotism rules apply on the state level. For instance, Oregon is one of the few states with a law that prohibits discrimination based on family relationships.

Some other states do not have a real problem with nepotism in state employment. There are several reasons for this. In urban areas, in the lower 48, jobs are plentiful in many fields - professional, industrial and with private companies in a variety of office positions. Spouses and relatives, not necessarily through design, find themselves working in diverse fields, probably across town from each other.

Employment in Alaska is not diversified. Most job opportunities are available in only a few categories - namely, government, fishing and the oil industry. As a result, especially in the rural areas, or even in Juneau, geographic isolation, low population concentration and lack of commerce and industry, narrows the job field considerably.

From a personal point of view, and from experience with cases brought to the attention of APEA, it has been found that the greatest impact of this kind of curtailment has been on women. This seems to be from the simple fact that the expectation seems to be that women should or will step aside for their spouse.

It has been observed by the Association that promotions generally go to the male which in turn places them in conflict with their spouse's position. When this occurs the woman is generally transferred to a non-conflict situation although she may be giving up seniority in her work unit, work well known and personally satisfying, or in more extreme measures, forced to transfer agencies, take or request demotions, or leave the State service.

For the reasons stated, APEA must object to any changes in the current statute.

CS:DSL/p

SB 193 (cont'd)

New Section states that an employee may be dismissed, etc. by delivery of written notice of the proposed action and the reason for it from the appointing authority. Employee begins an appeal by filing a written request for review of the action with the Personnel Board within 15 days of receiving written notice (currently employee must request appeal within 15 days of dismissal, demotion, or suspension).

Sec. 17 adds new section to 39.25 which allows the use of subpeonas to compel the testimony of witnesses at hearings before the Personnel Board under 39.25.170.

Sec. 18 adds to 39.25 a new section containing definitions of fraud, knowingly, precinct, and state employee.

Sec. 19 adds new section to 39.25 entitled "Employee Political Rights." Allows a state employee to (1) be a member of a political party; (2) take part in a political campaign; (3) express political opinions; (4) register party preference; (5) serve as a voting or nonvoting delegate to a party convention; (6) be appointed, nominated, or elected to nonpartisan public office in a local government unit; and (7) make contributions to a political party or candidate for public office.

Sec. 20 repeals as 29.35.180, "Status of Present Employees" which is labeled "Obsolete" in updated version of statutes.

Provides Act effective July 1, 1981.

Introduced February 20 and referred to State Affairs and Judiciary.

Nepotism in State Employment

SENATE BILL NO. 194, by the Rules Committee by request of the Legislative Council (for the Blue Ribbon Commission on the State Personnel Act). Repeals and re-enacts current section relating to nepotism, AS 39.10.010. Existing section states that it is unlawful for a person who is the spouse of or is related by blood within and including the second degree of kindred to the executive head of a state department or agency to be employed in that department or agency. New section expands on this prohibition, specifying that it applies to departments and agencies in the legislative, judicial, and executive branches & extending it to relatives of Deputy and Assistant Commissioners, and to executive heads of agencies.

Adds subsection which prohibits a person from being appointed to a position in a division of a state department or agency, in any branch of government, if person is related to executive head of the division.

Adds a third subsection which prohibits a person from being appointed to a position in a state department or agency in the executive branch if person is related to an employee in the department or agency "unless the director of personnel and the person who makes the appointment approve the appointment in writing." This is the only case where exceptions may be allowed.

SB 194 (cont'd)

Provides Act effective immediately.

Introduced February 20 and referred to State Affairs and Judiciary.

Retirement Benefits (limiting adjustments)

SENATE BILL NO. 195, by the Rules Committee by request of the Legislative Council (for the Blue Ribbon Commission on the State Personnel Act). Adds new subsections to AS 14.25.173 (Adjustment of Teachers' Retirement Benefits) and AS 39.35.520 (Adjustment of Public Emp. Retirement Benefits) which state that an adjustment which requires repayment of benefits may not be made under the section if (1) the incorrect benefit was first paid two years or more before the member or teacher or beneficiary (employee or beneficiary) was notified of the change or error; (2) the change or error was not caused by the member or teacher or beneficiary (employee or beneficiary); and (3) in the case of Public Employees' Retirement System, the change or error relates to the employee's credited service with the state and not with another participating employer. Act is retroactive to July 1, 1979. Effective immediately.

Introduced February 20 and referred to State Affairs and Finance.

Public Emp. Retirement Board (membership)

SENATE BILL NO. 196, by the Rules Committee by request of the Legislative Council (for the Blue Ribbon Commission on the State Personnel Act). Changes the membership on the Public Employees' Retirement Board (AS 39.35.030). Currently, of the five members, three shall be members of the Personnel Board in the Dept. of Administration and the remaining two shall be members of the Public Employees' Retirement System, elected by members of the system. Bill changes composition of board so that one member is appointed by the Governor and the remaining four are members of the system, elected by the members of the system. Also adds a requirement that at least one of the elected board members be retired. Sec. 2 of bill states that a person serving on the Board on the effective date of Act who was from the Personnel Board of the Dept. of Admin. shall continue to serve until his successor is elected or appointed by the Governor. Does not provide for effective date.

Introduced February 20 and referred to State Affairs.

Regulations (adoption of by retirement systems)

SENATE BILL NO. 197, by the Rules Committee by request of the Legislative Council (for the Blue Ribbon Commission on the State Personnel Act). Amends law so that regulations adopted by the state retirement systems are subject to the provisions of the Adminstrative Procedure Act. Currently sections is AS 39.35 and AS 14.25 relating to the adoption of regulations by the systems state that the regulations relate to the internal management of state agencies and their adoption is not subject to the Admin. Procedure Act. (Bill repeals and re-enacts 39.35.042 and 14.25.022.) Does not provide for effective date. Introd. 2/20, ref. to State Affairs & Judiciary.

Fed. Mgmt. Areas (citizens' adv. com.)

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 36, (see p. 16). Makes following changes to original bill: establishes the commission as a temporary advisory agency "of the executive branch" of the state and states that commission shall consider the views of

Alaska State Legislature

JUNEAU, ALASKA

BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT
Pouch AG/Mail Stop 0123
Juneau, Alaska 99811
(907) 465-4442

Senator Bill Ray
Chairman

MEMORANDUM

April 20, 1981

TO: Senate State Affairs Committee

FROM: Teresa B. Cramer TBC
Administrative Assistant

SUBJECT: SB 194: Relating to Nepotism in State Employment

The present statute prohibiting nepotism in state employment is directed at relatives of the executive head of a department or agency. It prohibits the employment of anyone related within the second degree of kindred to the executive head. However, the Personnel Rules also prohibit the employment of persons related within the second degree of kindred to the head of the division or subdivision within which the person is working. (PR 13 09.2). In addition, the Rule requires that before a person may be employed in the same agency with a close relative, that the Director of Personnel and the appointing authority for the department or agency must give express approval to the appointment. (PR 13 09.3)

The scope of the Personnel Rules is broader than the scope of the statute. The Attorney General has advised the Division of Personnel that the Rules are therefore not completely enforceable. The Blue Ribbon Commission considered the issue and the majority recommends that the scope of the statute be enlarged to include the provisions of the Personnel Rules. While provisions against nepotism limit the opportunities of some Alaskans to find employment with particular offices in the state, the disadvantage to those people should be weighed against the appearance of impropriety and favoritism which is created if relatives of the head of a division or department are working within that division or department.

The Director of Personnel advised the commission that in the past he has routinely approved waivers for relatives to work in a non-supervisory status in the same office. The majority of the commission recommends that requirement for review of these situations be placed in

the statute to provide a mechanism for review should an instance of abuse arise.

SECTION BY SECTION ANALYSIS

Section 1. Subsection (a) prohibits the employment of a person related to the top-level managers of a department or agency. It encompasses the present substance of AS 39.10.010 and extends it to include deputy and assistant commissioners.

Subsections (b) and (c) extend the scope of the statute to include the provisions of the Personnel Rule. Subsection (b) prohibits the employment within a particular division of persons related to the division director. It applies to all three branches of government.

Subsection (c) provides that before two close relatives may work in the same office in the executive branch of government, the Director of Personnel and the person who is making the hiring decision must both approve the appointment in writing.

Section 2. Because the state is operating without an effective nepotism law, the commission recommends that the bill take effect immediately.

TBC:lmk
Attachment

13 09.0 Nepotism

13 09.1 No person may be employed in a position in any agency who is the spouse of or is related by blood or marriage within and including the second degree of kindred to the appointing authority of the agency.

13 09.2 No person may be employed in a position in any division or subdivision of any agency who is the spouse of or is related by blood or marriage within and including the second degree of kindred to the head of the division or subdivision of the agency.

13 09.3 No person may be employed in a position in any agency who is the spouse of or is related by blood or marriage within and including the second degree of kindred to any other employee in the agency without the expressed approval of the appointing authority and the Director.

SB

195

From Report of Blue Ribbon Commission on State Personnel Act

SENATE BILL 195: LIMITING THE ADJUSTMENT OF RETIREMENT BENEFITS.

PURPOSE

This bill remedies a problem which the commission was advised of in testimony from a retired state employee. When the employee retired in 1976, she had been advised on four separate occasions by the staff of the Division of Retirement and Benefits that she was eligible for more than nine years of credited service with the state. Shortly after she retired the legislature amended the retirement laws and she was told that she would receive credit for an additional three years because of her military service. She began receiving retirement benefits on that basis.

In 1979 the division wrote to advise her that their original computations had been in error and that her years of employment with the University of Alaska could not be included in her credited service. Therefore, she had received over $5000 in benefits which she would have to repay. They reduced the amount of her check by $100 to be credited towards that overpayment, in addition to reducing the check to the amount she was actually entitled to receive. The basis for denying credit for the employee's period of service with the University of Alaska was a regulation adopted by the Division of Retirement and Benefits in 1978 -- two years after she had retired.

The employee appealed to the Public Employee Retirement Board, which can waive collection of overpayments in cases of hardship. In

determining whether there would be hardship to the employee, the board considered her family's financial situation and found that she was not entitled to the waiver.

Commission members discovered that this was not an isolated instance. A number of retired state employees have undergone similar experiences. They relied on assurances from the division of retirement and benefits only to discover a considerable time later that errors had been made and that their benefits would be reduced.

The commission recommends that a two-year statute of limitations be placed on the collection of overpayments. Two years gives the Division of Retirement and Benefits ample time to audit its records and find and correct any errors made. After that period of time, a retired person should be freed from the burden of having to pay back the state for mistakes of the state's employees. This protection should be available only in cases where the retired person did not contribute to causing the error. It should not apply to persons working for employers other than the state, since those employers may not be in a financial position to absorb the cost of errors made by state employees.

SECTION BY SECTION ANALYSIS

Section 1. AS 14.25.173 is amended by adding a new subsection to read:

(b) An adjustment which requires repayment of benefits may not be made under this section if

(1) the incorrect benefit was first paid two years or more before the member or teacher or beneficiary was notified of the change

or error; and

(2) the change or error was not caused by the member or teacher or beneficiary.

Comment

This section amends the Teachers Retirement System by prohibiting the Division of Retirement and Benefits from decreasing benefits in order to collect for a previous overpayment if two conditions are met. The first condition is that the overpayment began two years or more before the division told the retired teacher of the error. The second condition is that the teacher did not cause the error.

Sec. 2. AS 39.35.520 is amended by adding a new subsection to read:

(b) An adjustment which requires repayment of benefits may not be made under this section if

(1) the incorrect benefit was first paid two years or more before the employee or beneficiary was notified of the change or error;

(2) the change or error was not caused by the employee or beneficiary; and

(3) the change or error relates to the employee's credited service with the state and not with another participating employer.

Comment

This section amends the Public Employee Retirement System in the same way that section 1 amends the TRS. However, in this section there is an additional condition. The error in computation must relate to the employee's credited

service with the state, and not with another participating employer.

Sec. 3. This Act is retroactive to July 1, 1979.

Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Comment

Section 3 makes the Act retroactive in order to include the retired person who testified before the commission. Section 4 provides that the Act takes effect immediately in order to address the hardship to retired state employees.

Introduced: 2/20/81
Referred: State Affairs and Finance

BY THE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE COUNCIL (for the Blue Ribbon Commission on the State Personnel Act)

IN THE SENATE

SENATE BILL NO. 195

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act limiting the adjustment of retirement benefits; and providing for an effective date."

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

* Section 1. AS 14.25.173 is amended by adding a new subsection to read:

(b) An adjustment which requires repayment of benefits may not be made under this section if

(1) the incorrect benefit was first paid two years or more before the member or teacher or beneficiary was notified of the change or error; and

(2) the change or error was not caused by the member or teacher or beneficiary.

* Sec. 2. AS 39.35.520 is amended by adding a new subsection to read:

(b) An adjustment which requires repayment of benefits may not be made under this section if

(1) the incorrect benefit was first paid two years or more before the employee or beneficiary was notified of the change or error;

(2) the change or error was not caused by the employee or beneficiary; and

(3) the change or error relates to the employee's credited service with the state and not with another participating employer.

* Sec. 3. This Act is retroactive to July 1, 1979.

* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-070(c).

REPORT OF THE

BLUE RIBBON COMMISSION ON THE STATE PERSONNEL ACT

TO THE

TWELFTH ALASKA STATE LEGISLATURE

FIRST SESSION

Senator Bill Ray
Chairman

February, 1981

SB 195

SENATE BILL 195: LIMITING THE ADJUSTMENT OF RETIREMENT BENEFITS.

PURPOSE

This bill remedies a problem which the commission was advised of in testimony from a retired state employee. When the employee retired in 1976, she had been advised on four separate occasions by the staff of the Division of Retirement and Benefits that she was eligible for more than nine years of credited service with the state. Shortly after she retired the legislature amended the retirement laws and she was told that she would receive credit for an additional three years because of her military service. She began receiving retirement benefits on that basis.

In 1979 the division wrote to advise her that their original computations had been in error and that her years of employment with the University of Alaska could not be included in her credited service. Therefore, she had received over $5000 in benefits which she would have to repay. They reduced the amount of her check by $100 to be credited towards that overpayment, in addition to reducing the check to the amount she was actually entitled to receive. The basis for denying credit for the employee's period of service with the University of Alaska was a regulation adopted by the Division of Retirement and Benefits in 1978 -- two years after she had retired.

The employee appealed to the Public Employee Retirement Board, which can waive collection of overpayments in cases of hardship. In

determining whether there would be hardship to the employee, the board considered her family's financial situation and found that she was not entitled to the waiver.

Commission members discovered that this was not an isolated instance. A number of retired state employees have undergone similar experiences. They relied on assurances from the division of retirement and benefits only to discover a considerable time later that errors had been made and that their benefits would be reduced.

The commission recommends that a two-year statute of limitations be placed on the collection of overpayments. Two years gives the Division of Retirement and Benefits ample time to audit its records and find and correct any errors made. After that period of time, a retired person should be freed from the burden of having to pay back the state for mistakes of the state's employees. This protection should be available only in cases where the retired person did not contribute to causing the error. It should not apply to persons working for employers other than the state, since these employers may not be in a financial position to absorb the cost of errors made by state employees.

SECTION BY SECTION ANALYSIS

Section 1. AS 14.25.173 is amended by adding a new subsection to read:

(b) An adjustment which requires repayment of benefits may not be made under this section if

(1) the incorrect benefit was first paid two years or more before the member or teacher or beneficiary was notified of the change

or error; and

(2) the change or error was not caused by the member or teacher or beneficiary.

Comment

This section amends the Teachers Retirement System by prohibiting the Division of Retirement and Benefits from decreasing benefits in order to collect for a previous overpayment if two conditions are met. The first condition is that the overpayment began two years or more before the division told the retired teacher of the error. The second condition is that the teacher did not cause the error.

Sec. 2. AS 39.35.520 is amended by adding a new subsection to read:

(b) An adjustment which requires repayment of benefits may not be made under this section if

(1) the incorrect benefit was first paid two years or more before the employee or beneficiary was notified of the change or error;

(2) the change or error was not caused by the employee or beneficiary; and

(3) the change or error relates to the employee's credited service with the state and not with another participating employer.

Comment

This section amends the Public Employee Retirement System in the same way that section 1 amends the TRS. However, in this section there is an additional condition. The error in computation must relate to the employee's credited

service with the state, and not with another participating employer.

Sec. 3. This Act is retroactive to July 1, 1979.

Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Comment

Section 3 makes the Act retroactive in order to include the retired person who testified before the commission. Section 4 provides that the Act takes effect immediately in order to address the hardship to retired state employees.

(5)

MSG 81-00007338 PRTY 1 03/09/81 11:15:04 ORIG: LA00 IN= 0006 OUT= 0027
FROM: MARCIE, ANC TO: BEV, JUNEAU INFO
TARGET: LJH2 SUBJ: POM'S
PAGE 0004

TO: ALL MEMBERS, SENATE STATE AFFAIRS COMMITTEE

FROM: CATHERINE J. LARSON, SR BOX 2096 R, ANCHORAGE 99507
PRESIDENT, AK STATE RETIRED TEACHER'S ASSOCIATION

THE ALASKA STATE TEACHER'S RETIREMENT ASSOCIATION SUPPORTS SB 195 AS A FAIR AND EQUITABLE WAY TO DEAL WITH ADJUSTMENTS OF RETIREMENT BENEFITS.

Alaska State Legislature

JUNEAU, ALASKA

BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT
Pouch AG/Mail Stop 0123
Juneau, Alaska 99811
(907) 465-4442

Senator Bill Ray
Chairman

MEMORANDUM

April 7, 1981

TO: Senate State Affairs Committee

FROM: Teresa B. Cramer
Administrative Assistant

SUBJECT: Senate Bill 195: Limiting the Adjustment of Retirement Benefits

BACKGROUND

This bill remedies a problem which the Blue Ribbon Commission was advised of in testimony from a retired state employee. When the employee retired in 1976, she had been advised on four separate occasions by the staff of the Division of Retirement and Benefits that she was eligible for more than nine years of credited service with the state. Shortly after she retired the legislature amended the retirement laws and she was told that she would receive credit for an additional three years because of her military service. She began receiving retirement benefits on that basis.

In 1979 the division wrote to advise her that their original computations had been in error and that her years of employment with the University of Alaska could not be included in her credited service. Therefore, she had received over $5000 in benefits which she would have to repay. They reduced the amount of her check by $100 to be credited towards that overpayment, in addition to reducing the check to the amount she was actually entitled to receive. The basis for denying credit for the employee's period of service with the University of Alaska was a regulation adopted by the Division of Retirement and Benefits in 1978 -- two years after she had retired.

The employee appealed to the Public Employee Retirement Board, which can waive collection of overpayments in cases of hardship. In determining whether there would be hardship to the employee, the board considered her family's financial situation and found that she was not entitled to the waiver.

Commission members discovered that this was not an isolated instance. A number of retired state employees have undergone similar

experiences. They relied on assurances from the Division of Retirement and Benefits only to discover a considerable time later that errors had been made and that their benefits would be reduced.

The commission recommends that a two-year statute of limitations be placed on the collection of overpayments. Two years gives the Division of Retirement and Benefits ample time to audit its records and find and correct any errors made. After that period of time, a retired person should be freed from the burden of having to pay back the state for mistakes of the state's employees. This protection should be available only in cases where the retired person did not contribute to causing the error. It should not apply to persons working for employers other than the state, since those employers may not be in a financial position to absorb the cost of errors made by state employees.

SECTION BY SECTION ANALYSIS

Section 1 amends the Teachers Retirement System by prohibiting the Division of Retirement and Benefits from decreasing benefits in order to collect for a previous overpayment if two conditions are met. The first condition is that the overpayment began two years or more before the division told the retired teacher of the error. The second condition is that the teacher did not cause the error.

Section 2 amends the Public Employee Retirement System in the same way that section 1 amends the TRS. However, in this section there is an additional condition. The error in computation must relate to the employee's credited service with the state, and not with another participating employer.

Section 3 makes the Act retroactive in order to include the retired person who testified before the commission.

Section 4 provides that the Act takes effect immediately in order to address the hardship to retired state employees.

TBC:lmk

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill No. 105
Title An Act Limiting the Adjustment of Retirement Benefits
Requested by Senator Vic Fischer Date

II. FISCAL DETAIL
Agency Affected Administration - Division of Retirement and Benefits
Program Category Affected Labor Services
BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 (PERS)
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	STATE TRS MATCHING						
100	BENEFITS						
	TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND							
FEDERAL FUNDS							
VETERAN'S FUND							
FISH & GAME FUND							
HIGHWAY FUND							
AIRPORT FUND							
CAPITAL FUND							
PERS							
TRS							

POSITIONS NONE

FULL TIME							
PART TIME							
TEMPORARY							

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

Undoubtedly there will be some costs to the retirement system, but they cannot be measured. In most instances the individual adjustment would be small.

Ken Humphreys, for PAS
ac

IV. DATE 4/02/81 PREPARED BY Paul A. Arnold, Director
AGENCY Division of Retirement & Benefits
PHONE 465-4460

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named) Senator Ray
Office of the Governor (Keith Spacking)

TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 195

Title An Act Limiting the Adjustment of Retirement Benefits

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits

Program Category Affected Labor Services and Elementary & Secondary Education

BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-02 (TRS) 02-11-8-02-01-00 (TRS MATCH)

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

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	STATE TRS MATCHING						
100	BENEFITS						
	TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND							
FEDERAL FUNDS							
VETERAN'S FUND							
FISH & GAME FUND							
HIGHWAY FUND							
AIRPORT FUND							
CAPITAL FUND							
PERS							
TRS							

POSITIONS NONE

FULL TIME							
PART TIME							
TEMPORARY							

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

Undoubtedly there will be some costs to the retirement system, but they cannot be measured. In most instances the individual adjustment would be small.

IV. DATE 4/02/81 PREPARED BY Ken Humphreys, for Paul E. Arnold, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Office of the Governor (Keith Specking)

SB

196

Alaska State Legislature

JUNEAU, ALASKA

BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT
Pouch AG/Mail Stop 0123
Juneau, Alaska 99811
(907) 465-4442

Senator Bill Ray
Chairman

MEMORANDUM

April 3, 1981

TO: Senate State Affairs Committee

FROM: Teresa B. Cramer TBC
Administrative Assistant

SUBJECT: SB 196 Relating to the Membership of the Public Employees Retirement Board.

This bill amends the Public Employees Retirement Act to change the membership of the Public Employees Retirement Board. The law presently requires that the three members who are appointed to the Personnel Board shall also serve on the PERB. AS 39.35.030. Those three individuals are also, by statute, appointed to the Labor Relations Agency, which is involved in collective bargaining issues. AS 23.40.250(3). The activities of both the LRA and the PERB have grown considerably recently. In the last legislative session, the PERB was made responsible for overseeing the supplemental employee benefit program and the deferred compensation program for state employees. AS 39.35.040(9) and (10). The increase in the number of state employees who are members of collective bargaining organizations has led to additional work for the LRA. The three members of the Personnel Board are citizen volunteers appointed by the Governor who are not employed by the state.

While the issues which are addressed by the Personnel Board are related to some of the issues addressed by the Labor Relations Agency, this is not the case with the subjects of concern to the Public Employees Retirement Board. Therefore, the Blue Ribbon Commission recommends that the members of the Personnel Board continue to serve as the members of the LRA and that they be removed from the PERB. The PERB should be composed of four elected members and one member appointed by the Governor. In addition, the commission recommends that one of the elected members should be a retired person to insure that those most directly affected by the system have a voice in the decision-making body.

Section 1 of the bill sets out the changes in membership of the PERS board which are discussed above.

Section 2 is a temporary measure to enable the board to continue to act until new members have been selected according to the new method.

TBC:lmk

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 196

Title An Act Relating to the Membership of the Public Employees Retirement Board

Requested by Senator Fischer Date 4/03/81

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits

Program Category Affected Labor Services

BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 (PERS)

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		14.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS						
TOTAL	-0-	14.0	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS		14.0				
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

Costs in FY82 are to conduct a PERS wide election of two Board members.

Term of office is six years.

IV. DATE 4/06/81 PREPARED BY Ken Humphreys, for Paul B. Arnold, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management
Prime Sponsor (First Legislator Named) Senator Ray
Office of the Governor (Keith Specking)

Muller — no need to change composition; — members of PERS board are also on Personnel board, ~~[illegible]~~ — ? members of system be board majority for system?

Introduced: 2/20/81
Referred: State Affairs

BY THE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE COUNCIL (for the Blue Ribbon Commission on the State Personnel Act)

PERS board opposed

IN THE SENATE

SENATE BILL NO. 196

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the membership of the Public Employees Retirement Board."

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

* Section 1. AS 39.35.030(b) is amended to read:

(b) One [THREE] board member [MEMBERS] shall be appointed by the governor and shall serve at his pleasure [MEMBERS OF THE PERSONNEL BOARD OF THE DEPARTMENT OF ADMINISTRATION]. The remaining four [TWO] board members shall be members of the system [AND] elected by the members of the system, and at least one of the elected board members shall be retired.

* Sec. 2. Notwithstanding AS 39.35.030(b), as amended by sec. 1 of this Act, a person serving on the Public Employees Retirement Board on the effective date of this Act who was from the personnel board of the Department of Administration shall continue to serve until his successor is elected or appointed by the governor.

Terry Cramer — Personnel board members taken off — retirement board duties heavy workload + ~~[illegible]~~ Personnel Bd tied down w/ labor relations

Cherie - Bd overworked

? — same as T[redacted]RS ?

SB 196

REPORT OF THE

BLUE RIBBON COMMISSION ON THE STATE PERSONNEL ACT

TO THE

TWELFTH ALASKA STATE LEGISLATURE
FIRST SESSION

Senator Bill Ray
Chairman

February, 1981

SB 196

SENATE BILL 196 : RELATING TO THE MEMBERSHIP OF THE PUBLIC EMPLOYEES RETIREMENT BOARD.

PURPOSE

This bill amends the Public Employees Retirement Act to change the membership of the Public Employees Retirement Board. The law presently requires that the three members who are appointed to the Personnel Board shall also serve on the PERB. AS 39.35.030. Those three individuals are also, by statute, appointed to the Labor Relations Agency, which is involved in collective bargaining issues. AS 23.40.250(3). The activities of both the LRA and the PERB have grown considerably recently. In the last legislative session, the PERB was made responsible for overseeing the supplemental employee benefit program and the deferred compensation program for state employees. AS 39.35.040(9) and (10). The increase in the number of state employees who are members of collective bargaining organizations has led to additional work for the LRA. The three members of the Personnel Board are citizen volunteers appointed by the Governor who are not employed by the state.

While the issues which are addressed by the Personnel Board are related to some of the issues addressed by the Labor Relations Agency, this is not the case with the subjects of concern to the Public Employees Retirement Board. Therefore, the commission recommends that the members of the Personnel Board continue to serve as the members of the LRA and that they be removed from the PERB.

:ne PERB should be composed of four elected members and one member appointed by the Governor. In addition, the commission recommends that one of the elected members should be a retired person to insure that those most directly affected by the system have a voice in the decision-making body.

SECTION BY SECTION ANALYSIS

Section 1. AS 39.35.030(b) is amended to read:

(b) One (THREE) board member (MEMBERS) shall be appointed by the governor and shall serve at his pleasure (MEMBERS OF THE PERSONNEL BOARD OF THE DEPARTMENT OF ADMINISTRATION). The remaining four (TWO) board members shall be members of the system (AND) elected by the members of the system, and at least one of the elected board members shall be retired.

Comment

Section 1 of the bill sets out the changes in membership of the PERS board which are discussed above.

Sec. 2. Notwithstanding AS 39.35.030(b), as amended by sec. 1 of this Act, a person serving on the Public Employees Retirement Board on the effective date of this Act who was from the personnel board of the Department of Administration shall continue to serve until his successor is elected or appointed by the governor.

Comment

Section 2 is a temporary measure to enable the board to continue to act until new members have been selected according to the new method.

SB

197

REPORT OF THE

BLUE RIBBON COMMISSION ON THE

STATE PERSONNEL ACT

TO THE

TWELFTH ALASKA STATE LEGISLATURE

FIRST SESSION

Senator Bill Ray
Chairman

February, 1981

SB 197

SENATE BILL 197: APPLYING THE ADMINISTRATIVE PROCEDURE ACT (AS 44.62) TO ADOPTION OF REGULATIONS BY STATE RETIREMENT SYSTEMS.

PURPOSE

This bill amends the law to require that both the Public Employees Retirement Board and the Teachers Retirement System administrators comply with the Administrative Procedure Act when adopting regulations. Both retirement systems are presently exempted from the APA. The commission recommends the change because of concern that regulations have been adopted in the past without adequate opportunity for public comment. Although rule-making under the APA may be more time-consuming than rule-making under the present methods of the retirement systems, the improved public notice requirements outweigh that disadvantage. In instances in which either retirement system is faced with a need for immediate change in regulations, the APA provides for emergency rule-making. AS 44.62.250.

SECTION BY SECTION ANALYSIS

Section 1. AS 39.35.042 is repealed and reenacted to read:

Sec. 39.35.042. REGULATIONS. Adoption of regulations under this chapter is subject to the Administrative Procedure Act (AS 44.62).

Comment

Section 1 of the bill amends the Public Employees Retirement System statute to make the PERS subject to the APA rule-making requirements.

Sec. 2. AS 14.25.022 is repealed and reenacted to read:

Sec. 14.25.022. REGULATIONS. Adoption of regulation by the administrator under this chapter is subject to the Administrative Procedure Act (AS 44.62).

Comment

Section 2 amends the Teachers Retirement System statute to make the TRS subject to the APA rule-making requirements.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill No. 197
Title An Act Applying the Administrative Procedure Act (AS 44.62) to Adoption of Regulatic
Requested by Senator Vic Fischer Date

II. FISCAL DETAIL
Agency Affected Administration - Division of Retirement and Benefits
Program Category Affected Labor Services
BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 (PERS)
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	STATE TRS MATCHING						
100	BENEFITS						
	TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND							
FEDERAL FUNDS							
VETERAN'S FUND							
FISH & GAME FUND							
HIGHWAY FUND							
AIRPORT FUND							
CAPITAL FUND							
PERS							
TRS							

POSITIONS NONE

FULL TIME							
PART TIME							
TEMPORARY							

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

IV. DATE 4/02/81 PREPARED BY Ken Humphreys for Paul B. Arnold, Director
AGENCY Division of Retirement & Benefits
PHONE 465-4460

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

Alaska State Legislature

JUNEAU, ALASKA

BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT
Pouch AG/Mail Stop 0123
Juneau, Alaska 99811
(907) 465-4442

Senator Bill Ray
Chairman

MEMORANDUM

April 3, 1981

TO: Senate State Affairs Committee

FROM: Teresa B. Cramer
Administrative Assistant

SUBJECT: SB 197 Applying the Administrative Procedure Act (AS 44.62) to Adoption of Regulations by State Retirement Systems.

This bill amends the law to require that both the Public Employees Retirement Board and the Teachers Retirement System administrators comply with the Administrative Procedure Act when adopting regulations. Both retirement systems are presently exempted from the APA. The Blue Ribbon Commission recommends the change because of concern that regulations have been adopted in the past without adequate opportunity for public comment. Although rule-making under the APA may be more time-consuming than rule-making under the present methods of the retirement systems, the improved public notice requirements outweigh that disadvantage. In instances in which either retirement system is faced with a need for immediate change in regulations, the APA provides for emergency rule-making. AS 44.62.250.

Section 1 of the bill amends the Public Employees Retirement System statute to make the PERS subject to the APA rule-making requirements.

Section 2 amends the Teachers Retirement System statute to make the TRS subject to the APA rule-making requirements.

TBC:lmk

Introduced: 1/20/81
Referred: Health, Education & Social Services and Judiciary

IN THE SENATE

BY THE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

SENATE BILL NO. 101

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the Teachers' Retirement System and authorizing adoption of regulations by the Alaska Teachers' Retirement Board."

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

* Section 1. AS 14.25.020(a)(1) is repealed and reenacted to read:

(1) recommend to the board regulations to govern the operation of the system;

* Sec. 2. AS 14.25.022 is amended to read:

Sec. 14.25.022. REGULATIONS. Regulations <u>adopted by the board</u> [PROMULGATED BY THE ADMINISTRATOR] under <u>this chapter</u> [AS 14.25.010 - 14.25.220] relate to the internal management of a state agency and their adoption is not subject to the Administrative Procedure Act (AS 44.62).

* Sec. 3. AS 14.25.035 is amended by adding a new subsection to read:

(i) The board shall consider and may adopt, amend, or repeal regulations to govern the operation of the system.

* Sec. 4. AS 14.25.220 is amended by adding a new paragraph to read:

(41) "board" means the Alaska Teachers' Retirement Board established under AS 14.25.035.

+ amend

AMENDMENT

OFFERED IN THE SENATE: BY: RAY

TO: _____ SENATE BILL No. 101

HOUSE BILL No. _____

PAGE: 1 LINE: 16 - 18

Delete Lines 16 - 18 and replace with the following:

14.25.220] that only relate to the internal management of a state agency shall be posted for 30 days before their adoption. However regulations that concern matters of public policy shall be adopted under the Administrative Procedures Act (AS 44.62).

Introduced: 2/20/81
Referred: State Affairs and Judiciary

BY THE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE COUNCIL (for the Blue Ribbon Commission on the State Personnel Act)

IN THE SENATE

SENATE BILL NO. 197

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act applying the Administrative Procedure Act (AS 44.62) to adoption of regulations by state retirement systems."

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

ALSO

* Section 1. AS 39.35.042 is repealed and reenacted to read:

Sec. 39.35.042. REGULATIONS. Adoption of regulations under this chapter is subject to the Administrative Procedure Act (AS 44.62).

* Sec. 2. AS 14.25.022 is repealed and reenacted to read:

Sec. 14.25.022. REGULATIONS. Adoption of regulations by the administrator under this chapter is subject to the Administrative Procedure Act (AS 44.62).

Fred Muller - cumbersome, not necessary, APA requires rigid process

Terry Cramer - public not adequately informed → incl. members of ret. system

Cherie ... incl ① Suppl Benefits & ② Deferred Compensation

TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 197

Title An Act Applying the Administrative Procedure Act (AS 44.62) to Adoption of Regulatio

Requested by Senator Vic Fischer Date

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits

Program Category Affected Labor Services

BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 (PERS)

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

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	STATE TRS MATCHING						
100	BENEFITS						
	TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

Ken Humphreys, for

IV. DATE 1/02/81 PREPARED BY Paul B. Arnoldt, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Senator Ray

Alaska State Legislature

JUNEAU, ALASKA

BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT
Pouch AG/Mail Stop 0123
Juneau, Alaska 99811
(907) 465-4442

Senator Bill Ray
Chairman

MEMORANDUM

April 3, 1981

TO: Senate State Affairs Committee

FROM: Teresa B. Cramer
Administrative Assistant

SUBJECT: SB 197 Applying the Administrative Procedure Act (AS 44.62) to Adoption of Regulations by State Retirement Systems.

This bill amends the law to require that both the Public Employees Retirement Board and the Teachers Retirement System administrators comply with the Administrative Procedure Act when adopting regulations. Both retirement systems are presently exempted from the APA. The Blue Ribbon Commission recommends the change because of concern that regulations have been adopted in the past without adequate opportunity for public comment. Although rule-making under the APA may be more time-consuming than rule-making under the present methods of the retirement systems, the improved public notice requirements outweigh that disadvantage. In instances in which either retirement system is faced with a need for immediate change in regulations, the APA provides for emergency rule-making. AS 44.62.250.

Section 1 of the bill amends the Public Employees Retirement System statute to make the PERS subject to the APA rule-making requirements.

Section 2 amends the Teachers Retirement System statute to make the TRS subject to the APA rule-making requirements.

TBC:lmk

MEMO

TO: Vic

FROM: Nan Smiles!

DATE: April 10, 1981

RE: SB 101 entitled "An Act relating to the Teacher's Retirement System and authorizing adoption of regulations by the Alaska Teachers Retirement Board."

SB 101 before you in Senate HESS today is in direct conflict with SB 197 (see attached Exhibit A) which is part of the retirement package in State Affairs.

The current statutes (see Exhibit B, page 2) exempt regulations promulgated by the administrator from adoption in conformance with the procedures outlined in the Administrative Procedure Act (APA). "Administrator" as currently used in the Teachers' Retirement System means the Department of Administration.

SB 197 amends the law to require that both the Public Employees Retirement Board and the Teachers Retirement Sys Employe inistrators comply with the Administrative Procedure Act when adopting regulations. Both retirement systems are presently exempted from the APA. The Blue Ribbon Commission recommends the change because of concern that regulations have been adopted in the past without adequate opportunity for public comment. Although rule-making under the APA may be more time-consuming than rule-making under the present methods of the retirement systems, the improved public notice requirements outweigh that disadvantage. In instances in which either retirement system is faced with a need for immediate change in regulations, the APA provides for emergency rule-making. AS 44.62.250.

SB 101 Analysis

Section 1 states that the Department of Administration may recommend regulations to the Teachers' Retirement Board.

Section 2 gives the Teachers' Retirement Board the authority to adopt regulations without following the procedures of the APA.

Section 3 gives the Teachers' Retirement Board the power to consider and adopt, amend or repeal regulations to govern the retirement system.

Section 4 amends the definition section of the act to define "board" to mean the Alaska Teachers' Retirement Board.

Note: As I interpret the amendments proposed in SB 101 there is no requirement that the Board adopt any regulations even though the Board has the authority to do so.

Sec. 1 of SB 101 repeals Sec. 14.25.020. Powers of the Administrator. (a) The administrator may

(1) promulgate and issue appropriate regulations having the force of law to implement this chapter and to cover matters not expressly touched upon or anticipated but implied by this chapter; . This ~~section~~ repealed section is not replaced by any of the amendments proposed in SB 101.

Overview of APA procedures for Adopting Regulations

The APA spells out specific procedures for adopting regulations such as notice, publication, opportunity for submitting comments and a public hearing. All regulations are reviewed by the regulations attorney in the Department of Law. All state agencies which by statute possess regulation-making authority must adopt regulations in conformity with the APA requirements. Cases interpreting regulations have held that when a conflict exists between a statute and a regulation, the statute prevails.

The Supreme Court will review regulations in the following manner: First, it will ascertain whether the regulation is consistent with and reasonably necessary to carry out the purposes of the statutory provisions conferring rule-making authority on the agency. This aspect of review insures that the agency has not exceeded the power delegated by the legislature. Second, the court will determine whether the regulation is reasonable and not arbitrary. This latter inquiry is proper in the review of any legislative enactment.

Introduced: 2/20/81
Referred: State Affairs and Judiciary

BY THE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE COUNCIL (for the Blue Ribbon Commission on the State Personnel Act)

IN THE SENATE

SENATE BILL NO. 197

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act applying the Administrative Procedure Act (AS 44.62) to adoption of regulations by state retirement systems."

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

* Section 1. AS 39.35.042 is repealed and reenacted to read:

Sec. 39.35.042. REGULATIONS. Adoption of regulations under this chapter is subject to the Administrative Procedure Act (AS 44.62).

* Sec. 2. AS 14.25.022 is repealed and reenacted to read:

Sec. 14.25.022. REGULATIONS. Adoption of regulations by the administrator under this chapter is subject to the Administrative Procedure Act (AS 44.62).

Exhibit "A"

Chapter 25. Teachers' Retirement.

Article
1. Teachers' Retirement System (§§ 14.25.010 — 14.25.220)

Article 1. Teachers' Retirement System.

Section
10. Retirement system established
20. Powers of the administrator
22. Regulations
30. Duties of the administrator
35. Teachers' Retirement Board
40. Membership
45. Participation by National Education Association employees
50. Contributions by teachers
55. Supplemental contribution by a teacher
60. Arrearages
65. Transmittal of contributions
70. Contributions by employer
80. Contributions by the state
90. [Repealed]
100. Credit for service in the armed forces
110. Eligibility for service retirement
120. Manner of computing service retirement salary
130. Eligibility for disability retirement
135. Deferred retirement benefit
137. Deferred vested retirement benefit
138. Notification of intention to retire
140. Manner of computing disability retirement salary
142. Cost of living allowance
143. Post retirement pension adjustment
145. Interest on individual accounts
150. Payment on withdrawal from system
160. Payment upon death of teacher
162. Survivor's allowance
164. Spouse's pension
168. Medical benefits
169. Duplicate benefits
170. Administration
180. Custody and investment
190. Actuarial evaluations of the retirement fund
200. Exemption from taxation and process
205. Time limit for application
210. Penalty for false statements
220. Definition of terms

Sec. 14.25.010. Retirement system established. A joint-contributory retirement system for teachers of the state is created. (§ 1 ch 145 SLA 1955; am § 1 ch 89 SLA 1960)

Am. Jur., ALR and C.J.S. references. — 40 Am. Jur., Pensions, § 1 et seq.; 47 Am. Jur., Schools, § 27 et seq.; 48 Am. Jur., Social Security, Unemployment Insurance and Retirement Funds, § 1 et seq.

Validity of statute providing for pensions for teachers, 37 ALR 1162.

Validity of repeal or modification of pension statute provisions, 52 ALR2d 437.

81 C.J.S. State § 94.

Sec. 14.25.020. Powers of the administrator. (a) The administrator may

(1) promulgate and issue appropriate regulations having the force of law to implement this chapter and to cover matters not expressly touched upon or anticipated but implied by this chapter;

(2) make expenditures from the retirement fund necessary to administer this chapter.

(b) The administrative expenditures permitted by (a) (2) of this section shall be included in the governor's budget for each fiscal year and are subject to appropriation by the legislature. (§ 4 ch 145 SLA 1955; am § 2 ch 142 SLA 1957; am § 3 ch 89 SLA 1960)

Exhibit "B"
page 1

Sec. 14.25.022. Regulations. Regulations promulgated by the administrator under §§ 10 — 220 of this chapter relate to the internal management of a state agency and their adoption is not subject to the Administrative Procedure Act (AS 44.62). (§ 1 ch 13 SLA 1963)

Sec. 14.25.030. Duties of the administrator. The administrator shall

(1) establish and maintain an adequate system of accounts for the retirement fund;

(2) approve or disapprove claims for retirement salary;

(3) keep an official record of all proceedings;

(4) publish annually a report showing the financial condition of the retirement fund; and

(5) do whatever else may be necessary to carry out the purposes of this chapter. (§ 4 ch 145 SLA 1955; am § 2 ch 142 SLA 1957; am § 3 ch 89 SLA 1960)

Sec. 14.25.035. Teachers' Retirement Board. (a) There is established the Alaska Teachers' Retirement Board consisting of five members appointed by the governor for overlapping three-year terms. One member shall be a resident who is receiving retirement benefits under this chapter. Statewide teacher organizations may submit to the governor a list of recommended nominees to serve on the board.

(b) Members of the board serve without compensation except that each member may be reimbursed for actual and necessary expenses at the rate established in AS 39.20.180.

(c) The board shall confer with the commissioners of administration and revenue regarding the administration and the investment policies of the Teachers' Retirement Fund and may make such recommendations to them as they consider necessary.

(d) The board shall be furnished reports relating to the condition and administration of the retirement fund which shall be distributed for the information of the members of the system.

(e) The board shall serve as an appeal board and shall hold hearings at the request of an employer, employee, or any beneficiary in regard to rulings or decisions made by the administrator of the teachers' retirement system. The board shall submit its findings to the administrator. The board shall hold annually one or more public hearings to discuss proposed changes in the teachers' retirement system and to consider and adopt resolutions which might apply to this system.

(f) The board shall meet at the call of the chairman, any three members, or at the request of the commissioner of administration.

(g) Expenses for the board and its operation shall be paid from the teachers' retirement fund.

(Executive Order No. 26, SLA 1964; am §§ 1 — 3 ch 85 SLA 1969; am § 1 ch 61 SLA 1972)

Revisor's note. — Under § 23, art. III of the state constitution, the governor can issue executive orders which have the force of law, if they are not disapproved by the

Exhibit "B"
Page 2

SB

227

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH W—STATE CAPITOL

JUNEAU, ALASKA 99811

February 25, 1981

To: Senator Bob Mulcahy
Chairman
Senate Labor and Commerce
Committee

From: Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

Subject: Sunset Termination of Alaska Boards
and Commissions

Per your request, I am enclosing the status and termination dates of Alaska activities that have been terminated by law.

The following agencies had a June 30, 1980 termination date and will discontinue at June 30, 1981 unless revived this session:

Collection Agency Board (AS 08.24.011)
Guide Licensing and Control Board (AS 08.08.040)
Board of Governors of the Alaska Bar Association
(AS 08.08.040)
State Board of Parole (AS 33.15.010)

The following agencies have a June 30, 1981 termination date and unless continued by law will have until June 30, 1982 to wind up their affairs:

Board of Welding Examiners (AS 08.99.010)
Alcoholic Beverage Control Board (AS 04.06.010)
Alaska Pipeline Commission (AS 42.06.010)

The following agencies have a June 30, 1982 termination date and unless continued by law will have until June 30, 1983 to wind up their affairs:

Board of Dental Examiners (AS 08.36.010)
Board of Psychologist and Psychological Associate
Examiners (AS 08.86.010)

Board of Electrical Examiners (AS 08.40.010)
Real Estate Commission (AS 08.88.011)
Alaska Renewable Resource Corporation (AS 37.12.010)
Alaska Code Revision Commission (AS 24.20.075)

The following agencies have a June 30, 1983 termination date and unless continued by law will have until June 30, 1984 to wind up their affairs:

State Medical Board (AS 08.64.010)
Board of Nursing (AS 08.68.010)
Board of Marine Pilots (AS 08.62.010)
Alaska Transportation Commission (AS 42.07.011)
Alaska Council on Science and Technology (AS 44.19.181)

The following agencies have a June 30, 1984 termination date and unless continued by law will have until June 30, 1985 to wind up their affairs:

Board of Chiropractic Examiners (AS 08.20.010)
Board of Examiners in Optometry (AS 08.72.010)
Board of Pharmacy (AS 08.80.010)
Board of Public Accountancy (AS 08.04.010)
Board of Barbers and Hairdressers (AS 08.13.010)
State Board of Registration for Architects, Engineers, and Land Surveyors (AS 08.48.011)

The following agencies have a June 30, 1985 termination date and unless continued by law will have until June 30, 1985 to wind up their affairs:

Board of Veterinary Examiners (AS 08.98.010)
Alaska Public Utilities Commission (AS 42.05.010)
Board of Dispensing Opticians (AS 08.71.010)

The following agencies have a June 30, 1986 termination date and unless continued by law will have until June 30, 1987 to wind up their affairs:

Board of Nursing Home Administrators (AS 08.70.010)
State Physical Therapy Board (AS 08.84.010)

The Rural Development Council (AS 44.47.160—44.47.190) has a June 30, 1987 termination date and unless continued by law will have until June 30, 1988 to wind up its affairs.

If you need additional information on the "sunset" process, please contact me.

cc: Senator Arliss Sturgulewski
Chairman
Legislative Budget and Audit Committee

SR 6

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF—STATE CAPITOL

JUNEAU, ALASKA 99811

February 23, 1981

To: The Legislative Budget and Audit Committee

FROM: Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

Subject: Selection of Programs for Sunset Review within the Health and Social Services Budget Categories

At the February 13, 1981 Legislative Budget and Audit Committee meeting, the Audit Division was requested to recommend a list of programs to be subjected to the "sunset" process.

After discussions with the appropriate budget analysts for the Legislature and Governor's office, and meetings held with the applicable departments' budget officers, the Division recommends those programs listed in the latter part of this memorandum for "sunset" review. Though we acknowledge it is unlikely that certain programs listed could be discontinued unless prior policy is significantly redirected, this Division feels that all recommendations should be reviewed from performance, public need, and cost-effective perspectives.

In addition to activities selected from the health and social services budget categories, the Legislature will be required during the 1982 session to oversight the following entities which will terminate on June 30, 1982:

Board of Dental Examiners
Board of Psychologists
Board of Electrical Examiners
Real Estate Commission
Alaska Renewable Resource Corporation

We recommend the following programs and activities be subject to the "sunset" process:

Health Budget Category

Department of Health and Social Services

Alaska Psychiatric Institute (API)

Background

API, located in Anchorage, maintains 121 beds for care for the acute mentally ill. The general purpose of this institution is to provide institutional services not available in the local communities because of complexity, small number of clientele, or the need for security.

Financial Data

The Institution has a 1981 authorized budget of $8,574,100 and is requesting a 1982 budget of $10,574,000, which represents a 23% increase. Average daily census report was 115 patients. Average cost per patient bed utilized was $67,030 for Fiscal Year 1980. This computes to $184/patient day. The Institution employs approximately 250 people.

Selection Criteria

Due to the high cost of institutional care, API should be reviewed for cost effectiveness.

Over the last few years, local communities have been encouraged to provide services with State financial support and technical assistance. The 1982 budget requests over $8 million for financial assistance to varying types of local community mental health programs. Though this decentralization of services claims to decrease the propensity to place people in institutions, API's budget indicates a census increase of patients.

Legislative Audit conducted a limited review of API in 1980 which indicated that management and personnel problems existed.

Office of [redacted] Systems

Background

This BRU provides research capabilitities and data processing support to all divisions within the Department, particularly public assistance programs.

Financial Data

These programs have an authorized 1981 budget of $2,286,200. They employ approximatley 40 people. Approximately 48% of the budget is contractual service, predominantly with the Department of Administration Data Processing Unit.

Selection Criteria

A performance review to determine if decentralization of data processing services from the Statewide data processing unit is efficient and cost effective.

Parts of the Medicaid data processing system were contracted out to a California-based company rather than done in-house.

State Health Planning and Development Agency

Background

The primary functions are Statewide health service and facility planning and development, including certification of need, Statewide health facilities survey, licensing and certification on an annual basis to assure quality health care, and for Medicaid/Medicare payment eligibility.

Financial Data

This BRU was authorized $1,332,200 for FY 1981 with $571,000 being funded by federal receipts. Approximately 21 employees work in this agency.

Selection Criteria

We have been told an excellent chance exists that the federal government will phase out its funding over the next three-year period. A performance review conducted now might

ascertain that various functions should be allowed to terminate as federal funding diminishes or, conversely, that a real need exists for the continuance of part or all of the applicable programs.

Holistic Health

Background

Holistic Health deals with the preventive method, as opposed to the curative method, of improving health. This concept is based on the regulation of environment, sociological and psychological factors, and on information and awareness programs.

Financial Data

In FY 1981, $500,000 was appropriated from the general fund to establish one coordinator position and pilot projects specifically directed toward prevention of disease. The BRU's FY 1982 budget request is $701,100, a 40% increase over the prior year.

Selection Criteria

As this was a pilot program for FY 1981, now would be an excellent time to conduct a performance audit to determine if this activity is a duplication of other health programs, or if the State should be providing this service.

Social Service Budget Category

Department of Health and Social Services

Juvenile Custody - Social Service Institutional Care

This is a full-cost-of-care program administered under the authority of Alaska Statutes, Title 47. This service is provided to those individuals who are victims of abuse, neglect, or exploitation, or have lost their families through death or abandonment and require more intensive treatment for emotional or behavioral problems that can best be provided in a 24-hour group home or institution.

Financial Data

The general fund appropriations in this program have been increasing at an alarming rate. For FY 1981, $7,333,600 was appropriated, a 32% increase over the prior year budget of $5,558,800. The Department has requested $10,101,800 for payment to private institutions for FY 1982, a 38% increase over FY 1981.

Average daily costs per person, according to the Department's budget documents, has increased from $28/person in FY 1976 to $75/person in FY 1980. FY 1981 is estimated at $99/person and FY 1982 at $137/person.

Selection Criteria

A performance review should be conducted to review this program and the related Alaska Statutes to determine if the programs and laws are cost effective and in the best interest of the State, or if more efficient alternatives exist.

Adult and Aging Services - Adult Services (Formerly Program Services - Homemaker Services and Adult Supportive Services)

Background

This activity provides services to adults, ranging from preventative services and in-home services to placement. Specific services include information and referral, adult protection, homemaker and home health aid services, shelter and counseling services, women's resource centers, and adult residental care.

Financial Data

The adult services sub-program for FY 1982 is requesting $6,127,300, of which 89% is grant monies. Related grant monies in the homemaker service program increased from $1,267,900 in FY'80 to $2,438,900 in FY 1981, a 92% increase. In adult supportive services, grant monies increased from $892,300 in FY'80 to $2,865,000 in 1981 authorized budget, a 221% increase.

Selection Criteria

With the significant budget increase in these programs, a performance review should be done to determine if a public need exists for these programs and if the related monies are being spent in an efficient and effective manner.

STATE OF ALASKA

THE LEGISLATURE
BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF—STATE CAPITOL
JUNEAU, ALASKA 99811

January 19, 1981

DRAFT

To: The Legislative Budget and Audit Committee

From: Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

Subject: Legislative Responsibilities for Identifying Agency Programs to be Subjected to Sunset Review

According to AS 44.66.030, the Legislative Budget and Audit Committee is to designate, not later than March 1, 1981, the programs and activities within the Health and Social Services Budget Categories which shall be subject to termination in the next fiscal year. In addition, it is our interpretation that the Committee may select any program from within the Executive Branch.

The programs and sub-programs of the Budget Category mentioned above are listed in Attachment A.

Suggested criteria that may be helpful in selecting programs are listed in Attachment B.

Based upon the Division's workload, it is recommended the Committee not select more than eight to ten programs or activities for sunset review.

ATTACHMENT A

HEALTH BUDGET CATEGORY

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Nursing

- Field Nursing
- Home Health Service
- Administration
- Early Screening

Contract Services - Mauneluk

Communicable Disease Control

- TB Control
- Venereal Disease Control
- Immunization
- Epidemiology

Environmental Health

Child and Family Health

- Maternal and Child Health
- Handicapped Children
- Communicative Disorders
- Child Development Service
- Administration
- Nutrition
- Special Education Grants

Laboratories

- Regional Labs
- Administration

Public Health Administration

- Administration
- Health Education
- Grant to GAAB
- Anchorage Education Programs for the Handicapped

Emergency Medical Services

- Administration
- Advisory Council
- Grants

DEPARTMENT OF HEALTH AND SOCIAL SERVICES (cont'd)

Medicaid

- Hospitals
- Physician Services
- Other Services
- Early Services
- Nursing Homes
- Indian Health Service

General Relief Medical

- Hospitals
- Physicians Services
- Other Services
- Nursing Homes
- Catastrophic
- Residential Home Care

Public Assistance Administration and Collection

- Administration
- Collection

Information Systems

- Data Services
- Vital Statistics

State Health Planning and Development Agency

- Health Planning and Development
- Certification and Licensing
- Administration
- Health Planning Committee
- Health Systems Agencies Grants

Alcohol and Drug Abuse

- Administration
- Alcohol Abuse Grants
- Drug Abuse Grants

Alaska Psychiatric Institute

Contract Forensic Services

Community Mental Health Services

- Regional Administration
- Juneau Regional Mental Health Clinic
- Community Mental Health Grants

DEPARTMENT OF HEALTH AND SOCIAL SERVICES (cont'd)

Harborview

Governor's Council on Handicapped

Community Developmental Disabilities Services

- Client Program Management
- Residential Care
- Family Support

Mental Health Administration and Support

- Central Office Administration
- Mental Health Council and Land Board
- Demonstration Grants

STATE BOND COMMITTEE

Department Service

Health Facilities

SOCIAL SERVICES BUDGET CATEGORIES

OFFICE OF THE GOVERNOR

Alaska Plan

DEPARTMENT OF ADMINISTPATION

Longevity Bonus

Pioneers Homes

- Sitka
- Fairbanks
- Palmer
- Kotzebue
- Anchorage
- Central Office

DEPARTMENT OF EDUCATION

Youth Employment Services

SOCIAL SERVICES BUDGET CATEGORIES (cont'd)

DEPARTMENT OF REVENUE

- Child Support Enforcement

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

- Assistance Payments
  - Aid to Families with Dependent Children
  - Aid to the Blind
  - Aid to the Disabled
  - General Relief
- Energy Assistance Program
- Public Assistance Eligibility
  - Eligibility Determination
  - Staff Development
- Program Services
  - Homemaker Services
  - Day Care
  - Youth Services
  - Adult Supportive Services
- Foster Care
- Institutional Care
- Social Services
  - South Central Region
  - Northern Region
  - Southeastern Region
  - Western Region
  - Northwestern Region
  - Southern Region
- Social Services Administration
  - Central Office
  - Staff Development
- Work Incentive Program

SOCIAL SERVICES BUDGET CATEGORIES (cont'd)

Office of the Aging

- Administration
- Grants

Old Age Assistance Payments

Commissioner's Office

Administration

- Director's Office
- Personnel
- Supply
- Finance
- Graphic Arts
- Audit
- Fraud Investigation
- Management and Budget

Quality Control

Title XX Offset

DEPARTMENT OF LABOR

Employment Security

- Employment Services
- Unemployment Insurance
- Fraud Investigation
- CETA Services
- Director's Office
- Data Processing Applications
- Data Processing Operations

Work Incentive Program

Commissioner's Office

Administrative Services

- Management Services
- Labor Market Information
- Research Contracts

SOCIAL SERVICES BUDGET CATEGORIES (cont'd)

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

- Veterans Services

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

- Senior Citizens Tax Relief
  - Homeowner's Property Tax Exemption
  - Renter's Equivalency Rebate
  - Water and Sewer Assessment Defer.
  - Motor Vehicle Exemption
- Child Assistance
  - Day Care
  - Head Start Grants
- CETA
  - Classroom Training
  - On the Job Training
  - Work Experience
  - Public Service Employment
  - Services to Economic Disadvantaged
  - Services and Administration
- Senior Citizens Housing Development
- Community Services

STATE BOND COMMITTEES

- Department Service
  - Pioneers Homes
  - Senior Citizen Housing

Attachment B

RECOMMENDED CRITERIA FOR SELECTING PROGRAMS SUBJECT TO SUNSET REVIEW

1. Duplication of program's objectives.
2. Duplication of efforts.
3. Degree of public exposure.
4. Dollars spent/Source of Funding
5. Dollar impact on consumer and/or private industry.
6. Availability/success of complaint function.
7. Results of assessment of alternative methods to achieve program's objectives.
8. Question of who should provide the service - State government, local government, or private sector.
9. Age of program.
10. Number of positions in program.
11. Existence of recent legislative review.
12. Indication of program deficiencies through internal or external audits.
13. Recent change in Legislation affecting the responsibilities of the program.

SB 226 (cont'd)

Bill adds new section to AS 27.09 entitled "REFINANCING," which states: "The department may refinance a loan under this chapter by making a loan to pay outstanding debts. The terms in AS 27.09-.040 apply to debts refinanced under this section." Provides Act effective immediately.

Introduced March 2 and referred to Resources and Finance.

Sunset Review (programs in Dept. H&SS)

SENATE BILL NO. 227, by the Rules Committee by request of the Legislative Budget and Audit Committee. Designates certain programs in the Dept. of Health & Social Services for legislative review. Terminates the following activities and programs of the Dept. of Health & Social Services funded in the FY 81 budget:

--Activities and programs funded under the "homemaker services" and "adult supportive services" allocation of the program services appropriation (Sec. 51, p. 26, lines 10 & 18, Ch. 120, SLA 1980).

--Activities and programs funded by the Alaska Psychiatric Institute appropriation (Sec. 51, p. 36, line 14, Ch. 120, SLA 1980).

--Activities and programs funded by the State Health Planning and Development Agency appropriation (Sec. 51, p. 35, line 24, SLA 1980).

--Activities and programs funded by the information systems appropriation (Sec. 51, p. 35, line 21, Ch. 120, SLA 1980).

--Activities and programs funded by the holistic health project (Sec. 53, p. 75, line 13, Ch. 120, SLA 1980).

--Activities and programs relating to institutional care of juveniles funded by the appropriation for institutional care (Sec. 51, p. 27, line 11, Ch. 120, SLA 1980).

Terminations are effective July 1, 1982.

Introduced March 2 and referred to State Affairs.

Property Tax (partial exemption)

SENATE BILL NO. 228, by Senators Ferguson and Stimson. Exempts from municipal property taxation "the real property owned and occupied as a permanent place of abode by a resident, not exceeding $85,000 in value." (Amends AS 29.53.020(a), Required Exemptions.) Amends AS 29.53.020(e) (exemption for residents over 65) to exempt from taxation the real property "which exceeds the exemption granted by (a)(9) of this section [$85,000]." Thus bill allows all residents a property tax exemption for up to $85,000 worth of property (used as permanent place of abode) and allows residents who are 65 or over an exemption for the full assessed value. Bill repeals AS 29.53.025(a) which allows municipalities to exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at a regular or special election. Effective January 1, 1982.

Introduced March 3 and referred to Community & Regional Affairs then to Finance.

Alaska State Legislature

Senate

Committee on State Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

April 2, 1981
1:30 p.m.

Behrends Bldg.
Juneau

MEMBERS PRESENT: SENATOR FISCHER, CHAIR
SENATOR COLLETTA
SENATOR STIMSON

AGENDA: CSHB 36 (Jud) "An Act relating to the privilege not to disclose sources of information; and providing for an effective date."

SB 93 "An Act relating to the decentralization of the executive branch of the state government; and providing for an effective date."

SB 227 "An Act designating programs and activities for review and termination under AS 44.66; and providing for an effective date."

SB 323 Taken up at evening hearing on this date

Chairman Fischer called the meeting to order at 1:48 p.m. and invited testimony on CSHB 36 (Jud).

Representative Fred Brown, prime sponsor of the original and Chair of the House Judiciary Committee which provided a committee substitute, presented an overview of the bill. Discussion centered around the purpose of the legislation (to extend the conditional privilege not to disclose sources of information now enjoyed by reporters to still and TV news photographers) and on the House Judiciary Committee's determination that no change in Court Rules would be required. There had been some consideration given to changing Rule #501 to prevent a conflict arising between the provisions of the bill and rules governing court procedure under which the privilege is invoked in court. It was determined (and explained in the House Judiciary Committee's letter of intent) that the bill addresses the substantive law which defines when a privilege does or does not exist on the part of a journalist or a public official.

Chairman Fischer interjected that the Alaska Newspaper Association had sent written testimony in support of the legislation, and included some constructive suggestions to correct potential problems in

the language in Section 2; this section would permit a judge to deny privilege merely by finding that withholding testimony or evidence would be "contrary to the public interest".

Chairman Fischer stated that he felt the measure was an important one; he cited the importance of protecting news sources and the freedom of the press in order that the public should have adequate information. He suggested that notes of reporters, computer tapes and "any other documentation of news stories should also be protected.

Rep. Brown stated that the AG's office had described the language of the bill as both expanding and limiting. It is not clear from the language in the bill exactly what is meant by materials gathered while one is "acting in the course of his duties as a reporter".

Committee members determined that the definition of "reporter" should be expanded to include camera operators, production crews, editors and publishers of news organizations. Chairman Fischer recommended a letter of intent accompany the bill to reference House findings, and that a committee substitute be drafted which would reflect discussion at the hearing.

SB 193

Senator Parr, prime sponsor of Senate Bill 93, provided testimony in support of the measure, intended to address the problem of over-centralization of state functions. The bill requires decentralization and requires that regional/local offices be established so that only 15% of the state employees would be working in the capital. Enactment of the measure would promote decentralization of the decision making process in addition to personnel. The location of the capital, he stated, was not applicable to the bill. In response to the question, "What kinds of obstacles have you run into, what opposition?" Senator Parr stated that it was regarded by some people as a "pro-move" bill; if fully implemented it would considerably reduce the number of state employees in Juneau. A safeguard mechanism in the bill is gubernatorial approval of the plan.

Chairman Fischer suggested that state agencies be asked to respond substantively to the proposed legislation; it needs to be determined where employess are located in the state, where the decision making process takes place and a game plan needs to be developed for decentralization.

Senator Parr knew of no agency offhand which now meets the intention of the bill.

SB 227

Senator Sturgulewski, chair of the Legislative Budget and Audit Committee, provided testimony on this legislation, which falls in the category of "sunset legislation". She outlined the process

and purpose of sunset review, and stated support for the concept of having the ability to critically review a program.

Senator Colletta stated that programs could not be reviewed in this manner unless one took the position of considering terminating the program, thus forcing one to take positive action (by recreating a worthwhile program). He stated support for the measure.

Senator Fischer stated a need for conducting a policy and performance review of Health and Social Services.

Merle Jensen, of the Division of Legislative Audit, answered questions of Committee members relating to the conduct of audits, including those done on entire departments; one of the more common means of doing this is through a financial compliance audit, which measures compliance with the law in spending and accountability.

Allen Korhonern, of the Department of Health and Social Services, provided committee members with a letter describing the programs and indicated the Department's support of the activity. He declared his willingness to provide information and to work with auditors if the bill becomes law.

Meeting adjourned.

WITNESSES FOR
SENATE STATE AFFAIRS COMMITTEE

DATE: 4-2-81

Name	Address/Phone	Representing
Rep. Fred Brown	Ronald	Prime Sponsor HB 31
Barry Stern		Dept. of Law
Sen Parr		prime sponsor SB 93
Merle Jensen		Legislative Aid
Allen Korhonen		DHSS

SB

231

SB 231 - ASHA
SB 232 - ASHA Older Alaskans housing $ 10 million
SB 233 - ASHA - creating Older AK housing

SB 234 - ASHA handicapped + family
SB 235 - ASHA handicapped + family $ 15 million

ASHA Subtotal $25 million

SB 311 C+RA Sr. Cit housing $ 16 million
SB 312 C+RA Sr. Cit housing

C+RA Subtotal $ 16 million

Total ASHA plus C+RA $41 million

Proposed additional:
SB 408 - Transfer ASHA to C+RA
SB 409 - C+RA housing study
SB 410 - C+RA housing study $450,000

Total passed out + proposed $ 41,450,000

3-19-81 – ASHA – 2

233 – construction – not operation

Audrey Davis – Independent Options Now,
meet needs of phys. disabled
Needs for hsg for phys. dis. – 40 in Ann Arb
– barrier-free hsg
– low-income
– low-interest purchase for owner-occup.
– need for hsg ers & liason person

→ guarantee # units for handic
→ define "handicapped"
→ prov pers. to deal w/ phys.
→ allot barrier-free units to handic.
— sep. phys from ment. disabled
→ set aside in all ASHA housing.

3-19-81

ASHA bills

Arliss

- outlook for future federal funds.
  - adults who can be capable w/ appropriate facilities -

- scope of need -
  - ASHA housing
  - reg. authorities
  - other non-profits

Jim Crawford

~~ASHA - reg. hsg auth. - relationship~~ [illegible] st.

~~Marine View - state approps.~~

~~Why convert 4 floors to commercial rental space~~

If receive capital funds - ~~[illegible]~~

will? (might) undertake statewide survey of senior cit & handic. hsg

$ req'd

3/19 – 3

Dr David Spence H+SS

→ Age appropriate housing

3-24-81

Marie Matsuno -
Louise Crane, Senior hsg Hsg Admin.

hsg asstce division

14 40 21 5

- # units of hsg.

~~7,500,000~~

400 units
- mmic,

66 $150,000/unit

applic. don't want
to ~~use~~ fed. funds

21 ~~000000~~ 4
50,000

- what incentive to use.

~~[illegible]~~

ASHA - 3,300 to hsg.
285 sr hsg

Jim Crawford

ASHA goes into ~~[illegible]~~ tax-exempt
bonding market + then would
use appr. funds to supplement.

(2)

ASHA - long-term feasibility
Need of seniors -
- lock in on long-term contracts.

$15mm → 400-500 (?) units of sr. cit. hsg.

$2 1/2 m proj tot for Wasilla
$1 subsidy

$50mm - Juno - private.

Dave M. Call -

$2mm - 20 unit facility → Juneau
subsidize rent to 1/4 of income
supportive & restorative services for
→ H&SS - services for congregate housing
- supportive & ancillary services

(3)

Family + handicapped.

25-30 units for Auch —
1/2 x 1/2 - family/handic.

ASHA - construction expertise.
↳ interest in building bsf.

Original sponsors: Rodey, Ferguson,
Fischer, et al

Funding Information

General Fund	$5,000,000
Other Funds	-0-
	$5,000,000

IN THE SENATE BY THE STATE AFFAIRS COMMITTEE

PROPOSED CS FOR SENATE BILL NO. 312 (State Affairs)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Department of Community and Regional Affairs, senior citizens housing development fund, to develop senior citizen housing; and providing for an effective date."

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

* Section. 1. The sum of ~~$5,000,000~~ 16,000,000 is appropriated from the general fund to the Department of Community and Regional Affairs, senior citizens housing development fund (AS 18.54.070), to develop senior citizen housing.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-070(c).

STATE OF ALASKA

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDING

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

JUNEAU, ALASKA 99811

March 31, 1981

Jim Crawford
Deputy Executive Director
Alaska State Housing Authority
P.O. Box 80
Anchorage, Alaska 99510

Dear Mr. Crawford:

We have reviewed your letter, dated March 9, 1980, commenting on our letter of February 23, 1980 to the Legislative Budget and Audit Committee. Your remarks are thought provoking indeed but, we think, not precisely pertinent to the subject addressed in our letter.

For example, with regard to the time period allowed ASHA to decide on dissemination of federal funds, you cite a letter from HUD calling for a decision in five days. The HUD allocations referred to are for existing housing units and rebuilding of low-income housing units. Neither of these require new construction of units, which is the main purpose of your request for the two $15 million funds.

The recommendation in our audit report, and subsequent letter, described a federal allocation for construction of 130 new units of family housing which was lost due to construction bids which exceeded available funds. We maintain ASHA could have sought additional funds through a budget request to the Legislature, since, according to HUD correspondence dated August 18, 1977, the federal allocation was reserved for ASHA from January 1973 through June 1977, at which time it was cancelled. We believe four years should have been sufficient for ASHA to obtain supplementary funding for this project and similar projects in the future.

Moreover, during that same time period, two elderly housing projects received HUD allocations but could not be started because of insufficient funds to cover high construction

bids. ASHA, however, was able to proceed with assistance from the Senior Citizens Housing Development Fund established by the Legislature in 1976.

Although not funded, the Housing Development Revolving Loan Fund, created at the same time as the Senior Citizens Fund, is a practical vehicle for ASHA to obtain funds to cover shortfalls in federal allocations. From the point of view of efficient cash management, these funds are preferred over creating new funds outside the State Treasury totalling $30 million. They are subject to Legislative appropriation as well as remaining in the State Treasury until disbursement by ASHA.

We therefore reaffirm our position that separate funds within ASHA are not necessary for new construction allocation shortfalls. Funding vehicles currently exist which can be utilized within the time period HUD allocations are available.

Sincerely,

Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

cc: Senator Arliss Sturgulewski

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

ALASKA STATE HOUSING AUTHORITY

April 10, 1981

The Honorable Arliss Sturgulewski
Chairman
Legislative Budget and Audit
Pouch V
Juneau, Alaska 99811

Dear Arliss:

Enclosed is my response to Gerald Wilkerson's letter which I received on April 6, 1981. Though I do not want to have an on-going correspondence, I did feel his letter required a clarification of some material errors.

Sincerely,

ALASKA STATE HOUSING AUTHORITY

James M. Crawford
Deputy Executive Director

JMC:th
Encl.

TELEPHONE (907) 279-7643 BOX 80 ANCHORAGE, ALASKA 99510

ALASKA STATE HOUSING AUTHORITY

April 9, 1981

Mr. Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit
Alaska Office Building
Pouch W
Juneau, Alaska 99811

Dear Mr. Wilkerson:

I have enclosed one more copy of the HUD letter you questioned in your March 31, 1981 letter. If you carefully read the enclosure, you will note that allocations are designated under the following categories: New/Substantial Rehabilitation, New, Existing, Indian Housing, Low Income Public Housing (New). The "New" stands for new construction. Upon reflection and review of the said letter, I am certain you will agree that your statement "the HUD allocations referred to are for existing housing units and rebuilding of low income housing units" is patently erroneous. Of the 947 units allocated, 778 or 82% are for new construction.

Your statements concerning the length of time ASHA has to seek additional funding as noted in your example of the 1973 through 1977 years ignores one subtle change in the federal funding system, i.e., the Reagan administration. Presently, a 50% recision of funds is in effect in addition to the complete obliteration of the Indian Housing Program. I concur that four years was certainly adequate time for ASHA to approach the legislature for funds for the Juneau and Ketchikan projects. During the subject period, however, ASHA was refused even the introduction of a capital funding bill as noted in your special review of Marine View:

> "ASHA management sought opinions from legislators and administration officials. There was general agreement that such a "bail out" of a housing project could set a dangerous precedent. Another factor considered was the appearance that Juneau would be receiving an inordinate share of assistance over other communities. As a result of the above considerations, a bill appropriating $4.6 million for the purpose of retiring debt was drafted, but never introduced."

In the face of that statement in your own audit report, how you can conclude that ASHA should have gone to the legislature for additional funding for a specific project in Juneau or Ketchikan is beyond me.

TELEPHONE (907)279-7643 BOX 80 ANCHORAGE, ALASKA 99510

I concur that the Housing Development Revolving Loan Fund may be an appropriate vehicle for ASHA to obtain funds to cover shortfalls in federal allocations. In the event the Loan Fund received an appropriation and did not have the present restrictive requirements of national market rates dictated by SB 315 in the last session, it could work. From the point of view of efficient cash management and maximum program efficiency, the allocation of funds to ASHA without the State Treasury holding those funds until disbursement to a specific project will result in greater housing production. Under ASHA investment policies, the corpus of the fund plus investment earnings would accrue to the production of housing. The efficiency of coordinating shortfall financing and pre-sale of tax exempt bonds to lock in long term project costs is a consistent and appropriate goal for this organization as it might well be for the State of Alaska.

I am not really certain what paranoia prevails which motivates you to continue your attack on the administration of housing funds by an organization with expertise in housing, i.e., ASHA. Please let me assure you that our efforts and suggestions for capital funding merely recognize the reality of today-without capital funds, ASHA nor the Regional Housing Authorities will be in a position to respond to our legislative mandate: To provide decent, safe and sanitary housing for low and moderate income seniors, veterans, families and handicapped.

After three separate audits last year with no material findings, I feel comfortable in ASHA's capability of efficiently and effectively handling State funds for housing. As one of our auditors and in view of your reports, I would think you would concur.

Sincerely,

ALASKA STATE HOUSING AUTHORITY

James M. Crawford
Deputy Executive Director

JMC:gd

cc: Senator Arlis Sturgulewski
John B. Curtis, Executive Director
ASHA Board Members

Encl.

STATE OF ALASKA

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDING

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

JUNEAU, ALASKA 99811

RECEIVED
ASHA
APR 6 '81

March 31, 1981

Route EX
Route DEX
Route
File

Jim Crawford
Deputy Executive Director
Alaska State Housing Authority
P.O. Box 80
Anchorage, Alaska 99510

Dear Mr. Crawford:

We have reviewed your letter, dated March 9, 1980, commenting on our letter of February 23, 1980 to the Legislative Budget and Audit Committee. Your remarks are thought provoking indeed but, we think, not precisely pertinent to the subject addressed in our letter.

For example, with regard to the time period allowed ASHA to decide on dissemination of federal funds, you cite a letter from HUD calling for a decision in five days. The HUD allocations referred to are for existing housing units and rebuilding of low-income housing units. Neither of these require new construction of units, which is the main purpose of your request for the two $15 million funds.

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Sincerely,

Gerald L. Wilkerson

Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

cc: Senator Arliss Sturgulewski

ALASKA STATE HOUSING AUTHORITY

March 9, 1981

Mr. Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit
The Alaska Legislature
Pouch W-Alaska Office Building
Juneau, Alaska 99811

Dear Mr. Wilkerson:

Please consider this letter a response to your February 23, 1981 letter to members of the Legislative Budget and Audit Committee which was published in the final report on audit of the Alaska State Housing Authority (ASHA). It is unfortunate that ASHA was not consulted prior to publishing the letter since your interpretation of ASHA's suggestions for legislation could materially damage the construction of senior, family and handicapped housing within the State of ALaska.

Your interpretation of ASHA's suggestions for legislation may be appropriate for an agency which is not impacted by the exigencies of the bond market and the availability of federal funds. In ASHA's case, however, your suggestion for a case by case authorization of primarily federally funded housing would substantially delay the entire process.

Attached is a letter from John Duffy, Anchorage Area Office Manager, United States Department of Housing and Urban Development. You will note that notification of the availability of funds was published in the Federal Register on January 15, 1981. You will further note that the February 26, 1981 letter from Mr. Duffy requests a response from ASHA on dissemination of those funds within five days. I point this out in response to your inaccurate statement to the Legislative Budget and Audit Committee contained in your February 23 letter, "Federal funds allocated to ASHA need not be committed immediately. There is sufficient time during each grant period, or through grant extensions, to permit subsidy requests to go through the review process."

After notification of potential funds by HUD, ASHA within a very short period of time must develop a project, cost it out and find interim and long term financing. The determination of a gap in the short or long term financing (subject to swings in the bond market) is a critical component in the financial feasibility of proceeding with a project. Your suggested course of action

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implies that after determination of a gap in March, ASHA would then go to the legislature for the shortage in construction funding. Unless you are suggesting supplemental appropriation which could be available immediately, budgeted capital funding would be then potentially available on July 1 of each year, but more likely available in August or September. The reality of dealing with HUD funding on a project is that HUD by that late date would have recaptured the funds and redistributed them to housing authorities without the onerous time constraints you suggest.

In any project which ASHA or the regional housing authorities are involved, a c mmunity's leadership requests assistance and passes a resolution of cooperation prior to a need survey and thereafter preapplication to HUD for an allocation. The delay or loss of congressionally or legislatively mandated assistance to Alaska's seniors, handicapped or low income needy in order to provide for a case by case scrutiny of projects would have a materially damaging impact on construction of federally assisted housing in Alaska.

It comes as a particular surprise that auditors of the Division of Legislative Audit, with your apparent approval, would recommend, among other methods, direct state appropriation since you apparently are personally opposed to that course of action. ASHA's suggestions for legislation were made in a positive manner to counter the construction shortfalls, bond market vagarities, delays and potential loss of federal funds presently inherent in our attempts to construct needed housing primarily with federal dollars.

Flexibility and timeliness are primary reasons for the creation of capital funds. Our construction activities are tied directly to the availability of federal funding and must be completed within Alaska's short construction season. Our efforts, as

illustrated by the proposed legislation, are to speed the construction of needed housing within the state. It would seem appropriate that you might consider the courtesy of discussing such a proposal prior to its formalization in order to impartially assess the impact upon housing.

Sincerely,

ALASKA STATE HOUSING AUTHORITY

James M. Crawford
Deputy Executive Director

JMC:mrm

cc: Members of the Board
John B. Curtis, Executive Director

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ANCHORAGE AREA OFFICE
334 WEST FIFTH AVENUE
ANCHORAGE, ALASKA 99501

RECEIVED
ASHA
FEB 27 '81

REGION X

February 26, 1981

IN REPLY REFER TO
10.1M

Route 51
Route 711
Route 525
File

Mr. John Curtis, Executive Director
Alaska State Housing Authority
P.O. Box 80
Anchorage, Alaska 99510

Dear John:

Yesterday I was sorry not to have time to accompany Chuck Morton, Miller Lutton, and Al Robinson of our office during their meeting with you, George Briggs, and Kay Snyder on a proposed allocation of LIPH and Section 8 funds for FY 81. They have told me of their mutually satisfactory visit with you, and this letter confirms our understanding of the tentative agreements reached. Please refer to the table of figures given you.

1. In the METRO area of Anchorage, you would prefer 25 Section 8 Existing units for handicapped persons. This would require $131,733 in Contract Authority using the distribution you requested of 20 1-BR and 5 2-BR size units. This would leave $116,119 of the $247,852 total for family units. It would permit 18 units if distributed in 9 2-BR, 6 3-BR, and 3 4-BR sizes.

2. In the NON-METRO areas, we will leave the 40 units for the Kodiak LIPH project rebuilding at $264,688. We can use the small balance elsewhere if not needed in Kodiak.

3. In the NON-METRO areas, at your request we have reduced the Section 8 Existing funds to $64,572 for 10 units in Ketchikan instead of 20. This leaves $709,576 of the $744,148 total available which is equivalent to 114 units of 2-BR size units or 99 3-BR size units. You indicated you could possibly use some or all these funds for a program in the Mat-Su Borough.

We would appreciate hearing from you within five days whether (1) the above described dollar assignments would be satisfactory as well as the unit size distributions, and (2) the Mat-Su Borough proposal you have made can be reasonably justified by the housing needs of families under the income limits and in housing meeting the Section 8 standards. If some or all of these funds are not needed, we may be able to exchange them within HUD for much needed LIPH or Indian housing funds for back-up applications and requests we have from Native housing authorities.

Thank you for your kind cooperation.

Sincerely,

John G. Duffy
Area Manager

FY 1981 Contract Authority Allocations in Alaska
By Allocation Area and Program

	Area and Program		Contract Authorization	
	METRO AREA (Anchorage SMSA)			
	FY Fund assignment			$ 664,000
	1. Indian Housing			332,428
	Cook Inlet HA		$ 332,428	
	25 units - AWOR	$170,027		
	30 units - elderly	162,401		
	2. Section 8			331,572
	A. New/sub rehab.		83,720	
*	Unassigned - 13 units	83,720		
	B. Existing		247,852	
	26 handicapped	76,356		
*	Unassigned - 70 units	171,496		
	NON-METRO AREAS			
	FY Fund assignment			$6,158,600
	1. Indian Housing 585 units - new			4,488,172
	A. Arctic Coast - 135 units		$1,032,345	
	B. Central - 265 units		2,024,652	
	C. Southcentral - 125 units		969,134	
	D. Southeast - 60 units		462,041	
	2. LIPH - new			298,000
	C. Southcentral		298,000	
	ASHA - 40 units Kodiak	$264,688		
*	Unassigned - 5 units	33,312		
	3. Section 8			1,372,428
	A. New		598,280	
	(1) FmHA	200,000		
	Petersburg - 24 units	146,941		
*	Unassigned - 6 units	53,059		
	(2) Other	398,280		
	Juneau - 50 units	398,280		
	B. Existing		774,148	
	(1) Ketchikan - 20 units	130,068		
*	(2) Unassigned - 104 units	644,080		

Source: HUD 185.1. No. 10-HA-06-81-06, dated January 15, 1981.

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF—STATE CAPITOL

JUNEAU, ALASKA 99811

February 23, 1981

Members of the
Legislative Budget and Audit Committee:

We have reviewed the Alaska State Housing Authority's response to our preliminary report. Our comments follow:

ASHA has proposed legislation providing for a $15 million construction fund for family and handicapped housing as well as $15 million for senior citizen housing. The funds would be for grants or loans to municipalities or non-profit housing corporations to assist in financing the projects. As justification for creation of the two funds, ASHA cites our recent audit report where we stated:

> ASHA should seek additional funding to allow utilization of all federal allocations for low or moderate income housing in Alaska.

This recommendation was directed at a situation in which ASHA had lost two federal allocations (HUD) in 1977, totalling $3.5 million, because of a shortage of funds to cover the difference between federal allowable costs and actual construction costs of two projects. Our recommendation suggested ASHA obtain funds to cover these types of situations through:

1. Direct State appropriations
2. Sale of general obligation bonds
3. State grants (In two instances a project was saved through grants from the Department of Community and Regional Affairs' Senior Citizen Housing Program.

Each of these three alternatives would provide for legislative scrutiny of any proposed subsidy. The first and second alternatives would require ASHA to include the details of any project needing a subsidy in their budget request, and the Legislature would then have the opportunity to review each project and either approve or disapprove. The third

alternative would also receive legislative review since any grant funds would be part of the affected department's budget submission. A $30 million appropriation to ASHA, however, would allow ASHA to directly subsidize any project without legislative approval. Federal funds allocated to ASHA need not be committed immediately. There is sufficient time during each grant period, or through grant extensions, to permit subsidy requests to go through the legislative review process. If a project were disapproved, that would be merely an expression of legislative intent that it not be built. The two funds would unnecessarily remove from legislative control the power to commit State funds for specific projects. For this reason, we recommend ASHA seek subsidy appropriations, where needed, on a case by case basis through the normal budget process.

The Authority's proposed legislation regarding the sale of bonds and notes is in accordance with recommendations contained in the audit report.

Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

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

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

ALASKA STATE HOUSING AUTHORITY

March 25, 1981

The Honorable Vic Fischer
Chairman, State Affairs Committee
Senate, State of Alaska
Pouch V
Juneau, Alaska 99811

Dear Senator Fischer:

Pursuant to your request at the hearing held Tuesday, the 24th of this month regarding SB 231-235, enclosed please find a listing of anticipated senior, family and handicapped projects throughout the State. The listing details the location, cost and potential source of funding for the projects in total.

Several assumptions are critical to the analysis of the attached lists. Those assumptions are:

1. Square footage cost is estimated an average $95.00 per square foot. Naturally, cost differentials exist between urban and rural construction, however, economies of scale on a larger project should offset the greater cost of smaller projects and therefore meet the average.

2. Based on rates available in the current tax exempt bond market and present fair market rents as set by the U.S. Department of Housing and Urban Development (HUD), we anticipate that approximately 1/3 of the total cost would be required as a State subsidy at time of construction and 2/3 could be covered by direct HUD/Farmer's Home loans/bonds or tax exempt bonding by ASHA.

3. The list was determined based upon projects that have been proposed, anticipated demand as evidenced by ASHA's waiting lists in our existing projects and the current activities and plans of Regional Housing Authorities.

4. Projects listed have yet to be analyzed for actual financial feasibility and therefore represent estimated needs only.

5. The lists were alphabetized and no priority has been given to the projects.

6. Square footage estimated for senior citizen housing is 625 square feet for one bedroom units as recommended by the Juneau senior advisory group (our latest senior project).

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7. Square footage estimated for family and handicapped housing is 1,067 square feet for mixed, two, three and four bedroom units. Presently ASHA has twenty-seven handicapped units in our senior projects.

Mr. Chairman, as I testified on Thursday and again on Tuesday the Alaska State Housing Authority (ASHA) is capable of administering the Senior Citizen Housing Development and Construction Fund and the Family and Handicapped Housing Development and Construction Fund. Our cooperative efforts with the seniors, family and handicapped needy can be demonstrated by those projects which we successfully own and manage presently. Our only responsibilities at ASHA, as differentiated from other departments, are the production and management of housing. Creation of the Funds as outlined in SB 232-235 can materially assist the efforts of ASHA and the Regional Housing Authorities in meeting the needs of low to moderate income housing for seniors, families and the handicapped.

Thank you again for your patience and consideration during the hearings. Should you have any further questions, please do not hesitate to contact me at your convenience.

Sincerely,

ALASKA STATE HOUSING AUTHORITY

James M. Crawford

James M. Crawford
Deputy Executive Director

JMC:gd

LIST OF PROJECTS

PROJECTS ANTICIPATED FOR SENIOR CITIZEN HOUSING

NAME OF COMMUNITY	NUMBER OF UNITS
1. Anchorage	120
2. Bethel	24
3. Chugiak, Eagle River	24
4. Fairbanks	40
5. Homer	30
6. Ketchikan	25
7. Juneau	20
8. Petersburg	24
9. St. Mary's	8
10. Valdez	20
11. Wasilla	20
12. Wrangell	20
13. Regional Housing Authorities	375
TOTAL	750

Assuming the need for 750 units of senior citizen housing, the estimated cost is as follows:

750 units X 625 square feet X 1.2 common area X $95.00 per square foot =	$ 53,437,500.00
Land cost at $3,000 per unit (assume some donations) 750 X $3,000 =	2,250,000.00
Fees for architects, engineers, etc. (8% construction) =	4,275,000.00
Contingency and cost of bond issuance, etc. =	2,200,000.00
Interim interest (assume have money ½ year before project completion) =	2,300,000.00
ASHA administration (may be more or less for Regional Housing Authority projects)	3,000,000.00
TOTAL	$67,462,500.00

TOTAL ESTIMATED DEMAND	STATE CONSTRUCTION SUBSIDY	HUD/FARMER'S HOME OR ASHA FINANCING
$ 67,462,500.00	$22,465,012.50	$44,997,487.50

LIST OF PROJECTS

ESTIMATED FAMILY AND HANDICAPPED DEMAND

NAME OF COMMUNITY	NUMBER OF UNITS
1. Anchorage	125
2. Bethel	50
3. Cordova	20
4. Fairbanks	75
5. Juneau	50
6. Kodiak	75
7. Kenai/Soldotna	50
8. Nome	50
9. Sitka	24
10. Valdez	25
11. Regional Housing Authority demand	594
TOTAL	1,138

Assuming the need for 1,138 units of family and handicapped housing, the estimated cost is as follows:

1,138 X 1,067 square feet (mixed two, three and four bedroom units) X 1.2 common area X $95.00 per square foot =	$144,505,944.00
Land cost at $3,000 per unit =	3,564,000.00
Fees for architects and engineers, etc. (8% construction) =	11,560,475.00
Contingency and cost of bond issuance, etc. =	11,500,000.00
Interim interest (assume have money ½ year before project completion) =	12,000,000.00
ASHA administration (may be more or less for Regional Housing Authority projects)	8,100,000.00
TOTAL	$191,230,419.00

Assuming total cost of $191,230,419.00

TOTAL ESTIMATED DEMAND	STATE CONSTRUCTION SUBSIDY	HUD/FARMER'S HOME OR ASHA FINANCING
$191,230,419.00	$63,679,729.53	$127,550,689.47

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

no date

Lisa Parker
Administrative Assistant
Representative Samuel Cotten
Pouch B
Juneau, AK 99801

RE: ~~SSHB~~ 150

Dear Ms. Parker:

Attached is a list of funding proposals which the Senior Citizen Housing Development Program has received.

Sincerely,

Louise Crane
Housing Administrator

Enclosure:
SCH DEVELOPMENT FUND

cc: Charles Willis
Administrative Assistant
Representative Samuel Cotten

James Kelly,
Administrative Assistant
Senator Patrick Rodey

Peter Freerer 3/17/81
Administrative Assistant
Representative Jim Duncan

Communities which now are planning housing under seed money grants from the Senior Citizen Housing Development Fund:

COMMUNITY	UNITS	ESTIMATED $ REQUIRED FOR CONSTRUCTION
Wasilla	20 - 24	$ 2,400,000
Wrangell	20 - 24	2,400,000
Juneau	24	1,200,000
St. Mary's	8 - 10	1,000,000
Petersbury	24	1,300,000

Communities which are preparing application for seed money planning grants are:

Homer	48	4,800,000
Metlakatla	8 - 10	1,000,000
Kodiak	?	

Communities which require additional funding to leverage federal funds committed to the housing are:

Ninilchick	10	1,400,000
Kenai	24	1,080,000
Anchorage	30	500,000

Communities which will request 100% state construction financing are:

Chugiak - Eagle River	24	4,000,000
Tyoniak	10 - 15	1,500,000
	TOTAL	$22,580,000

POSITION PAPER ON SB311 - SENIOR CITIZEN HOUSING

Why 25 million dollars? And why all State funding? The answers are to meet statewide housing needs of the elderly and to permit us to determine our own eligibility rules. We can not do this by using part HUD money.

HUD Section 8 defines eligibility: for persons 62 and over and mentally and physically handicapped adults, that is, 18 years and over. The needs of these three groups are not the same and their life styles differ.

Alaska is not providing suitable housing facilities for the semi-independent elderly. Appropriate housing for the frail, or at-risk elderly, is not only an Alaskan concern. It is a national concern.

Dr. Robert Butler, Director of the National Institute on Aging, has stated repeatedly that 25% of the elderly persons in nursing homes do not need that level of care. Unnecessary placement results in trauma for the person and exorbitant expense for the one who pays the cost.

$4,000 a month is the cost in Juneau.
$6,000 a month in Anchorage.

Are the frail elderly to become paupers because their state has not provided a better plan of care? A plan to meet their needs! With the cost of nursing home care skyrocketing, who can afford unnecessary placements?

Claude Pepper, our grand old man in Congress, in Public Law 96-234, suggested doing something with congregate housing and services. A plan of this type is becoming a reality in Juneau.

We are building a residential environment around congregate housing. A gerontological architect as consultant is designing built-ins for 3,000 sq. ft. for ancillary services, as parallel bars, whirlpool bath, nurse's examining room with fixtures and supplies. A program of physical, speech, and occupational therapy will be provided for; also kitchen equipment with items for proper nutrition and holistic health approach, ceramics, stress counseling, etc.

When this SB311 passes, State funding can provide subsidized rent as a fourth of the tenant's adjusted income.

Alaska is ready for this plan. Alaska has three statewide health and social services programs. The Department of Health and Social Services, Public Health Services, and the Native Corporations have the personnel resources to develop this plan throughout Alaska.

In connection with this appropriation, Alaska needs a statute to provide the authority to the Department of Health and Social Services and Community and Regional Affairs to work together to create a residential environment around congregate housing for the frail elderly who do not live in their own homes. It will help the elderly to maintain control over their own lives and not be placed unnecessarily into a wheel chair with resulting loss of control.

OTHER HOUSING THAT MEETS SPECIAL NEEDS.

Alaska set a precedent in 1959 for the elderly with special needs. For instance, a family that believed in the values of an extended family, asked the Department of Welfare for help in keeping a blind grandmother in her daughter's home. The Department increased the monthly old age assistance check for a period of months to provide materials for the sons to build a special room for grandma. This was her room in which she could move about without fear of misplacement of its furnishings. She kept her artifacts near her and continued to work at her skills with skins and beads. This was less expense for the State and less trauma for the aged grandmother. Her sons constructed her room to meet her special needs.

RECOMMENDATION

Mr. Chairman and members of the Committee, in 1979 during five hearings of the State Council on Services to the Elderly, two issues stood above the rest for special attention: the need for improved and expanded home support services, and the need for a single agency to coordinate all of the programs for the aging, and set priorities.

SB311 can provide home support services in congregate housing in their own communities.

I recommend this bill be passed.

Dove M. Kull

Dove M. Kull, MSW, ACSW
Chairperson of the Senior Citizen Advisory Board of the Mayor and Assembly of Juneau



DIVISION OF
VOCATIONAL REHABILITATION

A SURVEY OF THE HOUSING NEEDS OF ALASKA'S ORTHOPEDICALLY HANDICAPPED

Prepared December 20, 1980
by John F. Schlicting
Chief of Planning and Research

A SURVEY
OF
THE HOUSING NEEDS
OF
ALASKA'S ORTHOPEDICALLY HANDICAPPED

Prepared December 20, 1980
by John F. Schlicting
Chief of Planning and Research

for
The Orthopedically Handicapped Action Group
2220 Nichols Avenue
Anchorage, Alaska 99504

The level of services available to Alaska's disabled population has always lagged behind that available to disabled persons residing in most other states. This gap has been especially apparent in the area of housing for the disabled. However, the fact that a need exists does not by itself identify how that need can best be satisfied. In order to attack the problem effectively, planners must be able to answer a multiplicity of questions. Some areas of concern include the transportation needs of disabled persons in Alaska, the degree to which architectural barriers constitute a problem, and how much disabled persons can afford to pay for housing. In order to obtain answers to these and other questions, the Alaska Division of Vocational Rehabilitation (DVR), at the request of the Anchorage based Orthopedically Handicapped Action Group (OHAG) surveyed orthopedically handicapped present and former DVR clients. This survey was conducted by mail during the summer of 1980. It asked questions concerning handicapped individual's preferences with respect to housing, information concerning the source and level of their income, and finally, their opinion as to what their needs were and what they felt was needed in the way of housing for the severely disabled.

Study Approach

Data was collected via a mail survey of 400 clients and former clients of the agency, who were served during the period from October 1, 1979 to May of 1980. Clients to be surveyed were selected on the basis of being both orthopedically handicapped and severely disabled. The

survey itself consisted of one mailing of questionnaires. Owing to time constraints surrounding completion of the survey a second mailing was not attempted. However, a total of 157 out of the 400 questionnaires were returned. This represents a response rate of almost 40%, which is nearly double the 19 to 25% rates typically observed with mail surveys. Indeed, in view of the high response rate on the first mailing, it is arguable that a second mailing would not have generated significant additional responses. This line of reasoning would postulate that the vast majority of the surveyed individuals who were likely to respond in fact did so on the first mailing since the response rate in question, in fact, approximated what one would normally expect after serveral mailings.

Processing of survey responses was accomplished using the Division of Vocational Rehabilitation's GNAT micro computer system. Data from the survey forms was coded and transferred onto summary sheets. It was then entered into the computer where it was stored on a floppy disk. This allowed investigators great flexibility in terms of retrieving and manipulating data. It also preserved survey data in a readily retrievable, relatively permanent form so that it can be easily used by future researchers. Statistical calculations such as mean and standard deviation as well as various statistical tests were accomplished using both the GNAT and an Alpha 325 Scientist desk top programmable calculator. Which machine was used was determined largely by the availability of software for a specific application.

Results

Data given below is for Alaska, statewide, Anchorage and statewide less Anchorage. The possibility of breaking out data for Fairbanks was considered as well. However, with a total of only 23 respondents from that community it was not felt that meaningful conclusions could be drawn concerning housing needs of Fairbanks' total orthopedically handicapped population. The results are presented as percentages of total responses on an item. This is because there is no reliable information currently available concerning the total disabled population statewide or sub-populations thereof residing in the various communities around the state. As a result it was impossible for us to develop gross estimates for any of the items covered in the survey. Assuming the sample reflected by our respondents is in fact representative of the orthopedically handicapped population in terms of their response to our survey, the percentages given here should reflect the proportion of the total orthopedically handicapped population in terms of the item in question.

In any case, survey data is presented below in the order that it appeared on the questionnaire and is followed by a brief discussion. The first question dealt with income.

Respondent's Income Status

Percentages	Statewide	Anchorage	Rest of State
Receiving	83%	87%	78%
Not Receiving	17	13	22

Percent of Respondents Having Income
Receiving Various Types *

Type	Statewide	Anchorage	Rest of State
Wages	29.2%	30.4%	27.9%
Aid to Disabled	18.5	21.7	14.8
Social Security	37.6	36.7	38.6
AFDC	5.4	7.2	3.3
Food Stamps	15.4	17.4	13.1
Other	24.2	26.6	21.8

* Percentages given above will add to more than 100% because some respondents received more than one type of income.

Monthly Income
For Persons Reporting Income *

Income Amounts	Statewide	Anchorage	Rest of State
Maximum	$3200	$2500	$3200
Minimum	25	25	200
Average	796	736	868

* The income amount question was optional. Ninety-one persons responded statewide, fifty-one of whom resided in Anchorage.

Of the group of individuals who responded to our survey, 83% statewide indicated that they were in fact receiving income. This percentage was slightly higher for Anchorage (87%) and slightly lower for the balance of the state (78%).

However, while a majority of the persons surveyed reported receiving income, only a relatively small number of those reported wages as being included in their income. Of those clients reporting income statewide, only 29% indicated they were receiving wages. When the number of persons receiving some form of wage and salary income is applied to total respondents, one finds that roughly 24% were in fact

engaged in paid employment. Or, conversely, approximately 76% of total respondents were unemployed when surveyed.

For those clients receiving non-wage income, the majority indicated that this came in the form of transfer payments from Social Security, Aid to the Disabled or Aid to Families with Dependent Children. Indeed Social Security payments were the most common form of income cited with 38% of respondents having income, reporting Social Security payments as comprising some or all of it.

In terms of average income amount, persons who responded to that question on the survey listed monthly incomes which, for the most part lagged significantly below the average for Alaska's working population. Statewide, respondents indicated an average income of less that $800 per month. Comparatively, the estimated average monthly wage for Alaskan non-agricultural wage and salary workers during 1979 was $1741, according to statistics compiled by the Alaska Department of Labor. [1]

Of those respondents who indicated that they were working, roughly 60% were engaged in competitive employment. Another 20% were employed in a sheltered work setting, while the balance were engaged in another form of employment. (i.e., self employed, unpaid family worker, etc.)

Public transportation in most Alaskan communities is spotty at best, even for the non-disabled. For the orthopedically handicapped, the situation is much worse, as can be seen from the table below.

Percent of Respondents Utilizing
Various Types of Transportation

Mode of Transportation	Statewide	Anchorage	Rest of State
Private Car	59.1%	57.1%	61.1%
Public Transportation	15.5	21.4	9.3
Car Pool	4.5	3.6	5.6
Parents	2.7	1.8	3.7
Special Transportation	6.4	10.7	1.9
Other	11.8	5.4	18.5

As is readily apparent, the private automobile is the primary means by which most survey respondents travel to and from school or work. Only in Anchorage did a significant proportion of respondents indicate public transportation as their primary means of transportation. Anchorage was also the only area in which respondents indicated making any use of special transportation aimed specifically at the handicapped. Presumably this reflects the almost total lack of such specialized transportation elsewhere in the state. Further suggesting that transportation is a significant problem for orthopedically handicapped, are written comments from survey respondents. These cite the hardship involved having to depend upon family and friends for such crucial activities as shopping and going to the doctor. Indeed, it appeared that many respondents were literally housebound by the inadequacy or non-existence of public transportation service to the areas in which they reside.

Attendent Care Needs

When respondents were queried concerning their needs for assistance in various activities of daily living, just over 40%, statewide, indicated needing assistance for one or more of the listed activities.

Roughly the same proportion was noted for survey respondents residing in Anchorage.

The table below gives the proportion of respondents indicating a need for assistance in accomplishing specific activities.

Proportion of Respondents Requiring Assistance for Various Activities of Daily Living *

Activity	Statewide	Anchorage	Balance of St te
Bathing	14.6%	13.9%	15.4%
Dressing	12.9	11.4	14.1
Toileting	8.9	8.9	9.0
Transfer	12.1	11.4	12.8
Eating	6.4	6.3	6.4
Cooking	22.9	22.8	23.1
House Cleaning	30.6	32.9	28.2
Laundry	23.6	26.6	20.5

* Percentages will add to more than 100%, since many respondents required help for more than one activity.

As is apparent from an examination of the above table, there is little if any difference between Anchorage and the rest of the state in terms of the proportion of disabled respondents requiring various types of assistance. In order to get an idea of the proportion of total respondents whose disabling condition substantially limits their ability to function, we obtained a count of those persons who required assistance with one or more of the first 5 activities (i.e., bathing, dressing, toileting, transfer and eating). The rationale behind this is based on the assumption that these are activities that even a moderately impaired person can generally perform unaided.

Using the above methodology, we found that approximately 22% of respondents both statewide and in Anchorage require fairly substantial assistance from another person (i.e., an attendent) in order to function on a day to day basis.

On-going Health Care Needs

As can be seen from the table below, the most common form of on-going medical care required by survey respondents was physical therapy.

On-Going Health Care Needs of Respondents

Type of Care	Statewide	Anchorage	Balance of State
Physical Therapy	33.8%	36.7%	30.8%
Occupational Therapy	8.9	10.1	7.7
Speech Therapy	1.9	1.3	1.3
Aide Care	1.9	2.5	1.3
Skilled Nursing Care	5.1	5.1	2.6
Other	10.8	6.3	15.4

This was true both in Anchorage and statewide. When a count was obtained of total persons requiring medical assistance (i.e., any one of the categories listed) on an ongoing basis, it was found that 45.2% of respondents statewide and 44.3% in Anchorage required some form of periodic medical care.

Current and Preferred Living Situation

When respondents were queried as to their current living arrangements, the vast majority (64% statewide) were found to be living in their own house or apartment.

Current Living Arrangements
of Respondents

Current Living Situation	Statewide	Anchorage	Rest of State
Own house or apartment	66.0%	69.7%	62.3%
Nursing home	3.3	5.3	1.3
Parents	13.1	14.5	11.7
Other	17.6	10.5	24.7

Only a very small proportion were residing in nursing homes. Presumably, this at least partially reflects the fact that persons institutionalized on a long term basis are not usually eligible for VR services, and therefore would not have been surveyed in this study.

With respect to preferred living arrangments, as the table below indicates, the majority of respondents (55% in Anchorage and 62% statewide) would prefer to live independently as opposed to with a roommate or with parents.

Preferred Living Situation

Living Situation	Statewide	Anchorage	Rest of State
Independent	59%	55%	63%
With Attendent	16	16	15
With Roommate	8	9	7
With Parents	3	3	3
Nursing Home	0	0	0
Other	15	17	13

Many who indicated this preference stressed that to them "independent" meant with spouse and family. Interestingly, only 3% indicated that living with parents was their preferred living situation. In view of the fact that some 13% of respondents are currently residing with their parents, this appears to indicate that the vast majority of

persons in this living situation would, in fact, move out were suitable quarters available. No one who responded to the survey indicated nursing home as a preferred life style.

Barrier Free
Housing Preference

Preference	Statewide	Anchorage	Rest of State
Eight-plex-Handicapped Tenents Only	17%	22%	13%
Within a Regular Apartment Building	48	46	49
House	20	25	15
Other	15	7	23

In terms of barrier free living situations, the largest proportion of respondents indicated a preference for living in an apartment within a regular apartment building which had been modified to accomodate their functional limitations. Some 20% indicated a preference for living in a house or single dwelling units. Presumably these are homeowners (or spouses thereof) who could benefit from having their abode modified to make it easier for them to function there. In fact, several respondents commented on the need for a program to finacially help disabled homeowners modify their dwellings and make them more habitable. Finally, some 17% of total respondents indicate a preference for an eight-plex tailored specifically for the disabled.

Preferences
With Respect to
Furnishings

Type of Furnishings Preferred	Statewide	Anchorage	Rest of State
Furnished Apartment	58%	50%	66%
Unfurnished Apartment	17	29	6
Partially Furnished Apartment	25	21	28

As can be seen from the above table, the great bulk of respondents indicate a need for at least some furniture, with over half indicating a preference for a totally furnished apartment.

When respondents were queried as to their preference with respect to the location of kitchen and dining facilities, 71% indicated a preference for kitchen facilities in the apartment. Only 4% indicated a preference for a centralized dining hall. However, some 25% indicated a preference for both a dining hall and kitchen facilities in their apartment.

Preference With Respect
to Location of Kitchen and Facilities

Preference	Statewide	Anchorage	Rest of State
Apartment	71%	70%	72%
Dining Hall	4	7	2
Both of Above	25	23	27

Degree of Immediate Need for Adequate Housing

Respondents were not queried specifically as to whether or how soon they would be willing to move into barrier free housing once such housing became available. However, by analyzing respondent comments,

it appeared that some 24% of respondents statewide (29% in Anchorage) were in immediate need of satisfactory housing. Included in this group were individuals who complained of the great financial burden posed by rental payments or who were in an obviously unfavorable living situation (i.e., institutionalized, living with parents or with friends). Another 32% statewide (and 35% in Anchorage) appeared to be uninterested in moving into barrier free housing. These were primarily persons who owned their own homes or who indicated only minimal mobility problems. With respect to the homeowners, it should be noted that while they were not interested in moving per se, many expressed an interest in financial assistance to make their dwellings more accessible.

For lack of a better term, the remainder of the respondents were classed as persons who might move into more appropriate housing, assuming such housing was available. These were persons who, neither own their current residence nor expressed a positive interest in staying where they were, and did have some concerns with respect for housing for the disabled. However, based on their comments or lack thereof, they were not considered to be in as dire straits with respect to their living situations as the group we felt would be willing to move on a short term basis should adequate housing become available. The table below breaks out the results of our anaylsis.

Willingness to Move
to Obtain Better Housing

	Statewide	Anchorage	Rest of State
Would Move Immediately	24%	29%	19%
Might Move	44	36	53
Not Interested in Moving	32	35	28

ANALYSIS AND CONCLUSIONS

There are a number of conclusions that can be inferred from the survey data. The first of these is that in order for the orthopedically handicapped to take advantage of any housing program targeted towards them, such a program will have to incorporate some form of housing subsidy. To see that this is so, consider that, as noted previously, the average monthly income of survey respondents statewide at $796, is less than half the $1741 reported by the Alaska Department of Labor for non-agricultural workers in Alaska during 1979. Although no data was collected on rents, it seems safe to assume that the ability of severely orthopedically disabled (and indeed other severely disabled) Alaskans to pay for shelter bears a similar relationship to its actual cost, to that which is characterized by the disparity between their income and that of non-disabled employed Alaskans. This tends to be substantiated by respondents comments, many of which cite the cost of rent and utility bills as posing a significant hardship to them. Indeed, one single mother of two indicated that of her roughly $600 monthly income, $400 went for rent and utilities, with the balance going for food stamps in order to allow her and her children to eat.

Little if any was left over for the extras which most of us take for granted. As a result, failure of policy makers to incorporate a subsidy mechanism into any housing program for the orthopedically handicapped could result in establishment of barrier free dwellings which though tailored to the needs of this group would be unaffordable to them. Such a conclusion may appear obvious and indeed, it probably is. It is stated here primarily because the history of public housing programs in the United States is dotted with numerous blunders with respect to their ability to actually address the needs of the the population at which they are targeted.[2]

A second conclusion that seems to fall out of the study is that housing for the disabled should be geographically compatible with the services they require, and with their activities of daily living. On one hand this means that medical facilities, stores and recreational facilities need be located close by. Although the survey did not solicit respondents perceptions as to the difficulty of getting around, the relatively low response to questionnaire items dealing with transportaton suggests that this is a significant problem for many othropedically handicapped.

On the other hand, it suggests that housing for the disabled should be located in a manner such that it can be effectively served by para professionals providing those services which the disabled typically receive in the home (i.e., attendent care and homemaking services). This is especially relevant when one considers the shortage of persons trained in many of these areas. While increased emphasis in areas

such as independent living rehabilitation should encourage the training of more persons with these skills, elimination of shortages in this area will not happen overnight. In the meantime, there is the need to insure that efficiency of provision of these services is maximized.

Thirdly, survey results indicate that the majority of respondents want housing which gives them the opportunity to live as independently as possible, and in general exist on an equal footing with non-disabled persons. The best indication of this is the fact that almost 60% of all respondents indicated a preference for living either alone, or with their nuclear family. Another indicator of this is the fact that while 14% of total respondents reported that they were currently living with their parents, only 3% stated this as a preferred living situation.

With respect to equity concerns, most respondents indicated a preference for living within a regular apartment building or in a single family dwelling. Although 17% of respondents did indicate a preference for eight-plex housing tailored for the handicapped, there did not appear to be any great sentiment for a living situation which would tend to segregate the disabled within the community. Indeed, respondent comments repeatedly articulate the concern that housing for the disabled be co-located with similar housing for the non-handicapped. This seems to represent another manifestation of what the advocacy movement has been telling us all along. That is that the disabled want the opportunity to live, work and play on an equal

footing with the non-disabled. They don't want to be set apart or type cast simply on the basis of having a physical or mental handicap. In view of this fact, it would be well to do a good deal of preliminary investigation prior to establishing a block of housing catering to the disabled alone. Possibly those that would favor such housing are persons whose functioning level is such that co-locating them with other persons having similar impairments might greatly enhance the efficiency of providing support services such as attendent care and homemaking assistance. Such housing would fall somewhere in between the traditional institutional model (i.e., nursing homes) and a totally independent living situation. Given that the vast bulk of survey respondents appear to want to get as far towards the latter (and far away from the former) as possible, caution is advised in consideration of any housing program that would result in segregating the disabled from the rest of the community, or labeling them as different.

Concluding Remarks

A reading of the recommendations contained in this study tends to suggest that we are assigning to policymakers in the area of housing for the disabled an impossible charge. How, one might ask, given that resources are scarce, can planners hope to come up with a housing program which is economically affordable, close to services, employment and recreational opportunities, and which allows the disabled person to maximize his independence in activities of daily living. The answer is that they probably can't. Indeed, virtually all public policies represent compromises which seek to maximize the positive effects of a program given the constraints posed by the

environment in which the program must operate. Hopefully, by listing as many of the conditions as possible which would characterize an effective housing program for the orthopedically disabled, we can provide a basis establishment of a program whose effectiveness will be maximized, subject to the constraints posed by the available resources and the environment in which the program must operate.

Footnotes

1> Alaska Department of Labor Statistical Quarterly First Quarter 1980, pp1.

2> For a lucid description of the public housing boondoggle in United States see Jones, Charles O., An Introduction to the Study of Public Policy - second edition, copyright 1977, by Wadsworth Publishing Company, Inc., Belmont, California 94002, pp 193-199.

3-19-81

TESTIMONY TO THE SENATE STATE AFFAIRS COMMITTEE

My name is Jim Crawford, I am the Deputy Executive Director of the Alaska State Housing Authority (ASHA). The Alaska State Housing Authority is a non-profit public corporate authority funded through rental project revenues and subsidies from the United States Department of Housing and Urban Development (HUD). ASHA presently manages or owns and manages over 3,000 apartment units throughout the State of Alaska. The corporate authority is governed by a five member Board of Directors appointed by the Governor. The Commisioner of Commerce is a member of our Board of Directors.

My responsibilities at ASHA include, but are not limited to, among others, arranging for financing through the tax exempt bond market and other methods for new construction activities.

As background to the discussion of SB 231 through 235, please let me explain the financial arrangements between ASHA and the State of Alaska prior to the revisions of Title 14 by the 11th Alaska State Legislature. Prior to that time, the Department of Revenue was able to accommodat ASHA's financial requirements with favorable terms and rates. An example of this accommodation is the existing interim financing for ASHA's Cordova and Seward senior projects which amounted to loans totaling $3,439,000 at 7% for a period not to exceed two years past construction completion. At that time, recognition was given by the Department of Revenue to the differential between tax exempt and non-tax exempt market rates. With the passage of SB 315 during the last session which mandated competitive national rates for investments of the Department of Revenue, the ability of ASHA to go to Department of Revenue for interim or long term borrowing was severely restricted.

In further background to the preparation of the legislation under hearing today, please let me explain the audits of ASHA's fiscal year ended March 31, 1980. Because ASHA showed no apparent financial problems, HUD approved ASHA's contract with an independent auditing firm for compliance testing and the normal financial audit of federal and non-federal programs. ASHA last year contracted with Peat, Marwick, Mitchell & Co. for that audit. No material findings were reported in the audit of ASHA activities either in the federal programs or the non-federally funded activities. Next, HUD auditors did a performance review, again with much the same result. Finally, Division of Legislative Audit completed a special review and a full performance review of ASHA.

Subsequent to the recommendations contained in the audit report and within our Chairman's reponse to those recommendations, SB 231 through 235 were presented in draft form to the Legislative Budget and Audit Committee. We found the recommendations of the legislative auditors to be encouraging and the bills as redrafted by Legislative Budget and Audit will, if passed by the Legislature, be a positive step toward the greater production of needed senior, family and handicapped housing within the State of Alaska. Specifically, with regard to each bill:

SB 231 addresses the duplication of regulation by the federal government in the State of Alaska and designates the regulations to follow by funding source. For full technical compliance with the Administrative Procedures Act, ASHA would have to implement all HUD regulations which impact funding of ASHA operated projects. ASHA implementation of federal regulations would be onerously time consumptive and of questionable value. The real problem with ASHA adoption of all federal HUD regulations, however, occurs when HUD changes those regulations, which it does frequently. When a change occurred, ASHA would then have to advertise the change, hold hearings then implement the changes. The additional staff time and expenses is plainly not cost beneficial since we do not have the option of changing those regulations without jeopardizing our funding. The amendment contained in SB 231 to AS 18.55.110 will not result in significant changes in ASHA's day-to-day activities. Our proposed amendment would create a simple and clean dichotomy: federally funded or assisted projects are not subject to the Administrative Procedures Act or Title 36; ASHA's non-federally assisted projects would still be subject to the state statutory provisions. Implementation of the amendment to 18.55.110 will not create or maintain a regulatory vacuum. The federal government rarely, if ever, leaves the regulatory stone unturned. For instance, ASHA's low rent projects are governed by the federal regulations in Volume 24, Code of Federal Regulations, program handbooks prepared by the Department of Housing and Urban Development and an Annual Contributions Contract between ASHA and HUD. A review of these documents demonstrates that ASHA's activities are tightly controlled and monitored and that the purposes of the APA have been met by the publication of the federal regulations and amendments there to in the Federal Register. If ASHA was also required to publish certain low rent regulations in accordance with the APA, the regulations adopted by ASHA could not violate the federal requirements and would therefore be a mere reflection of the federal regulations at best.

SB 231 also addresses the terms under which ASHA may sell bonds and notes. With the previously explained altered relationship

with the State Department of Revenue and the resultant limitation on ASHA's ability to arrange interim funding through the Department of Revenue, ASHA is now in a position of going to the private market either through the tax exempt note market or to individual financial institutions for interim financing on new federal projects. Our existing enabling legislation does not address the sale of project notes although the practice has occurred previously. The amendments to 18.55.140 et al. clearly indicate ASHA's ability to sell notes as well as bonds. The amendment to 18.55.180 clarifies the method by which ASHA may sell bonds and notes. Currently since ASHA has not been in the bond market since 1974 under a completely different program, we are in the position of hiring a bond agent to arrange a private placement of bonds which cannot be sold at less than par. The implementation of the amendment will allow ASHA to go to an underwriter, get a price quote and sell the bonds immediately. We presently have structured a $16,350,000 bond sale which is pending HUD approval of additional funding to cover the differential between initial financial feasibility at 7.5% interest and existing market rates in the range of 10½ to 11%. The amendments as suggested in SB 231 will allow the sale of bonds for federally funded or federally guaranteed projects on a much more timely basis with a definite cost up front. The pre-sale of bonds prior to a project's construction locks in a definite financing cost at the beginning of the project.

In addition to the amendment which addresses the method by which ASHA may sell bonds, we are requesting amendment to AS 18.55.185 which would require an independent financial advisor on the sale of bonds or notes to an underwriter. (The language for the amendment and the independent financial advisor is identical to that in the enabling legislation of Alaska Housing Finance Corporation's at 18.56.115.) The existing language of 18.55.185 is as follows:

Prohibited Bidding on Bonds and Notes.

a) No person who provides financial programming of marketing assistance to the Authority in connection with the issuance or sale of bonds or bonds anticipation notes of the Authority under any section of this chapter may bid on the bonds or notes if offered at public sale or negotiated for their purchase if sold at a private sale.

b) The sale of bonds or notes of the Authority to a person who is prohibited from bidding on the bonds or notes under (a) of this section is public policy and the sale

is void.

c) In this section person means an individual firm, agent, factor intermediary, partnership, corporation, association, bond house, stockbroker or bond broker.

Obviously, a financial advisor on a bond issue to retain independence would be in fact prohibited from bidding on bonds or notes. The existing language could potentially create a voided sale. It is ASHA's position that adequate criminal prosecution would be available in the event a fraudulent action. The bond purchaser however, would be in a third party status and should not suffer the potential loss from a voided sale due with no cupable activity on his part. Our concern is centered on protecting the bond holder's interest as a voided sale would tremendously damage ASHA's later capability of issuing bonds or notes.

Senate Bill 232 and 233:

These bills establish and fund the senior citizen housing development and construction fund in compliance with recommendation No. 2 of the Division of Legislative Audit which states "ASHA should seek additional sources of funding of housing projects to ensure that federal allocations are not lost." As stated in the audit report "in 1977, ASHA had no choice but to return to the federal government two allocations totaling approximately $3,460,000 due to the infeasibility of the projects. The allocations were for family housing in Juneau (80 units), and Ketchikan (50 units)."

ASHA has two main programs with which we deal for the construction of new federally subsidized housing within Alaska. The conventional low rent program which is a totally HUD financed program contains provisions for nationally applicable maximum prototype costs for each project. In a letter received from HUD on the cancellation of the Juneau and Ketchikan projects, HUD stated that they "were aware that these projects have not been able to be constructed because of the prototype costs (maximum construction prescribed by HUD) in these areas have been two low and it is not reasonable for you to issue construction contracts..." Therefore, when attempting to construct senior federally subsidized housing under the low rent conventional program, a construction shortfall occurs between available federal dollars and actual project costs. The passage of SB 232 and 233 will allow for grants or loans to these projects in order to cover the construction shortfall. They may also be used for the enhancement of the senior projects for the benefit of the senior community. An example of the enhancement previously pro-

vided by ASHA on senior projects is catcher bars in the bathtubs and emergency alarms for signaling our office in the event of a medical emergency. Most of the changes made in ASHA projects which add amenities are at the request of the local senior advisory group monitoring the construction of our project.

The next program ASHA deals with is the Section 8 New Construction Program which requires independent financing. The initial financial feasibility of an ASHA tax exempt bond financed project entails the determination from HUD of the per unit annual subsidy and fair market rent. When the fair market rent has been determined, ASHA subtracts its management and maintenance costs and therefore nets to a figure available for amortization. The figure available for amortization times the number of units in the structure equals the amount that may be financed through the tax exempt bond market. Again due to the high cost of construction in Alaska the figure available for amortization is insufficient to cover the total construction cost. Therefore, the need of a housing development and construction fund to cover, in the Section 8 instance, the financing gap and thereafter construction shortfall.

Flexibility and timeliness are primary reasons for the creation of capital funds. Our construction activities are tied directly to the availability of federal funding and the exigencies of the bond market. Our facilities must be completed within Alaska short construction season. Our efforts, as illustrated by the proposed legislation, are to speed the construction of needed housing within the State. ASHA basically has two options when faced with a construction shortfall as in the case of our present Juneau project: 1) Cut the project's size as in the current Juneau instance from 24 to 20 units and cut amenities or 2) alternatively to admit the financial infeasibility of the projects and defer construction.

Another reason for the creation of the funds is the actions of the federal government. According to an analysis of HUD budget cuts in the Wall Street Journal of March 14, 1981, subsidizing housing will be cut 32.7% from 260,000 units previously proposed to 175,000, new construction authorization would be cut 39.4% from 130,000 to 78,750 for the entire country. Obviously, then ASHA must stretch available federal dollars to their maximum and supplement those funds by leveraging in the bond market and also ask the legislature consideration of the problem by prposing SB 232 - 235.

Of additional concern to ASHA is the proposed elimination of the Indian Housing Program utilized by the regional housing authori-

ties. A majority of the need for family housing is centered in the rural areas of the state. In order for the regional housing authorities to meet the needs of their program recipients, capital funding must be available which will augment the funds available through the U.S. Department of Housing and Urban Development and the Farmers Home Administration.

Senate Bill 234 and 235:

SB 234 and 235 address the creation and funding of a family and handicapped Construction Fund. The reasons outlined previously concerning the senior housing and the need for a senior housing fund are equally applicable to the family and handicapped funds. In the family and handicapped housing development and construction fund, the particular needs of handicapped individuals and their incumbent greater costs in the development of housing could be accommodated by the passage of SB 234 and SB 235.

Particularly in view of the federal plans for budget cuts which reportedly will impact HUD new construction funding by at least a 15% reduction, the establishment and funding of the senior citizen Housing Development and Construction Fund and the Family and Handicapped Housing Development and Construction Fund may ~~spell~~ the difference between additional federally assisted housing within Alaska and a deferment due to financial infeasibility for the next several years.

ASHA is presently working with the State Department of Labor in the Census Division to isolate the need for housing then prepare a prioritized five year construction allocation recommendation for HUD concurrence. In the event the capital construction funds are established and funded, ASHA will be able to more aggressively perform marketing plans statewide for the benefit of ASHA's program recipients and those program recipients of the Regional Housing Authorities. Existing information concentrates on available housing stock and does not isolate the need for housing. It is our intention to work closely with the Regional Housing Authorities to assist them in their fulfillment of housing needs in the rural areas of the state as well as providing for the urban needs of Alaska seniors, families and the handicapped.

In summary then, the SB 231 clarifies deficiencies in our enabling legislation (AS 18.55.) concerning duplication and the promulgation of regulations and in certain functions concerning construction. The first section clearly delineates by funding source, the appropriate procedures to be followed by ASHA. The second section of the bill restructures and updates ASHA's

bonding powers allowing easier access to the tax exempt financial markets. SB 232 through 235 establish capital funds for housing senior, family and handicapped. With the establishment of both funds, it is our intention to coordinate grants from the funds with ASHA bond powers. Particularly in the face of a wildly fluctuating bond market a gap between available construction dollars and actual construction dollars will force the delay or even cancellation of needed housing projects. Nationally established construction maximums do not reflect Alaska's cost. Consequently, otherwise worthy projects may not be built.

We believe that SB 231 through 235 are consistent with the recommendations of the Legislative Budget and Audit Committee auditors and that the legislation if enacted will be a positive step for the greater production of housing within Alaska.

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ASHA

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A SPECIAL REVIEW OF THE ALASKA STATE HOUSING AUTHORITY MARINE VIEW APARTMENT BUILDING

October 13, 1980

Commissioner, Department of Commerce and Economic Development — Charles R. Webber

Deputy Commissioner, Department of Commerce and Economic Development — Pete Braxton Jeans

Board Members
Alaska State Housing Authority

Member — Roger A. Lang
Member — Joan Ray
Member — Gale D. Kincaid

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF—STATE CAPITOL
JUNEAU, ALASKA 99811

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

October 13, 1980

Members of the
Legislative Budget and Audit Committee:

In accordance with a special request of the Legislative Budget and Audit Committee and Title 24 of the Alaska Statutes, the attached report is submitted for your review.

A SPECIAL REVIEW OF THE
ALASKA STATE HOUSING AUTHORITY
MARINE VIEW APARTMENT BUILDING

October 13, 1980

Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

TABLE OF CONTENTS

	Page
Purpose of the Review.	1
Organization and Function.	2
Report Conclusions	3
Findings and Recommendations	6
Appendixes:	
A. Financial History.	7
B. Financial Projections.	8
Agency Response:	
Alaska State Housing Authority	9

PURPOSE OF THIS REVIEW

In accordance with a special request of the Legislative Budget and Audit Committee and Title 24 of the Alaska Statutes, a review of the Marine View Apartment Building was conducted to determine:

1. The circumstances surrounding the conversion of dwelling units to office space.

2. Whether the conversion was necessary.

3. What alternatives to conversion existed.

ORGANIZATION AND FUNCTION

During a severe housing shortage in Juneau, Alaska, in 1972, the Alaska State Housing Authority (ASHA) initiated construction of the Marine View apartments. The 98-unit project consists of 64 one-bedroom, 32 two-bedroom, and 2 three-bedroom units. The original project concept called for a 3:1 ratio between low and moderate-income tenants, thereby encouraging economic integration.

Financing for the $3.9 million project was obtained from the Alaska Housing Finance Corporation (AHFC). Terms of the loan included interest at 3% over 36 years with the first five years requiring interest-only annual payments. Despite its predominantly low-income composition, the project has not received any federal subsidy due to insufficient federal allocations.

Since initial occupancy in early 1974, the project has been in financial difficulty. Due to increased annual debt payments (principal portion) and other costs, in mid-1979, ASHA converted three floors of the nine-floor structure to office space. Various State agencies occupied the three floors in 1979 with the State retaining a negotiable option on the fourth floor. The State exercised the option in early 1980, and ASHA, after examining various alternatives, agreed to convert. Fourth-floor tenants receiving eviction notices were either provided relocation assistance in the form of lump-sum payments of $4,000 or were assisted in moving. Assistance to tenants occupying the first three floors was not necessary because there was much greater lead time. The tenants either moved to higher units in Marine View as they became available, or to other projects.

REPORT CONCLUSIONS

1. What were the circumstances surrounding the conversion of dwelling units to office space?

The Marine View project has been in poor financial condition since its opening. Three factors contributed to ASHA's eventual decision to convert to office space:

1. The lack of a federal subsidy supporting the project.

2. ASHA's initial reliance on a feasibility study which contained major flaws.

3. The effect of litigation brought by the Marine View construction contractor.

Marine View is unique in that it is the only ASHA low-income project without a continuing subsidy from the federal Department of Housing and Urban Development (HUD). During planning and design phases of Marine View, HUD funding was subject to a budget freeze which resulted in insufficient Juneau allocations. Because a severe housing shortage existed at that time, Marine View was built without waiting for the possibility of future HUD allocations.

Project feasibility was appraised as part of the architect's report, and the appraisal accompanied ASHA's loan application to AHFC. The study was severely limited in scope, providing only an estimate of first-year operations. The study did not consider inflationary effects on future operating and maintenance costs and understated the annual reserve amount necessary for equipment replacement and major repairs. By the end of Fiscal Year 1977, costs had increased 103% and revenues only 32% in comparison to feasibility study amounts. As a result, there was no revenue to meet increased debt service payments which began to include principal repayment in 1978.

The litigation centered on a claim that the construction contractor incurred additional costs due to an ASHA change order during construction. The courts found ASHA liable and issued a judgment for $513,000 in Fiscal Year 1979. To satisfy the judgment, ASHA refinanced the original loan from AHFC by borrowing an additional $520,000, bringing the total debt to $4,420,000. As a result of the refinancing, annual debt service payments rose from $198,974 to $240,932, a 21% increase. By the end of Fiscal Year 1979, increased debt service plus the need to replace a boiler system resulted in an accumulated deficit of $306,927 (see Appendix A).

2. Was the conversion to office space necessary?

We believe that the conversion was necessary due to the project's financial history and ASHA's potential liability. Prior to ASHA's decision in late 1978, the project had not generated any reserves to cover the increased debt service and major repair expenses that would soon be incurred. A firm of certified public accountants projected an accumulated deficit by 1991 of $2.2 million if the status quo was maintained.

The effect of such a long-term deficit would be to erode ASHA's ability to raise money through the bond market, thus jeopardizing future ASHA projects.

Conversion of the first four floors to office space provides sufficient incremental revenue to reverse the trend. Additionally, administrative and equipment replacement costs should decrease as a result of the five-year office space leases. We believe that ASHA's projections which eliminate the deficit by Fiscal Year 1987 may be several years premature (see Appendix B). However, ASHA can be reasonably assured that sufficient action has been taken to significantly reduce potentially detrimental effects on ASHA's fund-raising ability.

3. What alternatives to conversion existed?

In 1977 when it became apparent that Marine View may create significant adverse effects on ASHA, the process of examining alternatives began. Prior to the decision to convert in early 1979, three major alternatives existed:

1. Obtain a legislative appropriation
2. Sell the property
3. Increase rents

Before the 1978 Legislative Session began, ASHA considered seeking assistance from the Legislature in one of the following manners:

1. Retiring the debt through a legislative appropriation.
2. Creating continuing State subsidies amounting to approximately $150 per unit per month for the life of the building.

ASHA management sought opinions from the legislators and administration officials. There was general agreement that such a "bail-out" of a housing project could set a dangerous precedent. Another factor considered was the appearance

that Juneau would be receiving an inordinate share of assistance over other communities. As a result of the above considerations, a bill appropriating $4.6 million for the purpose of retiring debt was drafted but never introduced.

Selling the property would have had both a negative social and financial impact. The displacement of low-income tenants would occur if the project were sold. A private sector landlord would have to change the tenant composition of Marine View either to high-rent or commercial in order to make a profit. With the demand for office space growing, it appeared to ASHA that a potential buyer would convert the entire building to office space which would result in a larger decline in the number of units available for low-income tenants in Juneau. Financial considerations were based on a 1978 appraisal which valued Marine View at $4.25 million in an office space configuration. With debt at $4.4 million, plus the cost to convert the entire building, neither ASHA nor the tenants would have benefited from the sale.

ASHA had increased rents by an average of 10% in each of the four operational years through 1977. Nevertheless, ASHA complied with the project's original purpose of providing low-income housing, as well as the statutory provisions of AS 18.55.130(c) which limits rents to no more than 80% of the lowest market rent. ASHA considered raising rents from approximately 65% of market to the 80% limit. However, our analysis of projected ASHA increases through 1979 indicates that the additional revenues generated would still be insufficient to cover increased debt service costs and major repairs. ASHA also considered the effect on lower-income tenants who may not be able to afford the larger increases. ASHA was also sensitive to Legal Services' concerns for the welfare of their low-income clients.

As each of these alternatives were eliminated, ASHA began negotiations with the State to examine the office conversion alternative. Partial conversion was accepted by ASHA as a compromise between the original rental configuration and conversion of the entire nine floors.

The early stages of the negotiations included conversion of only three floors because a new HUD program had been developed which ASHA believed should partially eliminate the Marine View deficit. However, as program regulations were released and Juneau area allocations established, it was found to be an unworkable program for Marine View. Conversion plans were then amended to include a fourth floor.

FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

ASHA should not attempt to construct additional low-income housing without federal continuing subsidies unless long-term financial feasibility can be reliably demonstrated.

In order to ease the effect of Juneau's severe housing shortage on lower-income people, the Marine View project was quickly conceived and built in the early 1970's without the necessary continuing federal subsidies which usually accompany such low to moderate-income housing projects. Insufficient HUD allocations at that time as well as restrictive building criteria (meeting prototype costs, site selection, etc.) left ASHA with no prospect of receiving continuous subsidies. Additionally, ASHA placed undue reliance on a limited feasibility study which claimed Marine View to be a going concern without continuing federal subsidies.

As of June 30, 1980, the Marine View project has a $497,423 deficit. Tenants on floors one through four have had to be displaced in favor of more profitable commercial space.

Without federal continuing subsidies, ASHA should not attempt construction of a low-income project so that the problem of tenant displacement does not arise in the future.

ALASKA STATE HOUSING AUTHORITY

RECEIVED
NOV 28 1980
LEGISLATIVE AUDIT

November 20, 1980

Mr. Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit
State of Alaska
Pouch W - Alaska Office Building
Juneau, Alaska 99811

Re: Legislative Budget and
Report on Marine View

Dear Mr. Wilkerson:

I am in receipt of a copy of the Preliminary Audit Report on the Special Review of the Alaska State Housing Authority Marine View Apartment Building. I have reviewed the report and offer the following comments:

Report Conclusions

1. What were the circumstances surrounding the conversion of dwelling units to office space?

   The factual presentation is accurate, with the minor exception Marine View is not the only project without a continuing subsidy. The Wrangell 221(d)3 project is also without a continuing subsidy from that program. The Wrangell project is presently being appraised in preparation for sale.

2. Was the conversion to office space necessary?

   While we agree with the conclusion that the conversion was necessary, we have an apparent disagreement regarding the timing of the deficit recovery. We would be interested in any alternative methods of financial projections or differing assumptions which Legislative Budget and Audit used during their report preparation.

3. What alternatives to conversion existed?

   We concur with the factual presentation.

Finding and Recommendations

Recommendation No. 1

ASHA should not attempt to construct additional low-income housing without Federal continuing subsidies unless long-term financial feasibility can be reliably demonstrated.

We concur with the recommendation. Marine View has been a substantial financial difficulty at ASHA for several years. With conversion of four floors of the building to office space, we anticipate retaining a viable needed housing resource in Juneau. The conversion provided a reasonable solution to the difficult situation. It is our intention to continue the policy presently in effect of constructing and operating facilities only in concert with available Federal subsidies.

Mr. Wilkerson, we were pleased that the report consistently agreed with the recent actions of the Alaska State Housing Authority.

Sincerely,

ALASKA STATE HOUSING AUTHORITY

Charles R. Webber, Commissioner
Department of Commerce and
Economic Development

CRW:JBC:def

March 3, 1981

The Honorable Vic Fischer
Senator
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Fischer:

NOTICE OF PROPOSED CHANGES
IN THE REGULATIONS OF THE
ALASKA STATE HOUSING AUTHORITY

Notice is hereby given that the Alaska State Housing Authority (ASHA), under authority vested by AS 18.55.100(a)(4); AS 18.55.420; and AS 18.55.520 proposes to repeal and re-enact regulations in Chapter 95, Title 3 of the Alaska Administrative Code to implement AS 18.55.100; AS 18.55.100; AS 18.55.310; and AS 18.55.520 as follows:

Chapter 95, secs. 10-320 are to be repealed and secs. 10-270 are to be re-enacted with the new procurement regulations for ASHA. The proposed regulations for procurement by competitive solicitation, procurement by negotiation, and procurement protests will govern all contracts for supplies, materials, equipment, services, construction and the leasing of real and personal property. Under the proposed regulations, ASHA's procurement procedures are revised and consolidated for the public notice, submission, modification, opening, and rejection of bids and proposals and for contract award based on such competitive solicitation.

Factors which may be considered by ASHA in determining the responsibility of a bidder or offeror are established in the proposed regulations and include such considerations as the sufficiency of the financial resources and ability of the bidder or offeror to perform the contract; the previous and existing compliance of the bidder or offeror with all laws, ordinances and regulations relating to the contract; and the ability and capacity of the bidder or offeror to perform the contract within the time specified without delay or interference.

Exceptions to the requirement for competitive solicitation under the proposed regulations include certain contracts for small procurements and professional services; contracts with governmental entities; emergency contracts; and contracts where there is no competition as when the rates are set by law, or there is only one source within the state, or there is only one source within

TELEPHONE (907)279-7643 BOX 80 ANCHORAGE, ALASKA 99510

the borough and the contract amount is less than $10,000.

The proposed regulations provide that any actual or prospective aggrieved bidder or offeror may file a protest with the executive director of ASHA. The proposed regulations establish the form of protest, time for filing, the circumstances under which the protest may result in a stay of procurement, and that the written decision of the executive director of ASHA will be final and conclusive.

Notice is also given that any person interested may present oral or written statements or arguments relevant to the action proposed at a hearing to be held in Room 421, New Court Building, 303 "K" Street, Anchorage, Alaska, at 9:30 a.m. on March 26, 1981.

Copies of the proposed regulations may be obtained by writing to the Alaska State Housing Authority, P.O. Box 80, Anchorage, Alaska 99510 or by picking up a copy at ASHA's Central Office located at 4325 Laurel Street, Anchorage, Alaska. ASHA, upon its own motion or at the instance of any interested person, may adopt the proposals substantially as described above without further notice or may decide to take no action on them.

Sincerely,

ALASKA STATE HOUSING AUTHORITY

John B. Curtis
Executive Director

JBC:JT:gd

ADDENDUM NO. 1 TO NOTICE DATED
MARCH 3, 1981 OF PROPOSED CHANGES IN THE
REGULATIONS OF THE ALASKA STATE HOUSING AUTHORITY

Notice is hereby given that the Alaska State Housing Authority anticipates that the adoption of the above referenced regulations will have a negative fiscal impact requiring no increased appropriation from the state.

Dated: March 16, 1981

ALASKA STATE HOUSING AUTHORITY

John B. Curtis
Executive Director

March 10, 1981

The Honorable Arliss Sturgulewski
Senator
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

Enclosed for your information please find ASHA's response to Gerald Wilkerson's letter dated February 23, 1981 which he addressed to the Members of the Legislative Budget and Audit Committee.

Sincerely,

ALASKA STATE HOUSING AUTHORITY

James M. Crawford
Deputy Executive Director

JMC:th
Encl.

TELEPHONE (907)279-7643 BOX 80 ANCHORAGE, ALASKA 99510

March 9, 1981

Mr. Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit
The Alaska Legislature
Pouch W-Alaska Office Building
Juneau, Alaska 99811

Dear Mr. Wilkerson:

Please consider this letter a response to your February 23, 1981 letter to members of the Legislative Budget and Audit Committee which was published in the final report on audit of the Alaska State Housing Authority (ASHA). It is unfortunate that ASHA was not consulted prior to publishing the letter since your interpretation of ASHA's suggestions for legislation could materially damage the construction of senior, family and handicapped housing within the State of ALaska.

Your interpretation of ASHA's suggestions for legislation may be appropriate for an agency which is not impacted by the exigencies of the bond market and the availability of federal funds. In ASHA's case, however, your suggestion for a case by case authorization of primarily federally funded housing would substantially delay the entire process.

Attached is a letter from John Duffy, Anchorage Area Office Manager, United States Department of Housing and Urban Development. You will note that notification of the availability of funds was published in the Federal Register on January 15, 1981. You will further note that the February 26, 1981 letter from Mr. Duffy requests a response from ASHA on dissemination of those funds within five days. I point this out in response to your inaccurate statement to the Legislative Budget and Audit Committee contained in your February 23 letter, "Federal funds allocated to ASHA need not be committed immediately. There is sufficient time during each grant period, or through grant extensions, to permit subsidy requests to go through the review process."

After notification of potential funds by HUD, ASHA within a very short period of time must develop a project, cost it out and find interim and long term financing. The determination of a gap in the short or long term financing (subject to swings in the bond market) is a critical component in the financial feasibility of proceeding with a project. Your suggested course of action

implies that after determination of a gap in March, ASHA would then go to the legislature for the shortage in construction funding. Unless you are suggesting supplemental appropriation which could be available immediately, budgeted capital funding would be then potentially available on July 1 of each year, but more likely available in August or September. The reality of dealing with HUD funding on a project is that HUD by that late date would have recaptured the funds and redistributed them to housing authorities without the onerous time constraints you suggest.

In any project which ASHA or the regional housing authorities are involved, a community's leadership requests assistance and passes a resolution of cooperation prior to a need survey and thereafter preapplication to HUD for an allocation. The delay or loss of congressionally or legislatively mandated assistance to Alaska's seniors, handicapped or low income needy in order to provide for a case by case scrutiny of projects would have a materially damaging impact on construction of federally assisted housing in Alaska.

It comes as a particular surprise that auditors of the Division of Legislative Audit, with your apparent approval, would recommend, among other methods, direct state appropriation since you apparently are personally opposed to that course of action. ASHA's suggestions for legislation were made in a positive manner to counter the construction shortfalls, bond market vagarities, delays and potential loss of federal funds presently inherent in our attempts to construct needed housing primarily with federal dollars.

Flexibility and timeliness are primary reasons for the creation of capital funds. Our construction activities are tied directly to the availability of federal funding and must be completed within Alaska's short construction season. Our efforts, as

illustrated by the proposed legislation, are to speed the construction of needed housing within the state. It would seem appropriate that you might consider the courtesy of discussing such a proposal prior to its formalization in order to impartially assess the impact upon housing.

Sincerely,

ALASKA STATE HOUSING AUTHORITY

James M. Crawford
Deputy Executive Director

JMC:mrm

cc: Members of the Board
John B. Curtis, Executive Director

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ANCHORAGE AREA OFFICE
334 WEST FIFTH AVENUE
ANCHORAGE, ALASKA 99501

RECEIVED
ASHA

REGION X

February 26, 1981

FEB 27 '81

IN REPLY REFER TO:
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Route 53
Route 711
Route 225
File

Mr. John Curtis, Executive Director
Alaska State Housing Authority
P.O. Box 80
Anchorage, Alaska 99510

Dear John:

Yesterday I was sorry not to have time to accompany Chuck Morton, Miller Lutton, and Al Robinson of our office during their meeting with you, George Briggs, and Kay Snyder on a proposed allocation of LIPH and Section 8 funds for FY 81. They have told me of their mutually satisfactory visit with you, and this letter confirms our understanding of the tentative agreements reached. Please refer to the table of figures given you.

1. In the METRO area of Anchorage, you would prefer 25 Section 8 Existing units for handicapped persons. This would require $131,733 in Contract Authority using the distribution you requested of 20 1-BR and 5 2-BR size units. This would leave $116,119 of the $247,852 total for family units. It would permit 18 units if distributed in 9 2-BR, 6 3-BR, and 3 4-BR sizes.

2. In the NON-METRO areas, we will leave the 40 units for the Kodiak LIPH project rebuilding at $264,688. We can use the small balance elsewhere if not needed in Kodiak.

3. In the NON-METRO areas, at your request we have reduced the Section 8 Existing funds to $64,572 for 10 units in Ketchikan instead of 20. This leaves $709,576 of the $744,148 total available which is equivalent to 114 units of 2-BR size units or 99 3-BR size units. You indicated you could possibly use some or all these funds for a program in the Mat-Su Borough.

We would appreciate hearing from you within five days whether (1) the above described dollar assignments would be satisfactory as well as the unit size distributions, and (2) the Mat-Su Borough proposal you have made can be reasonably justified by the housing needs of families under the income limits and in housing meeting the Section 8 standards. If some or all of these funds are not needed, we may be able to exchange them within HUD for much needed LIPH or Indian housing funds for back-up applications and requests we have from Native housing authorities.

Thank you for your kind cooperation.

Sincerely,

John G. Duffy
Area Manager

STATE OF ALASKA

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDING

THE LEGISLATURE

FINANCE DIVISION
POUCH W—STATE CAPITOL

BUDGET AND AUDIT COMMITTEE

JUNEAU, ALASKA 99811

February 23, 1981

Members of the
Legislative Budget and Audit Committee:

We have reviewed the Alaska State Housing Authority's response to our preliminary report. Our comments follow:

ASHA has proposed legislation providing for a $15 million construction fund for family and handicapped housing as well as $15 million for senior citizen housing. The funds would be for grants or loans to municipalities or non-profit housing corporations to assist in financing the projects. As justification for creation of the two funds, ASHA cites our recent audit report where we stated:

> ASHA should seek additional funding to allow utilization of all federal allocations for low or moderate income housing in Alaska.

This recommendation was directed at a situation in which ASHA had lost two federal allocations (HUD) in 1977, totalling $3.5 million, because of a shortage of funds to cover the difference between federal allowable costs and actual construction costs of two projects. Our recommendation suggested ASHA obtain funds to cover these types of situations through:

1. Direct State appropriations
2. Sale of general obligation bonds
3. State grants (In two instances a project was saved through grants from the Department of Community and Regional Affairs' Senior Citizen Housing Program.

Each of these three alternatives would provide for legislative scrutiny of any proposed subsidy. The first and second alternatives would require ASHA to include the details of any project needing a subsidy in their budget request, and the Legislature would then have the opportunity to review each project and either approve or disapprove. The third

alternative would also receive legislative review since any grant funds would be part of the affected department's budget submission. A $30 million appropriation to ASHA, however, would allow ASHA to directly subsidize any project without legislative approval. Federal funds allocated to ASHA need not be committed immediately. There is sufficient time during each grant period, or through grant extensions, to permit subsidy requests to go through the legislative review process. If a project were disapproved, that would be merely an expression of legislative intent that it not be built. The two funds would unnecessarily remove from legislative control the power to commit State funds for specific projects. For this reason, we recommend ASHA seek subsidy appropriations, where needed, on a case by case basis through the normal budget process.

The Authority's proposed legislation regarding the sale of bonds and notes is in accordance with recommendations contained in the audit report.

Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

#

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PMS SEN ARLISS STURGULEWSKI

JUN 1571

URGE SUPPORT OF SENATE BILL 234/235 AND HOUSE BILL 257/258 TO PROVIDE FUNDING AND APPROPRIATE ADMINISTRATIVE MECHANISM FOR HOUSING FOR THE HANDICAPPED. THANKS

BOB AND HELEN MOTHERSHED

81 MAR 18 AM 5 04

#

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PMS SEN ARLISS STURGULEWSKI

JUN 1576

WE WOULD LIKE TO URGE YOUR SUPPORT OF SB234 AND 235 WHICH WILL PROVIDE ASSISTANCE FOR HOUSING FOR OUR HANDICAPPED CITIZENS.

JAMES HOTCHKISS, PRESIDENT

ASSOCIATION FOR RETARDED CITIZENS

81 MAR 18

Residential Educational Alternatives in the Community for the Handicapped
P.O. Box 1266 • Juneau, Alaska • 99802
Phone: (907) 586-2360

March 4, 1981

Senator Arliss Sturgulewski
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Sentor Sturgulewski:

REACH, Inc. is a private, non-profit corporation in Juneau that provides vocational, recreational and residential training services to developmentally disabled adults in the northern Southeast section of Alaska. REACH presently serves 15-20 handicapped adults in a program that promotes independence and growth through opportunities that would otherwise not be available to these individuals.

Residential services for five handicapped adults are currently being offered in a small rented house in Juneau. The program offered and the population have out grown the house, which is very small, rundown and in need of major renovation. The group home needs to be moved to a house that will meet the needs of our clients and that will allow them to live in an environment that more closely approximates the living norms of the rest of the community.

The Board and staff of REACH have spent the last eight months attempting to solve the group home problem. During that time, we have contacted realtors, followed up every lead on housing and have placed ads seeking housing. At this time, it is apparent that the rental market in Juneau had nothing that will meet our needs.

We have also explored the option of purchasing a house and have encountered nothing but road-blocks. REACH is unable to secure financing for purchase through any lending institution due to the fact that the organization is a private, non-profit corporation and has no secure source of of annual funding. The Department of Health and Social Services was unable to assist us. We sought an appropriation through the legislature last year, but were not included in session-ending funding for reasons that are still not entirely clear. We were finally forced to return $20,000 in Community Block Grant funds to the Borough that had been made available to us for a down payment on a house because we were unable to secure any other funding.

On top of those problems, the group home residents have been victims of a subtle form of discrimination that allows rentors and sellers to refuse to work with us. There are no regulations, on any governmental level, that protect the mentally handicapped from discrimination in housing. In fact, current Borough zoning ordinances require special permits and hearings before a group home may be established in any neighborhood.

The net result of the problem described above is that our group home residents are living in a facility that is totally inadequate, and there is nothing that REACH has been able to do to impact on it. The situation is approaching one of crisis. Under new state Health and Social Services regulations effective January 1, 1981, group homes require licensure. The present house will, in all likelyhood, not meet the criteria in the regulations. The result could be closure of the group home, and, at the very least, a major disruption of the residents lives. If appropriate alternatives cannot be found, closure could result in re-institutionalization of a majority of those people.

In a final effort to secure funds for purchase of an appropriate site for a group home, we are turning to you. At current market prices in Juneau, we require $200,000 for the purchase and modification of a house to meet the needs of our residents. While this seems to be a large amount, it should ne noted that we require a house that has at least 3 bedrooms and an apartment for live-in staff, with the ideal being a five bedroom house with an apartment. In addition, a portion of the appropriation would be used for modification of the house to make it barrier-free and in compliance with all local, state and federal codes and regulations.

REACH and the handicapped population of Juneau needs your support to secure this appropriation, and we are asking for a positive response on your part. With these funds, we can develop a group home program that will serve the developmentally disabled of Juneau for years to come. Without them, those same individuals may never receive the opportunity to live and function in their home communtiy, and quite possibly will become a burden to the state through the necessity of placing them in an institution.

In addition, we would urge you, as the lawmakers of the state, to examine the current laws regarding housing discrimination. There is a crying need to protect the rights of the mentally and physically disabled; a need that has not been met by current laws.

Thank you for your time and for what we know will be your assistance in these matters.

Sincerely,

Linda Layfield

Linda Layfield
President, Board of Directors

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH WF–STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

M E M O R A N D U M 05 March 1981

TO: Representative Ben F. Grussendorf
House Community and Regional Affairs Committee

Representative Vernon Hurlbert, Chairman
House Labor and Commerce Committee

Senator Vic Fisher, Chairman
Senate State Affairs Committee

FROM: Senator Arliss Sturgulewski, Chairman
Legislative Budget and Audit Committee

RE: HB 256, HB 257, HB 258, HB 259, HB 260
SB 231, SB 232, SB 233, SB 234, SB 235

At the request of the Alaska State Housing Authority, (ASHA), the Legislative Budget and Audit Committee concurrently submitted the above referenced package of legislation to the Rules Committees of both houses. ASHA requested this legislation in response to recommendations contained in a legislative audit. That audit, ASHA's response and the Legislative Auditor's evaluation of ASHA's legislative package are attached for your reference.

Normally, the Office of the Governor would introduce any legislation requested by an executive branch agency. Mr. Keith Specking of the Governor's office was contacted by my office regarding the administration's preferences in regard to the submission this package. The Governor's office felt that in this case the legislation could be submitted by the Committee.

The Legislative Budget and Audit Committee, at my recommendation, agreed to introduce this package of legislation. No recommendation on the appropriateness of this legislation is made by the Committee.

cc: Representative Mike Miller
Representative Jim Duncan
Senator Patrick M. Rodey

21LH

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF—STATE CAPITOL

JUNEAU, ALASKA 99811

February 23, 1981

To: Senator Arliss Sturgulewski
Chairman, Legislative Budget
and Audit Committee

From: Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

Subject: Proposed ASHA Legislation

ASHA has proposed legislation providing for a $15 million construction fund for family and handicapped housing as well as $15 million for senior citizen housing. The funds would be for grants or loans to municipalities or non-profit housing corporations to assist in financing the projects. As justification for creation of the two funds, ASHA cites our recent audit report where we stated:

> ASHA should seek additional funding to allow utilization of all federal allocations for low or moderate income housing in Alaska.

This recommendation was directed at a situation in which ASHA had lost two federal allocations (HUD) in 1977, totalling $3.5 million, because of a shortage of funds to cover the difference between federal allowable costs and actual construction costs of two projects. Our recommendation suggested ASHA obtain funds to cover these types of situations through:

1. Direct State appropriations
2. Sale of general obligation bonds
3. State grants (In two instances a project was saved through grants from the Department of Community and Regional Affairs' Senior Citizen Housing Program.

Each of these three alternatives would provide for legislative scrutiny of any proposed subsidy. The first and second alternatives would require ASHA to include the details of

any project needing a subsidy in their budget request, and the Legislature would then have the opportunity to review each project and either approve or disapprove. The third alternative would also receive legislative review since any grant funds would be part of the affected department's budget submission. A $30 million appropriation to ASHA, however, would allow ASHA to directly subsidize any project without legislative approval. Federal funds allocated to ASHA need not be committed immediately. There is sufficient time during each grant period, or through grant extensions, to permit subsidy requests to go through the legislative review process. If a project were disapproved, that would be merely an expression of legislative intent that it not be built. The two funds would unnecessarily remove from legislative control the power to commit State funds for specific projects. For this reason, we recommend ASHA seek subsidy appropriations, where needed, on a case by case basis through the normal budget process.

The Authority's proposed legislation regarding the sale of bonds and notes is in accordance with recommendations contained in the audit report.

ALASKA STATE HOUSING AUTHORITY

February 20, 1981

The Honorable Arliss Sturgulewski
Chairman
Legislative Budget and Audit Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

Enclosed for your review is ASEA's response to the Legislative Budget and Audit recommendations as well as ASHA's proposed legislation for the 12th Legislative Session.

Hopefully we'll be able to make the agenda to go final on your meeting of the 24th. Thanks for your help.

Sincerely,

ALASKA STATE HOUSING AUTHORITY

James M. Crawford
Deputy Executive Director

JMC:th
Encl.

TELEPHONE (907) 279-7643 BOX 80 ANCHORAGE, ALASKA 99510

ALASKA STATE HOUSING AUTHORITY

February 20, 1981

Mr. Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit
The Legislature, State of Alaska
Pouch WF
Juneau, Alaska 99811

Dear Mr. Wilkerson:

Thank you for your letter of February 17, 1981 with its enclosure, "A Performance Review of the Department of Commerce and Economic Development, Alaska State Housing Authority, December 12, 1980". The Alaska State Housing Authority (ASHA) has reviewed the above entitled document and within this letter provides the requested responses to the recommendations of the auditors. Those findings and recommendations of the audits performed by Peat, Marwick, Mitchell & Co. and the United States Department of Housing and Urban Development (with the exception of PMM Finding No. 3 which is separately addressed) have been cleared as evidenced by the attached letter from John Duffy, Area Manager, Anchorage Area Office, U.S. Department of Housing and Urban Development. Our response therefore will be limited to Legislative Budget and Audit recommendations number 1 through 4 and Peat, Marwick, Mitchell & Co. Finding No. 3.

It is certainly gratifying to me to note the very substantial difference in the above audits which contain no material findings and prior audits which have noted difficulties. It is also encouraging to me, as Chairman of the Board, to find that the recommendations of the Legislative Budget and Audit team are for positive action toward the production and management of housing. The management and staff of ASEA as attested to by the audits have the competency and capability to positively respond to the recommendations of Legislative Budget and Audit, of course after implementation of those suggestions by the Legislature.

Recommendation No. 1

ASHA should perform a statewide survey of low and moderate income housing needs in Alaska.

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We agree with the need for housing surveys and the present inadequacy of existing information on housing needs. ASHA is presently working with the State Department of Labor and the Census Division to isolate the need for housing then prepare a prioritized five year construction allocation recommendation for HUD concurrence. Current data concentrates on available housing stock. In the event the capital construction funds are established and funded as per ASHA's proposed legislation in response to recommendation number 2, ASHA will be able to more aggressively perform a marketing plan statewide for the benefit of ASHA's program recipients and those program recipients of the regional housing authorities.

We agree with and have complied with the recommendation of a three year maintenance plan as evidenced by the letter from HUD clearing the findings.

Recommendation No. 2

ASHA should seek additional sources for funding of housing projects to ensure that federal allocations are not lost.

We agree with the recommendation to seek additional funding from sources other than the U.S. Department of Housing and Urban Development, particularly in view of the federal plans for budget cuts. In compliance with the recommendation, attached are two bills which would establish and fund the Senior Citizen Housing Development and Construction Fund and the Family and Handicapped Housing Development and Construction Fund. Creation and appropriation to these Funds will allow ASHA and the regional housing authorities to leverage federal funds in the construction of needed low and moderate income federally subsidized housing in Alaska.

Recommendation No. 3

The statutes governing ASHA should be revised.

We agree with the recommendation that AS 18.55, ASHA's enabling legislation, should be revised. In compliance with the recommendation, attached is "An Act relating to housing authorities" which, if enacted, would accomplish the recommendation.

Recommendation No. 4

The Office of the Governor should appoint members to the board of directors of ASHA in accordance with statute and in a more timely manner.

The vacancy on the Board of Directors was filled October 13, 1980 by the appointment of Cynthia Aiken of Fairbanks.

Peat, Marwick, Mitchell & Co. Recommendation No. 3

ASHA should comply with HUD requirements to control land, structures and equipment.

ASHA does comply with HUD requirements to control land, structures and equipment with the exception of a current inventory of the Remote 200 programs. The Remote 200 program is in 10 villages throughout the state and the cost to conduct an annual inventory would be excessive. The total acquisition cost of the inventory items including construction equipment, dwelling equipment and non dwelling equipment is $179,789.88. These items were purchased seven to ten years ago and are given a useful life of seven to eight years. The value at this time is minimal. ASHA has not replaced any appliances in the Remote 200 program as that is the responsibility of the home purchaser. ASHA has recently come to an agreement with HUD for a resolution of the inventory problem in the Remote 200 program, i.e., write down of those physical inventory items which are beyond their useful life.

We believe that the enclosed drafts of legislation are consistent with the recommendations of the Legislative Budget and Audit Committee's auditors and that the legislation, if enacted, will be a positive step for the greater production of housing within Alaska. With both the Senior Citizen Housing Development and Construction Fund and the Family and Handicapped Housing Development and Construction Fund, it is our intention to coordinate grants or loans

from the Funds with ASHA bonding powers. Particularly in the face of a wildly fluctuating bond market, a gap between available construction dollars and actual construction costs can force the delay or even cancellation of needed housing projects. Nationally established construction maximums do not reflect Alaska's cost. Consequently, otherwise worthy projects may not be built. It is further our intention to work closely with the regional housing authorities to assist them in their needs in the rural areas of the state as well as providing for the urban needs of Alaska's seniors, family and handicapped.

Sincerely,

ALASKA STATE HOUSING AUTHORITY

Roger Lang

Roger Lang
Chairman

RL:JMC:mrm

ANCHORAGE AREA OFFICE
334 WEST FIFTH AVENUE
ANCHORAGE, ALASKA 99501

RECEIVED
ASHA
DEC 12 '80

REGION X

December 8, 1980

IN REPLY REFER TO:
10.1HMA

Route: EA CC
Route: HMCC
Route: HCCC
File: TCR21

Mr. John B. Curtis
Executive Director
Alaska State Housing Authority
P.O. Box 80
Anchorage, Alaska 99510

Dear Mr. Curtis:

Thank you for your November 7, 1980 letter in response to the findings contained in the Report on Audit for the period which ended March 31, 1980. Based on the corrective actions planned and taken, we have requested the concurrence of the Regional Office of Audit to clear all findings with the exception of Finding No. 3.

Finding No. 3 concerns the physical inventory of nonexpendable equipment in the Remote 200 program. We recognize that making a special trip to each village to complete a physical inventory would not be cost beneficial. However, as long as the value of this equipment remains on your equipment ledger, ASHA does have an interest in the equipment and an inventory and reconciliation is required. Other Regional Housing Authorities have found implementing a cyclic inventory method a more economical way to complete a physical inventory in remote areas. Under a cyclic system, equipment is inventoried throughout the year as annual inspections are completed and reconcilation completed at fiscal yearend based on the accumulated inventory information. We request you submit a plan to complete a physical inventory in conjunction with annual inspections on a cyclic basis.

Please call LaVerne Thacker or Donna Czech if you have any questions.

Sincerely,

John G. Duffy
Area Manager

ALASKA STATE HOUSING AUTHORITY

March 9, 1981

The Honorable Mike Miller
Representative, District 4
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Attn: Jeff Petrich

Dear Representative Miller:

Thank you for the opportunity to discuss with your staff and other interested parties the need for capital construction and development funds for senior citizen housing in Alaska on Friday, March 6, 1981.

During the meeting, several references were made to "Senator Sturgulewski's bills." Please let me clarify that House Bills 256, 257, 258, 259 and 260 were drafted in response to recommendations contained in the audit report of the Division of Legislative Audit. Senator Sturgulewski very considerately brought the bills to the Legislative Budget and Audit Committee and they were subsequently introduced (from ASHA's perspective) to act upon those recommendations contained within the audit report.

As Chairman Lang stated in his February 20, 1981 letter in response to the audit, "We believe the enclosed drafts of legislation are consistent with the recommendations of the Legislative Budget and Audit Committee's auditors and that the legislation if enacted, will be a positive step for the greater production of housing within Alaska."

A brief summary of some of the reasons a senior citizen housing fund could be beneficially used by ASHA are as follows:

1. ASHA has proven expertise in the development, construction and management of senior housing.

2. Under ASHA management, the funds can be leveraged in conjunction with our tax exempt bonding powers resulting in more net dollars actually in senior housing.

3. Under ASHA management, our knowledge of federal housing fund sources will accelerate the utilization of a state development and construction fund and avoid the needless loss of federal funds.

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4. ASHA can provide assistance to regional housing authorities with a development and construction fund in conjunction with our tax exempt bonding powers.

Again, thank you for the opportunity to discuss these items, among others, with your staff on Friday. It is our hope to move forward with the positive package of bills which if enacted will greatly assist in meeting the needs for senior housing within Alaska.

Sincerely,

ALASKA STATE HOUSING AUTHORITY

John B. Curtis
Executive Director

JBC:mrm

cc: Board Members

March 9, 1981

The Honorable Jim Duncan
Speaker of the House of Representatives
Pouch V
Juneau, Alaska 99811

Attn: Pete Freer

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Sincerely,

ALASKA STATE HOUSING AUTHORITY

John B. Curtis
Executive Director

JBC:mrm

cc: Board Members

NOTE REGARDING THE FOLLOWING FRAME ON MICROFILM:

COMPLETE DOCUMENT IS AVAILABLE IN ORIGINAL FILES IN ALASKA STATE ARCHIVES. TITLE PAGE ONLY HAS BEEN FILMED.

A PERFORMANCE REVIEW
OF THE
DEPARTMENT OF COMMERCE
AND ECONOMIC DEVELOPMENT
ALASKA STATE HOUSING AUTHORITY

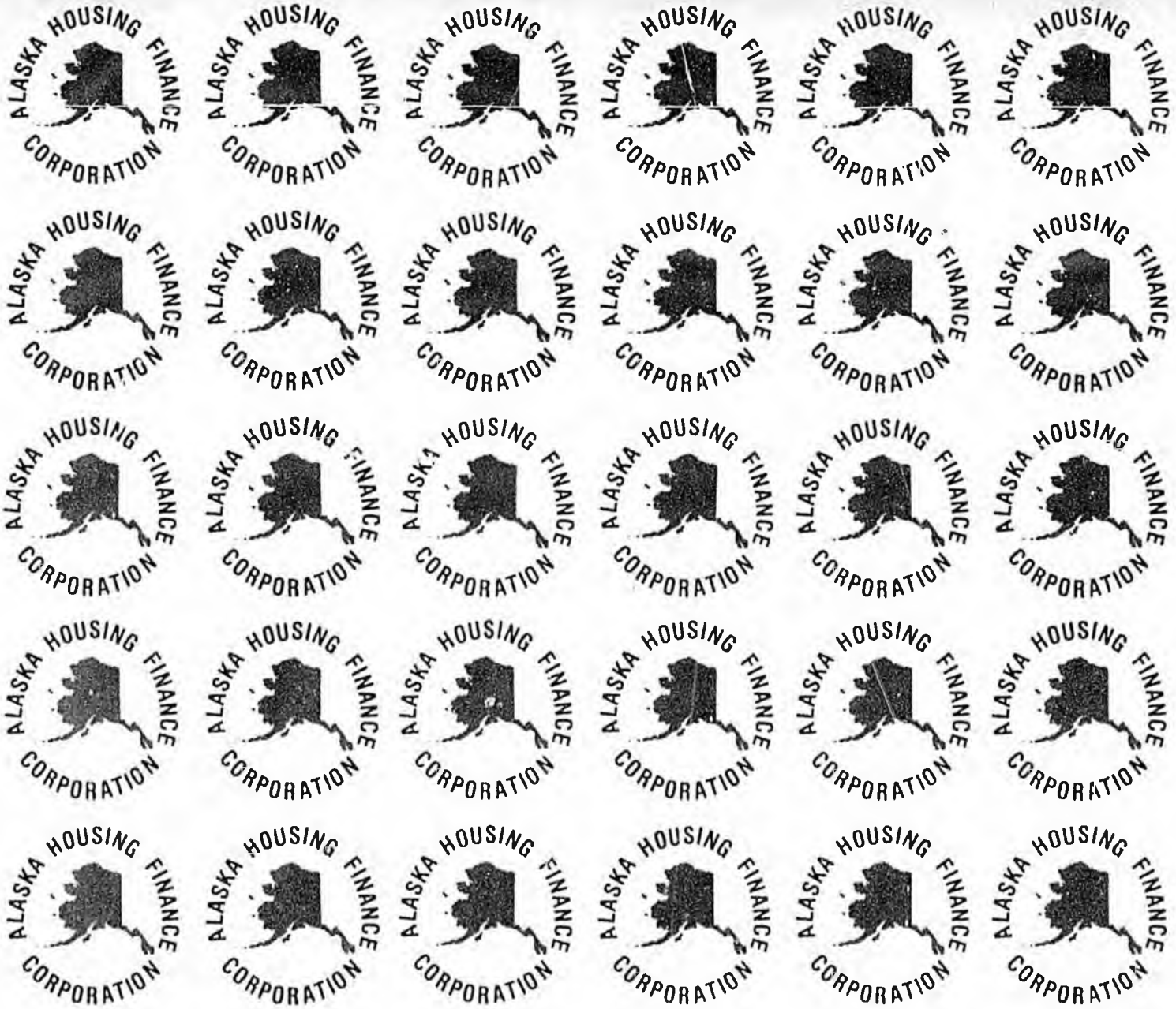
December 12, 1980

Audit Control Number
08-21-1005-S

Commissioner, Department of Commerce and Economic Development	Charles R. Webber
Deputy Commissioner, Department of Commerce and Economic Development	Braxton Jeans

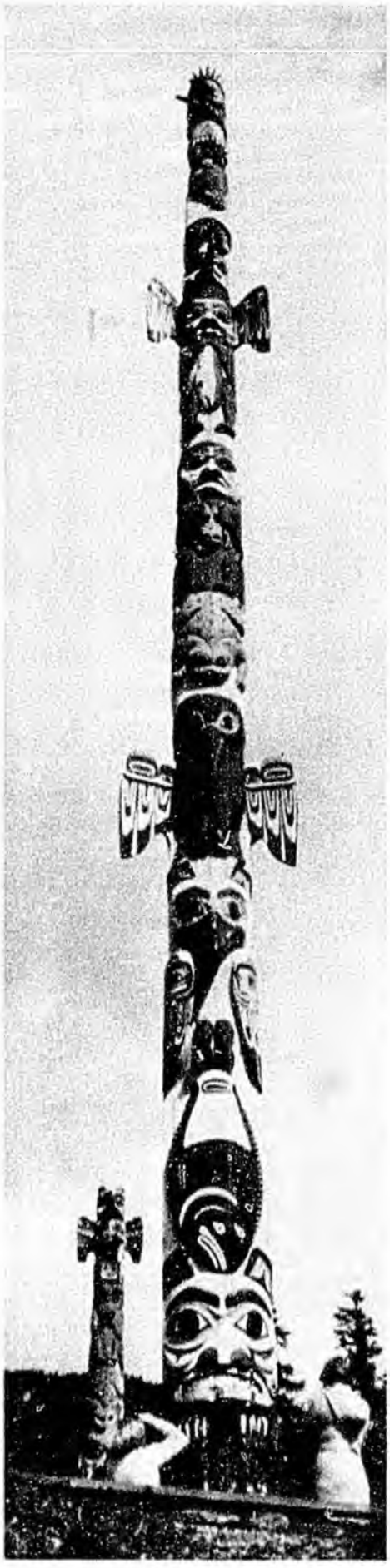
Board Members of the
Alaska State Housing Authority

Chairman	Roger Lang
Member	Joan Ray
Member	Gale Kincaid
Member	Charles R. Webber
Member	Vacant



THROUGHOUT ALASKA; FOR ALL ALASKANS

ALASKA HOUSING FINANCE CORPORATION
ANNUAL REPORT 1980



THE HONORABLE JAY S. HAMMOND
GOVERNOR OF THE STATE OF ALASKA

Dear Governor Hammond:

It is with pleasure that we present the Annual Report of Alaska Housing Finance Corporation (AHFC) for the fiscal year ending November 30, 1980.

AHFC is approaching the new decade with an expanded sense of purpose and a broadened scope which encompasses the housing needs of all Alaskans. Pursuant to the provisions of the legislation enacted in June of 1980, the Corporation is no longer restricted to purchasing only those loans made to low and moderate income families. Through the varied programs offered throughout the State, AHFC is now reaching into greater segments of the population to provide affordable housing and to create public optimism in the future of Alaska. However, with the passage of the Mortgage Subsidy Bond Tax Act (The Ullman Bill) by the U.S. Congress, which severely limits the ability of state housing finance agencies to issue tax-exempt bonds, the continued volume of financing programs offered through AHFC will be curtailed unless alternative methods of funding are developed and pursued.

Through November 30, 1980, Alaska Housing Finance Corporation's mortgage purchases have been funded through the issuance of $868,725,000 in tax-exempt bonds and borrowings from the State of Alaska under note agreements totalling $22,270,000. Additionally, the State of Alaska transferred $236 million dollars worth of mortgages and $105 million in cash to AHFC to provide the means for mortgage purchases at rates below the cost of the corporation's borrowing and to enable the issuance of $460 million in bonds. Since its inception, in 1971, the Corporation has acquired, and still maintains in its portfolio, 15,879 loans with an outstanding balance at November 30, 1980 of $986,441,000 which have an estimated market value, if the mortgages were to be sold at prevailing rates, of approximately $621 million. This has no relation, however, to the property values securing the Corporation's interest in these loans.

In response to the needs of the communities served, AHFC implemented several new programs this year, as well as expanding those already existing. The Special Mortgage Loan Purchase Program, which increased the loan limits, removed income limitations, and allowed refinancing for home improvement, was initiated in July with priority given to those loans beyond the scope of the State's General Fund Emergency Loan Program earlier in the year. The Home Ownership Fund, which provides an additional subsidy for low and moderate income families, and the Pledged Account Mortgage, which is a graduated payment loan, became operational in December. Both the Mobile Home Program and the Rural Housing Programs (owner occupied and non-owner occupied) received greater emphasis with a resultant record increase in combined dollar volume and number of Alaskans served.

In submitting this report, we are pleased to assure you that the Corporation is financially sound, competently managed and prepared to continue the fulfillment of the mandate of the Legislature and yourself, without whose past and continued support the achievements indicated would not have been possible.

Franklin C. Roppel

Franklin C. Roppel
Chairman of the Board

Harry F. Goldbar

Harry F. Goldbar
Executive Director

ALASKA HOUSING FINANCE CORPORATION LOAN PROGRAMS

Pursuant to its Legislative authorization and direction, Alaska Housing Finance Corporation has established itself as a key component in the State's housing delivery system. In each of the Corporation's various programs, it exemplifies the twin objectives of public purpose and prudent lending practice by providing long term financing specifically tailored to the diverse needs of individual Alaskans throughout the State.

SPECIAL MORTGAGE LOAN PURCHASE PROGRAM

The largest and most comprehensive program offered, which provides the basis of the majority of loans funded by AHFC, is the Special Mortgage Loan Purchase Program. The result of innovative thinking and close cooperation between the Corporation, the State Legislature and Administration, the Special Mortgage Loan Purchase Program was created during the 1980 session of the Alaska State Legislature. The State statutes under which AHFC operates were amended substantially to require certain organizational and procedural changes as well as expanding the powers of the Corporation. The statutes now allow refinancing loans for home improvement, purchase financing for owner-occupied single family and duplex residences without restrictive income limitations, and provide for loan to value ratios and loan limits not to exceed the maximum limits established for Alaska by the Federal National Mortgage Association. AHFC loans under this program are offered, regardless of geographic location, by 29 mortgage lending institutions throughout the state.

Under the 1980 legislation, the Corporation is required to fix the interest rate charged on a mortgage loan purchased as follows:

(i) the interest rate may not exceed 9% on the first $90,000 of the mortgage loan if the loan is made to an eligible state veteran;

(ii) the interest rate may not exceed 10% on the first $90,000 of the mortgage loan if the loan is made to a person other than an eligible state veteran;

(iii) the interest rate for the amount of the loan which exceeds $90,000 shall equal the mortgage program cost to the Corporation attributable to that part of the loan.

In order to implement this program and to assure continued access to public funding, the Alaska Legislature on June 30, 1980 appropriated to AHFC $105,000,000 in cash and $236,000,000 in residential mortgage loans held by the State General Fund. Earnings on the appropriated mortgage loans and a portion of the cash are utilized to subsidize the difference between the legislatively mandated interest rate and the mortgage program cost to the Corporation.

From the inception of the program to Nov. 30, 1980, AHFC received 3673 applications with loan requests in excess of $307,400,000 which it has approved for purchase. The Corporation is expecting an increase in volume under the program from $500 million for the 12 month period ending June 30, 1981 to $700 million during the subsequent 12 month period.

MOBILE HOME LOAN PURCHASE PROGRAM

In response to the significant role of housing provided by mobile homes in Alaska, Alaska Housing Finance Corporation was a pioneer of State housing finance agencies in implementing a mobile home finance program. Of particular concern were areas of the state where the lack of availability of building materials and short construction seasons make mobile homes a viable alternative to conventional housing. Through the use of a $10,000,000 loan from the State of Alaska this program has provided a source of mobile home financing at a rate of 10.75%. The Mobile Home Loan Purchase Program also extends funding to locations where financing at any rate may not have been previously available.





RURAL HOUSING MORTGAGE PURCHASE PROGRAM

Developed in 1979, the Rural Housing Mortgage Purchase Program expands the availability of mortgage loan financing into remote and less developed areas of the State where private mortgage financing has been either unavailable, inconsistent or at prohibitive rates. Due to special problems associated with providing title and hazard insurance in certain remote areas, lending institutions have been unable to meet the home financing needs of the rural communities. In those instances where financing has been made available, the rates inherent with rural loans have been far above the levels which are affordable to persons of the prevalent income levels within such communities.

With the assistance of the State funded mortgage hazard insurance and mortgage title insurance accounts, AHFC is able to provide financing in those areas where the title to the land may still be subject to conveyance under the Native Claims Settlement Act or where commercial hazard insurance is effectively unavailable due to cost.

Originally funded through the sale of bonds to the State of Alaska, the Rural Housing Program is expected to double in volume during the 12 month period ending June 30, 1982. In order to continue this valuable program, the Corporation has requested a $20 million appropriation from the State of Alaska. Through the active participation of the Regional Housing Authorities, the program's current funding will make possible rural housing financing of $11.5 million.

Since a stable source of long term financing is now available, the local private lending institutions are more actively entering into construction lending for these areas. This should greatly increase the quality of housing available as well as increase the number of housing units on the market. Alaska Housing Finance Corporation is proud to be the catalyst in this growth of private financing in the State's more rural areas.

NON-OWNER OCCUPIED RURAL MORTGAGE PURCHASE PROGRAM

Responding to the need for safe, sanitary and decent rental housing in remote, underdeveloped or blighted areas of the State, the Corporation developed this aspect of the Rural Housing Program in 1979. This type of financing deviates from all others offered through AHFC in that owner occupancy is not a requirement, and that multiple rental units are its primary focus.

In offering the Non-owner Occupied Rural program, AHFC provides an impetus to the construction or rehabilitation of rental housing in those areas which have no road or rail access to Anchorage or Fairbanks, or which have a population of 4500 or less. Additionally this program provides increased residential units in areas of severe shortage. The continuation of this program into 1981 is dependent upon an additional appropriation from the legislature.

HOME OWNERSHIP ASSISTANCE PROGRAM

Funded by an initial appropriation of $2.5 million in cash and $50 million in mortgages from the State of Alaska, the Home Ownership Assistance Program exists solely to assist low and moderate income families in purchasing a home by subsidizing a portion of the monthly payment. Mortgages are purchased under the Home Ownership Assistance Program utilizing the same source of funding as the Special Mortgage Loan Purchase Program with an additional subsidy provided by the State of Alaska.

Because this is a special assistance program, income and asset limits as well as a purchase price ceiling have been established. Although not operational until late in 1980, it is anticipated that the Home Ownership Assistance Program will be utilized to the full extent of its funding. Through this program, a greater segment of the low to moderate income population will be afforded the means of home ownership, specifically those who had previously been unable to bridge the gap between escalating cost of housing and less rapidly increasing income.

With modifications, the Home Ownership Assistance Program should quality under the provisions of the new Congressional legislation governing mortgages financed through the sale of tax-exempt bonds.

PLEDGED ACCOUNT MORTGAGE PROGRAM

Alaska Housing Finance Corporation implemented the Pledged Account Mortgage program as a means of offering a type of graduated payment mortgage plan to prospective borrowers. With a Pledged Account Mortgage, the borrower can utilize a portion of his savings to offset the mortgage payment in the early years of the loan. The mortgage payments gradually increase in smaller proportional increments than the borrower's expected increase in income.

This program, also not operational until late in 1980, is incorporated into and funded through the Special Mortgage Loan Purchase Program. Both the Home Ownership Assistance and Pledged Account Mortgage programs significantly broaden the homeownership potential of Alaskan's and their families.

CORPORATION GOALS AND PERFORMANCE

For a state loan program to have a real impact on the stability, prosperity and economic welfare of its residents, program continuity and public involvement must be insured. Toward this end, Alaska Housing Finance Corporation provides residential real estate financing to all areas of Alaska by operating as a secondary mortgage market for loans originated and serviced by private lending institutions. The commitment of AHFC is to provide a stable source of funding for credit-worthy, eligible borrowers at the lowest possible cost.

In response to its legislatively expanded purpose for the 12 month period ending June 30, 1981 and in recognition of its goals and objectives, the corporation initiated a $516.5 million loan program utilizing bond revenues together with state loan and subsidy appropriations. Corporation performance toward its overall objectives is limited only to the extent of its ability to obtain capital and demand for mortgage loans.

MORTGAGE INVESTMENT, STATE APPROPRIATION AND FINANCING LEVELS

		State Appropriations		Financing Levels	
	Loan Funds	Loan Subsidy	Mortgage Purchase	Bonds	State Loans
		(In Millions)			
Proposed For 12 Months Ending June 30, 1982					
Special Mortgage Loan Purchase Program	$ 700.0	$ 239.0		$ 550.0	
Mobile Home Loan Purchase Program	40.0		$ 40.0		
Rural Housing Mortgage Purchase Program	20.0		20.0		
Non-Owner Occupied Rural Mortgage Purchase Program	5.0		5.0		
Home Ownership Fund Subsidy		50.0			
	$ 765.0	$ 289.0	$ 65.0	$ 550.0	
12 Months Ending June 30, 1981					
Special Mortgage Loan Purchase Program	$ 500.0	$ 341.0		$ 460.0	
Mobile Home Loan Purchase Program	10.0				$ 10.0
Rural Housing Mortgage Purchase Program	6.5		$ 6.5		
Home Ownership Fund Subsidy		52.5			
	$ 516.5	$ 393.5	$ 6.5	$ 460.0	$ 10.0





FINANCIAL STATEMENTS
REPORT OF INDEPENDENT ACCOUNTANTS

To The Board of Directors

Alaska Housing Finance Corporation

In our opinion, the accompanying balance sheets and the related statements of revenues, expenses and retained earnings and of changes in financial position, as set forth on pages 6 through 24, present fairly the financial position of Alaska Housing Finance Corporation at November 30, 1980 and 1979 and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse & Co.

Anchorage, Alaska
February 12, 1981

COMBINED BALANCE SHEET

	November 30, 1980	November 30, 1979
	(In thousands)	
ASSETS		
Cash—		
Demand deposits	$ 897	$ 93
Savings accounts	689	305
Held in trust	9	17
	1,595	415
Investments—		
Certificates of deposit	119,360	93,611
U.S. Treasury obligations	94,714	36,145
Bank repurchase agreements	115,327	10,282
	329,401	140,038
First mortgage loans, net of discounts	980,410	495,281
Mortgage loans to be received	13,947	
Mobile home loans	5,098	168
Deed of trust note receivable from Alaska State Housing Authority	4,242	4,332
Accrued interest receivable	12,761	6,332
Bond issuance costs, net of amortization	1,378	1,031
Capital investment in State Mortgage Insurance Fund	1,000	1,000
Office equipment and improvements, net	107	25
Other receivables	918	287
Total Assets	$1,350,857	$648,909
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Bonds and notes payable, net of discounts—		
Mortgage bonds	$ 840,667	$582,291
Payable to the State of Alaska	24,413	20,088
Deposits	2,300	
Accrued interest payable	31,161	21,547
Deferred fee income	919	
Accrued expenses and other liabilities	936	435
Total Liabilities	900,396	624,361
FUND EQUITY		
Contributed capital	400,000	
Retained earnings, designated for purposes allowed within the respective funds	50,461	24,548
Total Fund Equity	450,461	24,548
Commitments		
Total Liabilities and Fund Equity	$1,350,857	$640,909

See accompanying notes to financial statements

COMBINED STATEMENT OF REVENUES, EXPENSES AND RETAINED EARNINGS

	Years Ended November 30,	
	1980	1979
	(In thousands)	
Revenues		
Interest Income—		
Mortgages and loans	$57,176	$33,540
Investments	22,549	13,329
	79,725	46,869
Loan fees and other	1,378	1,031
Total revenues	81,103	47,900
Operating Expenses		
Interest on notes and bonds	51,159	35,654
Mortgage service fees	2,653	1,495
General and administrative expenses	888	661
Legal, accounting and trustee fees	490	362
Loan losses		97
Total operating expenses	55,190	38,269
Net income	25,913	9,631
Retained earnings, beginning of year	24,548	14,917
Retained earnings, end of year	$50,461	$24,548

See accompanying notes to financial statements

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION

	Years Ended November 30,	
	1980	1979
	(In thousands)	
Sources of financial resources		
From operations—		
Net income	$ 25,913	$ 9,631
Add (deduct) items not requiring (providing) cash:		
Net amortization of discounts, premiums and bond issuance costs	440	150
Depreciation	16	2
(Increase) in accrued interest receivable	(6,429)	(2,796)
Increase in accrued interest payable	9,614	6,537
Net (decrease) in accrued expenses, prepaids and other receivables	(130)	(83)
Loan losses		97
Increase in deferred fee income	919	
Financial resources provided by operations	30,343	13,538
Mortgage and loan principal repayments	45,623	29,698
Net proceeds from sale of insured mortgage bonds	264,669	209,657
Net proceeds from State of Alaska notes	4,712	905
Contributions of capital from the State of Alaska	400,000	
Reduction in note receivable from Alaska State Housing Authority	90	
Proceeds from disposition of office equipment and improvements net of gain or loss	6	
	$745,443	$253,798
Uses of financial resources		
State Mortgage Insurance Fund		$ 15
Increase in investments	$189,363	34,909
Acquisition of mortgages and loans	549,404	189,490
Net increase in note receivable from Alaska State Housing Authority		432
Payment of housing mortgage and insured mortgage bonds	5,005	3,580
Payment of bond anticipation notes		25,000
Payment of State of Alaska notes	387	301
Purchase of office equipment and improvements	104	1
Increase in cash	1,180	70
	$745,443	$253,798

See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

Years Ended November 30, 1980 and 1979

NOTE 1 AUTHORIZING LEGISLATION AND FUNDS

Authorizing Legislation

The Alaska Housing Finance Corporation (the Corporation) was created in 1971 by an act of the Alaska Legislature. The Corporation was established to assist in the financing, development, sale and rental of dwelling units for qualified veterans, for persons of low and moderate income and for persons in remote, underdeveloped or blighted areas of the State. Its purpose was expanded by the Legislature in 1980 to include mortgage lending without regard to the income of the borrower. Generally, the Corporation accomplishes its objectives by functioning as a secondary market for qualified real estate loans originated by financial institutions and native regional housing authorities.

The Corporation is authorized as approved by the Legislature to issue its own bonds, bond anticipation notes and other obligations in such principal amounts as in the opinion of the Corporation will be necessary to provide sufficient funds for carrying out its purpose. Generally, bond anticipation notes have been issued for the temporary accumulation of mortgage loans while long-term bonds have been issued for permanent mortgage financing. Amounts so issued shall not be deemed to consititute a debt of the State of Alaska.

Funds

The following describes the funds maintained by the Corporation, all of which conform with the authorizing legislation, legislative appropriations, and note and bond resolutions.

Corporation Operating Fund

The Corporation Operating Fund records the receipt of income not directly pledged to the repayment of specific notes and bonds or requiring separate accounting by Legislative appropriations. Operating expenses of the Corporation are initially recorded in this fund then charged to the various other funds.

Mortgage Program Note Fund

Established under resolutions adopted with the issuance of each note series, the Mortgage Program Note Fund accounts for the proceeds of bond anticipation notes and the related temporary financing of eligible housing.

Housing Mortgage Bond Fund

This fund was established under the General Housing Mortgage Bond Resolution to account for the proceeds from the sale of the bonds, the related debt service requirements of the bond indebtedness, mortgage loans made with bond proceeds, and allowable program expenses. The majority of mortgages purchased pursuant to the Resolution are insured by government agencies such as the Veterans Administration and the Federal Housing Administration.

Insured Mortgage Bond Fund

The Insured Mortgage Bond Fund was established pursuant to the General Insured Mortgage Program Bond Resolution to account for the proceeds from the sale of the bonds and the related debt service requirements of the bond indebtedness, mortgage loans made with bond proceeds, and allowable program expenses. In contrast with the Housing Mortgage Bond Fund, mortgages purchased and held under the Insured Program are primarily conventional in nature carrying private mortgage insurance and being also insured under a State Mortgage Insurance Fund (See Note 8).

Insured Rural Mortgage Bond Fund

The Insured Rural Mortgage Bond Fund was established under the General Insured Rural Mortgage Program Bond Resolution to account for the proceeds from the sale of the bonds and the related debt service requirements of the bond indebtedness, mortgage loans made with bond proceeds, and allowable program expenses. Mortgages purchased under this program provide financing for housing located in remote, underdeveloped or blighted areas of the State. The mortgages are to be conventional in nature carrying private mortgage insurance and being also insured under a State Mortgage Insurance Fund (See Note 8).

As of November 30, 1980 only one issue of Insured Rural Mortgage Bonds in the amount of $5,600,000 had been sold, with the State of Alaska purchasing the entire issue.

For those mortgages financing property for which satisfactory mortgage title insurance and/or hazard insurance is not available from private insurance companies, a Rural Housing Title Insurance Fund and Rural Housing Hazard Insurance Fund have been created to provide the necessary insurance to protect the Corporation's interest in the property (See Note 8).

Housing Development Fund

This fund accounts for amounts borrowed from the State of Alaska pursuant to various agreements, mortgages purchased with the note proceeds, and the related debt service requirements.

Housing Development Notes in the aggregate amount of $22,270,000 have been issued by the Corporation to the State of Alaska and the proceeds therefrom, as they are authorized to be released, have been or will be deposited in the Housing Development Fund for the purpose of providing mortgage loans in remote areas of the State and for financing other projects, including a 98-unit housing project in Juneau.

State Assisted Mortgage Fund

The State Assisted Mortgage Fund (the "SAM" Fund) provides a subsidy to certain borrowers allowing them to secure mortgages bearing legislatively mandated interest rates. This is accomplished by transferring sufficient assets to the fund which purchases the mortgages to increase its cash flow to that level necessary to meet the debt service of the fund and cover operating costs.

The SAM Fund is pledged through January, 1983 to a special mandatory redemption provision of the Insured Mortgage Program Bonds 1980 Second Series which allowed for their sale despite pending adverse federal tax legislation.

The SAM Fund was established by direct appropriations from the State of Alaska of $105,000,000 in cash and $236,000,000 in mortgage loans. The appropriation of mortgage loans allows for their reversion to the State on July 1, 1983 should they not be pledged or otherwise secured to the payment of bonds of the Corporation.

Home Ownership Fund

Capitalized by appropriations from the State of Alaska in the amount of $2,500,000 in cash and $50,000,000 in mortgage loans, this fund provides mortgage assistance payments on behalf of certain eligible borrowers. The appropriation of mortgage loans requires their reversion to the State on July 1, 1983 should they not be pledged or otherwise secured to the payment of bonds of the Corporation.

State Appropriated Loan Fund

This fund accounts for amounts appropriated from the State of Alaska for the purpose of making mortgage loans of the type specified in the appropriation. This fund is distinguished from the Housing Development Fund in that repayment to the State is not required.

An appropriation by the 1980 Legislature of $6,500,000 enabling the Corporation to continue purchasing mortgages in rural areas of the State of Alaska represents total contributions received by the fund to date.

NOTE 2 ACCOUNTING POLICIES

Fund Accounting

The financial activities of the Corporation, which are restricted by the Corporation's Bond Resolutions, requirements from the Alaska State Legislature, Note Resolutions, and Housing Development Fund Agreements, are recorded in various specific purpose funds and accounts as specified in such instruments or necessitated by appropriation requirements. Financial activities and resulting account balances which are not so restricted are recorded in the Corporation Operating Fund. The Corporation's funds are considered to be enterprise funds for financial reporting purposes.

Investments

Investments purchased for long term purposes are carried at amortized cost. Investments of a short term nature are carried at the lower of amortized cost or market.

Mortgage Loans

Mortgage loans are carried at their unpaid principal balance less net unamortized discount or premium.

Provision for Loan Losses

Provision for loan losses is determined from specific evaluation of delinquencies and charged directly against operations in the period that the loss exposure becomes known.

Amortization and Depreciation

Mortgage discounts and premiums are amortized over the life of the related mortgages on a method which approximates yield.

Discount, premium and issuance expenses on debt are deferred and amortized, on a method which approximates yield, over the terms of the related issue.

Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets. Estimated useful lives are 5 to 20 years. Accumulated depreciation at November 30, 1980 and 1979 was approximately $26,000 and $11,000, respectively.

Accrual of Interest Receivable

Interest is accrued based upon the principal amount outstanding. However, interest is not accrued and no income is recognized on mortgages over four months in arrears or currently involved in foreclosure proceedings.

Commitment Fees

Commitment fees are received as blocks of funds are committed for specified periods of time to various lending institutions. These fees are deferred and recorded as income as individual loans are funded. Any fee relating to unfunded commitments is recorded as income on commitment expiration.

Allocation of Expenses Among Funds

The Corporation's administrative, operating, legal, accounting, and trustee fee expenses are accumulated in the Operating Fund. Expenses identifiable to a particular fund are directly charged while all other expenses are allocated based upon total assets of the fund. General operating expenses are not allocated, however, to the SAM Fund or Home Ownership fund due to their subsidy nature and source of capital.

NOTE 3 UNAMORTIZED DISCOUNT AND PREMIUM ON MORTGAGES

The net unamortized discount and premium on mortgages outstanding at November 30, 1980 is comprised of the following:

Fund	Mortgage Principal Balance	Net Unamortized Discount	Net
		(In thousands)	
Corporation Operating	$ 5,501		$ 5,501
Housing Mortgage Bond	95,578	$ 922	94,656
Insured Mortgage Bond	606,747	148	606,599
Insured Rural Mortgage Bond	4,938		4,938
Housing Development	3,844		3,844
State Assisted Mortgage	226,010		226,010
Home Ownership	38,862		38,862
	$981,480	$1,070	$980,410

NOTE 4 MORTGAGE LOAN TRANSFER FROM THE STATE OF ALASKA

The State of Alaska appropriated mortgage loans to the Corporation's SAM Fund and Home Ownership Fund in the amounts of $236,000,000 and $50,000,000, respectively. As of November 30, 1980 the accounting for the transfer of $4,846,332 mortgages to the SAM Fund and $9,101,148 of mortgages to the Home Ownership Fund had not been completed. The appropriation transferred the loans effective July 1, 1980. Accordingly, the Corporation has established accounts within the funds representing a receivable from the State of Alaska for mortgages to be transferred.

Mortgage loans appropriated from the State of Alaska to the Corporation's SAM Fund and Home Ownership Fund are required to be transferred back to the State on July 1, 1983 at their then unpaid principal balance if they have not been pledged or otherwise secured to the payment of bonds of the Corporation. Mortgage loans in the SAM Fund and Home Ownership Fund subject to such reversion had outstanding principal balances at November 30, 1980 and 1979 of $226,010,393 and $38,861,555 respectively.

NOTE 5 BONDS AND NOTES PAYABLE

The Corporation's obligations are not a debt of the State of Alaska and the State is not directly liable thereon. Obligations outstanding at November 30, 1980 and 1979 are as follows:

	Original Amount	Bonds Outstanding November 30, 1980	November 30, 1979
		(In thousands)	
Housing Mortgage Program:			
1972 Series A, 5.4% to 5.8% due 1980-2002	$ 13,500	$ 12,125	$ 12,375
1973 Series A, 5.5% to 6% due 1980-2002	13,000	11,765	12,010
1973 Series B, 5.8% to 7% due 1980-2003	36,000	33,215	33,805
1975 Series A, 7% to 8.75% due 1980-2005	35,000	33,455	33,890
1975 Series B, 6.5% to 7.75% due 1980-2005	12,000	11,460	11,610
Total Housing Mortgage Bonds at Par	109,500	102,020	103,690
Unamortized discount		(279)	(296)
Net Housing Mortgage Bonds		101,741	103,394
Insured Mortgage Program:			
1975 First Series, 7.9% to 9% due 1980-2005	5,000	4,850	4,895
1976 First Series, 6.5% to 8% due 1980-2006	20,000	19,465	19,660
1976 Second Series, 5.4% to 8% due 1980-2006	25,000	24,360	24,585
1977 First Series, 5.35% to 6.625% due 1980-2007	35,000	34,065	34,550
1977 Second Series, 5.20% to 6.50% due 1980-2007	48,000	46,770	47,405
1977 Third Series, 4.85% to 6.50% due 1980-2007	40,000	39,000	39,550
1978 First Series, 4.90% to 6.375% due 1980-2007	47,225	46,575	47,125
1978 Second Series, 5.25% to 7.5% due 1980-2008	55,000	54,350	55,000
1978 Third Series, 5.5 % to 7.125% due 1980-2008	44,000	44,000	44,000
1979 First Series, 5.6% to 7.3% due 1980-2008	60,000	60,000	60,000
1979 Second Series, 5.3% to 7.125% due 1980-2009	105,000	105,000	105,000
1980 First Series, 6.75% to 8.75% due 1981-2009	39,400	39,400	
1980 Second Series, 5.25% to 9.20% due 1981-2010	230,000	230,000	
Total Insured Mortgage Bonds at Par	753,625	747,835	481,770
Unamortized discount		(14,509)	(8,473)
Net Insured Mortgage Bonds		733,326	473,297
Insured Rural Mortgage Program:			
1979 First Series, 7.5% due 1980-2009, issued without discount to the State of Alaska	5,600	5,600	5,600
Total Bonds Outstanding	$868,725	$840,667	$582,291

The following sources are available and pledged for the payment of Housing Mortgage Bond principal and interest: (1) the proceeds derived from the sale of such bonds, (2) the repayments from all mortgage loans financed under the program net of service fees and operating expenses of the Corporation, (3) all monies and securities of the Reserve Fund held by the Trustee ($5,391,000 and $3,742,000 at November 30, 1980 and 1979, respectively), and (4) a Special Pledged Fund (approximately $17,690,000 and $19,581,000 at November 30, 1980 and 1979 respectively) consisting of first mortgage loans, permitted investments and cash held by the Commissioner of Revenue of the State of Alaska. The latter fund is not reflected in the accompanying financial statements.

The following sources are available and pledged for the payment of Insured Mortgage Bond principal and interest: (1) the repayments from all mortgage loans financed under the program net of service fees and operating expenses of the Corporation and (2) all monies and securities of the Capital Reserve Fund held by the Trustee amounting to $75,349,000 and $48,419,000 of principally U.S. Government obligations at November 30, 1980 and 1979, respectively. These investments are long term and are intended to be held to maturity and, therefore, will be fully realized (market value at November 30, 1980 approximates $59,300,000). This latter fund is required to be maintained at an amount equal to 10% of the outstanding balance of Insured Mortgage Bonds. Additionally, all assets of the State Assisted Mortgage Fund are pledged as a source of funding for the Corporation's special mandatory redemption obligation in the event that interest on the 1980 Second Series Bonds becomes taxable pursuant to legislation passed by the 97th Congress.

The following sources are available and pledged for the payment of Insured Rural Mortgage Bond principal and interest: (1) the repayment from all mortgage loans financed under the program net of service fees and operating expenses of the Corporation, (2) all monies and securities of the Rural Capital Reserve Fund held by the Trustee amounting to $567,000 and $562,000 of principally U.S. Government obligations at November 30, 1980 and 1979, respectively. These investments are long term and are intended to be held to maturity and, therefore, will be fully realized (market value at November 30, 1980 approximates $485,000). The Rural Capital Reserve Fund is required to be maintained at an amount equal to 10% of the outstanding balance of Insured Rural Mortgage Bonds.

The principal payments related to all bond indebtedness for the periods indicated are as follows:

	Insured Mortgage Program	Insured Rural Mortgage Program	Housing Mortgage Program	Total
		(In thousands)		
Seven months ending June 30, 1981	$ 5,900	$25	$ 1,790	$ 7,715
Year ending June 30, 1982	8,670	50	1,925	10,645
Year ending June 30, 1983	9,210	55	2,060	11,325
Year ending June 30, 1984	9,840	60	2,210	12,110
Year ending June 30, 1985	10,370	65	2,360	12,795

The bonds are subject to certain early redemption provisions at the option of the Corporation.

NOTE 6 NOTES PAYABLE TO THE STATE OF ALASKA

As part of the Corporation's Housing Development Fund programs, it entered into agreements with the State of Alaska (the "State") and Alaska State Housing Authority ("ASHA"), whereby the Corporation borrowed $4,420,000 from the State for a term of 37 years at an annual interest rate of 3.47% and, concurrently, these funds were loaned to ASHA for a term of 37 years at a rate of 3.47% under the terms of a deed of trust note secured by an apartment building located in Juneau, Alaska.

The terms of the note payable to the State and the deed of trust note receivable from ASHA are identical and require annual payments of $240,932 each March 1, through 2008. The remaining unpaid principal and interest is due and payable March 1, 2009, the outstanding balance of the note payable and the related receivable from ASHA is $4,242,000 and $4,332,000 at November 30, 1980 and 1979, respectively.

Additionally, under the Housing Development Fund the Corporation has notes payable to the State of Alaska with balances outstanding as follows:

	Notes Outstanding	
	November 30, 1980	November 30, 1979
	(In thousands)	
Housing Development Fund Notes, 6%	$2,610	$2,731
Housing Development Fund Notes, 8.5%	1,370	385
Housing Development Fund Note, 9.5%	3,722	
	$7,702	$3,116

Principal reductions are required on these notes in an amount equal to the principal portion of the payments on the mortgage loans assigned as security for the notes.

The 6% Housing Development Fund Notes mature November 1, 2014 and are renewable at the option of the Commissioner of Revenue of the State of Alaska.

The proceeds of the 8.5% Housing Development Fund Notes are paid to the Corporation as required to purchase qualifying mortgage loans. At November 30, 1980, approximately $1,226,000 of note proceeds remained to be drawn by the Corporation.

The 9.5% Housing Development Fund Note is paid to the Corporation as required to purchase qualifying mobile home loans. At November 30, 1980, approximately $6,276,000 of note proceeds remained to be drawn by the Corporation.

Under the Insured Mortgage Bond Program, the Corporation is required to maintain a Capital Reserve Fund equal to 10% of the outstanding balance of Insured Mortgage Bonds. In order to fulfill a portion of the requirement, the Corporation borrowed $12,800,000 from the State with outstanding balances as follows:

Balances at November 30, 1980:	
1975 First Series	$ 485,000
1977 First Series	3,406,500
1977 Second Series	4,677,000
1977 Third Series	3,900,000
Total	$12,468,500

The interest rate on the loans is equal to earnings on the proceeds of such loans deposited in the Capital Reserve fund with principal reductions pro-rata to those required for the Insured Mortgage Bonds relating to such loans. Principal payments required on the above notes are as follows:

Seven months ending June 30, 1981	$ 184,000
Year ending June 30, 1982	197,000
Year ending June 30, 1983	208,500
Year ending June 30, 1984	225,000
Year ending June 30, 1985	240,000
	1,054,500
Thereafter	11,414,000
	$12,468,500

NOTE 7 CONTRIBUTED CAPITAL

Contributions to capital during the year ended November 30, 1980 were as follows:

	Insured Mortgage Bond Fund	State Assisted Mortgage Fund	Home Ownership Fund	State Appropriated Loan Fund	Combined
			(In thousands)		
Contributions from the State of Alaska		$341,000	$52,500	$6,500	$400,000
Transfer representing State loan subsidy	$6,155	(6,155)			
Balance - November 30, 1980	$6,155	$334,845	$52,500	$6,500	$400,000

NOTE 8 INSURANCE FUNDS

In connection with the establishment of the Insured Mortgage and Insured Rural Mortgage Programs described in Note 1, insurance funds of the State of Alaska have been created for the exclusive purpose of insuring the acquired mortgages and the Corporation's interest in the related property. These are special funds of the State with certain rights, duties, powers, responsibilities and obligations being delegated to the Corporation pursuant to the various insurance agreements with the State. These funds are not included in the Corporation's financial statements, except for the capital investment in the State Mortgage Insurance Fund.

None of the Insurance Funds have recorded any provision for loan losses since no losses have presently been experienced and an inadequate history exists within the State to form a credible basis for future loss projections. However, it is the opinion of management of the Corporation that such losses, if any, will be minimal in view of the traditional economic strength of the Alaska housing market and the loan-to-value criteria described in the following paragraphs which must be met by eligible loans in the Insured Mortgage and Insured Rural Mortgage Programs.

State Mortgage Insurance Fund - Insured Mortgage Program Account

This account provides insurance against losses suffered by the Corporation on obligations acquired under the Insured Mortgage Program. Mortgage Loans which may be insured by the account must either have a loan-to-value ratio which does not exceed 80% or be the subject of insurance or guarantee by the Federal Housing Administration, Veterans Administration or other federal agency or by private mortgage insurance to the extent that such ratio is greater than 80%. The capital of the account is required to be maintained at an amount equal to the greater of 2% of the unpaid principal amount of all acquired mortgages or a percentage which the Corporation and the State agree is actuarially sound for operation of the account. The initial capital requirements associated with 1975 through 1977 First Series Bonds were partially funded by contributions from the Corporation Operating Fund. The Corporation considered these initial contributions of $600,000 to be permanent costs of initiating the program and charged such amounts against operations; subsequent contributions of $1,000,000 have been capitalized since the ongoing nature of the program is expected to produce a probable likelihood of return. Such return is, however, limited to amounts in excess of the capital requirement described previously and contingent upon that requirement having been continuously met for two consecutive fiscal years preceding the withdrawal.

The account is held in trust by a commercial lending institution pursuant to a custody agreement entered into by the State of Alaska and administered by the management of the Corporation. Generally, the account's activities through November 30, 1980 have been limited to receipt of capital contributions, premiums and interest on investments. A premium charge to the mortgagor, equal to 1/2% of the principal amount of each conventional mortgage loan financed under the program, was discontinued January 24, 1977.

State Mortgage Insurance Fund - Insured Rural Mortgage Program Account

The State of Alaska has made contributions totalling $825,000 establishing an Insured Rural Mortgage Program Account within the State Mortgage Insurance Fund. The capital of the account is required to be maintained at an amount equal to 2% of the unpaid principal amount of all acquired mortgages or a percentage which the Corporation and the State agree is actuarially sound for operation of the Fund. The Commissioner of Revenue for the State of Alaska holds this account at November 30, 1980.

State Mortgage Insurance Fund - Summary Financial Statements

A summary of the Fund's financial statements for the years ending November 30, 1980, and 1979 follows:

	November 30, 1980		November 30, 1979
	Insured Rural Mortgage Program Account	Insured Mortgage Program Account	Insured Mortgage Program Account
Assets:			
Cash, short term investments and accrued interest	$825,000	$15,925,396	$10,049,778
Liabilities:			
Deferred premiums		114,133	139,068
Capital:			
Contributions from—			
State of Alaska	825,000	11,805,000	7,125,000
Alaska Housing Finance Corporation		1,600,000	1,600,000
Retained earnings		2,406,263	1,185,710
	$825,000	$15,925,396	$10,049,778
Revenues:			
Interest on investments		$1,195,863	$ 691,912
Earned premiums		24,935	24,935
		1,220,798	716,847
Expenses		245	154
Net Income	$ -0-	$1,220,553	$ 716,693

Rural Housing Title and Hazard Insurance Funds - Insured Rural Mortgage Program

These funds provide the necessary title and hazard insurance to protect the Corporation's interest in the property securing obligations acquired under the Insured Rural Mortgage Program when such insurance is not available from private companies on reasonable terms. The funds are required to be maintained in an amount not less than 25% of the principal amount of the acquired obligations for which such insurance is provided. The State of Alaska has made contributions of $250,000 to the Rural Housing Hazard Insurance Fund and $380,000 to the Rural Housing Title Insurance Fund. These contributions were held by the State of Alaska, Department of Revenue at November 30, 1980 and are expected to be transferred to a trust account to be established by the Corporation. Upon transfer to the trust account, the contributions will be recorded as contributed capital from the State of Alaska in the Insured Rural Mortgage Bond Fund.

NOTE 9 FISCAL YEAR CHANGE

The Corporation has adopted a short seven month reporting period from December 1, 1980 through June 30, 1981 with fiscal years ending June 30, beginning in 1982 and each year thereafter. This change from a November 30 fiscal year end was made to provide a fiscal reporting period for the Corporation consistent with that of the State of Alaska.

NOTE 10 COMMITMENTS

At November 30, 1980 the Corporation had outstanding commitments to purchase first mortgage loans of approximately $101,304,000.

The Corporation leases its office facilities and certain equipment for periods expiring between January, 1981 and May, 1985 with aggregate annual rental payments as set forth below:

Seven months ending June 30, 1981	**$ 93,216**
Year ending June 30, 1982	**235,817**
Year ending June 30, 1983	**235,817**
Year ending June 30, 1984	**235,817**
Year ending June 30, 1985	**235,817**

NOTE 11 EVENTS SUBSEQUENT TO NOVEMBER 30, 1980

Additional Financings

During December, 1980 the Corporation issued $230,000,000, 1980 Third Series, Insured Mortgage Bonds. In anticipation of this bond issuance, the Corporation received a $2,300,000 good faith deposit from the bond underwriter during November, 1980. This deposit is reflected in the accounts of the Insured Mortgage Bond Fund at November 30, 1980. The 1980 Third Series Bonds are subject to special mandatory redemption at 100% plus accrued interest following the enactment of any federal legislation by the 97th Congress of the United States which subjects interest on the Bonds to federal income tax. Funds for any required special redemption are anticipated to be available from liquidation of the 1980 Third Series portfolio and the assets of the State Assisted Mortgage Fund. The 1980 Third Series Bonds will not be redeemed in the event legislation retroactively subjecting the interest on the 1980 Third Series Bonds to federal income tax passes the 98th Congress or a subsequent Congress.

The Corporation issued $4,400,000 1980 First Series Insured Rural Mortgage Bonds during December, 1980 with the State of Alaska purchasing the entire issue.

COMBINING BALANCE SHEET

November 30, 1980

	Corporation Operating Fund	Housing Mortgage Bond Fund	Insured Mortgage Bond Fund	Insured Rural Mortgage Bond Fund	Housing Development Fund	State Assisted Mortgage Fund	Home Ownership Fund	State Appropriated Loan Fund	Combined
				(In thousands)					
ASSETS									
Cash—									
Demand deposits	$ 23	$ 112	$ 425	$ 2	$ 3	$ 235	$ 97		$ 897
Savings accounts	594				95				689
Held in trust			2	6			1		9
	617	112	427	8	98	235	98		1,595
Investments—									
Certificates of deposit	2,099	3,363	54,819	25	200	52,354		$6,500	119,360
U S Treasury obligations		155	77,771	734		16,054			94,714
Bank repurchase agreements	976	14,316	51,518	242	39	43,062	5,174		115,327
	3,075	17,834	184,108	1,001	239	111,470	5,174	6,500	329,401
First mortgage loans, net of discounts	5,501	94,656	606,599	4,938	3,844	226,010	38,862		980,410
Mortgage loans to be received						4,846	9,101		13,947
Mobile home loans	1,379				3,719				5,098
Deed of trust note receivable from Alaska State Housing Authority					4,242				4,242
Accrued interest receivable	99	868	6,879	48	174	4,269	413	11	12,761
Bond issuance costs, net of amortization		311	1,055	12					1,378
Capital investment in State Mortgage Insurance Fund	1,000								1,000
Office equipment and improvements, net	107								107
Other receivables	392	67	256	1	2	142	58		918
Total Assets	$12,170	$113,848	$799,324	$6,008	$12,318	$346,972	$53,706	$6,511	$1,350,857
LIABILITIES AND FUND EQUITY									
Liabilities									
Bonds and notes payable, net of discounts —									
Mortgage bonds		$101,741	$733,326	$5,600					$ 840,667
Payable to the State of Alaska			12,469		$11,944				24,413
Deposits			2,300						2,300
Accrued interest payable		3,393	27,376	210	182				31,161
Deferred fee income	$ 919								919
Accrued expenses and other liabilities	162	91	462	16	19	$ 158	$ 28		936
Total Liabilities	1,081	105,225	775,933	5,826	12,145	158	28		900,396
Fund Equity									
Contributed Capital—									
Contributions from State of Alaska during the period						341,000	52,500	$6,500	400,000
Transfer representing State loan subsidy			6,155			(6,155)			
			6,155			334,845	52,500	6,500	400,000
Retained earnings, designated for purposes allowed within the respective funds	11,089	8,623	17,236	182	173	11,969	1,178	11	50,461
Total Fund Equity	11,089	8,623	23,391	182	173	346,814	53,678	6,511	450,461
Commitments									
Total Liabilities and Fund Equity	$12,170	$113,848	$799,324	$6,008	$12,318	$346,972	$53,706	$6,511	$1,350,857

See accompanying notes to financial statements

COMBINING STATEMENT OF REVENUES, EXPENSES AND RETAINED EARNINGS

	Year Ended November 30, 1980								
	Corporation Operating Fund	Housing Mortgage Bond Fund	Insured Mortgage Bond Fund	Insured Rural Mortgage Bond Fund	Housing Development Fund	State Assisted Mortgage Fund	Home Ownership Fund	State Appropriated Loan Fund	Combined
	(In thousands)								
Revenues									
Interest Income—									
Mortgages and Loans	$ 533	$8,180	$38,225	$143	$414	$ 8,442	$1,239		$57,176
Investments	291	1,262	16,453	469	28	4,002	33	$11	22,549
	824	9,442	54,678	612	442	12,444	1,272	11	79,725
Loan fees and other	1,378								1,378
Total revenues	2,202	9,442	54,678	612	442	12,444	1,272	11	81,103
Operating Expenses									
Interest on notes and bonds		6,823	43,529	420	387				51,159
Mortgage service fees	22	365	1,671	7	19	475	94		2,653
General and administrative expenses	888								888
Legal, accounting and trustee fees	490								490
Interfund operating charge (credit)	(1,354)	216	1,110	14	14				
Total operating expenses	46	7,404	46,310	441	420	475	94		55,190
Net income	2,156	2,038	8,368	171	22	11,969	1,178	11	25,913
Retained earnings, beginning of year	8,933	6,585	8,868	11	151				24,548
Retained earnings, end of year	$11,089	$8,623	17,236	$182	$173	$11,969	$1,178	$11	$50,461

See accompanying notes to financial statements.

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year Ended November 30, 1980								
	Corporation Operating Fund	Housing Mortgage Bond Fund	Insured Mortgage Bond Fund	Insured Rural Mortgage Bond Fund	Housing Development Fund	State Assisted Mortgage Fund	Home Ownership Fund	State Appropriated Loan Fund	Combined
	(In thousands)								
Sources of financial resources									
From operations—									
Net income	$2,156	$ 2,038	$ 8,368	$171	$ 22	$ 11,969	$ 1,178	$ 11	$ 25,913
Add (deduct) items not requiring (providing) cash									
Net amortization of discounts, premiums and bond issuance costs		(158)	597	1					440
Depreciation	16								16
(Increase) decrease in accrued interest receivable	206	83	(1,967)	(21)	(37)	(4,269)	(413)	(11)	(6,429)
Increase (decrease) in accrued interest payable		(59)	9,532	105	36				9,614
Net increase (decrease) in accrued expenses, prepaids and other receivables	(87)	(39)	(8)	2	16	16	(30)		(130)
Increase in deferred fee income	919								919
Financial resources provided by operations	3,210	1,865	16,522	258	37	7,716	735		30,343
Transfer of subsidy from (to) other funds			6,155			(6,155)			
Mortgages (purchased) sold to other funds			(156,981)			156,981			
Mortgage and loan principal repayments	3,730	9,975	24,519	86	132	5,144	2,037		45,623
Net proceeds from sale of insured mortgage bonds			264,669						264,669
Net proceeds from State of Alaska notes					4,712				4,712
Contribution of capital from the State of Alaska						341,000	52,500	6,500	400,000
Reduction in note receivable from Alaska State Housing Authority					90				90
Proceeds from disposition of office equipment and improvements net of gain or loss	6								6
	$6,946	$11,840	$154,884	$344	$4,971	$504,686	$55,272	$6,500	$745,443
Uses of financial resources									
Increase (decrease) in investments	$(3,561)	$ 6,246	$ 68,198	$(4,683)	$ 19	$111,470	$ 5,174	$6,500	$189,363
Acquisition of mortgages and loans	10,086	3,827	82,808	5,024	4,678	392,981	50,000		549,404
Payment of housing mortgage and insured mortgage bonds		1,670	3,335						5,005
Payment of State of Alaska notes			171		216				387
Purchase of office equipment and improvements	104								104
Increase in cash	317	97	372	3	58	235	98		1,180
	$6,946	$11,840	$154,884	$344	$4,971	$504,686	$55,272	$6,500	$745,443

See accompanying notes to financial statements

COMBINING BALANCE SHEET

	November 30, 1979					
	Corporation Operating Fund	Housing Mortgage Bond Fund	Insured Mortgage Bond Fund	Insured Rural Mortgage Bond Fund	Housing Development Fund	Combined
	(In thousands)					
ASSETS						
Cash—						
Demand deposits	$ 35	$ 15	$ 43			$ 93
Savings accounts	265				$ 40	305
Held in trust			12	$ 5		17
	300	15	55	5	40	415
Investments—						
Certificates of deposit	6,634	10,701	76,076		200	93,611
U.S. Treasury obligations			35,501	644		36,145
Bank repurchase agreements	2	887	4,333	5,040	20	10,282
	6,636	11,588	115,910	5,684	220	140,038
First mortgage loans, net of discounts	388	100,608	391,300		2,985	495,281
Home improvement loans	136				32	168
Deed of trust note receivable from Alaska State Housing Authority					4,332	4,332
Accrued interest receivable	305	951	4,912	27	137	6,332
Bond issuance costs, net of amortization		332	686	13		1,031
Capital investment in State Mortgage Insurance Fund	1,000					1,000
Office equipment and improvements, net	25					25
Other receivables	287					287
Total Assets	$9,077	$113,494	$512,863	$5,729	$7,746	$648,909
LIABILITIES AND FUND EQUITY						
Liabilities						
Bonds and notes payable, net of discounts—						
Mortgage bonds		$103,394	$473,297	$5,600		$582,291
Payable to the State of Alaska			12,640		$7,448	20,088
Accrued interest payable		3,452	17,844	105	146	21,547
Accrued expenses and other liabilities	$ 144	63	14	13	1	435
Total Liabilities	144	106,909	503,995	5,718	7,595	624,361
Fund Equity						
Retained earnings, designated for purposes allowed within the respective funds	8,933	6,585	8,868	11	151	24,548
Commitments						
Total Liabilities and Fund Equity	$9,077	$113,494	$512,863	$5,729	$7,746	$648,909

See accompanying notes to financial statements

COMBINING STATEMENT OF REVENUES, EXPENSES AND RETAINED EARNINGS

	Year Ended November 30, 1979						
	Corporation Operating Fund	Mortgage Program Note Fund	Housing Mortgage Bond Fund	Insured Mortgage Bond Fund	Insured Rural Mortgage Bond Fund	Housing Development Fund	Combined
	(In thousands)						
Revenues							
Interest Income—							
Mortgages	$ 24	$264	$8,376	$24,528		$348	$33,540
Investments	621	439	799	11,420	$27	23	13,329
	645	703	9,175	35 948	27	371	46,869
Loan fees and other	1,031						1,031
Total revenues	1,676	703	9,175	35,948	27	371	47,900
Operating Expenses							
Interest on notes and bonds		333	6,944	28,032	16	329	35,654
Mortgage service fees	1	12	375	1,100		7	1,495
General and administrative expenses	661						661
Legal, accounting and trustee fees	362						362
Loan losses	57		20			20	97
Interfund operating charge (credit)	(897)		224	673			
Total operating expenses	184	345	7,563	29,805	16	356	38,269
Net Income	1,492	358	1,612	6,143	11	15	9,631
Retained earnings, beginning of year	6,501	582	4,971	2,725		136	14,917
Transfer of net assets applicable to matured bond anticipation notes to the Corporation Operating Fund	940	(940)					
Retained earnings, end of year	$8,933	$ 0	$6,585	$8,868	$11	$151	$24,548

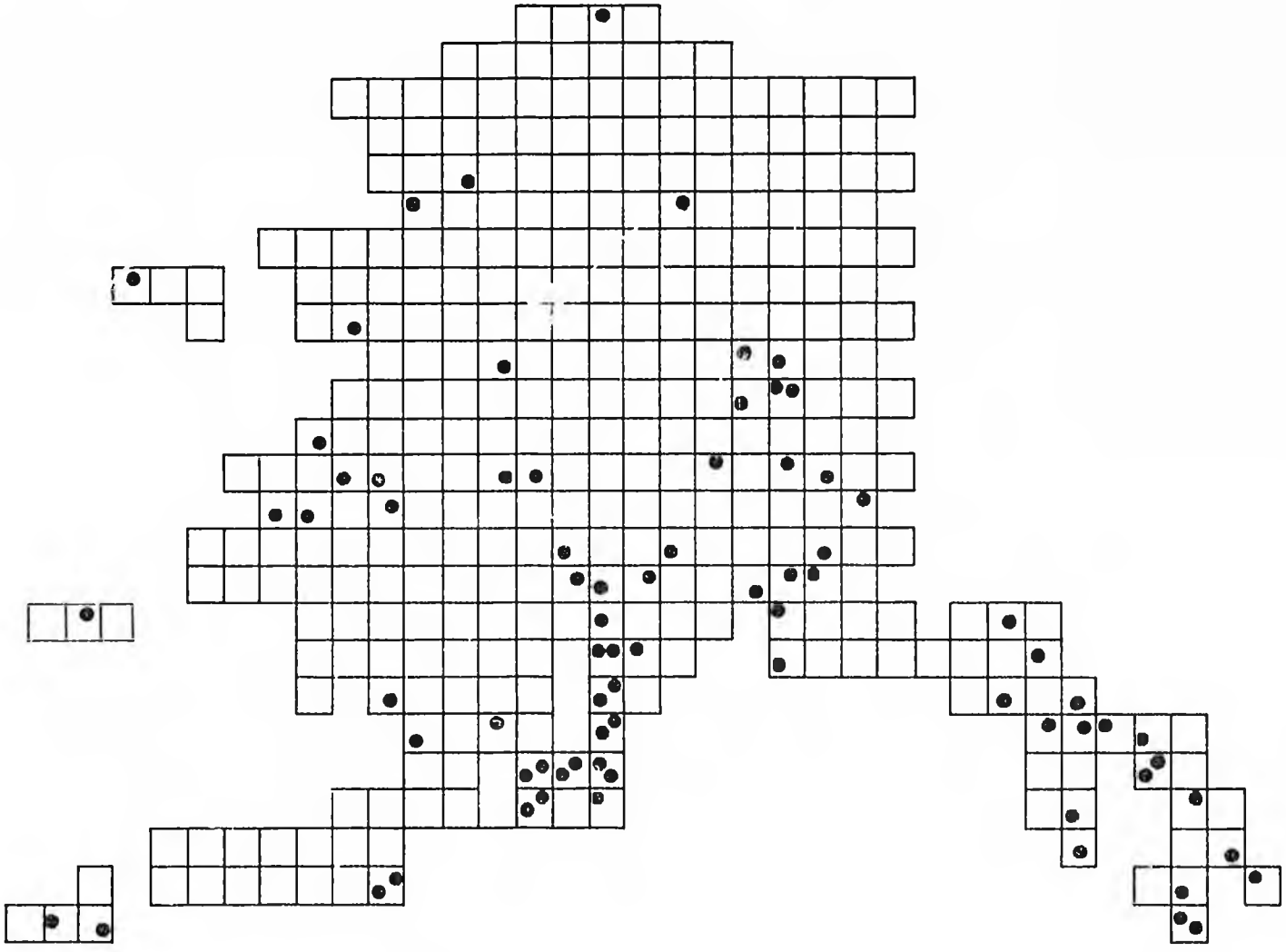
See accompanying notes to financial statements

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year Ended November 30, 1979						
	Corporation Operating Fund	Mortgage Program Note Fund	Housing Mortgage Bond Fund	Insured Mortgage Bond Fund	Insured Rural Mortgage Bond Fund	Housing Development Fund	Combined
	(In thousands)						
Sources of financial resources							
From operations—							
Net income	$1,[illegible]92	$ 358	$ 1,612	$ 6,143	$ 11	$ 15	$ 9,631
Add (deduct) items not requiring (providing) cash							
Net amortization of discounts, premiums and bond issuance costs			(210)	360			150
Depreciation	2						2
(Increase) decrease in accrued interest receivable	(164)	131	(76)	(2,569)	(27)	(91)	(2,796)
Increase (decrease) in accrued interest payable		(817)	(58)	7,218	105	89	6,537
Net increase (decrease) in accrued expenses, prepaids and other receivables	(261)	(2)	28	139	13		(83)
Loan losses	57		20			20	97
Financial resources provided (used) by operations	1,126	(330)	1,316	11,291	102	33	13,538
Transfer from (to) other funds	940	(940)					
Mortgages (purchased) sold to other funds		21,035	(2,857)	(18,178)			
Mortgage principal repayments	13	17	11,193	18,412		63	29,698
Net proceeds from sale of bonds				204,070	5,587		209,657
Net proceeds from State of Alaska notes						905	905
	$2,079	$19,782	$9,652	$215,595	$5,689	$1,001	$253,798
Uses of financial resources							
State Mortgage Insurance Fund	$ 15						$ 15
Increase (decrease) in investments	1,553	$(20,311)	$ 685	$ 47,283	$5,684	$ 15	34,909
Purchase of first mortgage loans	389	15,094	7,445	166,178		384	189,490
Net increase in note receivable from Alaska State Housing Authority						432	432
Payment of housing mortgage and insured mortgage bonds			1,550	2,030			3,580
Payment of bond anticipation notes		25,000					25,000
Payment of State of Alaska notes				154		147	301
Office equipment and improvements	1						1
Increase (decrease) in cash	121	(1)	(28)	(50)	5	23	70
	$2,079	$19,782	$9,652	$215,595	$5,689	$1,001	$253,798

See accompanying notes to financial statements

COMMUNITIES CURRENTLY SERVED BY AHFC



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Talkeetna
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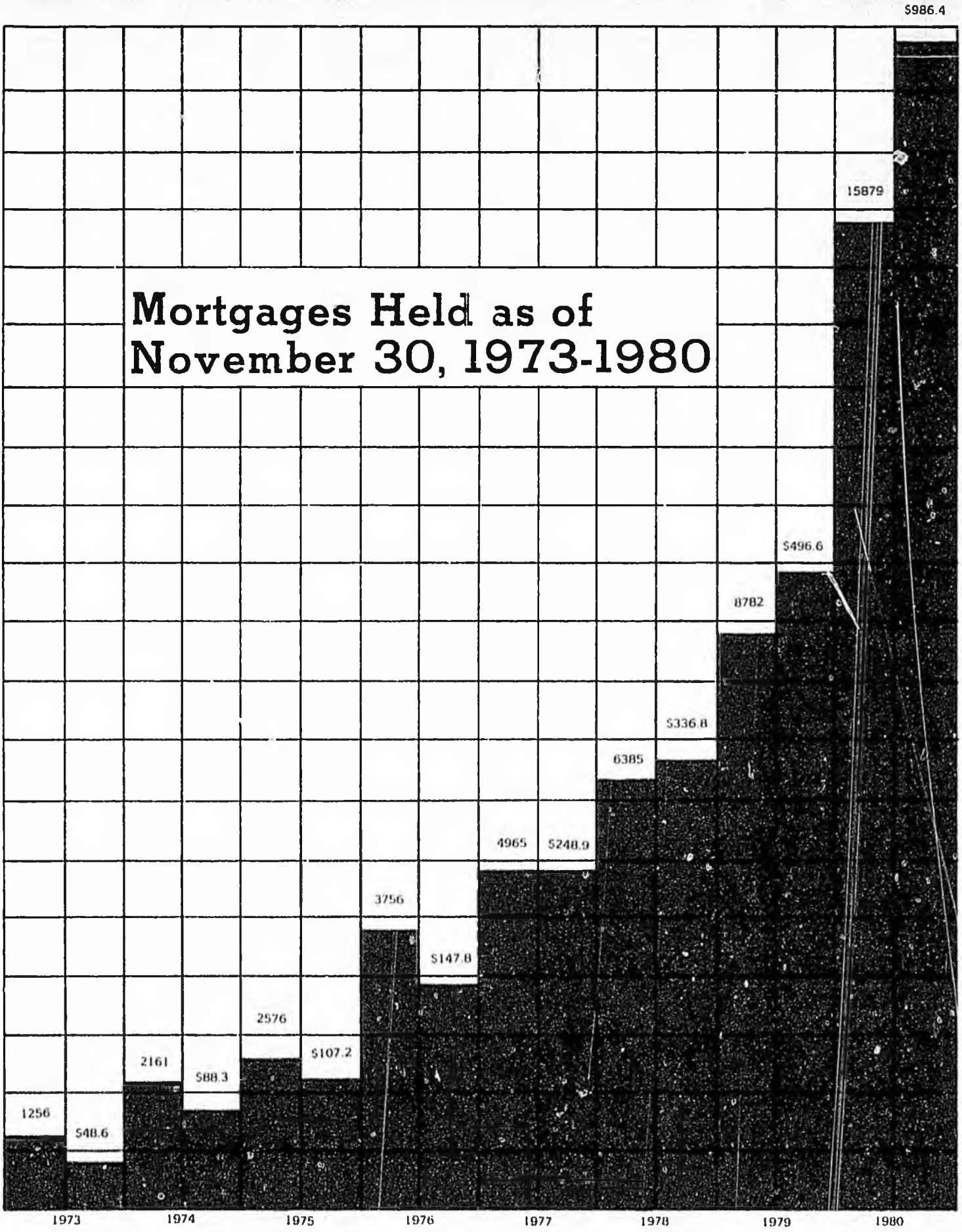

Showing number of loans and value of loans in millions of dollars

CROSSROADS

The close of the decade of the '70's represents the end of an era for Alaska Housing Finance Corporation. The Corporation was initially formed to assist low to moderate income Alaskans in home ownership through the purchase of mortgage loans originated by private lending institutions, with funding for this purpose coming from the sale of tax-exempt bonds. Over the years, AHFC has responded to the changing social and economic realities of Alaska by establishing additional programs to better respond to its legislative precepts. Typical of this is the Corporation's current close relationship with the Regional Housing Authorities in order to more directly serve the rural communities of the State.

The future funding of AHFC programs is no longer entirely possible through tax-exempt bonding, and the future market viability of taxable bonds is unknown. At this point, the State of Alaska has been brought into a partnership with AHFC to augment bond sales as a source of funding for the Corporation's programs. Although AHFC may continue to serve Alaskans within the limitations imposed by recent Federal legislation in conjunction with the current State assisted funding, such an approach would severely curtail the major portion of the Corporation's present and projected programs. It is against this backdrop that the future role of the State of Alaska in the housing industry must be examined, and the difficult questions asked and answered.

Although a general economic upturn is foreseen for the early 1980's, should the State of Alaska, through the Legislature, continue to fund the stabilization as it did in the last half of 1980, or leave the housing industry to drift in the hope for improved economic conditions? Can Alaska afford to subsidize this portion of the needs of its residents, or can Alaska afford not to leave behind the boom or bust economy which has plagued the State for decades? These are foremost among the questions which must be addressed by the Corporation, the Legislature and, indeed, all Alaskans as we confront the challenges and choices of the coming decade.

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Alaska Federal Savings & Loan Assoc.
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Alaska National Bank Of The North
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Alaska School Employees Federal Credit Union
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Anchorage, Alaska 99503

Alaska Statebank
310 E. Northern Lights Blvd.
Anchorage, Alaska 99503

Alaska Teamsters Federal Credit Union
1200 Airport Hts., Suite 430
Anchorage, Alaska 99504

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777 Juneau Street
Anchorage, Alaska 99501

AMFAC Mortgage Corp.
401 E. Northern Lights Blvd.
Suite 212
Anchorage, Alaska 99503

Arctic First Federal Savings & Loan
P.O. Box 709
Fairbanks, Alaska 99707

First Alaskan Mortgage & Escrow
207 E. Northern Lights
Suite 120
Anchorage, Alaska 99503

First Federal Savings & Loan
P.O. Box 4-2200
Anchorage, Alaska 99509

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Anchorage, Alaska 99510

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P.O. Box 73758
Fairbanks, Alaska 99701

First National Bank of Ketchikan
P.O. Box 5100
Ketchikan, Alaska 99901

Home Federal Savings & Loan
Pouch 7008
Anchorage, Alaska 99510

Lomas & Nettleton
4449 Business Park Blvd.
Anchorage, Alaska 99503

Mt. McKinley Mutual Savings Bank
P.O. Box 73880
Fairbanks, Alaska 99701

National Bank of Alaska
Pouch 7-025
Anchorage, Alaska 99510

Peninsual Savings & Loan Association
Pouch 1000
Soldotna, Alaska 99669

Peoples Bank & Trust
Pouch 7007
Anchorage, Alaska 99510

Rainier Mortgage Co.
P.O. Box 1200
Anchorage, Alaska 99510

Security National Bank
Pouch 7-777
Anchorage, Alaska 99510

Security Pacific Mortgage
Denali Tower Building
2550 Denali St., Suite 1515
Anchorage, Alaska 99503

Spokane Mortgage
3201 "C" St., Suite 250
Anchorage, Alaska 99503

The BM Behrends Bank
P.O. Box 1367
Juneau, Alaska 99802

United Bank Alaska
Pouch 7-059
Anchorage, Alaska 99510

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Kidder, Peadody & Co.
Incorporated

Independent Certified Public Accountants

Price Waterhouse & Co./Anchorage

Bond Counsel

Wohlforth & Flint/Anchorage

Trustee

Bank of America NTSA/San Francisco

ALASKA HOUSING FINANCE CORPORATION
235 East 8th Avenue, Anchorage, Alaska
P.O. Box 1020, Anchorage, Alaska 99510

Northern Printing
Anchorage

ALASKA SENIOR CITIZEN HOUSING DEVELOPMENT FUND



STATE OF ALASKA
DEPARTMENT OF COMMUNITY
AND REGIONAL AFFAIRS
DIVISION OF COMMUNITY PLANNING

225 Cordova, Building B
Anchorage, Alaska 99501

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 9981

The Department of Community and Regional Affairs is pleased to provide you with this Program Description of the Alaska Senior Citizen Housing Development Fund.

Generated from a need recognized by the Alaska Legislature and funded through the sale of general obligation bonds, the program is designed to assist communities with the development of decent, safe, and sanitary housing for senior citizens.

This Program Description booklet represents the concept of a Senior Citizen Housing Development Program as planned, monitored, and analyzed with respect to identified needs and adherence to legislative intent. The Department encourages your review of this document and will provide additional information of the program as requested.

Sincerely,

Lee McAnerney

Lee McAnerney
Commissioner

SENIOR CITIZENS HOUSING DEVELOPMENT PROGRAM

PROGRAM DESCRIPTION

STATE OF ALASKA
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
DIVISION OF COMMUNITY PLANNING

225 Cordova Street, Building B
Anchorage, Alaska 99501
(907) 279-8636

TABLE OF CONTENTS

1. Introduction

2. Purpose of the Senior Citizens Housing Development Program

3. Background of the Program

   A. Legislation and General Obligation Bonds

   B. Actions of the Department of Community and Regional Affairs

   C. Local Self Determination

4. Program Strategies

   A. Facilitating Grants/Loans

   B. Seed Money Grants/Loans

5. Steps in the Proposal/Funding Process

Appendixes

   A. AS 18.100 (As Amended)

   B. AS 35.10.060-35.10.200

   C. 19 AAC 85.010-19 AAC 85.130

1. INTRODUCTION

There are presently at least four major personal factors common to the elderly that individually or collectively, either directly or indirectly, affect the development of suitable housing for the senior citizen residents of Alaska. These basic factors are

limited income and assets;
physical capacity;
limited mobility; and
loss of social outlets.

Other non-personal factors influencing a community's capability to provide housing for the elderly are: (1) adequacy of available housing to meet the needs of the elderly; and (2) shortage of any kind of housing on a community wide basis.

Taken together, these factors combine to form the principal problem confronting the low to moderate income elderly household, "affordability of suitable housing."

The Senior Citizens Housing Development Program has been created by the Legislature and people of Alaska to overcome this specific problem.

PURPOSE OF THE SENIOR CITIZENS HOUSING DEVELOPMENT PROGRAM

The purpose of the Senior Citizens Housing Development Program is to assist communities with funding to provide decent, safe, and sanitary housing, available at low or moderate costs, for its senior citizens.

The State of Alaska has made funds available through this program for senior citizen housing from the sale of general obligation bonds. Grants or loans may be made to municipalities and eligible public and non-profit corporations for the development of new senior citizen housing or for rehabilitation of existing senior citizen housing in need of modernization, weatherization, or repair.

The Senior Citizens Housing Development Fund (Fund) is intended to be used to construct or rehabilitate dwellings for persons sixty (60) years of age or older, who are capable of independent and unassisted living. In the case of families, only one of the family members need be sixty years of age or older to qualify for funding from this housing program.

3. BACKGROUND OF THE PROGRAM

A. Legislation and General Obligation Bonds

The Alaska Legislature addressed the problem of inadequate housing for senior citizens by adopting legislation which established a program to improve housing for the elderly. This program, Senior Citizens Housing Development Program, is administered by the Department of Community and Regional Affairs.

Chapter 100 of Title 18 begins with the following: "Declaration of purposes. There exists within the state a serious shortage of decent, safe and sanitary residential housing available at low or moderate prices or rentals to persons of lower and moderate income. There also exists in the state organizations whose purposes are to provide the kinds of housing needed to alleviate this shortage. Development work to provide such housing involves substantial expense which is often beyond the resources of the organizations. (10 ch 151 SLA 1975)"

The program was inactive until the 1976 Legislature amended Title 18 by adopting legislation

establishing a new State loan and grant program to improve housing for senior citizens and authorizing a $7.5 million bond referendum to fund the program (Chapters 238 - 239, SLA 1976). The bond proposition was approved at the November 1976 general election. AS 18.100, as amended, is attached as Appendix A.

B. Actions of the Department of Community and Regional Affairs

The Department of Community and Regional Affairs (Department) was charged with the development of regulations to implement the legislation and the development of a system to administer the Fund. Accordingly, the Department contracted with an independent housing consultant to develop a study of alternative means of providing better housing for Alaska's senior citizens. The study provided information about strategies for combining State with federal and private funds to make the most effective use of State funds.

The financing options explored in the study were other State, federal, and private programs with financial resources that could be used in conjunction with the State bond funds. The possi-

bilities and limitations of each program were explored and described in terms of the following:

1. Extent of funds potentially available
2. Cost of money (interest) and potential effect on repayment by elderly persons
3. Administrative complexity of obtaining financing commitments and program administration
4. Constraints on program flexibility

A survey taken indicated preferences in housing to be as varied as the numerous communities which expressed an interest in the Program. The need for flexibility in using the contents of the Fund is underscored and supported by the study.

In addition to the consultant's study, a Senior Citizen Housing Advisory Committee was appointed by the Commissioner of the Department of Community and Regional Affairs to advise the Department in the development of administrative regulations for the Program. The committee, consisting of representatives from both urban and rural Alaska, developed the regulations, 19 AAC 85.010-19 AAC 85.130, which are attached as Appendix C.

The program regulations pertaining to the disbursement of public funds were developed after statewide hearings had been conducted and are structured so as to comply with the Administrative Procedures Act (AS 44.62).

The intent of the regulations is to provide flexibility in meeting a wide range of local preferences of the cities, housing authorities, and non-profit organizations which are eligible sponsors. Also, they provide a reasonable amount of accountability and control of funds to insure that public funds are utilized both efficiently and effectively.

Consultation with the Department of Law resulted in an Attorney General's opinion that, "Under the applicable law, no grants may be made from the proceeds of a bond issue other than to a municipality. AS 18.100.070(a). Additionally, no grant (or binding commitment to make a grant) may be made unless and until the provisions of subsections (b), (c), and (d) of AS 18.100.070 have been complied with...." These subsections contain the requirement to demonstrate the need for senior citizen housing, the feasibility of a proposed

project, and the adequacy of the management plan which demonstrates the ability of a proposed grant recipient to sustain the project from construction/ renovation through operation. Additionally, all projects are also to be administered in accordance with the public facilities procurement policies developed under the authority of AS 35.10.060-35.10.200 (Appendix B).

C. Local Self Determination

The Administration, the Legislature, and the Department are committed to the principal of local self determination in the Senior Citizens Housing Development Program. The intent of the enabling legislation is to encourage local capabilities and initiative in the development of solutions to local housing needs; whereas, the Department's intent is to rely on local initiative and organizational resources for the solution of local housing needs. The Department will assist, enable, and counsel, but it will not directly manage any senior citizen housing project.

The approach to senior citizen housing development embodied in the legislation is to directly engage the capabilities of local communities and other housing sponsors in the development and

management of senior citizen housing facilities, while keeping the direct involvement of State agencies in these projects to the minimum consistent with the law. In these matters, which are primarily local in character, a general philosophy of maximum local self determination and self management seems most appropriate.

To insure that local initiative and organizational resources are used to the maximum degree, the administrative overhead for the Senior Citizens Housing Development Program has been funded at a low level with minimum staff.

4. PROGRAM STRATEGIES

The Department recognized the existence of a statewide need well in excess of the Fund's capability to provide housing for the elderly. There is an urgent need for such housing, in many forms, throughout Alaska, including locations in many of the smaller rural communities. Economic studies by the U.S. Department of Housing and Urban Development have indicated that this need is in excess of one thousand residential units.

The need for elderly housing is so widespread and obvious that spending the contents of the Senior Citizens

Housing Development Fund on extensive documentation of this so highly visible problem would not prove productive. The Department has also taken the position that devoting resources to developing allocation plans based on geography, population, type of sponsor, or any other classification would be administratively burdensome, and would detract from the philosophy of maximum local self determination. It was also perceived that allocation plans could create artificial barriers to information flow, resulting in considerable delay in the award of grants or loans, and eventually, an adverse effect on the value of these funds because of inflation. To date the Department has been able to award grant funds to all municipal sponsors, with documented needs, who have provided proof of management capability without relying on extensive outside documentation or any allocation plans.

The primary strategies which have enabled this to occur are based upon the premise that there are numerous untapped sources of development capital which can be used to meet senior citizen housing needs, when certain levels of community assets are made available. In the past, matching fund requirements, documentation development, site acquisition, or other barriers have existed as conditions of applying for these funds. Many of Alaska's

small cities have been unable to participate because of their limited available resources. For example: Although federal housing assistance programs allow development planning and design costs to be incorporated into the primary loan needed to fund the project; this does not benefit the small communities which lack the financial resources to hire development/design specialists to prepare the necessary documentation to acquire these federal funds, because those costs are only reimbursed after the fact from loan proceeds.

It is the objective of the State of Alaska to use its financial resources as a lever for extending the already existing federal, local, and private non-profit corporate funding sources to that segment of the elderly population that can not now gain access to them. The policy is that proceeds from special bond sales, such as the Senior Citizens Housing Bonds, shall be used to create an effective market arena where funds from the federal, State, local, and private sector mix in various formulas to provide the housing needed by the elderly.

The Senior Citizens Housing Development Program is designed to permit two types of grants or loans to qualifying sponsors to overcome the financial barrier

of project initiation and development costs. The two types of funding are

Facilitating Grants/Loans, and
Seed Money Grants/Loans.

Seed money funding does not preclude additional facilitating funding as part of the basic fund distribution or at some later date. These two types of funding are described in detail in the section which follows.

A. Facilitating Grants/Loans

A major obstacle to the construction, rehabilitation, and purchase of housing for the low and moderate income elderly is the inadequate supply of loan capital at reasonable costs (interest rates). In addition, most of the low interest federal home loan programs have funding units which will not meet the costs of providing even minimally adequate housing in the rural areas of Alaska. The gap between the levels of funding allowed and the cost of building adequate housing is beyond the resources of most sponsors of elderly housing programs.

Another problem confronting the community, which may have the initial funds necessary to meet the gap between federal funding levels and those needed to initiate construction of housing for the elderly, is cost acceleration during the construction and finishing phases of a project. Cost acceleration can push the total final cost beyond the limits of both the federal funding program and the ability of the individual community to absorb the additional costs. In each case the funds availability gap serves to block the provision of needed housing.

Numerous federal financing programs exist specifically for the development of elderly housing. Grants/loans can be provided from the Senior Citizens Housing Development Program when such funds are necessary to establish the feasibility of a project which will be principally funded from other sources.

In summary, facilitating funding can be seen as gap-filling. It is necessary that this gap-filling approach be used rather than total direct State funding of projects. It takes only some simple arithmetic to calculate that the $7.5 million available from the Fund would only build

approximately 150 units of housing, at the current average cost of $60,000 per unit. However, if the leverage approach is employed, four or even five times as many units of adequate housing can be completed by mixing the available federal, State, and private funds with grants or loans from the Fund.

B. Seed Money Grants/Loans

Facilitating funding is primarily an in-process funding method. It is oriented toward the community which has some, although possibly limited, capability to begin a housing program with their own resources. The community has the capability to do the initial survey, needs assessment, and basic development planning on their own, but requires assistance to close the funds availability gap.

However, many municipalities in Alaska do not have these capabilities. This is particularly true of the newer cities in the interior or western Alaska. In these smaller cities there may be no current planning or development expertise. It is precisely to these cities that the seed money

funding program is directed. It is designed to provide "up-front" money to meet the costs of preliminary work to conduct the needs assessment, establish project feasibility, site selection and control, develop preliminary designs, and develop budget estimates in order to obtain financing commitments for the project.

It must be noted that there are restrictions on the uses and amount of seed money which can be made available to any single project. Seed money funds are only available for purposes and in amounts that can be included in a development cost budget submitted to a federal agency for approval. The sponsoring organization must adopt and submit a budget for the use of the seed money funds to the Department.

The maximum amount which can be authorized is limited to no more than 3 percent of the estimated total development cost or $1,500 per authorized unit, as indicated by the determination of need certificate issued by the Department, whichever is less.

The Department has discretionary authority provided in the regulations (19 AAC 85.090) to

defer the need, feasibility, and management plan reviews. This deferment provision is normally exerc'sed when virtually identical need, feasibility, and management considerations will be a prerequisite of federal participation in a project. The Department will defer those portions of the total requirement of the regulations to avoid unnecessary confusion, duplication of effort, and unneeded delays and costs. Typically, this deferment option is exercised for the feasibility analysis and management plan when the application by the sponsor is for the purpose of preparing an application for a financing commitment from a federal agency such as Farmers Home Administration or the Department of Housing and Urban Development.

Again, it should be stressed, that an application for a seed money grant or loan does not prevent the sponsoring organization from applying for facilitating grants or loans at a later step in the project development. However, it must be made clear that any portion of the application sequence which was deferred in the seed money grant/loan process would have to be completed before a facilitating grant/loan could be approved.

Facilitating grants/ loans are an investment in the actual construction cost of the project and as such, full documentation must be provided as specified in the regulations.

5. STEPS IN THE PROPOSAL/FUNDING PROCESS

The legislation and regulations concerning submission of applications for funding under the Senior Citizens Housing Development Program define seven clearly identified steps in the process. These steps are as follows:

1. Organizing and assessment
2. Determining funding options
3. Developing facility planning analysis
4. Preparing feasibility demonstration
5. Preparing management plan
6. Performing total development cost analysis
7. Negotiation and finalization of agreements

In addition, total project execution includes construction and occupancy/operation steps. Evaluation and audit procedures apply during every step described above. These are not discussed in this guide, but sponsoring agencies should be aware that reviews and audits of procedures and expenditures are an acknowledged and necessary part of the total project process.

The first step in the proposal/funding process is the recognition that the community may have an elderly housing problem. All that is needed by the sponsoring agency is the recognition of the possibility and an acceptance of the need to inquire about that possibility, by completing a community housing profile. After recognition of a possible problem, the sponsoring agency must organize to investigate the need.

The Department seeks maximum community participation in the development of projects from the Senior Citizens Housing Development Program. Accordingly, the Department requires that a sponsoring organization appoint a 5 to 7 member Senior Citizen Steering Committee to serve in an active advisory relationship with the Department and the sponsor. (See 19 AAC 85.020(5) and 19 AAC 85.030(a)(4).)

This committee should be made up of potential senior citizen housing residents, representatives of local senior citizen organizations, and other interested persons in the community. The committee will remain functioning throughout the entire project, and will serve as a link between the sponsor, the Department, and the community. The first job of this committee, with the assistance of the sponsor, will be to prepare

the necessary documentation to validate the need for a senior citizen housing project in the community.

Validation of the need for the project includes making a survey of the community's existing resources and a survey of the potential residents of a senior citizen housing project, to determine their needs and desires. The Department has prepared survey forms which must be used to accomplish these tasks. The forms, and detailed instructions for their use, can be found in the Application Procedures Guide, which is available from the Department upon request.

Upon completion of the surveys, the results are forwarded to the Department for review. Based upon verification of the information supplied by the potential sponsor, the Department will then issue a Determination of Need Certificate. This certificate will indicate the number of senior citizen housing units which the Department will support for funding from the Senior Citizens Housing Development Program.

Following the need certification, the second step in the application process begins. The sponsor and the Senior Citizen Steering Committee must make two decisions, which are probably the most important decisions in the

entire project. The first decision is what type of primary financial assistance will be solicited to fund the senior citizen housing project; second, is what type of additional funding will be requested from the Department of Community and Regional Affairs.

The first decision is complicated, and necessarily involves the review of several available federal programs. The second decision is dependent upon the community's and sponsor's review of its own internal resources and the current status of federal funds.

Basically, seed money grants/loans should be requested if the sponsor does not have the resources to obtain preliminary application approval from the funding agency. Facilitating funds should be requested when the source and extent of primary funding is known, and supplementary financing is needed to make the project economically feasible.

The third step in the development process is the facility planning analysis. This is a shared-responsibility phase of the project. The sponsoring agency must develop, or have developed, basic preliminary designs for the senior citizen housing facilities. In addition, the design specifications and preliminary cost estimates for the total project must be computed.

These designs, specifications, and cost estimates will be forwarded to the Department, which will then prepare a life cycle cost analysis in coordination with the Department of Transportation and Public Facilities. The life cycle cost analysis takes into consideration the many factors which will impact on the total costs of constructing, operating, and maintaining the proposed facility during its useful life. The results of the analysis are made available to the sponsor at a time in the facility planning process when design changes can be easily made. This will then allow the sponsor to make design changes which will minimize the total life cycle cost of the facility, not just the construction costs.

Facility planning analysis also involves a review of the regulatory design standards which apply to the construction of public facilities, a review of the regulatory permits and approvals required, construction site transporation and supply constraints, and labor force needs and availability in the community where the project is to be constructed.

In summary, the facility planning analysis comprises a preliminary review of the proposed project to insure that the most cost-effective design is being developed,

and that all regulatory, code, logistic, and labor factors are properly anticipated in the cost estimation process.

The fourth step of the application process involves preparation of a project feasibility demonstration. This is probably the most important step in the application procedure. It is in this step that the sponsor documents the information which indicates that the proposed project can be operated in a sound business-like manner, with adequate management for the future. The feasibility demonstration includes the following:

1. A complete narrative and technical description of the proposed project, including incorporated special design features, plat plan, detailed preliminary structural plans and specifications

2. Description and justification for facilities to be financed

3. Identification of sources of funding, including amounts, and a description of the terms of the financing programs

4. Evidence of control of the site (option, deed, etc.)

5. Detailed construction cost breakdowns

6. Management expense profile

7. A copy of a yearly rent-up budget

8. Detailed operating budget

9. Evidence of legal capacity if sponsor is not a municipality.

As can be seen, the feasibility demonstration is a detailed document. If properly and accurately prepared, it is the key to receiving favorable reaction to the sponsor's request for project funding.

The fifth step in the application process is the development of a management plan. This step is only required if the project will include more than four individual housing units. It is primarily an outline of the management procedures which will apply to the completed project. The management plan is subject to approval by the Department of Community and Regional Affairs, which can request that the sponsor make changes prior to final approval of the plan. It must include the following:

1. The role of the applicant in management of

the facilities

2. A procedural plan for preventive maintenance

3. A description of the accounting and bookkeeping procedures to be used

4. Procedures for determining payments, and their collections

5. Rules governing selection of occupants and other occupancy procedures

6. An outline of social services which will be made available to residents within the project

The sixth step in the application process is submission of the name of the successful bidder for development of the project, and a detailed breakdown of the total development cost of the project. These development costs include all items which are to be paid from the proceeds of the primary financing application, including land, rights-of-way, design, permits and fees, building construction, architectural and legal fees, and site improvements. The cost breakdown should also show items which would not be included in

primary financing, such as any furnishings and special equipment to be supplied. These last items should be listed separately from structural development costs.

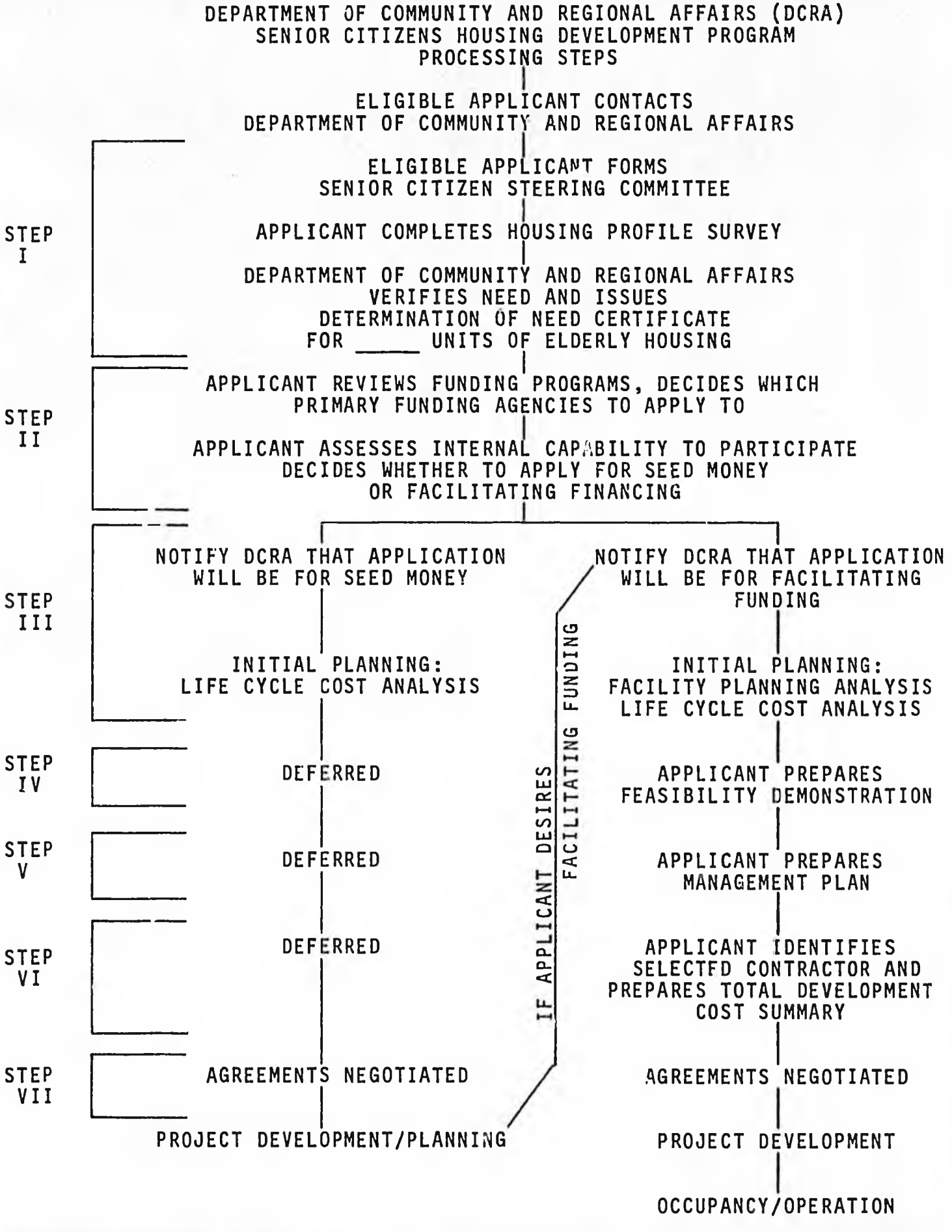
The seventh and final step in the application process is the negotiation and finalization of any agreements which are necessary to enable the project to proceed as planned. These include the agreements between

1. the sponsor and the primary financing agency,
2. the sponsor and the Department, and
3. the sponsor and any development management agent, such as a housing authority, which the sponsor has decided to hire to develop or manage the completed project.

This may seem like a complicated and difficult procedure, but a review of the steps in the process, starting at page 16, will show that the process has been designed to guide the sponsoring organization through all of the planning, development, and documentation steps necessary to insure compliance with existing regulations and procedures. It will also assist in facilitating the gathering of information and decision making, but most importantly, in documenting a plan for

successful development and management of housing projects for Alaska's senior citizens.

A diagram of the entire application process follows on the next page. This diagram can serve the sponsor as a process chart or checkoff chart, if the municipality or organization chooses to apply for assistance from the Senior Citizens Housing Development Program.


DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS (DCRA)
SENIOR CITIZENS HOUSING DEVELOPMENT PROGRAM
PROCESSING STEPS
ELIGIBLE APPLICANT CONTACTS
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
ELIGIBLE APPLICANT FORMS
SENIOR CITIZEN STEERING COMMITTEE
STEP I
APPLICANT COMPLETES HOUSING PROFILE SURVEY
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
VERIFIES NEED AND ISSUES
DETERMINATION OF NEED CERTIFICATE
FOR _____ UNITS OF ELDERLY HOUSING
STEP II
APPLICANT REVIEWS FUNDING PROGRAMS, DECIDES WHICH
PRIMARY FUNDING AGENCIES TO APPLY TO
APPLICANT ASSESSES INTERNAL CAPABILITY TO PARTICIPATE
DECIDES WHETHER TO APPLY FOR SEED MONEY
OR FACILITATING FINANCING
STEP III
NOTIFY DCRA THAT APPLICATION WILL BE FOR SEED MONEY
INITIAL PLANNING:
LIFE CYCLE COST ANALYSIS
NOTIFY DCRA THAT APPLICATION WILL BE FOR FACILITATING FUNDING
INITIAL PLANNING:
FACILITY PLANNING ANALYSIS
LIFE CYCLE COST ANALYSIS
STEP IV
DEFERRED
APPLICANT PREPARES
FEASIBILITY DEMONSTRATION
STEP V
DEFERRED
APPLICANT PREPARES
MANAGEMENT PLAN
STEP VI
DEFERRED
APPLICANT IDENTIFIES
SELECTED CONTRACTOR AND
PREPARES TOTAL DEVELOPMENT
COST SUMMARY
IF APPLICANT DESIRES FACILITATING FUNDING
STEP VII
AGREEMENTS NEGOTIATED
AGREEMENTS NEGOTIATED
PROJECT DEVELOPMENT/PLANNING
PROJECT DEVELOPMENT
OCCUPANCY/OPERATION

A P P E N D I X A

AS 18.100 (As Amended)

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

* Section 1. AS 18.100 is amended by adding a new section to read:

Sec. 18.100.070. SENIOR CITIZEN HOUSING DEVELOPMENT. (a) There is created within the Department of Community and Regional Affairs a senior citizens housing development fund. Subject to direct appropriation or through proceeds of a bonding issue the department shall make grants or loans to municipalities or to corporations eligible for loans under sec. 50 of this chapter for the purpose of developing senior citizen housing. A grant from the proceeds of a bond issue may be made only to municipalities.

(b) Application for a grant or loan number (a) of this section shall be in the form prescribed by the department. The application shall demonstrate the need for senior citizen housing in the area to be served, the feasibility of the proposed project, and an adequate management plan which shall demonstrate the ability of the eligible recipient to sustain the proposed project.

(c) All projects under this section shall be in accordance with facility procurement policies developed under AS 35.10.060 - 35.10.200 and are public facilities under those sections.

(d) The department shall promulgate regulations to carry out the purposes of this section. The provisions of the Administrative Procedure Act (AS 44.62) apply to regulations adopted under this section.

A P P E N D I X B

AS 35.10.060-35.10.200

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

Sec. 35.10.060. INSPECTION AND TESTING OF MATERIALS. The department may inspect and test materials, supplies, equipment and machinery used by a contractor constructing or maintaining public works, and may develop methods and procedures for inspection and testing. (§ 4 art III title III ch 152 SLA 1957)

Sec. 35.10.070. RESEARCH ON PUBLIC WORKS. The department my gather, investigate and compile information concerning the use, construction and maintenance of public works, the practices and methods of efficient organization, financing and such other information, data and statistics of the state and the extent of natural resources of building materials in the state. The department shall disseminate this information, together with recommendations it considers advisable. (§ 6 art III title III ch 152 SLA 1957)

Sec. 35.01.080. STATEMENT OF WORK AUTHORIZED, COMPLETION SCHEDULE, AND RECOMMENDATIONS. Not later than February 1 of each year, the department shall prepare a statement showing the public works authorized within the past six-year period and the compeltion schedule as of that date, together with recommendations regarding the need for additional public works construction, if any. (§ 7 art III title III ch 152 SLA 1957)

ARTICLE 2. BOAT HARBOR, DIKE, JETTY, AND BREAKWATER FACILITIES.

Section

90. APPLICATION FOR FEDERAL FUNDS
100. DETERMINING NEED AND PRIORITY OF PROJECTS
110. CONTRACTING WITH COMMUNITIES FOR LOCAL PARTICIPATION
120. LEASING MARINE OR HARBOR FACILITIES

Sec. 35.10.090. APPLICATION FOR FEDERAL FUNDS. The department shall apply in the name of the state, as applicant, to the appropriate federal agency for the construction or assistance in the construction of boat harbor, dike, jetty or breakwater harbor facilities where the facilities are necessary, feasible and appropriate to the local economy. (§ 1 art IV title III ch 152 SLA 1957)

Sec. 35.10.100. DETERMINING NEED AND PRIORITY OF PROJECTS. The department shall prepare the preliminary detemrination of need for each such project and its feasibility and appropriateness through representations and data submitted to it by the residents of each community desiring a project, and from other information available to it. The department shall approve and make the final determination of those projects, and their order or priority for which application is made. (§ 2 art IV title III ch 152 SLA 1957)

Sec. 35.10.110. CONTRACTING WITH COMMUNITIES FOR LOCAL PARTICIPATION. The department may contract with a community for the participation of the community either in the financing of projects or, instead of local financial participation, to contract with the community for its installing necessary piling, floats, and related equipment and facilities whether at the community's direct expense or through local volunteer labor, after completion of the basic boat harbor, dike, jetty, or breakwater facilities. (§ 3 art IV title III ch 152 SLA 1957)

Sec. 35.10.120. LEASING MARINE OR HARBOR FACILITIES. The department may lease for a period up to 50 years or may sell for a nominal sum to an incorporated city, public utility district, or other incorporated area marine or harbor facilities constructed or rebuilt with territorial funds or state funds or with territorial or state and federal matching funds. The intent of this section is to allow cities, public utility districts, and other incorporated areas to lease or purchase marine or harbor facilities so that they may enforce municipal ordinances on them and legally assess fees to meet maintenance costs. (§ 1 ch 162 SLA 1955)

REVISOR'S NOTE. -- All other sections in this title have a common source, ch 142 SLA 1957. This section is all of ch 162 SLA 1955)

ARTICLE 3. FINANCIAL PROVISIONS.

Section

130. CONSTRUCTION WITHIN APPROPRIATIONS AND LIMITS IMPOSED BY LEGISLATURE
135. PUBLIC FACILITY PLANNING FUND

Sec. 35.10.130. CONSTRUCTION WITH APPROPRIATIONS AND LIMITS IMPOSED BY LEGISLATURE. Each public work shall be constructed in a completed manner within the appropriation and limits imposed by the legislature. (§ 1 art V title III ch 152 SLA 1957)

Sec. 35.10.135. PUBLIC FACILITY PLANNING FUND. There is established within the Department of Administration, Division of Budget and Management a public facility planning fund. The fund is a capital fund and consists of (1) money appropriated by the legislature, (2) money reimbursed to it from the proceeds of the sales of general obligation bonds and revenue bonds issued for projects and (3) money reimbursed to it from appropriations for any projects; for which money from the fund has been spent. The fund is available for expenditure, on a reimbursable basis, only for the purposes of providing working capital for facility

program planning and for facility procurement planning as specified in this chapter. All expenditures from the fund are subject to an independent audit which shall be made annually and reported to the governor and the legislature. (§ 1 ch 57 SLA 1973; am § 1 ch 58 SLA 1976)

EFFECT OF AMENDMENT. -- The 1976 amendment rewrote this section.

EDITOR"S NOTE. -- Section 3, ch. 58, SLA 1976, provides: "The fund balances remaining in the state operated schools advance planning revolving fund established in sec. 18, ch. 147, SLA 1974 and in the Department of Public Works public facility procurement planning fund established in sec. 2, ch. 216, SLA 1975 and in the state capital improvement advance planning fund established in sec. 1, ch. 57, SLA 1973 are transferred as of the effective date of the Act to the public facility planning fund established in sec. 1 of the Act."

LEGISLATIVE COMMITTEE REPORT. -- For report on ch. 58, SLA 1976 (CSHB 624 am S), see 1976 House Journal, p. 557.

ARTICLE 4. PROHIBITIONS AND PENALTIES.

Section
140. DAMAGE OR DESTRUCTION OF PUBLIC WORKS
150. PENALTY

Sec. 35.10.140. DAMAGE OR DESTRUCTION OF PUBLIC WORKS. A person shall not wilfully damage, destroy, deface or injure any public work constructed or under construction. (§ 1 art II title IV ch 152 SLA 1957)

Sec. 35.10.150. PENALTY. A person who violates § 140 of this chapter is guilty of a misdemeanor and upon conviction is punishable by a fine of not less than $10 nor more than $500, or by imprisonment in jail for not more than one year or by both. (§ 2 art II title IV ch 152 SLA 1957)

ARTICLE 5. PUBLIC FACILITY PROCUREMENT POLICY.

Section
160. FINDINGS AND PURPOSE
170. DUTIES OF DEPARTMENT
180. PHYSICAL FACILITY PROCUREMENT AND PLANNING POLICIES
190. COORDINATION BY DEPARTMENT
200. DEFINITIONS

EDITOR'S NOTE. -- Section 2, ch. 216, SLA 1975, provides: "There is within the Department of Public Works a public

faciltiy procurement planning fund. The fund is a working capital reserve fund and consists of money appropriated by the legislature for the purpose of providing procurement planning working capital and is available on a reimbursable basis for procurement planning. The fund shall be used by the commissioner to develop facility procurement planning methodologies for submission for review by the legislature by January 1, 1976. The commissioner shall prepare a report delineating the various procurement policies which shall govern the expendiutres of capital funds by the state and shall delineate the amounts of preplanning funds necessary for the implementation of these policies."

Sec. 35.10.160. FINDINGS AND PURPOSE. The legislature finds that since the needs of the state for physical facilities of all kinds are diverse the planning, design and construction of public facilities should be executed in accordance with facility procurement policies development by the Department of Pulic Works and reviewed annually by the legislature. (§ 1 ch 216 SLA 1975)

LEGISLATIVE COMMITTEE REPORT. -- For report on ch. 216, SLA 1975 (SCS CSHB 429 am S), see 1975 House Journal, P. 894; 1975 Senate Journal, p. 1370.

Sec. 35.10.170. DUTIES OF DEPARTMENT. In addition to other duties prescribed by statute, the department shall

(1) develop facility procurement policies for the planning, design, construction, maintenance and operation of public facilities of the state;

(2) develop and maintain an inventory of physical facilities currently owned or occupied by the state;

(3) make projections of future public facility needs of the state, analyze facilities needed, and establish methodology for program planning and facilities project planning, design and construction;

(4) engage in experimental projects as necessary relating to any available or future method of facility procurement, design or construction and any method of improving exisitng design, planning and construction techniques;

(5) develop life cycle costs of public facilites of the state;

(6) develop life cycle costing methodologies for the following special purposes:

(A) budget forecasting to support facility program planning and analysis,

(B) systematic cost estimating to forecast planning, design and construction,

(C) budget forecasting to support development of annual maintenance and operating strategies and life cycle cost plans,

(D) alternative methods of space acquistion and space equalization which will maximize the effectiveness of public funds;

(7) apply for and accept, on behalf of the state, grants from the federal government or an agency of it or from another state foundation, corporation, association or individual for any of the functions or purposes of the department and may expend any of the money received under this section for any of the functions or purposes. (§ 1 ch 216 SLA 1975)

Sec. 35.10.180. PHYSICAL FACILITY PROCUREMENT AND PLANNING POLICIES. (a) The department shall develop and keep current by periodic revision physical facility procurement and planning policies for rural schools, public buildings, and other state facilities, and shall develop regulations and guidelines for the implementation of these policies.

(b) In developing and revising these policies the department shall seek public review and evaluation by any reasonable means and shall

(1) consult and cooperate with officials of the federal government, local governments, other political subdivisions of the state and other interested persons regarding physical facility procurement planning;

(2) request and receive from an agency or other unity of the state government the assistance and data needed to carry out the requirements of this section.

(c) The commissioner shall submit copies of proposed policies and plans annually, within 10 days after the legislature convenes, to the legislature. The legislature may approve, reject or modify the policies and plans by concurrent resolution. If the legislature fails to act during the legislative session, the policies and plans are approved. (§ 1 ch 216 SLA 1975)

Sec. 35.10.190. COORDINATION BY DEPARTMENT. (a) The department shall coordinate the procurement of physical facilities for the state to insure the greatest cost savings of planning, design and contractual techniques.

(b) When the state or an agency of the state determines that a public facility is to be constructed or renovated, it shall, unless exempted by regulations of the department, submit to the department an application for a certificate that the proposed facility complies with adopted facility procurement policies. The department may reject the application but if it does so it shall state in writing the reasons for the rejection. If a written statement that the application is rejected does not issue within 30 days after receipt of the application by the department, unless the department and the applicant have agreed upon an extenison of time for consideration, the certificate of compliance shall not be required. Except as provided otherwise by regulation or by this section, no public facility of the state may be constructed or renovated by the state unless a certificate that the facility complies with adopted facility procurement has been issue. (§ 1 ch 216 SLA 1975)

Sec. 35.10.200. DEFINITIONS. In §§ 160 -- 200 of this chapter,

(1) "life cycle costs" means analytic techniques which provide data to describe the first cost of procurement of public facilities and the maintenance cost, operation cost and occupancy cost of the facilities;

(2) "policies" includes but is not limited to budget accounting and cost planning techniques, facility design techniques, and contractual techniques for the procurement of labor, materials and contractual services;

(3) "public facilities" does not include highways or vessels of the marine highway system. (§ 1 ch 216 SLA 1975)

A P P E N D I X C

19 AAC 85.010-19 AAC 85.130

PART 6.

DIVISION OF COMMUNITY PLANNING

Chapter
85. Senior Citizens Housing Development Fund

CHAPTER 85.
SENIOR CITIZENS HOUSING
DEVELOPMENT FUND

Section
10. Eligibility and use
20. Grants
30. Loans
40. Method of application
50. Information form
60. Demonstration of need
70. Feasibility demonstration
80. Management plan requirements
90. Substitution of federal needs and feasibility determinations
100. Title to project
110. Compliance with codes
120. Allocation priorities
130. Definitions

19 AAC 85.010. ELIGIBILITY AND USE. (a) Grants and loans will be made from the Senior Citizens Housing Development Fund to municipalities and eligible public and nonprofit corporations if applicants meet the qualifications imposed by AS 18.100.050.

(b) A grant or loan will be made from the Senior Citizens Housing Development Fund if the grant or loan will assist the applicant in any or all phases of the development of new senior citizen housing. "Development of new senior citizen housing" includes but is not limited to

(1) purchase of suitable building sites;

(2) necessary site preparation;

(3) preparation of plans and specifications;

(4) financing the purchase of materials and/or actual construction of senior citizens housing.

(c) A grant or loan will be made from the Senior Citizens Housing Development Fund if the grant or loan will assist the applicant in

rehabilitating a structure or dwelling occupied by senior citizens and in need of winterization or repair.

(d) Grants and loans for activities other than those specified in (b) and (c) of this section, such as construction of senior citizen centers or other housing-related facilities, will also be considered for eligible sponsors, if they are incidental or appurtenant to the housing. (Eff. 2/19/78, Reg. 65)

Authority: AS 18.100.070

19 AAC 85.020. GRANTS. Grants from the Senior Citizens Housing Development Fund will be made by the department after approval of an application as specified in this chapter and in accordance with a written agreement between the department and the applicant which must include, but need not be limited to, the following:

(1) (deleted, eff. March 30, 1979);

(2) a statement of the intended use of the grant funds, specifying how the funds will be used to develop senior citizen housing;

(3) a budget description in detail appropriate to the scope of the project;

(4) a timetable listing the steps considered necessary for the timely completion of the project;

(5) appointment by the applicant of a senior citizen steering committee to be made up of potential residents of the housing, representatives of local senior citizen organizations, and senior citizens or other interested persons in the community; the steering committee, with the assistance of the applicant and the department, shall take an active advisory role in the planning, development, occupancy and administration of the housing;

(6) a provision for the administration of grant funds according to generally accepted financial accounting procedures, and for regular periodic reporting to the department of grant-sponsored activities, and for the disposition of funds in accordance with intended use;

(7) a provision for the cessation of grant payments, if the department determines, after a hearing, that the applicant is not using funds for intended purposes or is not proceeding satisfactorily with development of the project. (Eff. 2/19/78, Reg. 65)

Authority: AS 18.100.070

19 AAC 85.030. LOANS. (a) Loans from the Senior Citizens Housing Development Fund will be made to municipalities and eligible nonprofit and public corporations at an interest rate determined by the department after approval of an application as specified in this chapter and in accordance with a written agreement between the department and the applicant which must include, but need not be limited to, the following:

(1) a statement of the intended use of the loan funds, specifying how loan funds will be used to develop senior citizen housing;

(2) a budget and description in detail appropriate to the scope of the project;

(3) a timetable listing the steps considered necessary for the timely completion of the project;

(4) appointment by the applicant of a senior citizen steering committee to be made up of potential residents of the housing, representatives of local senior citizen organizations, and senior citizens or other interested persons in the community; the steering committee, with the assistance of the sponsor and the department, shall take an active advisory role in the planning, development, occupancy and administration of the housing;

(5) a provision for the administration of loan proceeds according to generally accepted financial accounting procedures, for regular periodic reporting to the department of loan-sponsored activities, and for the disposition of funds in accordance with intended use;

(6) a schedule for the repayment of the loan principal plus interest to the Senior Citizens Housing Development Fund:

(7) a provision for cessation of loan disbursements and for recovery of funds advanced, if the department determines, after a hearing, that the applicant is not using the loan funds for the intended purposes or not proceeding satisfactorily with the development of the project.

(b) The maximum loan amortization period for loans from the fund is 40 years.

(c) In the event of default on a loan from the fund, the department will unless actions to cure the default are not taken or prove unsuccessful, follow existing state requirements for repossession and resale of the project. (Eff. 2/19/78, Reg. 65)

Authority: AS 18.100.070

19 AAC 85.040. METHOD OF APPLICATION. (a) Applications for grants or loans from the Senior Citizens Housing Development Fund will be accepted

at any time during working hours of the department, and must be in the form prescribed by the department.

(b) Once an application has been received, the department will provide notice to the community, identifying the applicant, and providing other applicants with competing proposals from the same community an opportunity to make application also. (Eff. 2/19/78, Reg. 65)

Authority: AS 18.100.070(d)

19 AAC 85.050. INFORMATION FORM. Form SCHF 1 is hereby adopted by the department for use in gathering information on applications for loans or grants. (Eff. 2/19/78, Reg. 65)

Authority: AS 18.100.070(d)

19 AAC 85.060. DEMONSTRATION OF NEED. (a) In communities where the total number of dwellings is less than two hundred, need for funds must be demonstrated by completion of a Housing Profile A to the satisfaction of the department. Housing Profile A consists of the following information:

(1) number of dwellings which are adequate and not overcrowded;

(2) number of dwellings which are either inadequate or overcrowded, or both;

(3) number of persons 60 years of age or older residing in the community;

(4) number of persons 60 years of age or older residing in the community and adequately housed;

(5) number of persons 60 years of age or older residing in the community in inadequate, substandard, or overcrowded housing; and

(6) number of persons residing in the community 60 years of age or older requesting housing, their names and the amount of money they are able to pay for adequate housing must be stated.

(b) In communities where the total number of dwellings is between 201 and 2,000 units, need must be demonstrated by completion of Housing Profile B to the satisfaction of the department. Housing Profile B consists of the following information:

(1) the total number of dwelling units in the community which are adequate and not overcrowded, indicating how many units are owner-occupied, renter-occupied single-family units, renter-occupied multifamily units, or vacant units;

(2) the number of dwelling units which are substandard or overcrowded, further delineating which of these units are owner-occupied,

renter-occupied single-family, renter-occupied multifamily, or vacant;

(3) the status of housing for senior citizens of the community which indicates the number of persons permanently residing in the community and who are 60 years of age or older, the number of persons who are residing in the community who are 60 years of age or older and who are adequately housed, the number of persons residing in the community who are 60 years of age or older and currently residing in inadequate, substandard, or overcrowded housing, and the number and names of persons residing in the community who are 60 years of age or older and who would definitely be willing to move to new dwellings, and the amount of money they could afford for adequate housing.

(c) In communities with a total number of dwellings over 2,000, need must be demonstrated by completion of Housing Profile C. Housing Profile C consists of the following information:

(1) the total number of dwellings in the community and the total number of dwellings designed for senior citizens of the community;

(2) the total number of single-family dwellings which are owner-occupied and provide adequate housing, which are owner-occupied and do not provide adequate housing, which are renter-occupied and provide adequate housing, and which are renter-occupied and do not provide adequate housing;

(3) multifamily housing which is privately owned and adequate, privately owned and inadequate, government subsidized and adequate, government subsidized and inadequate;

(4) the vacancy rate currently existing in single-family housing and multifamily housing and the vacany rate during the immediately preceding year in both single-family and multifamily housing;

(5) the number of persons 58 years of age or older residing in the areas to be served, the number of persons 60 years of age or older presently residing in specially designed housing for the elderly, the number of persons 60 years of age or older presently residing in single-family dwellings which they either own or rent, the number of such persons presently residing in multifamily dwellings privately owned, and the number of such persons presently residing in multifamily dwellings which are owned by public organizations or assisted in some fashion by a governmental entity;

(6) the estimated need for senior citizen dwelling units for multifamily, subsidized, unsubsidized, and single-family housing;

(7) income distribution for persons 60 years of age or older presently living in subsidized or overcrowded dwellings indicating the number whose income is under $7,500, between $7,500 and $12,500, between $12,500 and $20,000, and over $20,000;

(8) an estimate of the number of persons 60 years of age or older who own their own dwellings and who could use assistance in winterization

or repair to the dwellings.

(d) The department will, in its discretion, require additional information in writing if considered appropriate for an adequate demonstration of need. (Eff. 2/19/78, Reg. 65)

Authority: AS 18.100.070

19 AAC 85.070. FEASIBILITY DEMONSTRATION. An applicant must demonstrate the feasibility of its project in the following manner:

(1) when applicable, an applicant must demonstrate that anticipated receipts over the first five years of operation, including any applicable subsidies from federal or state programs, will exceed anticipated expenses, including all management costs, social service costs, maintenance costs, mortgage principal and interest payments, utility payments, taxes, and other operational expenses by at least five percent;

(2) an applicant must demonstrate the ability of individuals residing in detached senior citizen housing constructed with a loan or grant from the Senior Citizens Housing Development Fund to meet monthly housing costs of the dwelling including applicable maintenance costs, mortgage principal and interest payments, utilities and taxes;

(3) an applicant must demonstrate compliance with applicable municipal comprehensive plans, coastal zone comprehensive plans, and local zoning ordinances;

(4) an applicant must furnish such other information as the department may require for a particular project which in its consideration and judgment bears on the feasibility of the project. (Eff. 2/19/78, Reg. 65)

Authority: AS 18.100.070

19 AAC 85.080. MANAGEMENT PLAN REQUIREMENTS. A written plan for the management of any proposed project with more than four dwellings must accompany an application. The plan must address the following areas in detail appropriate to project size and market area to the satisfaction of the department:

(1) the role of the applicant in management of the housing facilities including projected staffing, method of selecting occupants, and responsibilities of project manager;

(2) a procedural plan for preventive maintenance of the facility, including a daily plan of maintenance, method for handling major repair, a garbage and trash removal schedule, and a method for residents to report maintenance needs as they arise;

(3) a description of accounting and bookkeeping procedures which will assure the availability of current financial information regarding

the project at all times;

(4) procedures for the determination of payments and their collection in a timely manner and for eviction for cause;

(5) the establishment of rules to govern the selection of occupants and the occupancy procedures for the project;

(6) an outline of social services which will be made available to senior citizens within the project, including a description of the proposed cooperative activities which will exist between the project and local social service and senior citizen agencies receiving federal assistance under the Older Americans Act. (Eff. 2/19/78, Reg. 65)

Authority: AS 18.100.070

19 AAC 85.090. SUBSTITUTION OF FEDERAL NEEDS AND FEASIBILITY DETERMINATIONS. The department will accept as an alternative to information required by secs. 60, 70, and 80 of this chapter for projects seeking assistance under this chapter any needs, determinations, feasibility demonstrations, and management plans offered in connection with applications for federally insured or federally assisted housing projects. However, the department will, in its discretion, (1) review and evaluate those determinations and plans with respect to making grants or loans, and (2) require additional information. (Eff. 2/19/78, Reg. 65)

Authority: AS 18.100.070

19 AAC 85.100. TITLE TO PROJECT. Title to a project developed or financed to the extent of 25 percent or more by the Senior Citizens Housing Development Fund is to be retained by the applicant who agrees to use the project for the purpose of housing senior citizens. If the applicant ceases to exist as a corporate entity, title vests in the municipality in which the project is located if there is one, or in the state if there is not; if the project is located in a city within a borough, title vests in the city; if the project is located in an organized borough but not within any city in that borough, title vests in the borough. (Eff. 2/19/78, Reg. 65)

Authority: AS 18.100.070

19 AAC 85.110. COMPLIANCE WITH CODES. Projects developed from the Senior Citizens Housing Development Fund must comply with local building codes and ordinances, and, to the extent practicable and feasible, with national model building codes for senior citizen dwellings. (Eff. 2/19/78, Reg. 65)

Authority: AS 18.100.070

19 AAC 85.120. ALLOCATION PRIORITIES. In allocating the Senior Citizens Housing Development Fund, the department will evaluate the seriousness and urgency of applicants' need, feasibility proposals, and each applicant community's willingness and capability to assume responsibilities for management and maintenance of facilities. To the extent feasible, allocations will be made in each category of communities as identified in sec. 50 of this chapter. Economical and efficient energy usage and long-term viability of projects will also be considered. (Eff. 2/19/78, Reg. 65)

Authority: AS 18.100.070

19 AAC 85.130. DEFINITIONS. In this chapter

(1) "department" means the Department of Community and Regional Affairs;

(2) "municipality" means a city or organized borough of any class, whether home rule or otherwise, and includes a municipality unified under AS 29.68.240 - 29.68.440. (Eff. 2/19/78, Reg. 65)

Authority: AS 18.100.070

19 AAC 85.120. ALLOCATION PRIORITIES. In allocating the Senior Citizens Housing Development Fund, the department will evaluate the seriousness and urgency of applicants' need, feasibility proposals, and each applicant community's willingness and capability to assume responsibilities for management and maintenance of facilities. To the extent feasible, allocations will be made in each category of communities as identified in sec. 50 of this chapter. Economical and efficient energy usage and long-term viability of projects will also be considered. (Eff. 2/19/78, Reg. 65)

Authority: AS 18.100.070

19 AAC 85.130. DEFINITIONS. In this chapter

(1) "department" means the Department of Community and Regional Affairs;

(2) "municipality" means a city or organized borough of any class, whether home rule or otherwise, and includes a municipality unified under AS 29.68.240 - 29.68.440. (Eff. 2/19/78, Reg. 65)

Authority: AS 18.100.070

FOR ADDITIONAL INFORMATION

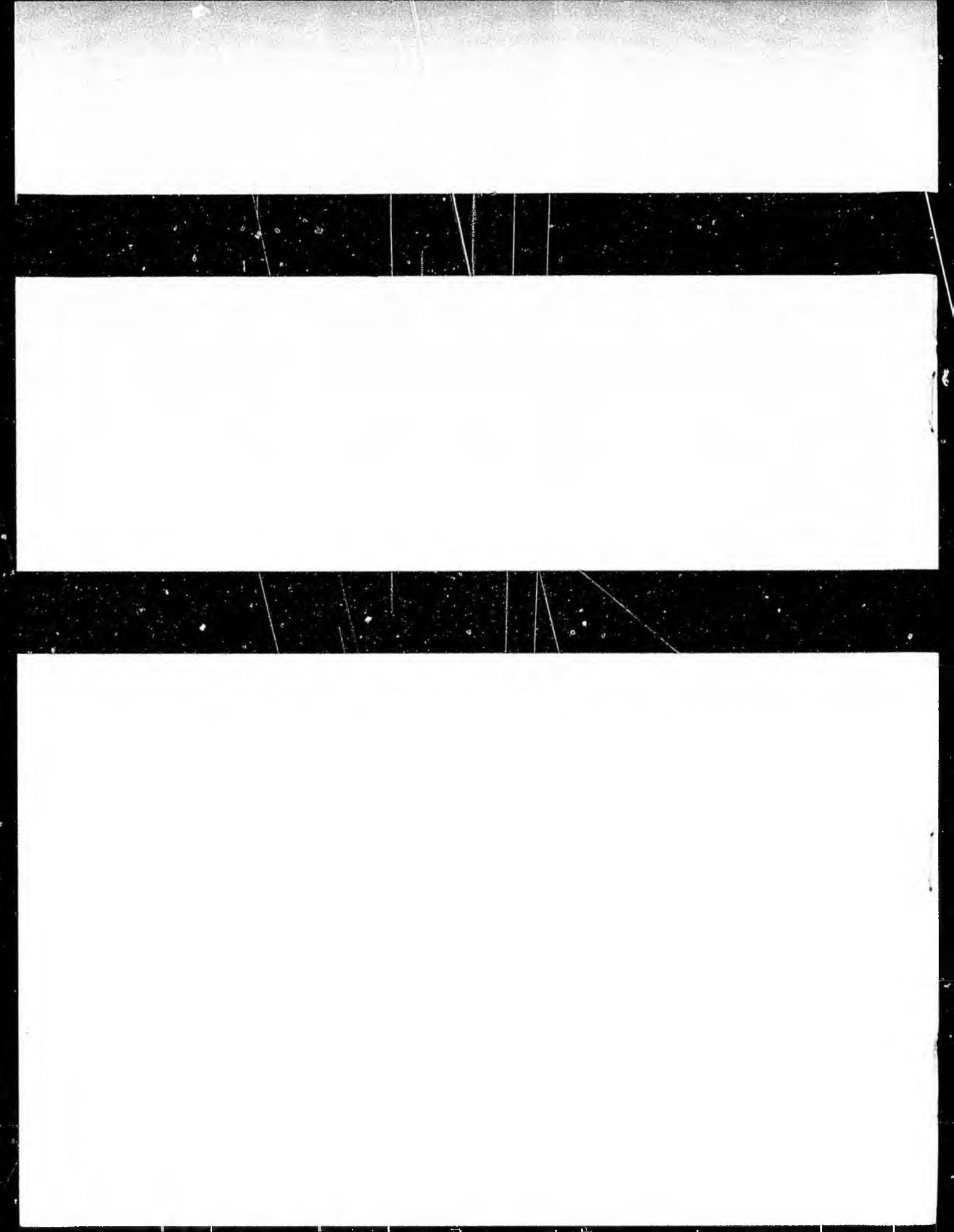
ON THE

SENIOR CITIZENS HOUSING DEVELOPMENT PROGRAM

PLEASE CONTACT:

Director
Division of Community Planning
Department of Community and
Regional Affairs
225 Cordova, Building B
Anchorage, Alaska 99501
Ph: 279-8636

Elderly Housing Administrator
Division of Community Planning
Department of Community and
Regional Affairs
225 Cordova, Building B
Anchorage, Alaska 99501
Ph: 279-8636



SB

248

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

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE
Part 2 of 2 Parts

I. REQUEST
Bill/Resolution No. CS for SB 248 (SA)
Title Equal Employment Opportunity in the Executive Branch
Requested by Senator Fisher Date April 24, 1981

II. FISCAL DETAIL
Agency Affected All Departments and the Office of the Governor
Program Category Affected All
BRU, Program, or Subprogram(s) Affected All
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	-0-	565.5	610.7	659.6	712.4	769.4
200 TRAVEL	-0-	41.9	48.2	55.4	63.7	73.3
300 CONTRACTUAL	-0-	70.4	76.0	82.1	88.7	95.8
400 COMMODITIES	-0-	32.7	3.8	4.1	4.4	4.8
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	710.5	738.7	801.2	869.2	943.3

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	710.5	738.7	801.2	869.2	943.3
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	-0-	15	15	15	15	15
PART TIME						
TEMPORARY						

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

A. ASSUMPTION:

The fiscal detail is based on the assumption that CS SB 248 is signed into Law.

B. PROGRAM SUMMARY:

CS SB 248 Sec. 4 amends AS 44.17 to outline the EEO/AA program areas and responsibilities for the principal executive officer of each state department. Key elements include:

1. The preparing, adopting, and implementing an affirmative action plan;

2. the employing by each state department of an equal employment officer to

(continued)

IV. DATE April 27, 1981 PREPARED BY Kaye Hogan
AGENCY Division of Equal Employment Opportunity
PHONE 465-3570

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

THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE

FISCAL NOTE

Part 2 of 2 Parts

CS for SB 248 (continued)

supervise the development and implementation of the department's Affirmative Action program.

CS SB 248 will necessitate the addition of at least one equal employment officer in fourteen of the fifteen executive branch agencies. Funding for the program will be general funds and will be allocated as follows:

AGENCY	POSITION TITLE	100 PERSONNEL SVC.	200 TRAVEL	300 CONTRACTUAL	400 COMMODITIES	TOTAL
Governor's Off.	EEO II	35,317	1,951	4,550	2,178	43,996
Administration	EEO III	40,425	3,749	4,850	2,178	51,202
Law	EEO II	35,317	1,951	4,550	2,178	43,996
Revenue	EEO III	40,425	3,749	4,850	2,178	51,202
Education	EEO II	35,317	1,951	4,550	2,178	43,996
Health & Social Services	EEO III	40,425	3,749	4,850	2,178	51,202
Health & Social Services	EEO II	35,317	1,951	4,550	2,178	43,996
Labor	EEO III	40,425	3,749	4,850	2,178	51,202
Commerce & Economic Dev.	EEO II	35,317	1,951	4,550	2,178	43,996
Military Affairs	EEO II	35,317	1,951	4,550	2,178	43,996
Natural Resources	EEO III	40,425	3,749	4,850	2,178	51,202
Fish & Game	EEO III	40,425	3,749	4,850	2,178	51,202
Public Safety	EEO III	40,425	3,749	4,850	2,178	51,202
Environmental Conservation	EEO II	35,317	1,951	4,550	2,178	43,996
Community & Regional Affairs	EEO II	35,317	1,951	4,550	2,178	43,996
TOTALS		565,511	41,851	70,350	32,670	710,382

The travel funds are necessary for the equal employment officers to implement program activities in their agencies statewide. Contractual services include telephones, printing, office space, etc. Commodities are for desk top supplies such as pencils, pens, paper, etc. and major office items under $500.00 such as desks, chairs, calculators, bookcases, etc.

C. COMPUTATIONS:

This fiscal note was prepared by line item - no formula was used.

	POSITION TITLE				RANGE/STEP	BARG. UNIT.	LOCATION	GOV	APPROV	DISAPP
1	Equal Employment Officer III (7 positions)				18-A	K	Juneau			
	TYPE OF POSITION	STAFF MONTHS	RP No.	PCN No.	PRIORITY		FORM 12 PAGE/LINE			
2	PFT	12			4			LEG		

	TYPE OF EXPENDITURE			AMOUNT
	1		2	3
4	PERSONAL SERVICES: SALARY	$2,640	$31,680	
5	BENEFITS	15.79%	5,003	
6	FICA	6.13%	1,942	
7	HEALTH INS.	$ 150/mo	1,800	
8	TOTAL PERSONAL SERVICES		01	$40,425
9	TRAVEL		02	3,749
10	CONTRACTUAL		03	4,850
11	COMMODITIES		04	2,178
12	EQUIPMENT		05	
13	OTHER			
14	TOTAL COST			$51,202

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	$51,202
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION	XXX	

FOR BGM USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

This position is necessary to supervise the development and implementation of the Department Affirmative Action Plan and Program. Duties will include:

1. Preparation and implementation of the affirmative action plan and program which identifies problems, establishes goals and time tables and sets forth remedies;

2. monitoring the agencies program to ensure that actions are implemented to correct or eliminate discriminatory practices and conditions; and,

3. preparing reports, statistical analysis, and evaluating program progress.

NOTE: See page 2 of part 2 for allocation of this class to specific agencies.

AGENCY Department of Revenue PROGRAM ALL

BRU ALL

COMPONENT ALL

13 REQUEST FOR NEW POSITION

REVISED DATE _____

FY 82

01-1176(6/80)

	POSITION TITLE	RANGE/STEP	BARG. UNIT	LOCATION	GOV.	APPROV.	DISAPP.
1	Equal Employment Officer II (8 positions)	16-A	K	Juneau			
2	TYPE OF POSITION: PFT; STAFF MONTHS: 12; RP No.; PCN No.	PRIORITY: 1		FORM 12 PAGE/LINE	LEG.		

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
4	PERSONAL SERVICES: SALARY	$2,291	$27,492	
5	BENEFITS	15.79%	4,340	
6	FICA	6.13%	1,685	
7	HEALTH INS.	$ 150/mo.	1,800	
8	TOTAL PERSONAL SERVICES	01		$35,317
9	TRAVEL	02		1,951
10	CONTRACTUAL	03		4,550
11	COMMODITIES	04		2,178
12	EQUIPMENT	05		
13	OTHER			
14	TOTAL COST			$43,996

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	$43,996
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION	XXX	

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

This position is necessary to supervise the development and implementation of the Department Affirmative Action Plan and Program. Duties will include:

1. Preparation and implementation of the affirmative action plan and program which identifies problems, establishes goals and time tables and sets forth remedies;

2. monitoring the agencies' to ensure that actions are implemented to correct or eliminate discriminatory practices and conditions; and,

3. preparing reports, statistical analysis, and evaluating program progress.

NOTE: See page 2 of part 2 for allocation of this class to specific agencies.

AGENCY Office of the Governor

PROGRAM ALL

BRU ALL

COMPONENT ALL

13 REQUEST FOR NEW POSITION

REVISED DATE _____

FY 82

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE
Part 1 of 2 Parts

I. REQUEST
Bill/Resolution No. CS for SB 248 (SA)
Title Equal Employment Opportunity in the Executive Branch
Requested by Senator Fisher Date April 24, 1981

II. FISCAL DETAIL
Agency Affected Department of Administration
Program Category Affected Labor Services / General Government
BRU, Program, or Subprogram(s) Affected Equal Employment Opportunity / Admin. Serv. WP-AS
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	-0-	295.9	319.6	345.2	372.8	402.6
200 TRAVEL	-0-	29.2	33.6	38.6	44.4	51.1
300 CONTRACTUAL	-0-	38.1	41.1	44.4	48.0	51.8
400 COMMODITIES	-0-	16.2	2.2	2.4	2.6	2.8
500 EQUIPMENT	-0-	10.8	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
	-0-					
TOTAL	-0-	390.2	396.5	430.6	467.8	508.3

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	390.2	396.5	430.6	467.8	508.3
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	-0-	8	8	8	8	8
PART TIME						
TEMPORARY						

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

A. ASSUMPTIONS:

The fiscal detail is based on the assumption that CS SB 248 is signed into law.

B. PROGRAM SUMMARY:

SB 248 outlines program areas for the Division of Equal Employment Opportunity. Key elements include:

1. Administration of the Equal Employment Opportunity and Affirmative Action programs in the executive branch of Alaska state government;

2. Development and implementation of standards and procedures for agency affirmative action plans and programs;

(continued)

IV. DATE April 27, 1981 PREPARED BY Kaye Hogan
AGENCY Division of Equal Employment Opportunity
PHONE 465-3572

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

CS for SB 248 (continued)

3. Develop procedures to identify and eliminate discriminatory selection and promotion practices and artifical practices not justified by business necessity, and develop and implement procedures to determine and resolve issues related to affirmative action plans;

4. Review and monitoring of affirmative action plans, programs, and employment system practices for compliance with equal employment opportunity laws and regulations;

5. Provide training in anti-discrimination laws and regulations to managers, supervisors, and employees; and,

6. Prepare annual affirmative action plan and report.

SB 248 will necessitate the addition of the following eight (8) positions:

1. Three Equal Employment Officer III's
2. Three Equal Employment Officer II's
3. One Training Specialist
4. One Correspondence Secretary II

Funds for travel will be necessary for technical assistance to departments and to provide training in locations where a majority of state employees are located. Contractual services include telephone, printing, office space, etc. Commodities include small desk top items such as pencils, pens, paper, etc. and major items under $500.00 such as desks, chairs, calculators, bookcases, tables, etc.

Funding for the program will be general fund and will be allocated as follows:

EXPENDITURES	EEO	ADMIN. SERVICES
100	270.5	25.4
200	29.2	0
300	34.1	4.0
400	15.2	1.0
500	0	10.8
TOTAL	349.0	41.2

C. COMPUTATIONS:

This fiscal note was prepared by line item - no formula was used.

	POSITION TITLE			RANGE/STEP	BARG. UNIT.	LOCATION	GOV	APPROV	DISAPP.
1	Equal Employment Officer III			18-A	K	Juneau			
	TYPE OF POSITION	STAFF MONTHS	RP No. / PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG		
2	PFT	12		1					

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
4	PERSONAL SERVICES: SALARY	$2,640	$31,680	
5	BENEFITS	15.79%	5,003	
6	FICA	6.13%	1,942	
7	HEALTH INS.	$ 150/mo	1,800	
8	TOTAL PERSONAL SERVICES	01		$40,425
9	TRAVEL	02		3,749
10	CONTRACTUAL	03		4,850
11	COMMODITIES	04		2,178
12	EQUIPMENT	05		
13	OTHER			
14	TOTAL COST			$51,202

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	$51,202
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION	XXX	

FOR B&M USE ONLY

AA KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

This position is necessary to supervise the development and implementation of the Department Affirmative Action Plan and Program. Duties will include:

1. Preparation and implementation of the affirmative action plan and program which identifies problems, establishes goals and time tables and sets forth remedies;

2. monitoring the agencies program to ensure that actions are implemented to correct or eliminate discriminatory practices and conditions; and,

3. preparing reports, statistical analysis, and evaluating program progress.

AGENCY Administration PROGRAM Labor Services

BRU Equal Employment Opportunity

COMPONENT Equal Employment Opportunity

13 REQUEST FOR NEW POSITION

REVISED DATE _____

FY 82

01 112(6/80)

	POSITION TITLE				RANGE/STEP	BARG. UNIT	LOCATION	GOV	APPROV.	DISAPP.
1	Equal Employment Officer III				18-A	K	Juneau			
	TYPE OF POSITION	STAFF MONTHS	RP No.	PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG.		
2	PFT	12			2					

	TYPE OF EXPENDITURE			AMOUNT
	1		2	3
4	PERSONAL SERVICES: SALARY	$2,640	$31,680	
5	BENEFITS	15.79%	5,003	
6	FICA	6.13%	1,942	
7	HEALTH INS.	$ 150/mo	1,800	
8	TOTAL PERSONAL SERVICES		01	$40,425
9	TRAVEL		02	3,749
10	CONTRACTUAL		03	4,850
11	COMMODITIES		04	2,178
12	EQUIPMENT		05	
13	OTHER			
14	TOTAL COST			$51,202

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	$51,202
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION	XXX	

FOR B&M USE ONLY

4A. KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

This position is necessary to supervise the development and implementation of the Department Affirmative Action Plan and Program. Duties will include:

1. Preparation and implementation of the affirmative action plan and program which identifies problems, establishes goals and time tables and sets forth remedies;

2. monitoring the agencies program to ensure that actions are implemented to correct or eliminate discriminatory practices and conditions; and,

3. preparing reports, statistical analysis, and evaluating program progress.

AGENCY Administration PROGRAM Labor Services

BRU Equal Employment Opportunity

COMPONENT Equal Employment Opportunity

13 REQUEST FOR NEW POSITION

REVISED DATE _____

FY 82

1	POSITION TITLE Equal Employment Officer III				RANGE/STEP 18-A	BARG. UNIT. K	LOCATION Anchorage	GOV	APPROV	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY 3		FORM 12 PAGE/LINE	LEG		

3	TYPE OF EXPENDITURE			AMOUNT
	1		2	3
4	PERSONAL SERVICES: SALARY	$2,640	$31,680	
5	BENEFITS	15.79%	5,003	
6	FICA	6.13%	1,942	
7	HEALTH INS.	$ 150/mo	1,800	
8	TOTAL PERSONAL SERVICES		01	$40,425
9	TRAVEL		02	3,749
10	CONTRACTUAL		03	4,850
11	COMMODITIES		04	2,178
12	EQUIPMENT		05	
13	OTHER			
14	TOTAL COST			$51,202

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	$51,202
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION	XXX	

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

This position is necessary to supervise the development and implementation of the Department Affirmative Action Plan and Program. Duties will include:

1. Preparation and implementation of the affirmative action plan and program which identifies problems, establishes goals and time tables and sets forth remedies;

2. monitoring the agencies program to ensure that actions are implemented to correct or eliminate discriminatory practices and conditions; and,

3. preparing reports, statistical analysis, and evaluating program progress.

AGENCY Administration

PROGRAM Labor Services

BRU Equal Employment Opportunity

COMPONENT Equal Employment Opportunity

13 REQUEST FOR NEW POSITION

FY 82

REVISED DATE _____

01 1126(9-80)

	POSITION TITLE				RANGE/STEP	BARG. UNIT.	LOCATION	GOV.	APPROV.	DISAPP.
1	Equal Employment Officer II				16-A	K	Juneau			
	TYPE OF POSITION	STAFF MONTHS	RP No.	PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG.		
2	PFT	12			4					

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
4	PERSONAL SERVICES: SALARY	$2,291	$27,492	
5	BENEFITS	15.79%	4,340	
6	FICA	6.13%	1,685	
7	HEALTH INS.	$ 150/mo.	1,800	
8	TOTAL PERSONAL SERVICES	01		$35,317
9	TRAVEL	02		1,951
10	CONTRACTUAL	03		4,550
11	COMMODITIES	04		2,178
12	EQUIPMENT	05		
13	OTHER			
14	TOTAL COST			$43,996

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	$43,996
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION	XXX	

FOR B&M USE ONLY

4A BY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

This position is necessary to supervise the development and implementation of the Department Affirmative Action Plan and Program. Duties will include:

1. Preparation and implementation of the affirmative action plan and program which identifies problems, establishes goals and time tables and sets forth remedies;

2. monitoring the agencies' to ensure that actions are implemented to correct or eliminate discriminatory practices and conditions; and,

3. preparing reports, statistical analysis, and evaluating program progress.

AGENCY Administration PROGRAM Labor Services

BRU Equal Employment Opportunity

COMPONENT Equal Employment Opportunity

13 REQUEST FOR NEW POSITION

REVISED DATE _____

FY 82

	POSITION TITLE				RANGE/STEP	BARG. UNIT.	LOCATION	GOV	APPROV.	DISAPP.
1	Equal Employment Officer II				16-A	K	Juneau			
	TYPE OF POSITION	STAFF MONTHS	RP No.	PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG.		
2	PFT	12			5					

	TYPE OF EXPENDITURE			AMOUNT
	1		2	3
4	PERSONAL SERVICES: SALARY	$2,291	$27,492	
5	BENEFITS	15.79%	4,340	
6	FICA	6.13%	1,685	
7	HEALTH INS.	$ 150/mo.	1,800	
8	TOTAL PERSONAL SERVICES	01		$35,317
9	TRAVEL	02		1,951
10	CONTRACTUAL	03		4,550
11	COMMODITIES	04		2,178
12	EQUIPMENT	05		
13	OTHER			
14	TOTAL COST			$43,996

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	$43,996
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION	XXX	

FOR B&M USE ONLY

AA KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

This position is necessary to supervise the development and implementation of the Department Affirmative Action Plan and Program. Duties will include:

1. Preparation and implementation of the affirmative action plan and program which identifies problems, establishes goals and time tables and sets forth remedies;

2. monitoring the agencies' to ensure that actions are implemented to correct or eliminate discriminatory practices and conditions; and,

3. preparing reports, statistical analysis, and evaluating program progress.

AGENCY Administration PROGRAM Labor Services

BRU Equal Employment Opportunity

COMPONENT Equal Employment Opportunity

13 REQUEST FOR NEW POSITION

REVISED DATE _____

FY 82

	POSITION TITLE			RANGE/STEP	BARG. UNIT	LOCATION	GOV	APPROV	DIV APP
1	Equal Employment Officer II			16-A	K	Anchorage			
2	TYPE OF POSITION: PFT	STAFF MONTHS: 12	RP No.	PCN No.	PRIORITY: 6	FORM 12 PAGE/LINE	LEG		

	TYPE OF EXPENDITURE			AMOUNT
	1		2	3
4	PERSONAL SERVICES: SALARY	$2,291	$27,492	
5	BENEFITS	15.79%	4,340	
6	FICA	6.13%	1,685	
7	HEALTH INS.	$ 150/mo.	1,800	
8	TOTAL PERSONAL SERVICES		01	$35,317
9	TRAVEL		02	1,951
10	CONTRACTUAL		03	4,550
11	COMMODITIES		04	2,178
12	EQUIPMENT		05	
13	OTHER			
14	TOTAL COST			$43,996

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	$43,996
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION	XXX	

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

This position is necessary to supervise the development and implementation of the Department Affirmative Action Plan and Program. Duties will include:

1. Preparation and implementation of the affirmative action plan and program which identifies problems, establishes goals and time tables and sets forth remedies;

2. monitoring the agencies' to ensure that actions are implemented to correct or eliminate discriminatory practices and conditions; and,

3. preparing reports, statistical analysis, and evaluating program progress.

AGENCY Administration PROGRAM Labor Services

BRU Equal Employment Opportunity

COMPONENT Equal Employment Opportunity

13 REQUEST FOR NEW POSITION

REVISED DATE _____

FY 82

	POSITION TITLE			RANGE/STEP	BARG. UNIT	LOCATION	GOV.	APPROV.	DISAPP.
1	Training Specialist			19-A	K	Juneau			
	TYPE OF POSITION	STAFF MONTHS	RP No. / PCN No.	PRIORITY		FORM 12 PAGE/LINE			
2	PFT	12		7			LEG.		

3	TYPE OF EXPENDITURE	1	2	AMOUNT 3
4	PERSONAL SERVICES: SALARY	$2,837	$34,044	
5	BENEFITS	15.79%	5,376	
6	FICA	6.13%	2,087	
7	HEALTH INS.	$ 150/mo.	1,800	
8	TOTAL PERSONAL SERVICES	01		$43,307
9	TRAVEL	02		12,137
10	CONTRACTUAL	03		5,850
11	COMMODITIES	04		2,178
12	EQUIPMENT	05		
13	OTHER			
14	TOTAL COST			$63,472

	CODE	FUNDING SOURCE	
15		FED RCPTS 1002	
16		GF MATCH 1003	
17		GEN. FUND 1004	$63,472
18		I-A RCPTS 1005	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION	X	

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

Passage of SB 248 Sec. 39.28.020(7) will require the addition of 1 Training Specialist position. The Training Specialist will have the responsibility for:

1. Accessing the training needs of departments of the Executive Branch;

2. Developing and preparing seminars, workshops, bulletins, pamphlets, etc. to address the training needs identified through accessments or requests from departments;

3. Instruct/facilitate and coordinate training; and,

4. Follow-up on training to assure that it is effective.

AGENCY Administration PROGRAM Labor Services

BRU Equal Employment Opportunity

COMPONENT Equal Employment Opportunity

13 REQUEST FOR NEW POSITION

REVISED DATE _____

FY 82

01 11268/80

1	POSITION TITLE: Correspondence Secretary II			RANGE/STEP: 10-B	BARG. UNIT: G	LOCATION: Juneau	GOV.	APPROV.	DISAPP.
2	TYPE OF POSITION: PFT	STAFF MONTHS: 12	RP No.	PCN No.	PRIORITY: 8	FORM 12 PAGE/LINE	LEG.		

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
4	PERSONAL SERVICES: SALARY	$1,613	$19,356	
5	BENEFITS	15.79%	3,056	
6	FICA	6.13%	1,187	
7	HEALTH INS.	$ 150/mo	1,800	
8	TOTAL PERSONAL SERVICES	01		$25,399
9	TRAVEL	02		
10	CONTRACTUAL	03		4,000
11	COMMODITIES	04		1,000
12	EQUIPMENT	05		10,800
13	OTHER			
14	TOTAL COST			$41,199

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	$41,199
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION	X	

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

This position will be necessary to provide typing support for EEO Division staffing increase.

The position will type documents, reports, plans, letters, memos, etc. on sophisticated word processing equipment.

AGENCY Administration PROGRAM Centralized Administrative Services

BRU Administrative Services

COMPONENT WP/AS

13 REQUEST FOR NEW POSITION

REVISED DATE _____

FY 82

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

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

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 248
Title An Act relating to equal employment opportunity in the executive branch.
Requested by Senator Fischer Date March 20, 1981

II. FISCAL DETAIL
Agency Affected Department of Administration
Program Category Affected General Government
BRU, Program, or Subprogram(s) Affected Equal Employment Opportunity/Admin. Svcs: WP-AS
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	0	255.5	275.9	298.0	321.8	347.5
200 TRAVEL	0	22.0	24.6	27.6	30.9	34.6
300 CONTRACTUAL	0	62.5	67.5	72.9	78.7	85.0
400 COMMODITIES	0	11.1	2.3	2.5	2.7	2.9
500 EQUIPMENT	0	10.8	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
TOTAL	0	361.9	370.3	401.0	434.1	470.0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	361.9	370.3	401.0	434.1	470.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

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

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

A. ASSUMPTIONS:

The fiscal detail is based on the assumption that SB 248 is signed into law.

B. PROGRAM SUMMARY:

SB 248 outlines program areas for the Division of Equal Employment. Key elements include:

1. Administration of the Equal Employment Opportunity and Affirmative Action programs in the executive branch of Alaska state government;

2. Development and implementation of standards and procedures for agency affirmative action plans and programs;

(continued on next page)

IV. DATE March 20, 1981 PREPARED BY Kaye Horan
AGENCY Division of Equal Employment Opportunity
PHONE 465-3571

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named) Senator Ferguson
Keith Specking

33-001 (Rev. 12/80)

THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE

FISCAL NOTE

SB 248 (continued)

3. Review and monitoring of affirmative action plans, programs, and employment system practices for compliance with equal employment opportunity laws and regulations;

4. Enforcement of equal employment opportunity and affirmative action; and,

5. Provide training in anti-discrimination laws and regulations to managers, supervisors, and employees.

SB 248 will necessitate the addition of the following seven (7) positions:

1. Three Equal Employment Officer II's
2. Two Investigator III's
3. One Training Specialist
4. One Correspondence Secretary II

Funds for travel will be necessary for investigations and to provide training in locations where a majority of state employees are located. Contractual services include telephone, printing, office space, etc. Commodities include small desk top items such as pencils, pens, paper, etc. and major items under $500.00 such as desks, chairs, calculators, bookcases, tables, etc.

Funding for the program will be general fund and will be allocated as follows:

EXPENDITURES	EEO	ADMIN. SERVICES
100	230.1	25.4
200	22.0	0
300	58.5	4.0
400	10.1	1.0
500	0	10.8
TOTAL	320.7	41.2

C. COMPUTATIONS:

This fiscal note was prepared by line item - no formula was used.

	POSITION TITLE			RANGE/STEP	BARG. UNIT.	LOCATION		APPROV.	DISAPP.
1	Equal Employment Officer II			16 A	Confid.	Juneau	GOV.		
2	TYPE OF POSITION: PFT	STAFF MONTHS: 12	RP No.	PCN No.	PRIORITY: 1	FORM 12 PAGE/LINE	LEG.		

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
4	PERSONAL SERVICES: SALARY	2291	27,492	
5	BENEFITS	.1579	4340	
6	FICA	.0613	1685	
7	HEALTH INS.	150/mo.	1800	
8	TOTAL PERSONAL SERVICES	01		35,317
9	TRAVEL	02		795
10	CONTRACTUAL	03		4,333
11	COMMODITIES	04		1,598
12	EQUIPMENT	05		
13	OTHER			
14	TOTAL COST			42,043

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	42,043
18		I-A RCPTS. 1007	
19		PGM RCPTS 1108	
20		OTHER	
21	CONTINUATION		
22	ADDITION	X	

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

These 3 positions will be necessary to implement the department affirmative action plan and program provisions of SB 248.

Each of these positions will have the responsibility for 3 executive branch agencies. Their duties will include but not be limited to:

1. Providing technical assistance to the agencies in preparation and implementation of affirmative action plans and programs which identify problems, establish goals and time tables, and set forth remedies;

2. Monitor agency programs to ensure that actions are implemented in order that all personnel practices, terms and conditions are non-discriminatory;

3. Assist agencies in evaluating their programs and plans and monitor work force statistics.

AGENCY Administration PROGRAM Labor Services

BRU Equal Employment Opportunity

COMPONENT Equal Employment Opportunity

13 REQUEST FOR NEW POSITION

REVISED DATE _____

FY 82

	POSITION TITLE			RANGE/STEP	BARG. UNIT.	LOCATION	GOV.	APPROV.	DISAPP.
1	Equal Employment Officer II			16 A	Confid.	Juneau			
	TYPE OF POSITION	STAFF MONTHS	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG.		
2	PFT	12			2				

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
4	PERSONAL SERVICES: SALARY	2291	27,492	
5	BENEFITS	.1579	4,340	
6	FICA	.0613	1,685	
7	HEALTH INS.	150/mo.	1,800	
8	TOTAL PERSONAL SERVICES	01		35,317
9	TRAVEL	02		795
10	CONTRACTUAL	03		4,333
11	COMMODITIES	04		1,598
12	EQUIPMENT	05		
13	OTHER			
14	TOTAL COST			42,043

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	42,043
18		I-A RCPTS. 1007	
19		PGM RCPTS 1108	
20		OTHER	
21	CONTINUATION		
22	ADDITION	X	

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

These 3 positions will be necessary to implement the department affirmative action plan and program provisions of SB 248.

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1. Providing technical assistance to the agencies in preparation and implementation of affirmative action plans and programs which identify problems, establish goals and time tables, and set forth remedies;

2. Monitor agency programs to ensure that actions are implemented in order that all personnel practices, terms and conditions are non-discriminatory;

3. Assist agencies in evaluating their programs and plans and monitor work force statistics.

AGENCY Administration PROGRAM Labor Services

BRU Equal Employment Opportunity

COMPONENT Equal Employment Opportunity

13 REQUEST FOR NEW POSITION.

REVISED DATE _____

FY 82

	POSITION TITLE			RANGE/STEP	BARG. UNIT	LOCATION	GOV.	APPROV.	DISAPP.
1	Equal Employment Officer II			16 A	Confid.	Juneau			
	TYPE OF POSITION	STAFF MONTHS	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG.		
2	PFT				3				

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
4	PERSONAL SERVICES: SALARY	2291	27,492	
5	BENEFITS	.1579	4,340	
6	FICA	.0613	1,685	
7	HEALTH INS.	150/mo.	1,800	
8	TOTAL PERSONAL SERVICES	01		35,317
9	TRAVEL	02		795
10	CONTRACTUAL	03		4,333
11	COMMODITIES	04		1,598
12	EQUIPMENT	05		
13	OTHER			
14	TOTAL COST			42,043

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	42,043
18		I-A RCPTS. 1007	
19		PGM RCPTS 1108	
20		OTHER	
21	CONTINUATION		
22	ADDITION	X	

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

These 3 positions will be necessary to implement the department affirmative action plan and program provisions of SB 248.

Each of these positions will have the responsibility for 3 executive branch agencies. Their duties will include but not be limited to:

1. Providing technical assistance to the agencies in preparation and implementation of affirmative action plans and programs which identify problems, establish goals and time tables, and set forth remedies;

2. Monitor agency programs to ensure that actions are implemented in order that all personnel practices, terms and conditions are non-discriminatory;

3. Assist agencies in evaluating their programs and plans and monitor work force statistics.

AGENCY Administration PROGRAM Labor Services

BRU Equal Employment Opportunity

COMPONENT Equal Employment Opportunity

13 REQUEST FOR NEW POSITION.

REVISED DATE _____

FY 82

	POSITION TITLE				RANGE/STEP	BARG. UNIT.	LOCATION		APPROV.	DISAPP.
1	Investigator III				18 A	Confid.	Juneau	GOV.		
2	TYPE OF POSITION: PFT	STAFF MONTHS	RP No.	PCN No.	PRIORITY: 4		FORM 12 PAGE/LINE	LEG.		

	TYPE OF EXPENDITURE			AMOUNT
	1		2	3
3	PERSONAL SERVICES:			
4	SALARY	2640	31,680	
5	BENEFITS	.1579	5,003	
6	FICA	.0613	1,942	
7	HEALTH INS.	150/mo.	1,800	
8	TOTAL PERSONAL SERVICES	01		40,425
9	TRAVEL	02		3,749
10	CONTRACTUAL	03		4,833
11	COMMODITIES	04		1,862
12	EQUIPMENT	05		
13	OTHER			
14	TOTAL COST			50,869

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	50,869
18		I-A RCPTS. 1007	
19		PGM RCPTS 1037	
20		OTHER	
21	CONTINUATION		
22	ADDITION	XX	

FOR B&M USE ONLY

AA KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

Sec. 39.28.020(6) which gives the Division of Equal Employment Opportunity enforcement powers will require the addition of 2 investigator positions. These positions will:

1. Investigate charges alleging violations of affirmative action standards and procedures;
2. Collect and prepare evidence for the legal enforcement of affirmative action standards and procedures;
3. Interview and take statements from those alleging non-compliance and witnesses;
4. Analyze and evaluate evidence and assist legal counsel with complex or unusual problems relating to investigation and substantiation of the charge;
5. Appear as an expert witness for the prosecution in legal proceedings.

AGENCY Administration PROGRAM Labor Services

BRU Equal Employment Opportunity

COMPONENT Equal Employment Opportunity

13 REQUEST FOR NEW POSITION.

FY 82

REVISED DATE _____

	POSITION TITLE				RANGE/STEP	BARG. UNIT	LOCATION		APPROV.	DISAPP.
1	Investigator III				18 A	Confid.	Juneau	GOV		
2	TYPE OF POSITION: PFT	STAFF MONTHS	RP No.	PCN No.	PRIORITY: 5		FORM 12 PAGE/LINE	LEG.		

3	TYPE OF EXPENDITURE	1	2	AMOUNT 3
4	PERSONAL SERVICES: SALARY	2640	31,680	
5	BENEFITS	.1579	5,003	
6	FICA	.0613	1,942	
7	HEALTH INS.	150/mo.	1,800	
8	TOTAL PERSONAL SERVICES	01		40,425
9	TRAVEL	02		3,749
10	CONTRACTUAL	03		4,833
11	COMMODITIES	04		1,862
12	EQUIPMENT	05		
13	OTHER			
14	TOTAL COST			50,869

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	50,869
18		I-A RCPTS. 1007	
19		PGM RCPTS 1051	
20		OTHER	
21	CONTINUATION		
22	ADDITION	X	

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4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

Sec. 39.28.020(5) which gives the Division of Equal Employment Opportunity enforcement powers will require the addition of 2 investigator positions. These positions will:

1. Investigate charges alleging violations of affirmative action standards and procedures;
2. Collect and prepare evidence for the legal enforcement of affirmative action standards and procedures;
3. Interview and take statements from those alleging non-compliance and witnesses;
4. Analyze and evaluate evidence and assist legal counsel with complex or unusual problems relating to investigation and substantiation of the charge;
5. Appear as an expert witness for the prosecution in legal proceedings.

AGENCY Administration PROGRAM Labor Services

BRU Equal Employment Opportunity

COMPONENT Equal Employment Opportunity

13 REQUEST FOR NEW POSITION.

REVISED DATE _____

FY 82

	POSITION TITLE			RANGE/STEP	BARG. UNIT	LOCATION	GOV	APPROV	DISAPP
1	Training Specialist			19 A	Confid.	Juneau			
	TYPE OF POSITION	STAFF MONTHS	RP No. / PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG		
2	PFT			6					

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
3				
4	PERSONAL SERVICES: SALARY	2837	34,044	
5	BENEFITS	.1579	5,376	
6	FICA	.0613	2,087	
7	HEALTH INS.	150/mo.	1,800	
8	TOTAL PERSONAL SERVICES	01		43,307
9	TRAVEL	02		12,137
10	CONTRACTUAL	03		5,835
11	COMMODITIES	04		1,598
12	EQUIPMENT	05		
13	OTHER			
14	TOTAL COST			62,877

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	62,877
18		I-A RCPTS. 1007	
19		PGM RCPTS 1108	
20		OTHER	
21	CONTINUATION		
22	ADDITION	X	

FOR B&M USE ONLY

AA KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

Passage of SB 248 Sec. 39.28.020.(7) will require the addition of 1 Training Specialist position. The Training Specialist will have the responsibility for:

1. Accessing the training needs of departments of the Executive Branch;
2. Developing and preparing seminars, workshops, bulletins, pamphlets, etc. to address the training needs identified through accessments or requests from departments;
3. Instruct/facilitate and coordinate training;
4. Follow-up on training to assure that it is effective.

AGENCY Administration PROGRAM Labor Services

BRU Equal Employment Opportunity

COMPONENT Equal Employment Opportunity

13 REQUEST FOR NEW POSITION.

REVISED DATE _____

FY 82

	POSITION TITLE				RANGE/STEP	BARG. UNIT.	LOCATION		APPROV.	DI. APP.
1	Correspondence Secretary II				10B	G	Juneau	GOV.		
2	TYPE OF POSITION: PFT	STAFF MONTHS: 12	RP No.	PCN No.	PRIORITY: 7		FORM 12 PAGE/LINE	LEG.		

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
4	PERSONAL SERVICES: SALARY	1,613	19,356	
5	BENEFITS	.1572	3,056	
6	FICA	.0613	1,187	
7	HEALTH INS.	150/mo.	1,800	
8	TOTAL PERSONAL SERVICES	01		25,399
9	TRAVEL	02		-0-
10	CONTRACTUAL	03		4,000
11	COMMODITIES	04		1,000
12	EQUIPMENT	05		10,800
13	OTHER			
14	TOTAL COST			41,199

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	41,199
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION	X	

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

This position will be necessary to provide typing support for EEO Division staffing increase.

The position will type documents, reports, plans, letters, memos, etc. on sophisticated word processing equipment.

AGENCY Administration PROGRAM Labor Services

BRU Equal Employment Opportunity

COMPONENT Equal Employment Opportunity

13 REQUEST FOR NEW POSITION

REVISED DATE _____

FY 82

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

SB 248

PETER C. ROBERTSON
3829 N. WOODROW STREET
ARLINGTON, VA 22207
(703) KEG-9287

TO: Niel Thomas
Executive Director
Human Rights Commission

DATE: March 19, 1981

FILE NO:

TELEPHONE NO:

FROM: Peter C. Robertson

SUBJECT: Program of Affirmative Action in Alaska State Government Employment

INTRODUCTORY:

At your request, and pursuant to contract number ASCHR-PS-21, I attended a meeting of the Alaskan State Commission for Human Rights in Anchorage, Alaska on Friday, January 16, 1981 together with members of the agency Senior Staff, Attorney General Wilson Condon, and Assistant Attorney General Carolyn Jones. Among the issues discussed was the nature and extent of potential employment discrimination in Alaska State government and the appropriate role of the Human Rights Commission in working with other government agencies and officials to deal with that discrimination.

As I perceived it, the goal of all those present was to find a responsible way to identify potential systemic discrimination in State government employment and to develop a program for the elimination of such potential discrimination voluntarily rather than through an enforcement mechanism involving either the action of the Alaskan Human Rights Commission under State law or potential law suits by private parties and/or the Federal government. At the conclusion of the meeting you asked that I prepare a memo outlining my thoughts on the discussion and possible ideas for a program to implement these goals. The material outlined below responds to that request. It should not be read as a rigid specific action plan but rather as a list of my thoughts concerning the potential elements that might be in such a plan together with some background material that leads me to those thoughts.

Before presenting my outline there is one overriding thought I wish to express. I was consistently impressed throughout my entire visit with the ability and high-level of commitment of all of the Alaska State officials with whom I had the pleasure and opportunity to meet. The State is particularly fortunate in having a group of Commissioners such as those who serve on the State Commission for Human Rights. Those Commissioners are, in turn, fortunate in having a highly skilled and dedicated staff including yourself, your attorney, and the group of managers with whom I met.

Without in any way detracting from these statements I would particularly single out Attorney General Condon, and Assistant Attorney General Jones who serves both him and your Commission. The office of Attorney General in the 50 states is confronted with an extremely delicate law enforcement/ political/managerial problem. As the chief law enforcement official for the State the Attorney General has an obligation to see that the laws are effectively administered and enforced. Your State Human Rights Law specifically assigns to him the responsibility that he assist your agency in enforcing the laws prohibiting discrimination. At the same time, as counsel for State agencies in their capacity as employers he has an obligation to defend them if and when they are the subject of legal proceedings. This extremely difficult role which requires a major effort to balance apparently conflicting obligations is one that many Attorneys General don't even understand much less handle in a responsible fashion. I was extremely impressed with the extent to which your Attorney General not only understood the sensitivity of his dual role but also was prepared to deal with it by providing State government agencies in their capacity as employers with responsible advice on the nature of the obligations they confront in complying with anti-discrimination law, yet at the same time standing ready to defend them should an adversary proceeding arise. I consider his understanding of the problem and his willingness to devote both his own personal energies and the resources of his Assistant Attorney General to its solution to be one of the most significant assets which the State of Alaska has at this time.

I. BACKGROUND OF THE PROBLEM:

The background of this issue involves the evolving legal definition of employment discrimination, the failure of most employers to understand the definition, and the unique problems which are confronted in achieving voluntary compliance within the context of the State government:

A. Nature of Discrimination:

When Title VII of the Civil Rights Act of 1964 was first passed, employment discrimination was perceived by most human beings and by the legal system pretty much as it was then defined in the average dictionary. Discrimination was a synonym for bias, bigotry or prejudice. Discrimination involved deliberate or intentional acts subjectively motivated by an evil state of mind against Blacks, Natives, Indians, Chicanos, or women. The Federal administrative agency assigned to enforce the law (EEOC) quickly understood that the underlying statistical problems which had led to the passage of anti-discrimination

legislation (the gap in the unemployment rate, the gap in occupational distribution, and the gap in wage rates between minorities and women and their counterparts) would simply not yield to a law enforcement strategy that focused only on identifying and eliminating bias. Based upon a careful analysis of the legislative history, EEOC rapidly developed a "systemic" definition of discrimination which looked initially at those elements in the employers' practices which had an adverse impact on minorities and women (contributing to the statistics outlined above) and then shifted the burden of proof to the employer to justify the business necessity of those practices. In short, systemic discrimination was said to exist if an employment practice had an adverse impact and could not be justified by business necessity. The business necessity justification focuses on two elements:

-- does the practice with the adverse impact contribute to the safe and efficient operation of the business, and

-- does the employer have a responsible alternative practice that would equally well achieve the business purpose advanced with a lesser adverse racial, sex or national origin impact?

In this context remedies sought by EEOC and enforced by the courts rapidly shifted from isolated actions designed to "make whole" individual victims of bias. In addition the courts identified systems with an adverse impact that could not be justified and required employers to eliminate them and substitute new systems that would both eliminate adverse impact and serve the employers' legitimate business (or "operational") needs.

B. Employer Perception of this Change:

One of the most serious problems that confronted agencies in obtaining voluntary compliance with anti-discrimination law was the fact that most employers failed to perceive the nature of the change in the legal standard. This phenomenon was pointed out by committees in both Houses of Congress in 1972 when they reviewed the 1964 voluntary conciliation mechanism which had originally been established for Title VII. Both Houses of Congress advanced the hypothesis that the voluntary conciliation mechanism had failed primarily because the average employer lacked the "technical perception" to recognize that

its system was discriminatory. This led to a fundamental disagreement with the government officials attempting to achieve voluntary compliance and the resulting impact led Congress to give EEOC enforcement power, in a sense, to provide some muscle which would encourage the employers to begin thinking systemically.

C. Status of Voluntary Remedies Under Federal Law:

The evolution of federal law provides a broad and strong platform for responsible voluntary affirmative action including action of a race- sex- or national origin-conscious nature. That evolution has the following elements:

1.) Definition of Discrimination:

In the case of Griggs v. Duke Power the Supreme Court adopted the view that an employment practice which "operates to exclude" minorities and women[1] is illegal unless it could be demonstrated to meet the business necessity standard.

2.) Alternate Practices and Remedies:

In Moody v. Albamarle Paper Company the Supreme Court held that the business necessity justification required an employer not only to justify the practice but to deal with the possibility that there were alternate practices available

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1 In actuality Griggs was a "Black" case, but the principle was later extended to women in the Dothard case as extending to all protected race, sex, ethnic and religious groups under Title VII.

which have a lesser adverse impact.[2] Moody also imposed strong backpay remedies and gave as one policy reason for doing so that the relatively certain prospect of remedies would become a catalyst to inspire employers to voluntary compliance.

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2 There is some dispute under Federal law as to precisely where the burden of proof rests on the issue of identifying alternatives. For example, in Moody the Supreme Court stated that even if an employer demonstrates that a test is valid it is still open to the charging party to show the availability of a suitable alternative practice. This has led to a dispute between government enforcement agencies and employers as to where the burden lies, with some government enforcement agencies saying that the employer has a burden to demonstrate the absence of an alternative and some employers stating that the government has the full obligation to show the availability of the alternative. The government somewhat straddled this burden of proof issue in the Uniform Guidelines on Employee Selection Procedures where it stated the principle that if there were alternatives available the employer had to use them and imposed upon an employer a burden of seeking out such alternatives as part of any validation study. It appears that this dispute is irrelevant under the Alaska Law because, consistent with the holding of your State Supreme Court in the Wondzell case it appears that you have adopted a somewhat broader interpretation than the federal uniform guideline. I refer, of course, to the language in proposed section 910(c) of your new regulations which section holds, in relevant part that:

> (c) In employment it is a defense to a complaint of unlawful discrimination to establish by clear and convincing evidence that a distinction prohibited by A.S. 18.80.220(a)(1) is required by business necessity or the reasonable demands of the position. "Business necessity" or "reasonable demands of the position" means that the distinction is nessary to the safe and efficient operation of the business; the business purpose is sufficiently compelling to override any discriminatory impact; the challenged business practice efficiently carries out the business purpose it is alleged to serve, and there is no available or acceptable policy or practice which would better accomplish the business purpose advanced to accomplish it equally well with less discriminatory impact or the complainant.

3.) Voluntary Compliance and Affirmative Action:

In the Weber case the Supreme Court noted that the incentive towards the voluntary compliance which it anticipated in Moody had, in fact, begun to bear fruit and that employers had begun to develop a fairly wide range of remedies including numerical remedies of a race-, sex-, ethnic or national origin conscious nature[3]. In the Weber case the employer had changed the system by which employees entered into craft jobs (by eliminating a previous experience requirement and substituting an in-house training program) and had provided for a voluntary numerical remedy of a race-conscious nature (50% of the training positions were to be opened for Black employees even if this required entry into the training program out of seniority order). The Supreme Court held that the new system was not prohibited by Title VII because the voluntary action mirrored the purposes of Title VII, it did not unnecessarily trammel the rights of White workers, it did not provide absolute preference for Blacks, and it was temporary.

The Supreme Court specifically suggested that an employer confronted with the problems which the Kaiser Aluminum Company perceived could either deal with those problems by waiting for court or administrative enforcement or it could deal with them by methods of its own choosing within the framework of "traditional management perogatives". Obviously the Court saw a policy preference for voluntary action. (Incidently, even though we did not discuss the Weber case during the meeting in your office, the language which the Supreme Court used in the last several paragraphs of Weber parallel the statements made by Attorney General Condon during our meeting, in which he pointed out the advantage to his clients (state government agencies in their employing capacity), of developing their own changes without having remedies imposed upon them by an enforcement process).

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3 While Weber dealt only with private employment and with race-conscious voluntary action, its reasoning clearly would apply to the wide range of groups covered by Title VII and to all employers including governmental.

D. APPLICATIONS OF THESE THOUGHTS TO STATE GOVERNMENT AS AN EMPLOYER:

Several additional comments are appropriate as the above outline of principles are applied to state government in its capacity as an employer:

1.) Same principles apply:

When Congress extended Title VII to cover government (federal, state and local) as an employer in 1972 both Houses of Congress made legislative history that the laws were to be interpreted to prohibit discrimination in state government in the same fashion as had already been accomplished in the private sector. Both Houses in their committee reports pointed out that government employment had the same kind of systemic discrimination problems that had been found to exist in the private sector.

While most of the discussion of specific employment discrimination focused on the Federal government and the quotations which I am outlining below were directed at the practices of the Federal government there was language elsewhere in the reports suggesting that the same employment discrimination problems existed in state government and that the same legal principles should apply in dealing with them.

The report of the House Committee on education and labor directed the attention of the Federal government to "its own practices and procedures which themselves may raise questions of systemic discrimination". The same report stated that it was important for those who administered the government's personnel systems to gain "expertise in recognizing and isolating the various forms of discrimination which exist in the system" (emphasis added) and the report stated, further, that discrimination in employment was no longer "a problem of malicious intent on the part of individuals" but required, instead, an examination of:

> "Civil Service selection and promotion requirements [which are] replete with artificial selection and promotion requirements which place a premium on paper credentials which frequently prove of questionable value as a means of predicting actual job performance."

In similar language, the Senate Committee on Labor and Public Welfare (Legislative History, pp. 423-425) said that the evolving definition of discrimination should be applied to government employment practices and that it was important to note that "discrimination is institutional, rather than merely a matter of bad faith".

The Committee paralleled the House Committee language and urged the development of expertise "in recognizing and isolating the various forms of discrimination which exist in the system". It directed the Civil Service Commission to deal with "the various forms of systemic discrimination in the system." It questioned the assumption "that employment discrimination in the Federal government is solely a matter of malicious intent on the part of individuals" and specifically picked up the technical perception language that it had earlier applied to the private sector by noting:

> "Civil service selection and promotion techniques and requirements are replete with artificial requirements that place a premium on paper credentials. Similar requirements in the private sectors of business have often proven of questionable value in predicting job performance and have often resulted in perpetuating existing patterns of discrimination (see e.g., Griggs v. Duke Power, supra, note 1)."

The Committee urged:

> "A thorough reexamination of [the Federal government's] entire testing and qualification program to ensure that the standards enunciated in the Griggs case are fully met."

It urged the development of "remedies...to correct systemic discrimination...".

In terms of substantive standards to be applied to all areas of new jurisdiction, including the Federal government as an employer, the section-by-section analysis of the Conference Committee report said (Legislative History, p. 1894) that:

> "In any area where the law does not address itself, or any areas where a specific contrary intention is not indicated, it was assumed that the present case law as developed by the courts would continue to govern the applicability and construction of Title VII." (Emphasis added)

The Supreme Court, incidentally, has also spoken to this issue since the passage of the 1972 Act, when it said in Morton v. Mancari, (1974) that:

> "In general...the substantive anti-discrimination law embraced in Title VII was carried over [by the 1972 Act] and applied to the Federal government."

This, then, is the context in which Congress decided to extend the jurisdiction of Title VII to cover federal, state and local governments as employers.

2. Problems of Voluntary Compliance in State Government:

During our meeting Attorney General Condon and others pointed out that one of the problems of achieving voluntary compliance in state government was the misplaced perception on the part of most state government managers that if they had eliminated bias, bigotry and prejudice from their employment practices they were in compliance. As I understood the conversation it was generally accepted that many managers and department heads in state government in Alaska were unaware of the changing legal technology which held them responsible for their employment systems and practices which might have an adverse impact and be unjustifiable by the business necessity standard. The situation in Alaska is by no means unique. We have already pointed out (see p. 3, paragraph B above) that voluntary compliance by private employers (prior to 1972) was often not forthcoming because those employers, their personnel managers and their attorneys, lacked the "technical perception" to understand systemic discrimination and to recognize that their own employment systems were potentially discriminatory. In the same committee reports Congress pointed out that this

lack of an appropriate technical perception of systemic discrimination which had dogged the footsteps of private employers could also be attributed to governmental employers.

While the committee reports in commenting on a governmental lack of technical perception concerning systemic discrimination were directed primarily to the federal government in its capacity as an employer it is clear from the context that Congress believed the same problem, as already identified during our discussion in Anchorage, could be attributed to State government managers, attorneys, and personnel officials. Thus, I believe, if any program of voluntary compliance to eliminate potential systemic discrimination is to be successful in the State of Alaska it must specifically address the technical perception of Alaskan State government managers and department heads and assist them in understanding the present State of the law and in understanding what we came to call during our meeting the "no fault" approach. This should lead them to understand that by adopting and implementing voluntary remedies, they are in no way conceding that they have been "bad" or "blameworthy" in the past.

3.) Unique Problems of State Government:

Having suggested that the nature of systemic discrimination and the problems of the managerial technical perception in state government parallel those previously identified in the private sector, it is important to recognize that there is one particularly unique aspect of the state government situation which must be dealt with if a voluntary compliance program is to be effective. This unique element flows primarily from the fact that state government employment systems are established, in part, by the state statutes establishing state civil service or merit systems. A second element contributing to the unique problems which confronts state government is the political context within which a manager operates when he perceives a potential violation (or simply wants to avoid one) and takes voluntary action to change his practices. Because of these issues I believe that a state government voluntary affirmative action program will not work unless the chief legal officer of the state provides strong

support to state government managers and attorneys on two issues:

-- that a state government civil service system mandating an employment system with an adverse impact is potentially illegal as a matter of federal and state law if it cannot be justified, and that a state government manager has the authority to modify that system to the minimal extent necessary to avoid a potential violation of federal law[4].

-- that a state government official has the authority to negotiate a voluntary conciliation settlement in the context of a specific complaint including, where appropriate, backpay.

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4 There is a precedent for a state attorney general to proceed in this fashion. For example, in the early days of Title VII private employers were the target of complaints filed by females who were not hired and they defended on the ground that state "protective" laws prohibited the employment of women in certain positions (for example those working in excess of certain hours or requiring the lifting of certain weights). After a number of federal district courts had held that state protective laws mandating such exclusionary employment practices violated Title VII and were superceded thereby, attorneys general in other states began to issue attorney general opinions to state industrial commissions and similar agencies advising them that it was inappropriate to consider enforcing such state protective legislation. I believe a wide range of federal district and appellate court decisions establishing a principle that state civil service statutes are suspended to the extent necessary to provide compliance with Title VII would provide a basis for a state attorney general opinion advising state government that it could take these steps voluntarily without waiting for a lawsuit. As I understand it, there is a precedent for this in the State of Alaska in the form of an attorney general letter issued in December, 1964 advising the Human Rights Commission that the U.S. Constitution precluded a personnel rule then in effect limiting state employment to American citizens.

E. MANAGERIAL SYSTEM:

Effective voluntary compliance with federal anti-discrimination legislation through the mechanism of an affirmative action compliance plan requires the development of a managerial system. The suggestion in the Weber case that an employer with a potential violation can come into compliance either through a lawsuit or through means of its own choosing consistent with traditional management perogatives has been mirrored in a wide range of court cases and federal regulations. For example, the Uniform Guidelines on Employee Selection Procedures adopted by five federal agencies and specifically applicable to the employment practices of state and local government advances the principle that an employment practice with an adverse impact can be dealt with by a state government employer either by attempting to justify the business necessity for the practice or by modifying the practice to eliminate its adverse impact. If the elimination of adverse impact over a three year period would, for example, require the hiring of 100 additional individuals, many private employers have found that the most effective way to reduce their potential liability is to treat the process of hiring those 100 additional employees as a managerial rather than an employment discrimination problem. In the same fashion that a company with a manufacturing reject rate of 10%, which desired to reduce the rate to 4% over three years would establish a managerial reporting system for each of its production lines on a monthly basis designed to assure that they were moving toward that goal, so have employers established managerial and reporting systems to assign goals to each manager to determine on a monthly, quarterly (or other appropriate) basis the extent to which each manager had contributed to the goal. An effective managerial system to achieve this would have, to the minimum, three elements, stages or levels:

-- the enunciation by top management of the specific goal and the time by which it was to be achieved (reduce reject rate in three years; hire 100 minorities and women in three years etc.) and a requirement that each operating division establish a plan for meeting its portion of a goal and establish a system for reviewing the extent to which each individual manager contributed to the goal.

-- the establishment of an operating plan for each operating division.

-- the establishment of a performance review system designed to establish the obligations of each individual manager in terms of compliance including, but not limited to, a statement in the job description and performance requirements for each managerial position of the managerial responsibility[5].

II. THE ALASKAN SITUATION:

Clearly the climate and situation in the State of Alaska is receptive to the development of a significant, responsible and effective affirmative action program for achieving voluntary compliance in state government. There is a good and comprehensive law on the books, and it has been interpreted effectively by the State Supreme Court to be at least as broad as Title VII of the Civil Rights Act of 1964.

III. SOME GENERAL BACKGROUND INFORMATION FROM OTHER STATES:

Before outlining some specific thoughts about an Alaskan program it is useful to outline some random thoughts about developments elsewhere:

A. Michigan -- A Coordinating Council:

Many states have recognized that an effective state program for dealing with discrimination in state government will require the coordination of the state enforcement agency, the state personnel system, the attorney general's office, and the governor's office. One state that has taken a leadership role in this regard is the State of Michigan.

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5. See, for example, provisions of the Civil Service Reform Act in the federal government which mandated the establishment of a performance appraisal system for all senior managers and specifically mandated that one of the elements each agency must include in the performance appraisal system is the extent to which those managers implement equal employment opportunity and the affirmative action requirements.

Specifically, Governor William G. Milliken has issued an Executive Order establishing a Michigan Equal Employment Opportunity Council with the Lieutenant Governor as Chairman and as members of the Directors of the Human Rights and Civil Service Commissions and the Attorney General. A copy of Guidelines and other publications issued by this Council is attached to this memorandum as an appendix.

B. Importance of a One-to-One Relationship in Review System:

Many states have adopted a requirement either by statute or executive order that all state agencies prepare an affirmative action plan. It is my perception that those states in which the planning process has been the most effective in achieving real change have been the states in which there has been the kind of coordination outlined in Michigan, above, and the states in which someone responsible for managing and overseeing the affirmative action process or responsible for providing legal advice to top managerial officials in state government has developed a one-to-one working relationship with the chief department heads in state government and has specifically worked with them in implementing a voluntary compliance program. For example, the State of Connecticut requires an affirmative action plan from each agency and requires the submission of that plan to the State Commission on Human Rights and Responsibilities. Each state agency head then meets for a one-to-one review of the plan with the Executive Director of the State Commission.

C. Court Approval of State Voluntary Remedies:

Several State Supreme Courts have given approval to the voluntary remedial approach, including a race or sex conscious requirement, in state government. For example:

-- In Price v. Civil Service Commission, Sacramento County, 21 FEP cases 1512 (January 25, 1980) the California Supreme Court dealt with the question of whether:

> "A governmental entity may voluntarily adopt a race-conscious, affirmative action hiring program of limited duration to alleviate an underrepresentation of minor-

> ity employees which the entity finds is attributable to its own past discriminatory practices."

The Court was dealing with a "minority preference appointment" rule adopted by the Civil Service Commission of Sacramento County in 1974 after the Commission had held hearings in an attempt to ascertain the reasons for underrepresentation of minorities and women and had determined that its "traditional Civil Service procedures" contained a variety of "significant, although apparently inadvertent, discriminatory features." Under the terms of the rule, if the county Civil Service Commission found "after a public hearing" that the underrepresentation of minority personnel in the particular classification was caused by "discriminatory employment practices" and that it was feasible to ameliorate such underrepresentation "by requiring that minority persons on an eligible list be appointed on a preferential basis" the commission can order that minoritoy personnel be appointed to the classification involved in accordance with an alternating ratio until a specified number of minority persons had been hired.

The California State Supreme Court found that the application of this rule to the position of Attorney I in the District Attorney's office in such a fashion that appointments to that position "shall be made on the basis of an alternating ratio of 2:1 so that at least one minority person is appointed for every two non-minority persons" and that such a ratio should be applied "only until the percentage of the minorities in the classes of Attorney I and Attorney II in the District Attorney's office is 8 percent," was legitimate, and that the county was authorized to adopt such a program to overcome the effects of past discrimination and that in so doing it did not violate the anti-discrimination provisions of Title VII of the Federal Civil Rights Act or the comparable anti-discrimination provisions of the Sacramento County Charter and the state Fair Employment Practices Act.

It is interesting to note that this opinion was written by the same court which earlier wrote the Bakke opinion which is often cited by state government officials as making race or sex conscious affirmative action programs inappropriate

and illegal in state government employment. Instead of focusing on the Bakke opinion, the Price court draws extensively on the United States Supreme Court opinion in the case of United Steelworkers v. Weber, 443 U.S. 193, 20 FEP Cases 1.

-- In Lindsay v. City of Seattle, 12 FEP Cases 1440 (1976), the Washington State Supreme Court approved a race-conscious affirmative action plan. The City had surveyed its own employment practices and had determined that there was a risk that they might be found in violation of anti-discrimination requirements and had adopted a series of policies and procedures to avoid that risk. Specifically, the Mayor had adopted an affirmative action program by Executive Order; the City Council had adopted an ordinance with provisions designed to "achieve equality of city employment opportunities for members of minority races;" the Engineering Department had adopted a departmental policy statement which established as a goal the achievement of ratios of minority employment "comparable to the ratios of...minorities in the Seattle community"; and the Civil Service Commission had adopted a "selective certification" amendment to the traditional "rule - of - five" used to certify qualified eligibles for a vacancy.

Under the selective certification rule a department head subject to approval by The Directors of the Civil Service Commission and the Department of Human Rights could request the certification of a qualified minority below the top five on the list when such action was believed necessary to avoid a violation of anti-discrimination laws. The State Supreme Court sustained the rule as a written and as applied to the detriment of a white engineer whose ranking was higher than a black who was certified and hired.

The Court, pointing out the potential liability faced by the city in a potential Title VII suit based on the adverse impact and lack of validity of its existing procedures, and pointing to the Title VII preference for voluntary compliance said that the procedure did not violate either state or federal law.

-- In Chmill c. City of Pittsburgh, 22 FEP cases 742 (1980) the Pennsylvania Supreme Court sustained a "dual certification procedure" used by

the City of Pittsburgh pursuant to which its Civil Service Commission certified ten whites and ten blacks for positions in the fire department based upon their passing a physical ability test and without regard to their rank on an earlier written test whose validity was in doubt and which had adverse impact on blacks.

The Sacramento action was completely voluntary; the Seattle action appears to have been adopted voluntarily but after earlier federal law suits; and the Pittsburgh action was taken in a context where there was an outstanding consent decree in an earlier Federal suit. All three States speak of the strong Federal and State policy in favor of voluntary compliance and make it clear that such action can include race-conscious steps. An Alaska Attorney General Opinion (May 20, 1976) contained similar reasoning when it approved an Interim Relief Agreement in which the Divisions of Alaska State Troopers and Fish and Wildlife Protection of the Department of Public Safety agreed to the appointment of one-third of commissioned officer openings with otherwise qualified minority and/or female applicants. The opinion pointed out that there are situations which "necessitate the consideration of the race and sex of otherwise qualified applicants."

D. Midwest Intergovernmental Equal Employment Opportunity Coordinating Committee:

One of the leading organizations in developing new and imaginative approaches by state government to the affirmative action issue has been M.I.E.E.O.C. Recently, this organization has obtained from the Bureau of Intergovernmental Personnel Programs a grant to hold a meeting of all the state level affirmative action officials to share their expertise in the development of responsible state government affirmative action programs.

E. Detroit Meeting:

The meeting described in the previous paragraph will be hosted by the Governor and Personnel Director of the State of Michigan and will be held in Detroit at the Hotel Pontchartrain on April 9-12, 1981. Attach-

ment 3 contains some of the material on this conference.

IV. SPECIFIC IDEAS FOR AN AFFIRMATIVE ACTION PROGRAM IN ALASKA IN STATE GOVERNMENT:

Outlined below are a number of thoughts about elements that might be included in your thinking as you begin the process of developing a program for affirmative action in Alaska state government:

A. Announcement of program by the Governor:

The first step would be a written document by the Governor announcing (either by Executive Order or otherwise) a statewide affirmative action program for employment in Alaska state government. The tone of this document would be to establish the effective implementation of the program as a managerial rather than a human rights problem. The initial focus of such an order from the Governor should contain a strong statement of his commitment the goals of equal employment opportunity in affirmative action. However, unlike most traditional statements which stop at that point, it should specifically point out that private employers have recognized that "real commitment" involves the commitment of resources and the development of a managerial system to achieve those goals and it should indicate that his order is design to start the process of allocating those resources and developing that management system.

Obviously if the foundation for the program can include the adoption by the legislature of the principles which I have mentioned here, that would be preferable. First it gives greater support to the program in the eyes of operating department heads and first line managers who will be called upon to implement it. In addition, should the program be challenged in court it is more likely to be sustained if it is passed by the legislature and based upon legislative findings. (See, for example, the discussion of legislative findings in Klutznick v. Fullilove, ___U.S.___.)

B. The Managerial System:

At a minimum a good managerial system in state government should have a number of elements all of which would be identified (in outline form) by the Governor in his initial announcement, or in a statement imple-

menting the statute, should you choose the legislative route. Starting from the top down the layers in such a managerial system would be:

-- The order itself which establishes the system and its goals.

-- An affirmative action planning process which is part of the Governor's recently imposed management by objectives system.

-- The development of annual affirmative action plans with specific measureable goals and the development of a review system (perhaps involving the interagency group recommended below).

-- The implementation of this entire system at a level of the individual manager by establishing elements in the performance review criteria and the job descriptions of all state managers dealing with their effective contribution to the implementation of the management EEO plans. (This is now required in the Federal government.)

-- The Governor's initial order might indicate that he has specifically directed the state Department of Administration to start the process of amending all the existing managerial job descriptions to include EEO elements.

The Executive Order would recognize the difficulties of developing such an effective system of voluntary compliance within state government, given the fact that it occurs within the context of the state civil service laws. He would indicate that he has directed the Commissioner of the Department of Administration and the state Attorney General to develop guidelines for state government agencies in achieving voluntary compliance. Eventually, there should then be an exchange of letters which lead to a series of Attorney General's opinions in which agencies are advised that it is legal under state law for them to take action to modify their employment systems in order to implement an affirmative action plan. These would expand upon the opinion of May 20, 1976, which dealt with a situation in which there had been a Human Rights Commission staff finding of discrimination to indicate that similar steps can be taken voluntarily based upon a self-audit as suggested in the EEOC

Affirmative Action Guidelines and the opinions of the United States Supreme Court in the Moody and Weber cases. Later the Attorney General may want to issue an opinion concerning the power of an agency to conciliate an individual or systemic case including back-pay.

C. Interagency Coordinating Committee:

Either as part of the Executive Order or in some other fashion the Governor might want to consider establishing our Interagency Coordinating Committee paralleling that now existing in Michigan.

However, serious consideration should be given to the membership and functions of such a council in light of the appropriate duties of the various agencies and officials who might constitute its membership. For example, the Human Rights Commission which is charged by state law with investigating complaints alleging discrimination in employment by state government agencies clearly would not want to be involved in the process of approving individual agency affirmative action plans because it may later have to make decisions on cases in which the plan and/or the results of its implementation are offered by a state agency as a defense to a charge by a female or minority. While the Human Rights Commission will want to avoid dealing with approving specific plans in advance, it would be appropriate for it to be involved in the process of establishing the policies and principles of such plans. It could for example issue principles similar to those contained in the EEOC Affirmative Action Guidelines and indicate the nature of Affirmative Action which employers can take and avoid a risk of so-called reverse discrimination charges. It would be appropriate for it to consult with other state agencies in preparing such policies as EEOC now does under Executive Order 12067.

E. Initiation (or "Kick-off") of this Program:

I believe that serious consideration should be given to a general management meeting of all Commissioners and division directors at which the governor would announce and present his Executive Order; the Attorney General would discuss the problem he perceives as chief law enforcement official for the state; the Commissioner of the Department of Administration would indicate the way which his department will assist in voluntary modification of employment systems and practices so that agencies could know that, if

they undertook voluntary compliance action they will not be opposed by the Division of Personnel; and the director of the Human Rights Commission would discuss, in a non-threatening fashion, pending compliance activities and the hope of the Commission to avoid a compliance-oriented approach wherever possible. The goals of such a meeting would be primarily to:

-- communicate an appropriate "no fault" "technical perception" of employment discrimination so that employers understand their obligation to identify their present problems and systems which may have contributed to discrimination and understand that voluntary action they may take is not an admission that those responsible for the previous system were "bad" people.

-- establish the state's approach to this matter as a managerial approach designed to solve a managerial problem with responsible managerial techniques.

F. Detailed Training for Managers and Assistant Attorneys General:

An effective kick-off meeting suggested in the previous paragraph should probably be attended only by Commissioners, division directors, and staffs of the Human Rights Commission, attorney general's office, and Personnel and EEO divisions. In terms of its approach to the law it should be general rather than specific and be designed along the "perception" issue rather than the specific detailed requirements of the implementation of a program. This will leave several gaps which might be filled by follow-up meetings:

-- a detailed longer training session for the assistant attorneys general who will, as part of the follow-up stage, be responsible for advising the specific departments and agencies to which they are assigned. The session should probably begin with an overall introduction by the attorney general and the director of the Human Rights Commission with specific detailed training to be conducted by the two assistant attorneys general assigned respectively to the Department of Administration and the Human Rights Commission.

-- A series of follow-up meetings within each department or groups of small agencies should be held with all managers and supervisors to deal with the "technical perception" issue outlined

above. At each of these meetings the format would involve a presentation by the head of the agency in question followed by those specific assistant attorneys general assigned to that department plus such other additional people as may be appropriate to achieve the dual goals outlined above.

G. Follow-Up:

To the extent that it has not been achieved at this point, the Governor should issue either in letter or executive order form the instructions to the attorney general and the Department of Administration suggested in paragraph B above. He should have designated an appropriate agency to develop standards and procedures for the management of equal employment opportunity plans and the directive should have issued from that agency to each of the agencies with a format and deadline for the plans and establishing a planning process.

This interagency committee will be responsible for developing a set of instructions which will be transmitted to agencies. Presumably they will, in turn, develop their Management Equal Employment Opportunity Plans (MEEOP) and their "Equal Employment Opportunity Management Plans (EMAPS). I would think that the Governor's executive order or implementing instructions should establish the Human Rights Commission as the final authority on substantive standards but should establish the Department of Administration as the final authority for the "approval" of specific departmental plans. If complaints are ultimately filed alleging that the agencies are still discriminating it will be the Human Rights Commission which must adjudicate these complaints. While it is appropriate for it to be involved in enunciating in advance the policies it believes should be applicable to those plans and by which it will, in turn, adjudicate such complaints, I believe it would be totally inappropriate for it to be involved in the specific approval process of a plan in connection with which it might later have to make a decision in a quasi-judicial fashion. Further, if this matter is being approached, as this memo recommends, as a managerial problem then it is appropriate that the Department of Administration as the chief management arm of the Governor be responsible for managing the voluntary compliance process of the state in its capacity as an employer/ manager.

V. CONCLUSION:

As I suggested in the introduction, the purpose of this outline is to present a number of elements which I believe should be included in your thinking as you attempt to develop an affirmative action plan and an affirmative action management process for the State of Alaska. It is not a rigid specific item plan although it is organized in such a format that it could be adapted to those purposes rapidly. The key throughout is to focus on several goals:

-- Using the existing managerial strengths and expertise of state government managers in context of the pre-existing management by objectives system which your governor has established.

-- developing in those managers the appropriate "technical perception" of systemic discrimination so that they may put that managerial expertise to work on this "new" managerial problem.

-- establishing and providing sufficient resources to effectively implement a state equal employment opportunity management process government-wide and specific equal employment opportunity management plans in each state agency.

-- providing support, advice, guidance and assistance to agencies in developing those plans from the personnel arm of state government (Office of the Administration) and from the legal arm of state government (attorney general).

As I also stated, above, my perception of existing capability in commitment of Alaskan State government lead me to be extremely optimistic as to your potential for success. While no one can guarantee immunity from complaints or lawsuits one can take responsible managerial action to substantially reduce the risk of such suits being filed and (if filed) the risk of a substantial loss by the state.

Alaska State Legislature

Senate

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Fischer, Chairman
Senate State Affairs

FROM: Senator Ferguson

DATE: March 31, 1982

SUBJECT: SB 248

I am proposing the following amendments to SB 248.

1. Page 2, Delete subsection 6 and insert new subsection 6 to read:

"(6) implement standards by which performance evaluations of supervisors reflect their compliance with affirmative action plans and objectives including the granting or denial of merit increases."

2. Page 4, Delete subsection 1 and insert new subsection 1 to read:

"(1) 'affirmative action plan' means a set of achievable goals within reasonable time frames for each department to fully employ minority people and women at all pay grades consistent with their availability and includes an assessment of current utilization and availability with specific results-oriented procedures to identify and eliminate artificial or customary practices which operate to exclude minority people and women where not justified by operational necessity."

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C
JUNEAU, ALASKA 99811
465-2200

March 24, 1981

Honorable Vic Fischer
Senate State Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Fischer:

The Department of Administration is, for several reasons, unable to support Senate Bill No. 248 requiring legal enforcement of affirmative action plans and programs within the Executive Branch by the Division of Equal Employment Opportunity (EEO).

The Office of Equal Employment Opportunity was established by Governor Egan in 1972 to: advise and provide guidance to the Executive Branch in matters pertaining to discrimination in employment and affirmative action; to assist agencies of the Executive Branch to implement plans and programs which identify systems or practices with exclusionary impact on minorities and women or which perpetrate effects of previous discrimination; to take voluntary affirmative actions in relation to identified problems; and by so doing, assure compliance in order to alleviate as much as possible the legal remedies required in conciliation on agreements or by the courts when discrimination is found.

First, Senate Bill No. 248 would, in our opinion, create an antagonistic atmosphere between the Division of Equal Employment Opportunity and the agencies they advise by placing the Division in an adversarial role and thereby severely limiting efforts of the Executive Branch to voluntarily eliminate discriminatory practices and systems which may exist.

Second, there is, as you are aware, already an independent agency of the State which has statutory responsibility for pursuing enforcement actions against the Executive Branch (i.e., the Alaska State Commission for Human Rights). The Commission is also responsible for pursuing enforcement actions against all employers in the State, both public and private.

Third, while Senate Bill No. 248 addresses EEO responsibilities in the Executive Branch, it wholly ignores those same responsibilities in the Judicial and legislative branches over which we have no control.

02-89LH

Fourth, Senate Bill No. 248 will not allow the flexibility necessary to management in the rapidly changing field of Equal Employment Opportunity because it places into law functions of the Division which would then require a lengthy process to change or modify.

Although we are totally committed to affirmative action and equal employment opportunity, we believe that there are sufficient complaint and enforcement avenues (e.g., Human Rights Commission, Ombudsman, U. S. Equal Employment Opportunity Commission, U. S. Office of Federal Contract Compliance, U. S. Office of Revenue Sharing and employee labor organizations) available. We would prefer to direct the efforts of the Division of Equal Employment Opportunity to those preventative measures which will minimize any need for enforcement actions within the Executive Branch.

Respectfully,

W. R. Hudson
Commissioner

WRH/mjc
CC: Honorable Frank Ferguson
Keith Specking
Judy Crondahl
Aaron Isaacs

MEMORANDUM State of Alaska

TO: The Cabinet

DATE: March 26, 1981

FILE NO:

TELEPHONE NO: 465-3500

FROM: Jay S. Hammond
Governor

SUBJECT: Affirmative Action Plan/EEO

I have approved a new procedure to be employed within the Executive Branch in order to more fully implement my policy of Equal Employment Opportunity/Affirmative Action. This procedure, which will be issued by the Division of Personnel, will allow you to execute your affirmative action plans once they are approved by the Director of Equal Employment Opportunity. We have extensively discussed the problem of executing our good intent in connection with EEO/AAP at the Cabinet level. The procedure is an important positive step to make certain my policy is implemented throughout State government. You will note that the procedure allows us to rectify any underutilization by race and/or sex based on merit and ability.

I expect this procedure to be implemented when a condition of underutilization exists for any job classification. In order for this procedure to be successful, the full cooperation of the Cabinet -- as well as your line managers -- is necessary. I am, therefore, relying on the Cabinet to implement this procedure in good faith.

cc: Lt. Governor Miller

STATE of ALASKA

MEMORANDUM

PERSONNEL MEMORANDUM 81-1

TO: All Personnel Officers

DATE: March 25, 1981

FILE NO:

TELEPHONE NO: 465-4430

FROM: Bruce Cummings
Director
Division of Personnel
Department of Administration

SUBJECT: Use of Personnel Rules 5 02.4 and 5 02.5 for Affirmative Action Program

Affirmative action necessitates every reasonable effort to employ in state government qualified persons of each race and sex at least in proportion to their availability in the relevant job markets. To the extent that we fail to meet that goal, so-called underutilization of persons by race or sex may exist. Personnel Rules 5 02.4 and 5 02.5 permit hiring from other than the top five ranked available candidates "when unique or unusual circumstances are recorded by the appointing authority." Correcting underutilization of employees of racial or sexual groups may constitute "unique and unusual circumstances," and therefore, the authority of that rule can be used to correct underutilization which has been documented by an employing agency in its approved affirmative action plan and by the Division of Equal Employment Opportunity (EEO).

Accordingly, beginning immediately and until any underutilization is corrected, the following procedures apply:

(1) When an executive agency determines that it employs fewer members of a racial or sexual class, or both, in a job classification within a specific job group (e.g., entry professional, mid-level professional, senior professional, etc.), than the proportionate number of qualified persons of that racial or sexual class in the relevant job market without a racially or sexually neutral explanation, that class is considered to be underutilized. Until more reliable data have been developed, employing agencies and EEO will use the data used in preparing affirmative action plans to determine the numbers of qualified persons of each race and sex available in relevant job markets and to determine whether and to what extent underutilization exists.

(2) Each time an agency fills a vacant position in a job group where underutilization has been documented in the agency's approved affirmative action plan, the agency can and should request discretionary authorization to appoint from below the top five ranked available candidates under the provisions of Personnel Rules 5 02.4 and 5 02.5 by submitting a memorandum to the director of EEO requesting authorization to correct the

underutilization. The request must specify the job classification to be filled in the job group in which underutilization has occurred and the racial or sexual group, or both, which are underutilized. The latter specification may be simply for "any minority." The request should be accompanied by supporting data. The formal Request for Certification (02-254), with Section A fully completed, must be attached to the request to the director of EEO. In the space provided for special requests, the agency is to enter "Affirmative Action" examining option, and specify the racial or sexual class or classes underutilized in the job group, or specify "any minority." An example is attached.

(3) If the director of EEO finds that the agency determination of underutilization has been documented, he shall note his concurrence and forward the agency request for certification under these procedures to the director of personnel.

(4) The Division of Personnel shall then issue a certification of eligibles for the agency's consideration from which the agency may:

(a) select from among the top five available eligibles, or

(b) select from among the top five available eligibles from the underutilized minority or racial or sexual group.

(5) An agency is not required to appoint a candidate from an underutilized racial or sexual group. The appointing authority, on the basis of all relevant factors, which may include the need for the state government's workforce to be composed of qualified persons of each race and sex in proportion to their number in the relevant job markets, is expected to hire on the basis of ability.

Under these procedures, no applicant is to be denied employment solely on the basis of race or sex, and none is to be hired solely on that basis. Rather, these procedures are designed to correct, so long as it may exist, any underutilization of racial or sexual groups which may have resulted from pre-existing selection procedures or from their misapplication. These procedures may be utilized only where underutilization is documented by an agency's affirmative action plan and not otherwise. When documented underutilization of a class has been corrected, these procedures no longer apply.

Ultimately, affirmative action and the merit system are two sides of the same coin. Both demand that employment and promotion decisions be made on the basis of ability. Where recruiting, selection, and promotion practices result in underutilization of racial or sexual groups in comparison to the number of qualified persons of each race or sex in the relevant labor market, those practices must be corrected. These procedures will help, but they are not a solution to the overall problem. That solution will take more time. While we work on that solution, we will use these procedures.

We anticipate that there will be occasions when eligible lists will not have sufficient numbers of candidates in requested classes for adequate consideration. In such cases, the Divisions of Equal Employment Opportunity and Personnel are prepared to assist in recruitment efforts.

In order to be able to determine underutilization in your agency -- and therefore to use these procedures -- it is imperative that your Affirmative Action Plan be completed, approved by the Division of EEO, and maintained in a current status. In the absence of such a plan, we have no data on which to make determinations and will return your requests without action.

If you or members of your staff have any questions regarding these procedures, please contact the director of personnel at 465-4430.

BAC/nl
Attachment
C3/B

NATIONAL ORGANIZATION FOR WOMEN
Anchorage Chapter
P.O. Box 1722
Anchorage, Alaska 99510

March 24, 1981

Senator Vic Fisher
Senate Staff
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Senator Fisher:

On behalf of the Anchorage Chapter of the National Organization for Women, I wish to comment on Senate Bill No. 193, Senate Bill No.104, and Senate Bill No. 248.

Senate Bill No. 193 entitled: "An Act amending the State Personnel Act (AS 39.25); and providing for an effective date."

A proposed amendment, change in language page 14, line 22,

...after the word age,... strike "or",

...insert "marital status, changes in marital status,"

...continue with "handicap,"

...insert "or any other non-merit reason."

Proposed language would be (line 21) "...discrimination due to race, sex, color, religion, national origin, age, marital status, change in marital status, handicap, or any other non-merit reason." These changes would strengthen this non-discrimination statement. Employment status should not be inhibited by a persons marital situation or other reasons not effecting their work performance.

Senate Bill No. 248 is a good bill and will strengthen equal employment opportunities for both women and minorities within the executive branch. This bill has our support.

Senate Bill No. 104 is unacceptable. Historically veteran's preference legislation has proven to have a negative impact on women in the job market. The variation in numbers of women who qualify for veteran's benefits as compared to the numbers of men is an inhibiting factor to equal employment opportunities for women.

Your consideration of these comments is appreciated.

Sincerely,

Madeline G. Holdorf

Madeline G. Holdorf
President

cc: Labor Committee
Anchorage Chapter, National
Organization for Women

The Equal Rights Amendment to the U.S. Constitution

Section 1
Equality of rights under the law shall not be denied or abridged by the United States or by any state on account of sex.

Section 2
The Congress shall have the power to enforce, by appropriate legislation, the provisions of this article.

Section 3
This amendment shall take effect two years after the date of ratification.

Anch Times 3-29-81

Miller questions hiring

The state's personnel system has effectively denied Alaskans equal access to state jobs, Lt. Gov. Terry Miller said Saturday.

Speaking to the Alaska Black Caucus, Miller called the personnel system "a system that has over-credentialized positions and allows state administrators too often to use arbitrary methods to fill state positions."

(Related story, page B-9)

"While these practices discriminate against Alaskans of every circumstance, they impact women and minorities most severely. The results are obvious. In a recently published list of top-paid state employees, few were women and even fewer were minorities."

Miller said he wasn't condemning the efforts of the Division of Personnel but rather questioning the progress the state has made in promoting and hiring women and minorities.

He proposed a regular, thorough review of state hiring practices and said Gov. Jay Hammond will propose a hiring policy designed to ensure more Alaskans have an opportunity for state employment.

The policy, Miller said, would require the Division of Personnel to provide state employers with the names of the top five women applicants for a job and the top five minority applicants. Those would be in addition to the top five applications currently given to the employers.

"This will reduce the dependence of the actual state employer on what are too often arbitrary decisions by the Division of Personnel — based too often only on resumes and the ability to take tests," he said.

"It will enlarge the pool of Alaskans that will be interviewed for state jobs."

SB

257

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S
JUNEAU, ALASKA 99811

April 7, 1981

The Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Room 205 - Behrends Building
Juneau, Alaska

Dear Senator Fischer

Re: Senate Bill No. 257

Senate Bill No. 257, an Act relating to natural gas; establishing the Alaska Natural Gas Industrial Development Authority; and authorizing the authority to issue revenue bonds to finance construction of a plan to condition natural gas and repealing the Alaska Gas Pipeline Financing Authority, was introduced in the Senate on March 9, 1981 and was referred to the Senate State Affairs; Resources and Finance Committees.

For the consideration of the Senate State Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. Anselm Staack, Treasury Comptroller, Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

RDS/rdh

cc: The Honorable Bettye Fahrenkamp
Chairperson
Senate Resources Committee

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

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Anselm Staack
Treasury Comptroller
Department of Revenue

04-D2LH

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

SB 257

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE BILL NO. 257

Title Establishing the Alaska Natural Gas Industrial Development Authority, provide for the issuance of revenue bonds, repeal Alaska Gas Pipeline Financing Authority

Requested by Senate State Affairs Committee Date 3/9/81

II. FISCAL DETAIL

Agency Affected Department of Revenue, State Bond Committee

Program Category Affected

BRU, Program, or Subprogram(s) Affected

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

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars) SEE BELOW: SIGNIFICANT POTENTIAL IMPACT EXISTS BUT IS INDETERMINATE

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

This bill establishes the Alaska Natural Gas Industrial Development Authority for the purpose of issuing revenue bonds to plan and finance the construction of a plant to condition natural gas. Repeals Alaska Gas Pipeline Fiancing Authority. Authority (development) allowed to issue and sell up to $2 Billion in revenue bonds.

This bill is structured to create an organization/agency similar to International Airports which is an agency within DOTPF and is budgeted like any other BRU The State Bond Committee makes all decisions related to the issuance and sale of revenue bonds. Staff and other operating expenditure requirements would be based on the eventual size and scope of the project.

IV. DATE April 6, 1981 PREPARED BY Anselm C. Staack, Treasury Comptroller

AGENCY Dept. of Revenue/Treasury Division

PHONE 465-2351

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

33-001 (Rev. 12/80)

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

MEMORANDUM May 8, 1981

SUBJECT: Natural Gas Industrial Development Authority (SB 257)

TO: Senator Vic Fischer, Chairman
Senate State Affairs Committee
Attn: Robert Roark

FROM: John B. Chenoweth
Legislative Counsel

This memorandum recounts and summarizes the content of several conversations among Anselm Staack, Comptroller in the Department of Revenue, Assistant Attorney General Jim Baldwin, and me concerning the above-referenced bill.

Mr. Staack was concerned that the Natural Gas Industrial Development Authority was established and constituted an authority rather than a state corporation by this legislation, while Mr. Baldwin asked whether the entity, constituted as an authority, actually performed any substantive functions which might otherwise be performed by the state bond committee. Mr. Staack's principal concern, I believe, was the degree of control which the state government would continue to enjoy if the entity were established as an authority (with a degree of independence greater than that normally attaching to a state corporation). The law is not particularly clear as to whether an authority is truly more "independent" than a public corporation. Rather than merely relying on the designation, the real distinction arises out of the duties and powers assigned to the entity and, of course, the nature of the membership of the entity's governing body. More significant, perhaps is Mr. Baldwin's concern that, in SB 257, the authority's board is really given little responsibility, while the state bond committee's duties (with respect to issuance of the revenue bonds, their payment, redemption and the like) are significant. Mr. Baldwin suggests that the legislative committee considering the legislation might

want to consider eliminating the separate Natural Gas Industrial Development Authority, assigning its responsibilities to, say, a commissioner or commission already established, leaving the "mechanics" of treating with the bonds to the state bond committee, and describing very specific limitations on the assets associated with the gas conditioning facility which would serve as the basis for guarantees of repayment of the revenue bonds. Both points raised are, to my mind, policy considerations for the committee to which Senator Parr, the bill's sponsor, may wish to respond.

In addition, Mr. Baldwin suggested that language appearing in AS 31.35.010 relating to the authorization for the gas conditioning plant be redrafted for purposes of clarity. I concur and suggest:

> (a) The state may acquire or construct a gas conditioning plant and any facilities associated with it, equip the plant, and install additions and improvements to the plant and any facilities associated with it.

Finally, Mr. Baldwin urged reconsideration of the provisions of the last sentence of AS 44.82.091(a), page 4, lines 26 - 29 suggesting that the ten percent rate therein specified should be considered an averaged rate of interest for the life of the bonds. I believe the language provided in the bill does as he suggests, but would act on any recommendation which the committee would choose to make in this regard.

JBC:ljb

cc: Senator Charles H. Parr

SB 253, (cont'd)

Introduced March 9 and referred to Community and Regional Affairs, then to Finance.

Educational Incentive Grant Program

SENATE BILL NO. 254, by Senators Parr, Kelly and Stimson. Relates to the Alaska State Educational Incentive Grant Program (AS 14.40.930). Amends that section by stating that funds appropriated for this program "may" (presently "shall") be used as matching funds for the state's participation in the federal-state student incentive grant program (P.L. 92-318; 20 U.S.C. secs. 1070c - 1070c-s). Rewrites section relating to limitations on grants (sec. 950(a)) by stating that a grant made may not be less than $100 or more than $3,000 (presently $1,500) for an academic year. Provides Act takes effect July 1, 1981.

Introduced March 9 and referred to Health, Education and Social Services, then to Finance.

Appropriation (special) (ed. incentive grant program)

SENATE BILL NO. 255, by Senators Parr, Kelly and Stimson. Makes a special appropriation in the amount of $1,000,000 to the Department of Education, Alaska Commission on Postsecondary Education for the Alaska state educational incentive grant program. Provides unexpended and unobligated portion of the appropriation lapses into the general fund on June 30, 1982. Provides Act takes effect on the effective date of SB 254, above.

Introduced March 9 and referred to Health, Education and Social Services, then to Finance.

Pioneers' Home (exempt from requirements)

SENATE BILL NO. 256, by Senator Parr. Repeals the requirement that the person managing or administering an Alaska Pioneers' Home be a licensed nursing home administrator. Amends AS 08.70.080 (Nursing Home Administrators. License required) by addition of language which states: "This section does not apply to persons engaged in managing, supervising, or administering an Alaska Pioneers' Home under AS 47.25." Provides Act takes effect immediately.

Introduced March 9 and referred to Health, Education and Social Services.

Natural Gas Development Authority

SENATE BILL NO. 257, by Senator Parr. Repeals the Alaska Gas Pipeline Financing Authority, created in 1978 (sec. 1, chapter 90, SLA 1978) to provide state assistance for the financing of the natural gas pipeline project. Repeals section relating to the issuance of revenue bonds (AS 44.82.090) which allows the state to borrow money and issue revenue bonds up to the principal amount of $1,000,000,000 to assist in the financing of the project.

--Establishes the Alaska Natural Gas Industrial Development Authority (in place if the Alaska Gas Pipeline Financing Authority), within the Department of Revenue, with a legal existence independent of and separate from the state. Authorizes the authority to issue revenue bonds to finance construction of a plant to condition natural gas.

SB 257, (cont'd)

--Amends the State Bonding Act (AS 37.15) by addition of a new section relating to natural gas conditioning plant revenue bonds, authorizing the issuance and sale of revenue bonds of not more than $2,000,000,000 to provide money to acquire, construct, equip and install additions and improvements to the gas conditioning plant.

--Amends Title 31, "Oil and Gas" by addition of a new chapter, "35. Natural Gas Conditioning Plant" which authorizes the state to acquire, construct, equip and install additions and improvements to the gas conditioning plant and any facilities associated with it. Provides that the Commissioner of Transportation and Public Facilities has the responsibility to design and construct the plant and improvements to it. Provides that the location of the plant shall be determined, after public hearings, by the Alaska Royalty Oil and Gas Development Advisory Board.

—Provides for lease and operation of the gas conditioning plant by the Commissioner of Natural Resources to a qualified operator by competitive bid. States that bids may be on the basis of a percentage of revenue produced by the plant or a fixed annual rental payment, as determined by the Commissioner. The minimum acceptable bid must be sufficient to pay the debt service on the bonds and to provide the state with a reasonable return on its investment.

Sections added which deal with bonds and funding of the authority include:

AS 44.82.083, "Bonds of the Authority". States that bonds of the authority may be issued ". . .for the purpose of purchasing or otherwise acquiring any obligation issued with respect to the project in any form which is fixed and certain as to terms of repayment and for the establishment of reserves to secure or to pay bonds or notes or interest on bonds or notes and all other costs of the authority incident to and necessary for issuance of bonds or notes. . . .".

AS 44.82.085, "Construction Fund". Sets up a special fund of the state known as the "gas conditioning plant construction fund" "into which shall be paid the proceeds of the sale of the bonds (except accrued interest paid on them, which shall be paid into the bond redemption fund) and other money which is legally provided for the same purposes for which the bonds are authorized. The money in the construction fund shall be used to pay the costs of the project and for incidental costs, including costs of the authorization, issuance and sale of the bonds. . . .To the extent provided in the bond resolution, money in the construction fund may also be used for the payment of interest on the bonds during the period of actual construction, and for a further period, not exceeding one year after the period of construction, as may be provided in the bond resolution. Money in the construction fund may also be transferred to the bond redemption fund. . .to establish a reserve for the payment of the principal of and interest on the bonds. . . .".

SB 257, (cont'd)

AS 44.82.087 "Revenue Fund". Sets up a special fund of the state known as the "gas conditioning plant revenue fund", which is " . . .a trust fund for the uses and purposes provided in this chapter, and into which shall be paid all revenues, fees, charges and rentals derived by the state from the ownership, lease, use, and operation of the gas conditioning plant and all of the facilities and improvements used in connection with it. These revenues, charges, fees, and rentals may not include the proceeds of a state tax or license. . . .". (Further outlines purposes for which monies may be used).

AS 44.82.089, "Redemption Fund". Sets up a special fund of the state, known as the "gas conditioning plant revenue bond redemption fund: "which is a trust fund for paying and securing the payment of the principal of and interest and redemption premium, if any, on the bonds and which shall be at all times completely segregated and set apart from all other funds of the state. . . .The bond redemption fund shall be drawn upon for the purpose of paying the principal of and interest and redemption premium, if any, on the bonds, and the bonds do not constitute a general obligation of the state."

--Outlines bond terms, and states that before selling a series of bonds, the committee shall give notice inviting sealed bids and if satisfactory bids are received, the bonds offered for sale shall be awarded to the highest responsible bidder. The committee may reject bids if they are not satisfactory as to price or responsibility of the bidders. Bonds shall be sold at such a price that the effective interest rate over the life of the bonds does not exceed 10 percent a year with interest payable annually or semiannually. Provides bonds shall mature at the time or times fixed by the committee.

--Following sections deal with bond resolution, enforcement by holder, amounts required for payments, bond negotiability, limitation on issuance of bonds and refunding.

--Repeals and reenacts AS 44.82.160, "Bonds as legal investments for fiduciaries.", by changing section to "Bonds as legal investments". Section as repealed and reenacted reads: "The bonds are legal investments for all banks, trust companies, savings banks, savings and loan associations and other persons carrying on a banking business, all insurance companies and other persons carrying on an insurance and all executors, administrators, trustees, and other fiduciaries. The bonds may be accepted as security for deposits of all funds of the state and its political subdivisions."

--Adds a "statutory construction" clause, and repeals and reenacts definitions relating to the "authority", "bonds", "project", "bond redemption fund", "bond resolution", "committee", "construction fund", "gas conditioning plant" and "revenue fund" to reflect the change to the Alaska Natural Gas Industrial Development Authority, rather then the Alaska Gas Pipeline Financing Authority".

SB 257, (cont'd)

--Other sections relating to the Alaska Gas Pipeline Financing Authority which are repealed include:

sec. 100, Submission of financial and Alaska impact plan.
sec. 170, Regulations.
sec. 200, Definitions: (3) "entire trasmission system"; (5) "project sponsor"; (6) "Prudhoe Bay natural gas"; (7) "Prudhoe Bay oil"; (8) "Prudhoe Bay reservior"; and sec. 1, Chapter 90, SLA 1978, the "Legislative Findings" section of "An Act creating the Alaska Gas Pipeline Financing Authority; and providing for an effective date."

--Provides the employees of the Alaska Natural Gas Industrial Development Authority are a part of the exempt service, exempt from the provisions of the State Personnel Act.

--Does not provide for an effective date.

Introduced March 9 and referred to State Affairs, Resources, then to Finance.

Appropriation (special) (village water & sewer systems)

SENATE BILL NO. 258, by Senator Ferguson. Makes a special appropriation in the amount of $200,000 to the Department of Community and Regional Affairs for technical support for the operation and maintenance of village water and sewer systems: $100,000 for payment as a grant to the Norton Sound Health Corporation to establish and operate a water and sewer technical support office in Nome to provide trained technical support for the operation of village water and sewer systems; $100,000 for payment as a grant to the Mauneluk Association to establish and operate a water and sewer technical support office in Kotzebue to provide trained technical support for the operation of village water and sewer systems. Provides Act takes effect immediately.

Introduced March 9 and referred to Community & Regional Affairs, then to Finance.

Appropriation (supplemental) (Kotzebue nursing service)

SENATE BILL NO. 259, by the Rules Committee by Request of the Governor. Makes a supplemental appropriation from the general fund to the Department of Health and Social Services, Division of Public Health, to pay the costs of public health nursing services in the Kotzebue area. Provides the unexpended and unobligated part of the appropriation lapses into the general fund on June 30, 1981. Provides Act takes effect immediately.

Introduced March 9 and referred to Health, Education and Social Services, then to Finance.

In his message transmitting the bill, Governor Hammond stated:

> Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill which would make a supplemental appropriation to the Department of Health and Social Services (H&SS), division of public health.
>
> This appropriation would be used to pay the salaries and associated costs for four nursing positions in Kotzebue. Last year money was appropriated to the department to contract for nursing services in the Kotzebue area. The contract with the Mauneluk Association for a pilot

QUESTIONS for SB 257 Ak. Natural Gas Industrial Development Authority

1. Section 1. - You are creating a new authority without repealing the old authority. Do you plan to repeal 44.82.010 or will you have two existing gas pipeline financing authorities? (page 1 Section 1 graph 1)

2. Page 3, 44.82.087 & page 4, 44.82.089 These both say special fund. Would you elaborate on the constitutional problem of designated funds?

3. POSSIBLE AMENDMENT Page 4 line 24 In place of highest would you mind changing to "lowest net interest cost."

4. ?? Page 5 lines 10 thru 13. You have these bonds that belong to an independent industrial development authority being signed by the governor or the lt. governor. My impression is that these are not bonds of the state and do not require the governor's signature. Could you clarify that for me.

5. Page 9 line 26--If this is an indep authority ~~in and of itself~~, why would you use the state bond committee?

6. Page 11 line 1 sec. 31.35.020 In regards to the location of the gas conditioning plant, ~~why would~~ this decision be made by the Ak. Royalty oil and Gas Development Advisory Board? ~~Are we making a fiscal decision or a political decision as to the location of the GCP?~~ what criteria

7. OPENING QUESTION Charlie would you say that this authority has been patterned after any existing authorities in the state or is it a new concept? What is Intent

Vic, Additional question(s)

6. In light of the work of the D&D board, do you believe it is still appropriate for DOTPF to design and construct the gcp. (page 10 line 28 under 31.35.010

SB 257

8. 2. What if the state wanted to help finance the line and the gcp? Would this bill not restrict financing to the gcp only?

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH M
JUNEAU, ALASKA 99811
PHONE: (907)465-2400

May 5, 1981

Senator Vic Fischer
Chairman
Senate State Affairs
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Fischer:

Thank you for the opportunity to comment on Senate Bill 257. Our comments on the bill do not take into consideration the technical and legal issues related to revenue bonding and industrial development authorities which may be inherent in SB 257, as we understand the Department of Revenue has been requested to testify. We would note, however, that the bill appears to share some of the defects of the existing statute identified in a review of that statute last year. The current version of SB 257 raises some concerns.

First, it would repeal the existing Alaska Gas Pipeline Financing Authority, including the requirement for a Financial and Alaska Impact Plan which covers such items as financing methods; protection of the State's right to withdraw its royalty gas; resident hire practices; reimbursement of State costs associated with monitoring the project; and resolution of several issues such as allocation of conditioning costs.

The repeal of the Financial and Alaska Impact Plan (AS 44.82.100) would remove from State statute the only specific mention of the State's intent to recover the costs of State personnel and equipment required to monitor the construction and operation of the pipeline project, and the costs of providing local impact information and planning assistance for communities affected by the project. Although the State has authority to require such reimbursement under its general leasing provisions, the question of the propriety of reimbursement of socio-economic costs has been raised as an

issue in the Federal Energy Regulatory Commission proceedings and is not yet resolved there.

Second, as Senate Bill 257 was originally drafted over a year ago and reintroduced this session, it does not reflect some developments which have taken place in the interim. Sec. 31.35.010(b) calls for DOT-PF to be responsible for designing and constructing the plant and improvements to it. In actuality, design of the conditioning plant is well underway as the Design and Engineering Board (composed of both gas producers and the gas transmission companies) contracted last year with the Ralph M. Parsons Company for the work.

Also Sec. 31.35.020 calls for the location of the gas conditioning plant to be determined, after public hearing, by the Alaska Royalty Oil and Gas Development Advisory Board. This provision probably lies outside the statutory scope of the Advisory Board. It also ignores the practical, technical and economic considerations which have guided the Design and Engineering Board in its site selection. The State did request from the Design and Engineering Board a comparative analysis of the Prudhoe Bay site vs. an Interior site. The analysis supported the selection of the Prudhoe Bay site, a conclusion which the State's consultants, a gas processing engineering firm, concurred with.

We are sorry not to be able to respond in person to any questions at this time, but we would be glad to answer any questions at a later date, either through subsequent written testimony or through work with legislative staff.

Sincerely,

for Robert E. LeResche
Commissioner

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S
JUNEAU, ALASKA 99811

April 7, 1981

The Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Room 205 - Behrends Building
Juneau, Alaska

Dear Senator Fischer:

Re: Senate Bill No. 257

Senate Bill No. 257, an Act relating to natural gas; establishing the Alaska Natural Gas Industrial Development Authority; and authorizing the authority to issue revenue bonds to finance construction of a plan to condition natural gas and repealing the Alaska Gas Pipeline Financing Authority, was introduced in the Senate on March 9, 1981 and was referred to the Senate State Affairs; Resources and Finance Committees.

For the consideration of the Senate State Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. Anselm Staack, Treasury Comptroller, Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

RDS/rdh

cc: The Honorable Bettye Fahrenkamp
Chairperson
Senate Resources Committee

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

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Anselm Staack
Treasury Comptroller
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

SB 257

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE BILL NO. 257

Title Establishing the Alaska Natural Gas Industrial Development Authority, provide for the issuance of revenue bonds, repeal Alaska Gas Pipeline Financing Authority

Requested by Senate State Affairs Committee Date 3/9/81

II. FISCAL DETAIL

Agency Affected Department of Revenue, State Bond Committee

Program Category Affected

BRU, Program, or Subprogram(s) Affected

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

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars) SEE BELOW: SIGNIFICANT POTENTIAL IMPACT EXISTS BUT IS INDETERMINATE

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

This bill establishes the Alaska Natural Gas Industrial Development Authority for the purpose of issuing revenue bonds to plan and finance the construction of a plant to condition natural gas. Repeals Alaska Gas Pipeline Fiancing Authority. Authority (development) allowed to issue and sell up to $2 Billion in revenue bonds.

This bill is structured to create an organization/agency similar to International Airports which is an agency within DOTPF and is budgeted like any other BRU. The State Bond Committee makes all decisions related to the issuance and sale of revenue bonds. Staff and other operating expenditure requirements would be based on the eventual size and scope of the project.

IV. DATE April 6, 1981 PREPARED BY Anselm C. Staack, Treasury Comptroller

AGENCY Dept. of Revenue/Treasury Division

PHONE 465-2351

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

33-001 (Rev. 12/80)

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

M E M O R A N D U M May 8, 1981

SUBJECT: Natural Gas Industrial Development Authority (SB 257)

TO: Senator Vic Fischer, Chairman
Senate State Affairs Committee
Attn: Robert Roark

FROM: John B. Chenoweth
Legislative Counsel

This memorandum recounts and summarizes the content of several conversations among Anselm Staack, Comptroller in the Department of Revenue, Assistant Attorney General Jim Baldwin, and me concerning the above-referenced bill.

Mr. Staack was concerned that the Natural Gas Industrial Development Authority was established and constituted an authority rather than a state corporation by this legislation, while Mr. Baldwin asked whether the entity, constituted as an authority, actually performed any substantive functions which might otherwise be performed by the state bond committee. Mr. Staack's principal concern, I believe, was the degree of control which the state government would continue to enjoy if the entity were established as an authority (with a degree of independence greater than that normally attaching to a state corporation). The law is not particularly clear as to whether an authority is truly more "independent" than a public corporation. Rather than merely relying on the designation, the real distinction arises out of the duties and powers assigned to the entity and, of course, the nature of the membership of the entity's governing body. More significant, perhaps is Mr. Baldwin's concern that, in SB 257, the authority's board is really given little responsibility, while the state bond committee's duties (with respect to issuance of the revenue bonds, their payment, redemption and the like) are significant. Mr. Baldwin suggests that the legislative committee considering the legislation might

want to consider eliminating the separate Natural Gas Industrial Development Authority, assigning its responsibilities to, say, a commissioner or commission already established, leaving the "mechanics" of treating with the bonds to the state bond committee, and describing very specific limitations on the assets associated with the gas conditioning facility which would serve as the basis for guarantees of repayment of the revenue bonds. Both points raised are, to my mind, policy considerations for the committee to which Senator Parr, the bill's sponsor, may wish to respond.

In addition, Mr. Baldwin suggested that language appearing in AS 31.35.010 relating to the authorization for the gas conditioning plant be redrafted for purposes of clarity. I concur and suggest:

> (a) The state may acquire or construct a gas conditioning plant and any facilities associated with it, equip the plant, and install additions and improvements to the plant and any facilities associated with it.

Finally, Mr. Baldwin urged reconsideration of the provisions of the last sentence of AS 44.82.091(a), page 4, lines 26 - 29 suggesting that the ten percent rate therein specified should be considered an averaged rate of interest for the life of the bonds. I believe the language provided in the bill does as he suggests, but would act on any recommendation which the committee would choose to make in this regard.

JBC:ljb

cc: Senator Charles H. Parr

Dept of Rev.

what control is a la airport auth.

CHANGES IN SB 257 (CS)

1. First, we left the language that Anselm Staack had problems the way it was. After, conferring with lawyers, who had no problem with it, it was not changed.

2. Added from the original statute was 44.82.100 SUBMISSION OF FINANCIAL AND ALASKA IMPACT PLAN. This was the heart of the old statute and I believe the only reason it was deleted was because of oversight on Chenoweth and Charlie Parr's part. It was really the heart of the old bill. Mary Halloran will be at the meeting to testify on this part of the bill.

3. Also added back in that was previously deleted was 44.82.110 which deals with Legislative approval. It is much the same as the "petrochemical legislative approval" and I see no reason why we would want to give it up. The draft does not mention it, but at the end, where it lists the number of sections repealed, it has been deleted, so it is back in the bill.

4. Finally, we have deleted from this bill, the part on "location of the gas conditioning plant" -- That decision previously to be made by the Royalty--Advisory Board--is now in the hands of "PRIVATE ENTERPRISE" The Design and Development Board (D&D Board) has already spent $90 million dollars on design and that decision is no longer up to the state. Therefore we had it deleted. Again, questions on this can be answered by Mary Halloran, DNR.

Mary Halloran

Parr Purpose - own cond. plant so can control part of gas operation

Introduced: 3/9/81
Referred: State Affairs, Resources and Finance

IN THE SENATE BY PARR

SENATE BILL NO. 257

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to natural gas: establishing the Alaska Natural Gas Industrial Development Authority, and authorizing the authority to issue revenue bonds to finance construction of a plan to condition natural gas; and repealing the Alaska Gas Pipeline Financing Authority."

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

* Section 1. AS 44.82 is amended by adding a new section to read:

44.82.010 not repealing old authority

Sec. 44.82.011. CREATION OF AUTHORITY. There is created the Alaska Natural Gas Industrial Development Authority. The authority is a public corporation of the state. It is an instrumentality of the state in the Department of Revenue, but has a legal existence independent of and separate from the state. Exercise by the authority of the powers conferred by this chapter is an essential governmental function of the state.

same authority

* Sec. 2. AS 44.82.060 is amended to read:

Sec. 44.82.060. LEGAL COUNSEL. The attorney general is the legal counsel for the authority [CORPORATION]. He shall advise the authority [CORPORATION] in legal matters and represent it in legal actions.

* Sec. 3. AS 44.82 is amended by adding new sections to read:

Sec. 44.82.083. BONDS OF THE AUTHORITY. The authority may borrow money and issue revenue bonds, in one or more series, the interest on which is exempt from federal income tax except when held by a substantial user or related person as defined in sec. 103 of the Internal

Revenue Code of 1954 as amended, up to the principal amount authorized by AS 37.15.600 including amounts required for fund reserves, capitalized interest, and costs of issuance of the bonds or notes and excluding refunding bonds. Bonds of the authority may be issued for the purpose of purchasing or otherwise acquiring any obligation issued with respect to the project in any form which is fixed and certain as to terms of repayment and for the establishment of reserves to secure or to pay bonds or notes or interest on bonds or notes and all other costs of the authority incident to and necessary for issuance of bonds or notes. The principal and interest on the bonds are payable from the income and receipts or other money derived by the authority with respect to the project, except to the extent payable out of money attributable to the proceeds of the sale of the bonds or out of income from the temporary investment of those proceeds.

Sec. 44.82.085. CONSTRUCTION FUND. (a) There is a special fund of the state known as the "gas conditioning plant construction fund" into which shall be paid the proceeds of the sale of the bonds (except accrued interest paid on them, which shall be paid into the bond redemption fund) and other money which is legally provided for the same purposes for which the bonds are authorized. The money in the construction fund shall be used to pay the costs of the project and for incidental costs, including costs of the authorization, issuance and sale of the bonds. To the extent provided in the bond resolution, money in the construction fund may also be used for the payment of interest on the bonds during the period of actual construction, and for a further period, not exceeding one year after the period of construction, as may be provided in the bond resolution. Money in the construction fund may also be transferred to the bond redemption fund, to the extent provided in the bond resolution, to establish a reserve for the payment of the

principal of and interest on the bonds.

(b) The bond resolution may provide for the investment of money in the construction fund as the committee may determine. The interest earned on or any profits derived from the sale of these investments shall be deposited in and become a part of the construction fund.

Sec. 44.82.087. REVENUE FUND. (a) There is a special fund of the state, known as the "gas conditioning plant revenue fund", which shall be completely segregated and set apart from all other funds of the state, which is a trust fund for the uses and purposes provided in this chapter, and into which shall be paid all revenues, fees, charges and rentals derived by the state from the ownership, lease, use, and operation of the gas conditioning plant and all of the facilities and improvements used in connection with it. These revenues, charges, fees, and rentals may not include the proceeds of a state tax or license. The money in the revenue fund shall only be used for the purpose of

(1) paying or securing the payment of the principal of and interest on the bonds and any other revenue bonds issued by authorization of the legislature to provide funds to acquire, equip, construct, and install additions and improvements to the gas conditioning plant and payable out of the revenue fund;

(2) paying the costs of renewals, replacements, and extraordinary repairs to the gas conditioning plant and its improvements and facilities;

(3) redeeming before their fixed maturities any and all revenue bonds issued for the purpose of the gas conditioning plant; and

(4) providing money to acquire, construct, and install necessary additions and improvements to the gas conditioning plant.

(b) The investment of money in the revenue fund may be made as

the committee may determine. The interest earned on or any profits derived from the sale of these investments shall be deposited in and become a part of the revenue fund.

Sec. 44.82.089. REDEMPTION FUND. There is a special fund of the state, known as the "gas conditioning plant revenue bond redemption fund", which is a trust fund for paying and securing the payment of the principal of and interest and redemption premium, if any, on the bonds and which shall be at all times completely segregated and set apart from all other funds of the state. The committee, on behalf of the state, shall obligate and bind the state to set aside and pay into the bond redemption fund any part or parts of, or all of, or a fixed proportion of, or a fixed amount of the money in the revenue fund sufficient to pay the principal of and interest and redemption premium, if any, on the bonds as the payments become due and, if it considers it necessary, to set aside and maintain reserves for this purpose. The bond redemption fund shall be drawn upon for the purpose of paying the principal of and interest and redemption premium, if any, on the bonds, and the bonds do not constitute a general obligation of the state.

Sec. 44.82.091. BOND TERMS. (a) The bonds shall be sold in the amounts or series and at the time or times determined by the committee. Before selling a series of bonds, the committee shall give notice inviting sealed bids in the manner it may prescribe. If satisfactory bids are received, the bonds offered for sale shall be awarded to the highest responsible bidder. If the committee determines that the bids received are not satisfactory as to price or responsibility of the bidders, it may reject all bids received. The bonds, or each series of them, shall be sold at such a price that the effective interest rate over the life of the bonds does not exceed 10 percent a year. Interest shall be payable annually or semiannually.

(b) The bonds shall mature at the time or times fixed by the committee. The bonds may be subject to redemption before their fixed maturities as determined by the committee and with the premium or premiums fixed by the committee, but a bond may not be subject to redemption before its fixed maturity date unless the right to redeem that bond is expressly mentioned on the face of the bond. The bonds may be in denominations determined by the committee; may be issued in coupon form or in fully registered form, and may be registrable as to principal or both principal and interest, all under the regulations and conditions the committee provides. The bonds shall be payable as to principal and interest at a place or places determined by the committee; shall be signed on behalf of the state by the governor; and shall be attested by the lieutenant governor. Both of the signatures may be facsimile signatures, and the bonds shall have the seal of the state impressed, printed, or lithographed on them. Each of the interest coupons attached to the bonds shall be signed by the facsimile signatures of the governor and lieutenant governor. The bonds shall be issued under and subject to the terms, conditions, and covenants providing for payment of the principal of them and interest on them and other terms, conditions, covenants, and protective features safeguarding the payment that relate to the maintenance, operation, and improvement of the gas conditioning plant and that are found necessary by the committee. The covenants may include a provision requiring the setting aside and maintenance of reserves to secure the payment of principal of and interest on the bonds.

(c) If found reasonably necessary, the committee may select a trustee or trustees for the holders of the bonds or any series of them, for the safeguarding and disbursement of money in a fund created by AS 44.82.085 - 44.82.089, or for duties relating to authentication,

delivery, and registration of the bonds as determined by the committee. The committee shall fix the powers and duties of the trustee or trustees.

(d) In its determination of matters relating to the issuance and sale of the bonds and the fixing of the maturities, terms, conditions, and covenants of them as provided in (a), (b) and (c) of this section, the decisions of the committee shall be those found to be reasonably necessary for the best interests of the state and its inhabitants, and those which will accomplish the most advantageous sale of the bonds, with due regard to necessary or normal costs of renewals and replacements of and repairs to the gas conditioning plant and to improvements to it, the facilities which are owned, used, operated, or leased in connection with it, and the future growth and expansion of the gas conditioning plant and all of its facilities. These decisions of the committee, as expressed in a bond resolution, are final and conclusive when bonds have been issued in accordance with the bond resolution.

(e) A bond resolution may provide that the bonds issued shall contain a recital that they are issued under this chapter, and bonds containing this recital shall be conclusively considered to be valid and to have been issued in conformity with this chapter.

(f) The validity of the authorization and issuance of bonds is not affected by proceedings for the acquisition or construction of the improvement of facilities for which the bonds have been issued, or by any contracts in connection with the acquisition or construction.

Sec. 44.82.093. BOND RESOLUTION. The committee shall adopt the bond resolution and prepare all other documents necessary for the issuance, sale, and delivery of the bonds or any part or series of them. The bond resolution shall fix the principal amount, denomination, date, maturities, place or places of payment, rights of redemption, if any, terms, form, conditions, and covenants of the bonds or each series

of them. The committee shall also determine and provide for the date and manner of sale of the bonds, and shall provide whether the notice of sale is to be published elsewhere in addition to the publication required by AS 44.82.091.

Sec. 44.82.095. ENFORCEMENT BY HOLDER. The holder of bonds or the trustee for the holders of the bonds or any series of them may by appropriate proceedings in the courts of record of the state, require and compel the transfer, setting aside, and payment of money and the enforcement of all of the terms, conditions, and covenants as required and provided in this chapter and in the bond resolution.

Sec. 44.82.097. AMOUNTS REQUIRED FOR PAYMENTS. The committee shall, before December 31 of each year, beginning with the year in which the bonds are issued, certify to the commissioners of revenue and natural resources the amounts required in the next calendar year by the bond resolution or resolutions to be paid out of the revenue fund into the bond redemption fund and to be paid into and maintained in any reserve fund or account or any other fund or account created by the bond resolution or resolutions, and shall also certify to the commissioners the last date or dates upon which payments may be made.

Sec. 44.82.099. BOND NEGOTIABILITY. The bonds and the coupons attached to them are fully negotiable instruments under the laws of the state.

Sec. 44.82.101. LIMITATION ON ISSUANCE OF BONDS. Bonds may not be authorized or sold under this chapter until a site determined under AS 31.35.010 - 31.35.040 has been approved by the legislature by law.

Sec. 44.82.103. REFUNDING. (a) The bonds or any part of them may be refunded at or before their maturity by the issuance of refunding revenue bonds of the state if, in the opinion of the committee, refunding is advantageous to and in the best interests of the state and its

inhabitants.

(b) The issuance of refunding bonds need not be authorized by the legislature, and the committee is authorized and directed to adopt the resolution or resolutions and prepare all other documents and proceedings necessary for the issuance, exchange or sale, and delivery of the bonds. The provisions of this chapter applicable to revenue bonds apply to refunding bonds and to the issuance, sale, or exchange of them, except as otherwise provided in this section.

(c) Refunding bonds may be issued in a principal amount sufficient to provide funds for the payment of all bonds to be refunded by them, and, in addition, for the payment of all expenses incident to the calling, retiring, or paying of the outstanding bonds, and the issuance of the refunding bonds. These expenses include the difference in amount between the par value of the refunding bonds and any amount less than par for which the refunding bonds are sold, any amount necessary to be made available for the payment of interest upon the refunding bonds from the date of sale of them to the date of payment of the bonds to be refunded or to the date upon which the bonds to be refunded will be paid pursuant to the call of them or agreement with the holders of them, and the premium, if any, necessary to be paid in order to call or retire the outstanding bonds and the interest accruing on them to the date of the call or retirement.

* Sec. 4. AS 44.82.160 is repealed and reenacted to read:

Sec. 44.82.160. BONDS AS LEGAL INVESTMENTS. The bonds are legal investments for all banks, trust companies, savings banks, savings and loan associations and other persons carrying on a banking business, all insurance companies and other persons carrying on an insurance business, and all executors, administrators, trustees, and other fiduciaries. The bonds may be accepted as security for deposits of all funds of the

state and its political subdivisions.

* Sec. 5. AS 44.82 is amended by adding a new section to read:

Sec. 44.82.195. STATUTORY CONSTRUCTION. The provisions of this chapter shall be liberally construed to carry out the purposes for which they were enacted, and all existing laws in conflict with any of these sections are superseded insofar as necessary to accomplish the purposes of and carry out the provisions of these sections.

* Sec. 6. AS 44.82.200(1) is repealed and reenacted to read:

(1) "authority" means the Alaska Natural Gas Industrial Development Authority, established under this chapter;

* Sec. 7. AS 44.82.200(2) is repealed and reenacted to read:

(2) "bonds" means the gas conditioning plant revenue bonds authorized by this chapter;

* Sec. 8. AS 44.82.200(4) is repealed and reenacted to read:

(4) "project" means the acquisition, equipping, construction, and installation of additions and improvements to a gas conditioning plant and related facilities;

* Sec. 9. AS 44.82.200 is amended by adding new paragraphs to read:

(9) "bond redemption fund" means the gas conditioning plant revenue bond redemption fund created by AS 44.82.089, including any accounts which are created in that fund after the effective date of this Act;

(10) "bond resolution" means the resolution or resolutions authorizing the issuance of bonds, adopted by the committee under AS 44.82.093;

(11) "committee" means the state bond committee created by AS 37.15.110, or any other committee, body, department, or officer of the state which or who succeeds to the rights, powers, duties, and obligations of the state bond committee by Act of the legislature;

(5)

(12) "construction fund" means the gas conditioning plant construction fund created by AS 44.82.085;

(13) "gas conditioning plant" or "plant" means the facility designed to remove water, carbon dioxide, gas liquids, and other by-products and impurities from the natural gas produced from the Prudhoe Bay oil and gas production unit and other oil and gas production units or wells, if any, in the vicinity of Prudhoe Bay; and

(14) "revenue fund" means the gas conditioning plant revenue fund created by AS 44.82.087.

* Sec. 10. AS 37.15 is amended by adding a new section to read:

ARTICLE 4. NATURAL GAS CONDITIONING PLANT REVENUE BONDS.

Sec. 37.15.600. BOND AUTHORIZATION. The issuance and sale of revenue bonds of the state in the total principal sum of not more than $2,000,000,000 are authorized to provide money to acquire, construct, equip, and install additions and improvements to the gas conditioning plant authorized in AS 31.35.010. The principal of and interest on these bonds shall be paid out of and secured by the gross revenues derived by the state from the ownership, lease, use, and operation of the gas conditioning plant, and of all the facilities associated with it and out of other revenues or money which the state legislature may provide (except for a state tax or license).

* Sec. 11. AS 31. is amended by adding a new chapter to read:

CHAPTER 35. NATURAL GAS CONDITIONING PLANT.

Sec. 31.35.010. GAS CONDITIONING PLANT. (a) The state is authorized to acquire, construct, equip, and install additions and improvements to the gas conditioning plant and any facilities associated with it.

(b) The commissioner of transportation and public facilities has the responsibility to design and construct the plant and improvements to it.

(6)

Design & Dev't Board has done?

Sec. 31.35.020. LOCATION OF GAS CONDITIONING PLANT. The location of the gas conditioning plant shall be determined, after public hearings, by the Alaska Royalty Oil and Gas Development Advisory Board (AS 38.06).

Sec. 31.35.030. LEASE AND OPERATION OF GAS CONDITIONING PLANT. After the bonds authorized under AS 37.15.600 have been sold, the commissioner of natural resources shall lease the gas conditioning plant, by competitive bid, to a qualified operator. Bids may be on the basis of a percentage of revenue produced by the plant or a fixed annual rental payment, as determined by the commissioner of natural resources. The minimum acceptable bid must be sufficient to pay the debt service on the bonds issued under this chapter and to provide the state with a reasonable return on its investment.

Sec. 31.35.040. DEFINITION. In this chapter, "gas conditioning plant" or "plant" means the facility designed to remove water, carbon dioxide, gas liquids, and other by-products and impurities from the natural gas produced from the Prudhoe Bay oil and gas production unit and other oil and gas production units or wells, if any, in the vicinity of Prudhoe Bay to be constructed by the Alaska Natural Gas Industrial Development Authority under AS 44.82.

* Sec. 12. AS 39.25.110(21) is repealed and reenacted to read:

(21) employees of the Alaska Natural Gas Industrial Development Authority;

* Sec. 13. The following laws are repealed: AS 44.82.090, 44.82.100, 44.82.110, 44.82.170, 44.82.200(3) and (5) - (8); and sec. 1, ch. 90, SLA 1978.

SB

262

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill 262
Title Alaska National Guard and Naval Militia Benefits
Requested by Senators Bradley, Hohman, and Kelley Date April 13, 1981

II. FISCAL DETAIL
Agency Affected Administration, Division of Retirement and Military Affairs
Program Category Affected Public Protection
BRU, Program, or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	N/A	9.0	13.5	18.0	22.5	22.5
TOTAL		9.0	13.5	18.0	22.5	22.5

FUNDING (Thousands of Dollars)

GENERAL FUND		9.0	13.5	18.0	22.5	22.5
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

(Section 7 only)

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

Total tuition, fees, and books is $900.00 per year, per student. Assuming 10 students the first year and 5 additional students each year for the next 3 years. Then sustain 25 students per year there after.

IV. DATE 13 Apr 1981 PREPARED BY LTC Henry A. Compton
AGENCY Military Affairs
PHONE 243-0656

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

33-001 (Rev. 12/80

QUESTION:	ANCHORAGE	JUNEAU	FIRST SCOUT BATTALION	SECOND SCOUT BATTALION	THIRD SCOUT BATTALION	KODIAK	FAIRBANKS	KENAI	SITKA	PALMER	NO UNIT DESIGNATION	RETIRED	RETENTION	TOTALS BY QUESTION
Place of employment?														
State Agency	43	11	5	25	1	0	4	1	1	1	7	0	1	100
City Borough	16	3	3	19	7	0	1	2	0	0	1	4	1	57
Federal	192	9	4	18	4	0	5	0	0	1	6	0	1	240
Private	75	7	6	19	1	1	5	5	1	1	6	1	5	133
Other	55	45	27	78	20	0	6	1	1	1	8	0	0	242
1. Time in Guard?														
Less than 6 years	217	22	10	80	16	1	13	10	2	2	13	0	7	393
7-12 years	80	4	7	29	9	0	5	1	0	1	10	0	1	153
12-20 years	46	5	6	22	4	0	3	0	1	0	1	2	0	92
Over 20 years	26	3	9	37	4	0	0	0	0	1	2	3	0	85
2. Will you stay in Guard?														
Yes	356	32	24	142	31	1	20	9	2	3	26	0	7	653
No	8	2	5	15	1	0	0	2	0	1	1	3	1	39
3. Have you been advised of Guard benefits?														
Yes	302	30	10	87	19	1	13	8	1	3	18	3	8	503
No	72	4	19	65	14	0	8	3	2	1	10	2	0	200
4. Have you been advised of changes in State Guard program?														
By Military Dept.														
Yes	224	31	9	74	20	0	10	6	1	4	10	0	7	396
No	144	3	20	79	11	1	10	5	2	0	17	4	1	297
By others														
Yes	100	13	1	24	3	0	6	5	0	1	4	2	3	161
No	76	3	8	17	4	0	7	2	0	0	9	1	0	127
5. Do you believe that better benefits for Guardsmen would help recruitment & retention?														
Yes	360	34	29	139	28	0	21	9	3	3	27	5	8	666
No	17	0	3	16	4	0	0	2	0	1	0	0	0	43
5a - Reenlistment Bonuses	246	20	22	125	23	0	15	7	2	2	19	3	5	489
5b - Federal Retirement	201	16	15	99	9	0	10	6	1	2	17	1	5	383
5c - State Retirement	223	24	13	98	17	0	12	5	1	2	18	3	7	423
5d - Other	186	6	4	32	5	0	9	6	2	2	14	2	3	271
6. Do you support the Permanent [illegible] program (GI Bill etc.?														
Yes	367	33	22	137	29	1	19	11	3	4	28	3	8	667
No	7	1	10	19	4	0	0	0	0	0	0	0	0	41
7. Would you favor an increase in the National Guard Retirement now at $50 per month to be tied to the longevity bonus at $135 per month?														
Yes	312	31	31	153	33	1	10	10	3	4	22	5	6	629
No	27	1	0	4	0	0	3	0	0	0	2	0	1	38
8. Does the agency you work for belong to the State Public Employees' Retirement System or the Teachers' Retirement System?														
Yes	44	19	8	47	15	0	4	2	2	1	1	4	2	142
No	309	21	18	93	13	1	15	6	1	3	23	1	6	510
9. Would you favor being able to get credit toward these retirement systems on the basis of one year credited service for four in the Guard?														
Yes	243	29	26	133	28	1	15	9	2	4	19	5	8	522
No	83	4	5	19	5	0	4	2	1	0	4	0	0	127
10. If Yes, would you be willing to talk to your legislators about legislation to do this?														
Yes	250	34	28	132	29	1	19	10	3	3	20	5	8	542
No	36	2	0	16	2	0	0	0	0	1	3	0	0	60
11. Education aid is outlined in a current state law for those who have completed their first enlistment (6 years) at an amount equal to the Federal G.I. Bill. If funded, do you believe it could serve as a retention factor?														
Yes	347	33	27	150	31	1	19	10	3	4	23	5	8	661
No	25	1	4	7	2	0	0	1	0	0	4	0	0	44
12. Would you try to further your education if aid was available?														
Yes	319	27	30	155	33	1	20	11	3	4	24	5	8	640
No	15	5	2	3	0	0	1	0	0	0	2	0	0	58
13. From S.B. 74 introduced in 1979, please indicate your support or non-support for the following provisions.														
13a - An option is granted to convert Guard Retirement on a basis of 4 years for 1 year in either the Public or Teachers' Retirement System.														687
Support	232	30	20	144	29	1	16	8	3	3	18	4	5	511
Non-Support	101	3	9	14	3	0	3	1	1	2	4	0	1	142
13b - The creation of a National Guard Advisory Board to the Governor consisting of a majority of enlisted/officer members who are not employees of the Military Department.														
Support	206	30	26	110	30	1	14	9	3	3	17	3	7	539
Non-Support	65	3	3	36	2	0	7	2	0	1	6	2	1	128
13c - The recognition of a Statewide Alaska National Guard Association consisting of enlisted, officers and interested former Guard members.														
Support	310	34	25	146	31	1	20	9	3	4	20	5	7	615
Non-Support	43	0	3	8	2	0	1	2	0	0	3	0	0	62
13d - The requirement that the next Adjutant General have a minimum of 5 years Alaska National Guard experience (about 30 states have this requirement).														
Support	280	32	20	143	30	1	10	11	3	3	20	5	7	573
Non-Support	86	2	8	11	3	0	3	0	0	1	5	0	1	120
14. I support the bill in general.	294	33	25	134	30	0	16	11	2	4	20	5	7	581
15. I do not support the bill in general.	26	0	2	5	0	0	1	0	0	0	0	0	0	34

LEG. COUNCIL, SURVEY OF NGAA Guardsmen

ANALYSIS OF QUESTIONNAIRES RELATING TO S.B. 74

This questionnaire was sent out to the approximately 2,900 members of the Alaska National Guard. The membership included all Guard members, including Army, Air, Naval Militia and a few retired Guard members.

The questionnaires were sent out by the Legislative Council, in groups, to the various National Guard Units in the State. It appears, due to the number of completed questionnaries returned, that the distribution methods used by the various units varied in that some units had a high response rate, while others had as few as one response.

In the future, time could be set aside for completing this type of survey, especially if it could affect the various members of the Alaska National Guard.

In spite of the foregoing, a statistically sufficient number of completed questionnaires were returned to indicate attitudes of Guardsmen toward S.B. 74 and related matters.

Following is a synopsis of the questionnaires by question:

The first question asked was not numbered.
Place of employment?

Anchorage - 381 responded, listing places of employment as follows:

State Agency 43; City/Borough 16; Federal 192 (it appears the majority of these Federal employees are full-time technicians with the National Guard); Private Business 75 and Other 55.

Juneau - 34 responded, listing places of employment as follows:

State Agency 11; City/Borough 3; Federal 9; Private Business 7 and Other 45.

First Scout Battalion - 33 responded, listing places of employment as follows:

State Agency 5; City/Borough 3; Federal 4; Private Business 6 and Other 27.

Second Scout Battalion - 159 responded, listing places of employment as follows:

State Agency 25; City/Borough 19; Federal 18; Private Business 19 and Other 78.

Third Scout Battalion - 33 responded, listing places of employment as follows:

State Agency 1; City/Borough 7; Federal 4; Private Business 1 and Other 20.

Kodiak - 1 responded, listing place of employment as Private Business.

Fairbanks - 21 responded, listing places of employment as follows:

State Agency 4; City/Borough 1; Federal 5; Private Business 5 and Other 6.

Kenai - 9 responded, listing places of employment as follows:

State Agency 1; City/Borough 0; Federal 0; Private Business 1 and Other 1.

Sitka - 3 responded, listing places of employment as follows:

State Agency 1; City/Borough 0; Federal 0; Private Business 1 and Other 1.

Palmer - 4 responded, listing places of employment as follows:

State Agency 1; City/Borough 0; Federal 1; Private Business 1 and Other 1.

Ketchikan - 8 responded, listing places of employment as follows:

State Agency 1; City/Borough 1; Federal 1; Private Business 5 and Other 0.

A number of questionnaires listed no unit or community with designation - 28 responded, listing places of employment as follows:

State Agency 7; City/Borough 1; Federal 6; Private Business 6 and Other 8.

5 retired Guard members responded, listing places of employment as follows:

State Agency 0; City/Borough 4; Federal 0; Private Business 1 and Other 0.

In the following questions, there are differences in the figures, due mainly to the fact that some respondents did not answer all questions.

The total number of respondents to the first question (unnumbered) was 772, with the following breakdown:

State Agency 100; City/Borough 57; Federal 240; Private Business 133 and Other 242.

Question Number 1, "Time in the Guard", had 723 respondents with the following breakdown: less than six years in the Guard 393; Seven to 12 years in the Guard 153; 12 to 20 years in the Guard 92 and over 20 years in the Guard 85.

Question Number 2, "Will you stay in the Guard", had 692 respondents with the following breakdown: Yes 653; No 39.

Conclusions:

In looking at the first question, it appears that a large number of the responding group are federal full-time employees of the Guard.

Questions Number 1 and 2 taken together, indicate that about half of the members have been in the Guard for at least seven years which indicates that the Guard program is well accepted from the members point of view. Also, the first six years are critical in this type of program, and retention for more than six years appears to be fairly good in the Alaska Guard, which keeps the more seasoned, better trained individuals in the system, and judging from responses to Question 2, will continue. Since training is probably the single most expensive part of the Guard Program, retention makes the program cost effective.

Questions Number 3 and 4 indicate that information on various Guard programs is disseminated to "The Field" in a highly satisfactory manner. Emphasis has been placed on this part of the Guard program by the Adjuntant Generals Office and the Recruitment and Retention Section of the Department of Military Affairs.

Question 5, which is made up of five parts, indicates that better benefits are a definite consideration in retention. The main consideration appears to be reenlistment bonuses which give an individual a lump sum payment for "Contracting" to remain in the Guard for a specified amount of time beyond their obligation, in various increments.

The second major concern appears to be a better state retirement for Guardsmen. Since the Guard belongs to its respective state until needed for national emergencies, the Guard can be and has been of great benefit to Alaska, such as in the cases of the 1964 Earthquake, the Fairbanks Flood, the Juneau Alaska Airlines Crash and a number of civic programs too numerous to list, this is an area in which the State can reward its National Guardsmen for giving up weekends and other sacrifices they make to the benefit of Alaska.

In addition, since the beginning of our nation, the National Guard, or Minutemen/Militia has been utilized in time of national need such as the Revolutionary War, World War II, Korea and so on.

Question 5d, Other, covered many areas that Guardsmen wanted in addition to those specified. The main need spoken to was for better loan programs, including home loans for Guardsmen. This was followed by a free ferry trip a year, then free license plates for Guardsmen.

Question 6 indicates that most Guardsmen support the Permanent Fund, specifically in the form of SB 1.

Question 7 indicates that the majority of Guardsmen favor tieing the State Guard Retirement, now available, to the Longevity Bonus Program, which would provide for periodic increases without having to request special legislation from time to time. The current Alaska Guard

Retirement Program provides that a member that completes 20 years of Alaska National Guard service, is eligible to recieve $50 per month for each year they spent in the Guard.

Questions 8, 9 and 10 are directly related and will be analyzed together. These questions cover a major portion of SB 74 which deals with credit for years of Guard service toward the Public Employees' or Teachers' Retirement Systems. The Bill provides that in lieu of the State Guard Retirement, a member may opt to recieve one year of credited service for each four years in the Guard by relinquishing their Guard Retirement. Actuarially, this could be of benefit to the State, while providing a good retirement option to the Guardsmen. Under the existing Guard Retirement Program, a Guardsman completing 20 years of Alaska Guard Service, would be eligible to recieve fifty dollars per month for 20 years, for a total of $12,000. Under SB 74, if a Guardsman chooses to take the 4 to 1 credit towards Public Employees' or Teachers' Retirement, they must relinquish this $12,000. The average State employee or teacher contributes approximately $1,000 per year into the system, which means that under the proposal, the Guardsmen will be paying three times the average for each year of credited service.

Although only about twenty percent of the respondents are presently members of the Public Employees' or Teachers' Retirement Systems, about eighty percent favor this concept, with the majority of comments to these questions stating that they would prefer one year of credited service for each two years in the Guard, which while doubling the credit, would still actuarially give the Retirement System double the average contribution.

Although few respondents now belong to the Public Employees' or Teachers' Retirement Systems, it is logical to assume that given the dynamic conditions in Alaska and the emergence of new boroughs and municipalities, it is highly conceivable that in the future, more and more Guardsmen could become members. In addition, the training that they recieve, at federal expense, in leadership and a multitude of administrative areas could make them highly desireable state or municipal employees with a great deal of valuable training and experience.

Most respondents indicated that they would be willing to talk to their legislators in favor of SB 74.

Question 11, indicates that the majority of respondents favor special educational assistance for Guardsmen, and feel that this type of program would enhance retention and recruitment in the Guard.

Question 12, which is related to question 11, indicates that most Guardsmen would further their education if assistance were available.

Question 13 is made up of four parts, a through d.

Question 13a, again indicates strong support for the retirement option of one year credited service for each four years in the Guard, with main comments again stating that credit should be one year credited services

for each two years in the Guard. Again, responses overwhelmingly support this plan, although only 20 percent of the respondents now belong to the Public Employees' or Teachers' Retirement Systems.

Question 13b, overwhelmingly supports the concept of a National Guard Advisory Board to the Governor consisting of officer and enlisted Guardsmen who are not employees of the Department of Military Affairs.

Question 13c, supports the recognition of a statewide National Guard Association comprised of officers, enlisted and former Guard members.

Question 13d, overwhelmingly supports the concept that the next Adjutant General have a minimum of five years in the Alaska National Guard. The concensus of the comments indicate that since this is Alaska's National Guard, an Alaskan Guardsman should head it.

Question 14, shows 581 of the respondents support SB 74 in general, and Question 15 shows 34 respondents do not support the Bill in general.

Finally, SB 74 was the result of many years of input from present and past Guardsmen, and according to the results of the questionnaire, reflects the needs and wishes of the 2,900 members of the Alaska National Guard and their families.

Introduced: 4/2/81
Referred: State Affairs and Finance

IN THE SENATE BY BRADLEY, HOHMAN AND KELLY

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 262

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the Alaska National Guard and Alaska Naval Militia; and providing for an effective date."

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

* Section 1. AS 26.05.223 is amended to read:

Sec. 26.05.223. COMMENCEMENT OF PARTICIPATION IN SYSTEM. A member of the Alaska National Guard or Alaska Naval Militia shall be included in this system upon commencement of membership in the Alaska National Guard [,] or [ON JANUARY 1, 1973, WHICHEVER IS LATER, OR UPON COMMENCEMENT OF MEMBERSHIP IN THE] Alaska Naval Militia [OR ON JULY 1, 1980, WHICHEVER IS LATER].

* Sec. 2. AS 26.05.224(a) is amended to read:

(a) A [AN ACTIVE] member of the Alaska National Guard [, OR A FORMER MEMBER WHO WAS AN ACTIVE MEMBER] on or after January 1, 1971 [1969], or a member of the Alaska Naval Militia on or after July 1, 1979, with at least five years of service in the Alaska National Guard or Naval Militia [1980], is eligible for a retirement pension

(1) upon voluntary retirement from the Alaska National Guard or Alaska Naval Militia after a total of 20 years or more of satisfactory service in the Alaska National Guard, Alaska Naval Militia, or active service in the armed forces of the United States [, AND THE RESERVES OF THEM, OR ANY COMBINATION OF SERVICE IN THESE COMPONENTS IF AT LEAST FIVE YEARS OF THE SERVICE IS IN THE ALASKA NATIONAL GUARD OR ALASKA NAVAL MILITIA]; or

(2) upon involuntary retirement because of federal standards imposed on the Alaska National Guard or Alaska Naval Militia, regardless of length of service.

* Sec. 3. AS 26.05.224(d) is amended to read:

(d) A retirement benefit payable to a member at the time of the death of the member shall be paid in a lump sum to the designated beneficiary of the member. The member may change or revoke the designation of a beneficiary without notice to the beneficiary at any time. If a member designates more than one beneficiary, each shall share equally unless the member specifies a different allocation. The designation of a beneficiary and a change or revocation of a beneficiary shall be made on a form provided by the Department of Military Affairs and is not effective until filed with the Department of Military Affairs. If a member fails to designate a beneficiary or if no designated beneficiary survives the member, the death benefit under this subsection shall be paid to his estate <u>regardless of whether he filed an application for payment of retirement benefits</u>.

* Sec. 4. AS 26.05.225 is amended to read:

Sec. 26.05.225. EARLIER SERVICE. A person who was a member of the Alaska National Guard [ON OR AFTER JANUARY 1, 1969,] is entitled to credit for his service to the state and former territory of Alaska as a member of the [NATIONAL GUARD AND] Territorial Guard [BEFORE AND AFTER JANUARY 1, 1969,] in determining eligibility for retirement benefits under AS 26.05.224.

* Sec. 5. AS 26.05.260(c) is amended to read:

(c) <u>A member</u> [ENLISTED PERSONS] of the <u>Alaska</u> [ARMY NATIONAL GUARD, AIR] National Guard and <u>Alaska</u> Naval Militia shall receive for each day of active service for the state, under orders of the governor, pay and allowances equal to those provided by federal laws and regula-

tions for members [ENLISTED PERSONS] of like grades of the United States Army, United States Air Force and United States Navy, plus compensation equivalent to the per diem allowance payable to state officers and employees for the locale at which the duty is being performed. [HOWEVER, NO ENLISTED PERSON SHALL RECEIVED PAY AND ALLOWANCES OF LESS THAN $6 A DAY.]

SB 54

* Sec. 6. AS 26.05.260 is amended by adding new subsections to read:

(h) A member of the Alaska National Guard or Alaska Naval Militia, while on active duty for the state and lawfully performing his duties, including transit to and from his home of record, who is injured or suffers a disability while performing those duties is entitled to all compensation and benefits available under the Alaska Workers' Compensation Act (AS 23.30) for the injury or disability.

(i) The designated beneficiary of a member of the Alaska National Guard or Alaska Naval Militia who dies as a result of an injury or disability received while on active duty for the state and lawfully performing his duties, including transit to and from his home of record, is entitled to receive death benefits allowed beneficiaries under the Alaska Workers' Compensation Act (AS 23.30). In addition, the member's beneficiaries shall be sent, within 15 days of receipt of notice of the member's death, payment in an amount equal to six times the member's monthly salary as designated in (c) of this section, including special and incentive pay, applicable at the date of the member's death. This additional payment will be made only if the death occurs on or before the 120th day after the member's release from state active duty, and only if the state surgeon in the Alaska National Guard or Alaska Naval Militia first determines that the member's death resulted from an injury or disability received during that active duty period. Designated beneficiaries shall be paid the pay and allowances accrued but

unpaid to the member at the time of death within 15 days after the date of notice of his death is received. Beneficiaries are considered designated when they are designated as beneficiaries in the member's military personnel record file. If the member does not designate a beneficiary, the beneficiary under this subsection shall be determined in accordance with the Alaska Workers' Compensation Act (AS 23.30).

* Sec. 7. AS 26.05 is amended by adding new sections to read:

Sec. 26.05.297. ALASKA NATIONAL GUARD SENIOR ROTC SCHOLARSHIP PROGRAM. (a) There is established within the Department of Military Affairs an Alaska National Guard Senior ROTC scholarship program under which eligible persons will receive a grant equivalent to the current cost of resident tuition, fees, and books at the University of Alaska for each eligible semester to the extent funds are available and subject to the projected officer needs of the Alaska National Guard and the Alaska Naval Militia.

(b) To be eligible for a scholarship under this section, a person must

(1) be enrolled as a full-time student at the University of Alaska and qualify for resident tuition status;

(2) be enrolled and participating in the Senior ROTC program at the University of Alaska for the qualifying semester;

(3) be a satisfactory participating member of the Alaska National Guard or Alaska Naval Militia;

(4) maintain a satisfactory standard of academic achievement;

(5) meet all current federal requirements for appointment as an officer in the Alaska National Guard or Alaska Naval Militia; and

(6) be selected by the adjutant general.

(c) Scholarship benefits under this section may be awarded in

addition to any assistance granted under AS 26.05.295 or 26.05.296.

Sec. 26.05.346. DEFINITION. As used in this chapter, "member of the Alaska National Guard or Alaska Naval Militia" means a commissioned or warrant officer or enlisted person in the Alaska National Guard or Alaska Naval Militia.

* Sec. 8. AS 14.25.100(a) is amended to read:

(a) A member who served as an active member of the armed forces of the United States after December 31, 1939 may receive creditable service under this system up to a maximum of five years. Each 12 months of military service equals one school year, and lesser military periods will be determined for credit purposes in a proportionate ratio to a year. To receive creditable service under this section, the member must have received a discharge other than dishonorable. Except as provided in (f) of this section, credit [CREDIT] for service in the armed forces shall be granted only if the member makes contributions for the service [IN THE SAME MANNER AS REQUIRED FOR OUTSIDE SERVICE] under AS 14.25.060. [THE MILITARY SERVICE CREDITED UNDER THIS SECTION SHALL BE INCLUDED IN THE 10-YEAR LIMITATION OF OUTSIDE SERVICE AS SPECIFIED IN AS 14.25.060, EXCEPT IF ENTRY INTO THE ARMED FORCES IS IMMEDIATELY PRECEDED BY ALASKA MEMBERSHIP SERVICE AND FOLLOWING DISCHARGE IS CONTINUED BY ALASKA MEMBERSHIP SERVICE WITHIN ONE YEAR THEREAFTER, SERVICE MAY NOT BE COUNTED FOR PURPOSES OF DETERMINING THE APPLICABILITY OF THE 10-YEAR LIMITATION ON OUTSIDE SERVICE.]

* Sec. 9. AS 14.25.100 is amended by adding a new subsection to read:

(f) Notwithstanding AS 14.25.060, a member is not required to make contributions for credit for service in the armed forces if the member is a member or former member of the Alaska National Guard, or Alaska Naval Militia, or a former member of the Territorial Guard, with a total period of membership in those organizations of at least 20

years when added to the armed forces military service claimed. Such a member who has made contributions for military service credit is entitled to a refund of those contributions.

* Sec. 10. AS 14.25 is amended by adding a new section to read:

Sec. 14.25.103. CREDIT FOR MEMBERSHIP IN THE ALASKA NATIONAL GUARD AND ALASKA NAVAL MILITIA. (a) A teacher who is a member of the Alaska National Guard or Alaska Naval Militia may receive creditable service under this system for all or any part of his credited service under the Alaska National Guard retirement system (AS 26.05.222 - 26.05.226) by electing to forgo four months of credited service under the National Guard retirement system for each month of service to be credited under this system. Each 12 months of service credited under this section equals one school year, and lesser periods of service credit will be determined in a proportionate ratio to a year.

(b) A teacher who is a former member of the Alaska National Guard or Alaska Naval Militia with a least six years credited service under the Alaska National Guard retirement system may receive creditable service under (a) of this section. If the teacher has received retirement pension benefits under the Alaska National Guard retirement system and wishes to claim creditable service with respect to months for which benefits have been paid, he is indebted to the retirement fund in the amount of those benefits. Compound interest at the rate prescribed by regulation shall be added to the arrearage indebtedness beginning the date the teacher received the first benefit for which he is indebted to the retirement fund or July 1, 1979, whichever is later, and continuing to the date of payment or the date of retirement, whichever occurs first.

(c) Except as provided in (b) of this section, a teacher is not required to make contributions for creditable service allowed under

this section.

(d) The creditable service allowed under this section may not exceed an aggregate period of five years.

(e) A teacher may not receive creditable service under this section if credit for membership in the Alaska National Guard or Alaska Naval Militia was granted under the public employees' retirement system (AS 39.35).

(f) As used in this section, "credited service under the Alaska National Guard retirement system" means the total number of months that a person included in that system was a member of the Territorial Guard, Alaska National Guard, or Alaska Naval Militia.

* Sec. 11. AS 14.25.060(c) is amended to read:

(c) The total military service claimed may not exceed five years. The total Alaska National Guard and Alaska Naval Militia service claimed may not exceed five years. The combined total of outside, [AND] military, and Alaska National Guard and Alaska Naval Militia service may not exceed 10 years, except that, if entry into the armed forces is immediately preceded by membership service and within one year after discharge is continued by membership service, that service will not be counted for purposes of determining the applicability of the 10-year limitation on the combined total of outside, [AND] military, and Alaska National Guard and Alaska Naval Militia service. The combined total of outside, military, Alaska National Guard and Alaska Naval Militia, and Alaska BIA service may not exceed 15 years.

* Sec. 12. AS 39.35.340 is amended by adding a new subsection to read:

(i) An employee is not required to make contributions for credited service under this section for his service as a member or former member of the Alaska National Guard or Alaska Naval Militia, or a former member of the Territorial Guard, with a total period of

membership of at least 20 years when added to the military service claimed. Such an employee who has made contributions for credited service under this section is entitled to a refund of those contributions. The deadlines for verifying military service set out in (a), (b), (c), and (e) of this section do not apply to an employee eligible for credited service under this subsection.

X PERS

* Sec. 13. AS 39.35 is amended by adding a new section to read:

Sec. 39.35.343. CREDIT FOR MEMBERSHIP IN THE ALASKA NATIONAL GUARD AND ALASKA NAVAL MILITIA. (a) A vested employee who is a member of the Alaska National Guard or Alaska Naval Militia may receive credited service under this system for all or any part of his credited service under the Alaska National Guard and Alaska Naval Militia retirement plan (AS 26.05.222 - 26.05.226) by electing to forgo four months of credited service under that retirement plan for each month of service to be credited under this system.

(b) A vested employee who is a former member of the Alaska National Guard or Alaska Naval Militia with at least six years credited service under the Alaska National Guard and Alaska Naval Militia retirement plan may receive credited service under (a) of this section. If the employee has received retirement pension benefits under the Alaska National Guard and Alaska Naval Militia retirement plan and wishes to claim credited service with respect to months for which benefits have been paid, he is indebted to this system in the amount of those benefits. Interest as prescribed by regulation accrues on this indebtedness commencing on the date the employee received the first benefit for which he is indebted to this system or July 1, 1981, whichever is later. Any outstanding indebtedness which exists at the time a person is appointed to retirement will necessitate an actuarial adjustment to the benefits payable under this section.

(c) Except as provided in (b) of this section, an employee is not required to make contributions for credited service allowed under this section.

(d) The credited service allowed under this section may not exceed an aggregate period of five years and may not be used to satisfy the credited service requirements for normal or early retirement.

(e) An employee may not receive credited service under this section if credit for membership in the Alaska National Guard or Alaska Naval Militia was granted under AS 14.25.

(f) As used in this section, "credited service under the Alaska National Guard and Alaska Naval Militia retirement plan" means the total number of months that a person included in that plan was a member of the Territorial Guard, Alaska National Guard, or Alaska Naval Militia.

* Sec. 14. The following laws are repealed: AS 26.05.227, and 26.05.-260(b), (d), (e), (f), and (g).

* Sec. 15. A retired teacher or teacher on deferred vested status on July 1, 1981 is eligible for any increase in benefits resulting from the amendments to AS 14.25 in secs. 8 - 10 of this Act.

* Sec. 16. A retired employee or deferred vested employee on July 1, 1981, is eligible for any increase in benefits resulting from the amendments to AS 39.35 in secs. 12 and 13 of this Act.

* Sec. 17. This Act takes effect July 1, 1981.

Introduced: 3/10/81
Referred: State Affairs and Finance

IN THE SENATE BY BRADLEY, HOHMAN AND KELLY

SENATE BILL NO. 262

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the Alaska National Guard and Alaska Naval Militia; and providing for an effective date."

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

* Section 1. AS 26.05.223 is amended to read:

Sec. 26.05.223. COMMENCEMENT OF PARTICIPATION IN SYSTEM. A member of the Alaska National Guard or Alaska Naval Militia shall be included in this system upon commencement of membership in the Alaska National Guard [,] or [ON JANUARY 1, 1973, WHICHEVER IS LATER, OR UPON COMMENCEMENT OF MEMBERSHIP IN THE] Alaska Naval Militia [OR ON JULY 1, 1980, WHICHEVER IS LATER].

* Sec. 2. AS 26.05.224 is amended to read:

Sec. 26.05.224. RETIREMENT BENEFITS. (a) A [AN ACTIVE] member of the Alaska National Guard [, OR A FORMER MEMBER WHO WAS AN ACTIVE MEMBER] on or after January 1, 1971 [1969], or a member of the Alaska Naval Militia on or after July 1, 1979 [1980], is eligible for a retirement pension

(1) upon voluntary retirement from the Alaska National Guard or Alaska Naval Militia after a total of 20 years or more of [SATISFACTORY] service in the Alaska National Guard, Alaska Naval Militia, or active service in the armed forces of the United States [, AND THE RESERVES OF THEM, OR ANY COMBINATION OF SERVICE IN THESE COMPONENTS IF AT LEAST FIVE YEARS OF THE SERVICE IS IN THE ALASKA NATIONAL GUARD OR ALASKA NAVAL MILITIA]; or

(2) upon involuntary retirement because of federal standards imposed on the Alaska National Guard or Alaska Naval Militia, regardless of length of service.

(b) The retirement pension is $100 a month, payable for the same number of months that the member participated [SATISFACTORILY] in the Alaska National Guard or Alaska Naval Militia.

(c) In the case of voluntary retirement an [AN] eligible member or former member may elect to receive his retirement pension beginning on the first day of the month following his 55th birthday or separation from the Alaska National Guard or Alaska Naval Militia, whichever is later. In the case of involuntary retirement because of federal standards an eligible member or former member may receive his retirement pension on the first day of the first month after his separation from the Alaska National Guard or Alaska Naval Militia. The [IN WHICH HE BECOMES ELIGIBLE FOR RETIREMENT, OR THE] member or former member may elect to defer payment to a later date. Payment of a deferred retirement benefit may not begin until application for the benefit is filed with and approved by the Department of Military Affairs. [DEFERRED RETIREMENT PAYMENTS MUST BE MADE MONTHLY AT THE RATE OF $100.]

(d) A retirement benefit payable to a member at the time of the death of the member shall be paid in a lump sum to the designated beneficiary of the member. The member may change or revoke the designation of a beneficiary without notice to the beneficiary at any time. If a member designates more than one beneficiary, each shall share equally unless the member specifies a different allocation. The designation of a beneficiary and a change or revocation of a beneficiary shall be made on a form provided by the Department of Military Affairs and is not effective until filed with the Department of Military Affairs. If a member fails to designate a beneficiary or if no desig-

nated beneficiary survives the member, the death benefit under this subsection shall be paid to his estate regardless of whether he filed an application for payment of retirement benefits.

* Sec. 3. AS 26.05.225 is amended to read:

Sec. 26.05.225. EARLIER SERVICE. A person who was a member of the Alaska National Guard [ON OR AFTER JANUARY 1, 1969,] is entitled to credit for his service to the state and former territory of Alaska as a member of the [NATIONAL GUARD AND] Territorial Guard [BEFORE AND AFTER JANUARY 1, 1969,] in determining eligibility for retirement benefits under AS 26.05.224.

* Sec. 4. AS 26.05.260(c) is amended to read:

(c) A member [ENLISTED PERSONS] of the Alaska [ARMY NATIONAL GUARD, AIR] National Guard and Alaska Naval Militia shall receive for each day of active service for the state, under orders of the governor, pay and allowances equal to those provided by federal laws and regulations for members [ENLISTED PERSONS] of like grades of the United States Army, United States Air Force and United States Navy, plus compensation equivalent to the per diem allowance payable to state officers and employees for the locale at which the duty is being performed. [HOWEVER, NO ENLISTED PERSON SHALL RECEIVED PAY AND ALLOWANCES OF LESS THAN $6 A DAY.]

* Sec. 5. AS 26.05.260 is amended by adding new subsections to read:

(h) A member of the Alaska National Guard or Alaska Naval Militia, while on active duty for the state and lawfully performing his duties, including transit to and from his home of record, who is injured or suffers a disability while performing those duties is entitled to all compensation and benefits available under the Alaska Workers' Compensation Act (AS 23.30) for the injury or disability.

(i) The designated beneficiary of a member of the Alaska National

Guard or Alaska Naval Militia who dies as a result of an injury or disability received while on active duty for the state and lawfully performing his duties, including transit to and from his home of record, is entitled to receive death benefits allowed beneficiaries under the Alaska Workers' Compensation Act (AS 23.30). In addition, the member's beneficiaries shall be sent, within 15 days of receipt of notice of the member's death, payment in an amount equal to six times the member's monthly salary as designated in (c) of this section, including special and incentive pay, applicable at the date of the member's death. This additional payment will be made only if the death occurs on or before the 120th day after the member's release from state active duty, and only if the state surgeon in the Alaska National Guard or Alaska Naval Militia first determines that the member's death resulted from an injury or disability received during that active duty period. Designated beneficiaries shall be paid the pay and allowances accrued but unpaid to the member at the time of death within 15 days after the date of notice of his death is received. Beneficiaries are considered designated when they are designated as beneficiaries in the member's military personnel record file. If the member does not designate a beneficiary, the beneficiary under this subsection shall be determined in accordance with the Alaska Workers' Compensation Act (AS 23.30).

* Sec. 6. AS 26.05. is amended by adding new sections to read:

Sec. 26.05.297. ALASKA NATIONAL GUARD SENIOR ROTC SCHOLARSHIP PROGRAM. (a) There is established within the Department of Military Affairs an Alaska National Guard Senior ROTC scholarship program under which eligible persons will receive a grant equivalent to the current cost of resident tuition, fees, and books at the University of Alaska for each eligible semester to the extent funds are available and subject to the projected officer needs of the Alaska National Guard and the

Alaska Naval Militia.

(b) To be eligible for a scholarship under this section, a person must

(1) be enrolled as a full-time student at the University of Alaska and qualify for resident tuition status;

(2) be enrolled and participating in the Senior ROTC program at the University of Alaska for the qualifying semester;

(3) be a satisfactory participating member of the Alaska National Guard or Alaska Naval Militia;

(4) maintain a satisfactory standard of academic achievement;

(5) meet all current federal requirements for appointment as an officer in the Alaska National Guard or Alaska Naval Militia; and

(6) be selected by the adjutant general.

(c) Scholarship benefits under this section may be awarded in addition to any assistance granted under AS 26.05.295 or 26.05.296.

Sec. 26.05.346. DEFINITION. As used in this chapter, "member of the Alaska National Guard or Alaska Naval Militia" means a commissioned or warrant officer or enlisted person in the Alaska National Guard or Alaska Naval Militia.

* Sec. 7. AS 14.25.100(a) is amended to read:

(a) A member who served as an active member of the armed forces of the United States <u>after December 31, 1939</u> may receive creditable service under this system up to a maximum of five years. Each 12 months of military service equals one school year, and lesser military periods will be determined for credit purposes in a proportionate ratio to a year. To receive creditable service under this section, the member must have received a discharge other than dishonorable. <u>Except as provided in (f) of this section, credit</u> [CREDIT] for service in the armed forces shall be granted only if the member makes contributions

for the service [IN THE SAME MANNER AS REQUIRED FOR OUTSIDE SERVICE] under AS 14.25.060. [THE MILITARY SERVICE CREDITED UNDER THIS SECTION SHALL BE INCLUDED IN THE 10-YEAR LIMITATION OF OUTSIDE SERVICE AS SPECIFIED IN AS 14.25.060, EXCEPT IF ENTRY INTO THE ARMED FORCES IS IMMEDIATELY PRECEDED BY ALASKA MEMBERSHIP SERVICE AND FOLLOWING DISCHARGE IS CONTINUED BY ALASKA MEMBERSHIP SERVICE WITHIN ONE YEAR THEREAFTER, SERVICE MAY NOT BE COUNTED FOR PURPOSES OF DETERMINING THE APPLICABILITY OF THE 10-YEAR LIMITATION ON OUTSIDE SERVICE.]

* Sec. 8. AS 14.25.100 is amended by adding a new subsection to read:

(f) Notwithstanding AS 14.25.060, a member is not required to make contributions for credit for service in the armed forces if the member is a member or former member of the Alaska National Guard, or Alaska Naval Militia, or a former member of the Territorial Guard, with a total period of membership in those organizations of at least 20 years when added to the armed forces military service claimed. Such a member who has made contributions for military service credit is entitled to a refund of those contributions.

* Sec. 9. AS 14.25 is amended by adding a new section to read:

Sec. 14.25.103. CREDIT FOR MEMBERSHIP IN THE ALASKA NATIONAL GUARD AND ALASKA NAVAL MILITIA. (a) A teacher who is a member of the Alaska National Guard or Alaska Naval Militia may receive creditable service under this system for all or any part of his credited service under the Alaska National Guard retirement system (AS 26.05.222 - 26.05.226) by electing to forgo four months of credited service under the National Guard retirement system for each month of service to be credited under this system. Each 12 months of service credited under this section equals one school year, and lesser periods of service credit will be determined in a proportionate ratio to a year.

(b) A teacher who is a former member of the Alaska National Guard

or Alaska Naval Militia with a least six years credited service under the Alaska National Guard retirement system may receive creditable service under (a) of this section. If the teacher has received retirement pension benefits under the Alaska National Guard retirement system and wishes to claim creditable service with respect to months for which benefits have been paid, he is indebted to the retirement fund in the amount of those benefits. Compound interest at the rate prescribed by regulation shall be added to the arrearage indebtedness beginning the date the teacher received the first benefit for which he is indebted to the retirement fund or July 1, 1979, whichever is later, and continuing to the date of payment or the date of retirement, whichever occurs first.

(c) Except as provided in (b) of this section, a teacher is not required to make contributions for creditable service allowed under this section.

(d) The creditable service allowed under this section may not exceed an aggregate period of five years.

(e) A teacher may not receive creditable service under this section if credit for membership in the Alaska National Guard or Alaska Naval Militia was granted under the public employees' retirement system (AS 39.35).

(f) As used in this section, "credited service under the Alaska National Guard retirement system" means the total number of months that a person included in that system was a member of the Territorial Guard, Alaska National Guard, or Alaska Naval Militia.

* Sec. 10. AS 14.25.060(c) is amended to read:

(c) The total military service claimed may not exceed five years. <u>The total Alaska National Guard and Alaska Naval Militia service claimed may not exceed five years.</u> The combined total of outside, [AND] mili-

tary, and Alaska National Guard and Alaska Naval Militia service may not exceed 10 years, except that, if entry into the armed forces is immediately preceded by membership service and within one year after discharge is continued by membership service, that service will not be counted for purposes of determining the applicability of the 10-year limitation on the combined total of outside, [AND] military, and Alaska National Guard and Alaska Naval Militia service. The combined total of outside, military, Alaska National Guard and Alaska Naval Militia, and Alaska BIA service may not exceed 15 years.

* Sec. 11. AS 39.35.340 is amended by adding a new subsection to read:

(i) An employee is not required to make contributions for credited service under this section for his service as a member or former member of the Alaska National Guard or Alaska Naval Militia, or a former member of the Territorial Guard, with a total period of membership of at least 20 years when added to the military service claimed. Such an employee who has made contributions for credited service under this section is entitled to a refund of those contributions. The deadlines for verifying military service set out in (a), (b), (c), and (e) of this section do not apply to an employee eligible for credited service under this subsection.

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* Sec. 12. AS 39.35 is amended by adding a new section to read:

Sec. 39.35.343. CREDIT FOR MEMBERSHIP IN THE ALASKA NATIONAL GUARD AND ALASKA NAVAL MILITIA. (a) A vested employee who is a member of the Alaska National Guard or Alaska Naval Militia may receive credited service under this system for all or any part of his credited service under the Alaska National Guard and Alaska Naval Militia retirement plan (AS 26.05.222 - 26.05.226) by electing to forgo four months of credited service under that retirement plan for each month of service to be credited under this system.

(b) A vested employee who is a former member of the Alaska National Guard or Alaska Naval Militia with at least six years credited service under the Alaska National Guard and Alaska Naval Militia retirement plan may receive credited service under (a) of this section. If the employee has received retirement pension benefits under the Alaska National Guard and Alaska Naval Militia retirement plan and wishes to claim credited service with respect to months for which benefits have been paid, he is indebted to this system in the amount of those benefits. Interest as prescribed by regulation accrues on this indebtedness commencing on the date the employee received the first benefit for which he is indebted to this system or July 1, 1981, whichever is later. Any outstanding indebtedness which exists at the time a person is appointed to retirement will necessitate an actuarial adjustment to the benefits payable under this section.

(c) Except as provided in (b) of this section, an employee is not required to make contributions for credited service allowed under this section.

(d) The credited service allowed under this section may not exceed an aggregate period of five years and may not be used to satisfy the credited service requirements for normal or early retirement.

(e) An employee may not receive credited service under this section if credit for membership in the Alaska National Guard or Alaska Naval Militia was granted under AS 14.25.

(f) As used in this section, "credited service under the Alaska National Guard and Alaska Naval Militia retirement plan" means the total number of months that a person included in that plan was a member of the Territorial Guard, Alaska National Guard, or Alaska Naval Militia.

* Sec. 13. The following laws are repealed: AS 26.05.227, and 26.05.-

260(b), (d), (e), (f), and (g).

* Sec. 14. A retired teacher or teacher on deferred vested status on July 1, 1981 is eligible for any increase in benefits resulting from the amendments to AS 14.25 in secs. 7 - 9 of this Act.

* Sec. 15. A retired employee or deferred vested employee on July 1, 1981, is eligible for any increase in benefits resulting from the amendments to AS 39.35 in secs. 11 and 12 of this Act.

* Sec. 16. This Act takes effect July 1, 1981.

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

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH WF–STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

M E M O R A N D U M

DATE: January 18, 1980

TO: Honorable Terry Gardiner, Speaker
Alaska State House of Representatives

FROM: Milt Barker, MB Fiscal Analyst
Legislative Finance Division

SUBJ: Bonding Policy

This Memo is in response to a number of questions you posed regarding bonding and capital projects, some of which were addressed by Jay Hogan in his November 14, 1979 Memo to you (attached). The remaining questions and my comments follow.

1. WHAT ARE THE PRO'S AND CON'S OF PAYING CASH OR BONDING FOR CAPITAL IMPROVEMENTS?

Pragmatism and Equity

Most state and municipal governments most of the time do not have the luxury of this choice; borrowing is often the only pragmatic and equitable way of funding capital improvements.

Taxing for Cash

Most governments which would attempt to fund major capital spending for the first time by cash would be compelled to raise taxes, always a decidedly unpopular move, or perhaps reduce operating expenditures. Certainly the question presumes that if Alaska were to pay cash it would do so from the large surpluses it is enjoying, rather than a tax increase or budget reductions. So, unless a decision is made to pay over the entire surplus to all Alaskans, the option of cash for capital projects would be viable.

Accumulating Cash

Project Delay

Conceivably, a government could pay cash by taking a rather small additional tax bite each year and accumulating it until sufficient funds were available. However, this means postponing the project until the cash is in hand, whereas borrowing permits immediate enjoyment of the project's benefits.

This attraction of borrowing is not merely a desire for early realization of project benefits but may involve pragmatic considerations as well; certain types of projects such as schools may be needed now but not necessarily twenty years from now. Fortunately for Alaska, paying cash need not mean delay.

It is not unknown for governments to accumulate cash for projects. Where project cost is relatively small paying cash will not result in a large tax bite or undue delay as, for example, when Juneau financed its swimming pool and ski area from sales tax surcharges. Or cash can be an option if politically acceptable ways of generating relatively large cash flows can be found, as Texas has in using royalty proceeds for university construction.

Of course, Texas' method involves a non-tax source of funds. It could be argued that even without its large surplus, Alaska is obligated to pay cash for a sizable amount of projects because of a situation similar to Texas'. That is, AS 37.05.-157 creates a "reserve for capital outlay" account in the general fund while AS 37.05.158 creates a "reserve for energy facilities development" account which are to receive respective allocations of 25% and 5% of mineral bonuses, rentals and royalties. This would be respectively $268.4 million and $53.6 million for FY 81 at a minimum based on current oil prices, and could arguably be increased since no funding of capital projects has been designated as coming from these two accounts since their inception on October 15, 1978.

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Equity considerations normally favor bonding, the more so that bond payments are scheduled over the life of the project so that those who enjoy its benefits are the ones to pay for the project. If a government were to pay cash for a capital improvement program that varied significantly in amount from year to year, those arriving just after major improvements were made would be getting a free ride, while those leaving just after would be paying for something for nothing.

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As well as for transiency, there is an intergenerational equity problem, since older persons may pay for but not live to enjoy the benefits of a cash-funded capital improvement, while many younger persons not yet paying taxes will nevertheless be around to enjoy the benefits.

To the extent capital budgets were constant in real terms, there would be no equity problems. Also, the equity considerations for transients would tend to be ameliorated if other governments were funding capital improvement programs with cash.

Arbitrage

Turning to financial considerations though, bonding is to be preferred to paying cash because of interest arbitrage. That is, instead of paying cash, the state could invest its surplus at taxable market rates of interest and use these invested funds and earnings to pay off bonds issued at lower rates of tax-exempt interest, and pocket the difference in interest rates.

Table 1 shows that the average spread in interest rates between Aa rated long-term corporate and municipal bonds averaged 2.5% to 3.77% during the last five years, with a recent differential of 4.46% for October 1979. Chart 1 traces these rates back to 1969.

As Table 2 shows, rates for ten year maturities which typify Alaskan issues are about .5% lower than the twenty year maturities.[1]

Also, Alaskan bonds are rated A1 by Moody's and A+ by Standard and Poor's, thus selling at about .1% higher than the Aa bonds. All told, this means a spread in rates between 3% and 5% between Alaskan bonds and the market. The attached December 31, 1979 letter from John Nuveen & Co., the state's financial adviscr, corroborates this information.

A 3% minimum spread or 4% average spread would mean the state could earn respectively $19.2 million or $26.4 million in interest arbitrage over the life of $100 million in bonds issued with a five year average maturity. Presumably, active portfolio management can improve arbitrage earnings beyond the average spread.

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The amount of arbitrage could also be increased by issuing bonds with longer maturities. A longer payback means we hang onto our cash longer and pocket the difference in earnings longer; it means greater outstanding bonded indebtedness in total.

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[1]This lesser rate for shorter maturities is partially a reduction in risk premium, since a lender's funds are not exposed as long, as well as a reduction in the liquidity premium that is largely due to the greater presence of banks in the short-term municipals market. Banks have to balance short-term liabilities (checking and passbook savings) with short-term assets.

As mentioned previously, there is normally an interest penalty of .5% for twenty year maturities in comparison with ten year maturities. In Alaska's case, the penalty would be even greater because our credit is really based on the somewhat shorter period of prolific Prudhoe production. Assuming that the amount of indebtedness projected to be outstanding in the post-Prudhoe period is not so large as to make a bond unmarketable, the potential arbitrage on a $100 million issue with an average life of ten years would be $28.8 million or $43.2 million respectively for spreads of only 2% minimum or 3% on average. Certainly, there has to be room for some lengthening of Alaska maturities, either in new issues or in refinancing of old ones, based on the doubling of world oil prices in the last six months and the decontrol of Prudhoe oil which began January 1980 -- if there is also restraint in spending decisions in relation to the revenues that will be available, sufficiently so to impress the bond market.

Effects on Spending

In fact, the postulated arbitrage gains may be completely hypothetical depending on the effects bonding has on spending and investment decisions of the state.

It may be argued that the bonding method assures greater political consensus, if not restraint, on the projects to be undertaken since referendums are required. Some feel that capital spending is greater under the bonding process than through appropriations because of the need to regionally balance bond proposals to assure voter approval. In the last three general elections, four out of thirty bond propositions have failed, counting the new capital bond issue.

A possible greater inducement to increased spending through the bonding process is the amount of cash that is freed up. Instead of being invested and earning arbitrage it may be appropriated as well, for operating budgets if not capital -- if not in the current session, then the next. On the other hand, cash for capital projects has as one of its main attractions the attribute of being a brake on the operating budget, if not the capital budget. In the case of capital, cash for projects would preserve unused debt capacity tnat could be "banked" for use in future sessions. Also, an enunciated policy of cash for projects may seem to be an implied endorsement of spending all the cash on capital projects.

The choice of the method of financing may not be the most critical factor affecting the level of expenditures. Financing choices cannot substitute for policy determinations as to what the expenditure level should be nor for a good capital and

operating budgeting process to inform such policy decisions. Certainly some particular expenditures will have benefits outweighing any arbitrage earnings.

Other Opportunity Costs of Cash for Projects

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To the extent cash left on the table from bonding for capital projects is used for cash payments to individuals or investment in other than the money and bond markets, the arbitrage argument may still be valid.

Certainly, if an individual receives a cash payment, he can invest it at the higher taxable market rates and thus earn the arbitrage on his own account. Of course, he may spend it instead; though presumably he is judging his present consumption to have greater utility than possible future consumption augmented even at market rates of interest.

Where this alternative really falls short in relation to state arbitrage with payment of the earnings to individuals is the federal tax bite that would be taken out of principal if it is given to individuals. Instead, the money could be loaned to individuals at the tax-exempt cost to the state and in that way retain the arbitrage argument's validity; this, of course, removes the possibility of expenditure of the principal by individuals.

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The arbitrage argument can certainly be enhanced if the state or individuals with state loans can make investments which yield even greater returns than the money and bond markets. If these are development projects in Alaska, there may be other benefits besides a higher rate of return. The state's fiscal position may be benefited, its bond ratings possibly improved, etc., from the expanded tax base if inmigration is not pronounced or state budgets do not swell as a result. Incomes and employment will increase, hopefully for the long-run if the project is economically viable. Of course, there is always a danger that the state will be providing consumption disguised as investment.

Bonding During Periods of High Interest Rates

One final consideration as to whether to bond or pay cash would be the possibility of avoiding bonding during periods of high interest rates. Referring to Chart 1 again, one can see that municipal bonds' interest rates have varied from 5% to 7% during the 1970's. Thus, paying cash would save at most 2% based on recent experience, while foregoing the opportunity to earn 3% to 4% in arbitrage. Moreover, careful timing of actual bond sales by the administration may help

keep interest costs down. Lags in the political process would make it difficult to attempt to take advantage of swings in interest rates from the legislative end of things anyway.

Revenue Bonds

The discussion heretofore of cash vs. bonding as a financing method for capital projects is for the most part applicable to general obligation and revenue bonds. However, paying cash or using general obligation bonds where a revenue bond can be used results in a shifting of the costs of benefits for a particular group from that group to the general populace and is usually judged to be unacceptable.

If the equity considerations are not overriding, general obligation bonds are certainly cheaper than revenue bonds; recent sales have had a .7% to 1.5% advantage over revenue bonds. Of course, siginficant increases in indebtedness on account of this would eventually have adverse effects on interest costs on all new GOB's. Regardless of equity considerations, revenue bonds would still offer arbitrage opportunities whether the cash alternative has state funds or user income as its source. Any shift away from revenue bonding might necessitate review of the policy for user charges and accrued surpluses.

2. WHAT ARE THE PRO'S AND CON'S OF PAYING OFF OUR PRESENT DEBT SERVICE?

quity Given the short maturity structure of our present debt, the equity situation would not be much changed by paying it off since either way it appears that it will be oil revenues, not individual taxpayer dollars, that will be used to pay it off.

rbitrage By not paying it off, the state can in theory continue to earn arbitrage. However, this depends on to what alternative use the potential bond redemption funds are put as discussed under question 1; if they are spent on budget items there is no arbitrage.

ffect on ond atings As discussed in the John Nuveen & Co. letter and also the attached April 3, 1978 White Weld letter, Alaska compares unfavorably against the traditional yardsticks used to rate bonds, i.e. debt per capita, debt as a percent of personal income, etc. Paying off our debt would dramatically improve our statistics, including the one deemed most relevant in our case, debt service as a percent of general fund revenues.

However, this action would do nothing to overcome the lack of diversification in the economy and the almost complete dependence of state revenues on a single source, Prudhoe Bay. Besides, there is no assurance that in following years bond authorizations might not be sought which would put indebtedness back at traditional levels. Thus, paying off existing indebtedness might lessen interest costs on future issues and possibly improve the state's bond ratings if the redemption is seen as part of a long-range policy of fiscal restraint and convincingly documented in long-range capital budget plans.

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However, as indicated in Tables 3 and 4, the maximum reduction in interest costs should the state be upgraded to the highest rating (Aaa) would normally be no more than thirty basis points or .3%. This would be one-tenth the amount that could be earned, 3%, in arbitrage if the funds were invested instead of used to pay off the bonds. Thus, paying off $680 million in outstanding debt would require the issuance of $6.8 billion in new debt for interest savings to make up the lost arbitrage. Undoubtedly, our interest differential would be erased long before that level of indebtedness was reached. Although some improvement could also be expected in rates and ratings for other Alaska municipals which track somewhat with the state, this method of paying off indebtedness would still not be an attractive investment, but would be a method of budgetary restraint.

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An alternative that would possibly be a good investment though not absorb as much funds is to pay off the tail end of the state's debt service, i.e. the longer maturity bonds. Sterling Gallagher of Nuveen & Co. estimates that possibly $100 million so spent would have almost the same impact as paying off all indebtedness.

3. WHAT ARE THE PRO'S AND CON'S OF PAYING OFF PRESENT MUNICIPAL DEBT?

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Considering the state as a whole, the arguments here are the same as for question 2. The potential arbitrage from retaining indebtedness is almost as great since the Municipal Bond Bank Authority carries an A rating, only slightly below the state's. Of course, looking at it solely from the municipalities point of view, payoff is desirable since the cash comes from the state, not the municipality. This would be an expenditure from the state's point of view, whereas paying off its own liabilities does not change its net worth.

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The improvement in interest costs should be about the same magnitude as that for the state, thus putting the amount of new debt required to realize savings in interests costs equivalent to the foregone arbitrage at odds with the idea of reduced levels of indebtedness to secure better interest rates. Again though, paying off the tail end maturities might be a good investment.

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Any such program to payoff municipal debt would not benefit individuals in unorganized areas or municipalities with no debt. If the proposal is a blanket payoff of 100% of outstanding debt, some municipalities will benefit more than others, even on a per capita basis. "Alaska Taxable 1979" indicates that municipal debt per capita varies from $120 to $26,751. Payoff of equal amounts on a per capital basis would be more equitable than payoff of all or a percentage of total indebtedness.

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pending

There would be no assurance that municipalities would pass on the savings in debt service to taxpayers rather than increasing other budget expenditures. Direct payments or credits to taxpayers might be superior in this regard. If a municipal debt redemption program is to be considered, it might also be appropriate to consider ceilings on municipal indebtedness.

4. AT WHAT LEVEL SHOULD WE BOND FOR CAPITAL IMPROVEMENTS? BY WHAT LOGIC?

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The John Nuveen & Co. letter suggests $175 to $225 million per year, which would be $350 to $450 million in authorizations this session. The Governor reputedly will insist on no more that $300 million in authorizations this session because of concerns that the rising level of debt service will leave little room for increases in other operating items within his long-range budget growth ceilings. The possibility of stretching out maturities based on improved revenue projections might permit the Governor to increase debt and debt service and still meet his budget growth objectives. Authorizations in the 1978 session totaled $275 million exclusive of the $966 million new capital bond issue.

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According to the White Weld memo, debt service could be as high as 16% of general fund revenue before the state would experience significant interest penalties. In the judgment of John E. Petersen, Director of the Government Finance Research Center of the Municipal Finance Officers Association (MFOA), as quoted in his book, The Rating Game, "a ratio of ten percent is felt to be the separation between better and lesser creditworthiness, fifteen percent warrants concern, and it should never exceed twenty to twenty-five percent."

Potential Levels

Ten percent of the $3,052.2 million estimated as FY 80 unrestricted revenue in the Department of Revenue's "Revenue Sources" would be $300 million in debt service. $300 million a year in debt service over a ten year period would amortize $2,252.3 million at 6% interest. Thus, the state could theoretically increase its current total indebtedness of $680 million several times over, this session, if future bonding were to be cut back considerably.

Market Limits

In reality, the market limits are more likely determined "by intangible, psychological, perhaps even irrational factors and attitudes" according to the Nuveen letter, which further states that "no one can accurately predict what level of debt will trigger a reaction leading to a negative shift in market sentiment". (Should it be desired Legislative Finance can readily run long-range computer projections of debt service in relation to revenues based on a given pattern of bond authorizations.)

It appears there are no ready-made rules for the level of debt; by the above standard the state has tremendous unused capacity -- by other standards such as debt per capita there is no excess capacity. The state can always find the limits by testing the water. Needless to say, budgetary restraint and sound management of the state's portfolio will increase its debt capacity in relation to a given level of revenues.

UPDATE

5. WHAT IS OUR PRESENT MUNICIPAL DEBT?

As of July 1, 1979 the general obligation bond debt of municipalities was $768,508,903.

ADDENDUM

You may note that in our letter to Nuveen we wondered if a guarantee fund for general obligation bonds would improve interest costs or ratings. Nuveen felt it would raise more questions than it would be worth.

STATE OF ALASKA

GENERAL OBLIGATION BONDS
Debt Service by Fiscal Years
June 30, 1979

Fiscal Year	Principal	Interest	Total Debt Service To Maturity	Redemption Reserve	Net Cash Required By Fiscal Year
1959	$	$ 65,635.00	$ 65,635.00	$	$ 65,635.00
1960	30,000.00	99,212.69	129,212.69		129,212.69
1961	93,000.00	90,650.75	183,650.75		183,650.75
1962	311,000.00	737,998.50	1,048,998.50		1,048,998.50
1963	566,000.00	856,632.00	1,422,632.00		1,422,632.00
1964	587,000.00	1,299,202.50	1,886,202.50		1,886,202.50
1965	877,000.00	1,353,038.00	2,230,038.00		2,230,038.00
1966	1,202,000.00	1,307,483.50	2,509,483.50		2,509,483.50
1967	1,248,000.00	1,477,588.50	2,725,588.50		2,725,588.50
1968	1,778,000.00	2,877,017.05	4,655,017.05		4,655,017.05
1969	3,761,000.00	4,058,305.75	7,819,305.75	9,000.00	7,810,305.75
1970	3,770,000.00	5,535,721.95	9,305,721.95	85.00	9,305,636.95
1971	7,971,000.00	7,330,703.05	15,301,703.05		15,301,703.05
1972	9,705,000.00	9,793,394.20	19,498,394.20		19,498,394.20
1973	11,365,000.00	12,146,937.95	23,511,937.95		23,511,937.95
1974	12,352,000.00	14,029,974.80	26,381,974.80		26,381,974.80
1975	13,018,000.00	17,126,040.40	30,144,040.40		30,144,040.40
1976	12,500,000.00	22,615,109.85	35,115,109.85	10,924.13	35,104,185.72
1977	12,915,000.00	28,968,934.75	41,883,934.75	24,689.87	41,859,244.88
1978	18,795,000.00	31,233,034.75	50,028,034.75	92,852.08	49,935,182.67
1979	25,710,000.00	34,314,202.90	60,024,202.90	228,019.75	59,796,183.15
1980	38,780,000.00	36,292,273.50	75,072,273.50	1,276,687.99	73,795,585.51
1981	43,045,000.00	34,743,607.70	77,788,607.70		77,788,607.70
1982	46,265,000.00	32,187,781.50	78,452,781.50		78,452,781.50
1983	46,500,000.00	29,531,922.80	76,031,922.80		76,031,922.80
1984	46,945,000.00	26,922,165.35	73,867,165.35		73,867,165.35
1985	46,830,000.00	24,322,860.40	71,152,860.40		71,152,860.40
1986	48,235,000.00	21,714,763.60	69,949,763.60		69,949,763.60
1987	47,350,000.00	19,118,221.25	66,468,221.25	3,050.00	66,465,171.25
1988	47,665,000.00	16,532,505.00	64,197,505.00	66,950.00	64,130,555.00

GENERAL OBLIGATION BONDS
Debt Service by Fiscal Years
June 30, 1979

Fiscal Year	Principal	Interest	Total Debt Service To Maturity	Redemption Reserve	Net Cash Required By Fiscal Year
1989	42,717,000.00	13,894,721.25	56,611,721.25		56,611,721.25
1990	34,550,000.00	11,746,590.00	46,296,590.00		46,296,590.00
1991	28,989,000.00	9,958,430.00	38,947,430.00		38,947,430.00
1992	29,849,000.00	8,303,425.00	38,152,425.00		38,152,425.00
1993	25,063,000.00	6,656,987.50	31,719,987.50		31,719,987.50
1994	20,598,000.00	5,219,975.00	25,817,975.00		25,817,975.00
1995	19,096,000.00	3,987,625.00	23,083,625.00		23,083,625.00
1996	18,610,000.00	2,864,412.50	21,474,412.50		21,474,412.50
1997	14,865,000.00	1,800,419.75	16,665,419.75		16,665,419.75
1998	13,380,000.00	1,008,194.75	14,388,194.75		14,388,194.75
1999	$ 8,640,000.00	$ 368,931.25	$ 9,008,931.25	$	$ 9,008,931.25
2000	2,531,000.00	69,081.25	2,600,081.25		2,600,081.25
Totals	$809,057,000.00	$504,561,713.19	$1,313,618,713.19	$1,712,258.82	$1,311,906,454.37
Paid as of 6/30/79	138,554,000.00	197,316,818.84	335,870,818.84	365,485.83	335,505,333.01
Remaining Liability as of 6/30/79 (St. #67)	$670,503,000.00	$307,244,894.35	$ 977,747,894.35	$1,346,772.99	$ 976,401,121.36

TABLE 1

INTEREST RATES ON BONDS
OF TWENTY YEAR OR GREATER MATURITIES

YEAR	Aa CORPORATE	Aa MUNICIPALS	DIFFERENCE
1979	9.77	6.00	3.77
1978	8.98	5.65	3.33
1977	8.20	5.34	2.86
1976	8.59	6.09	2.50
1975	9.51	6.70	2.81
		Five-year Average	3.05

Source: November 1979 Treasury Bulletin

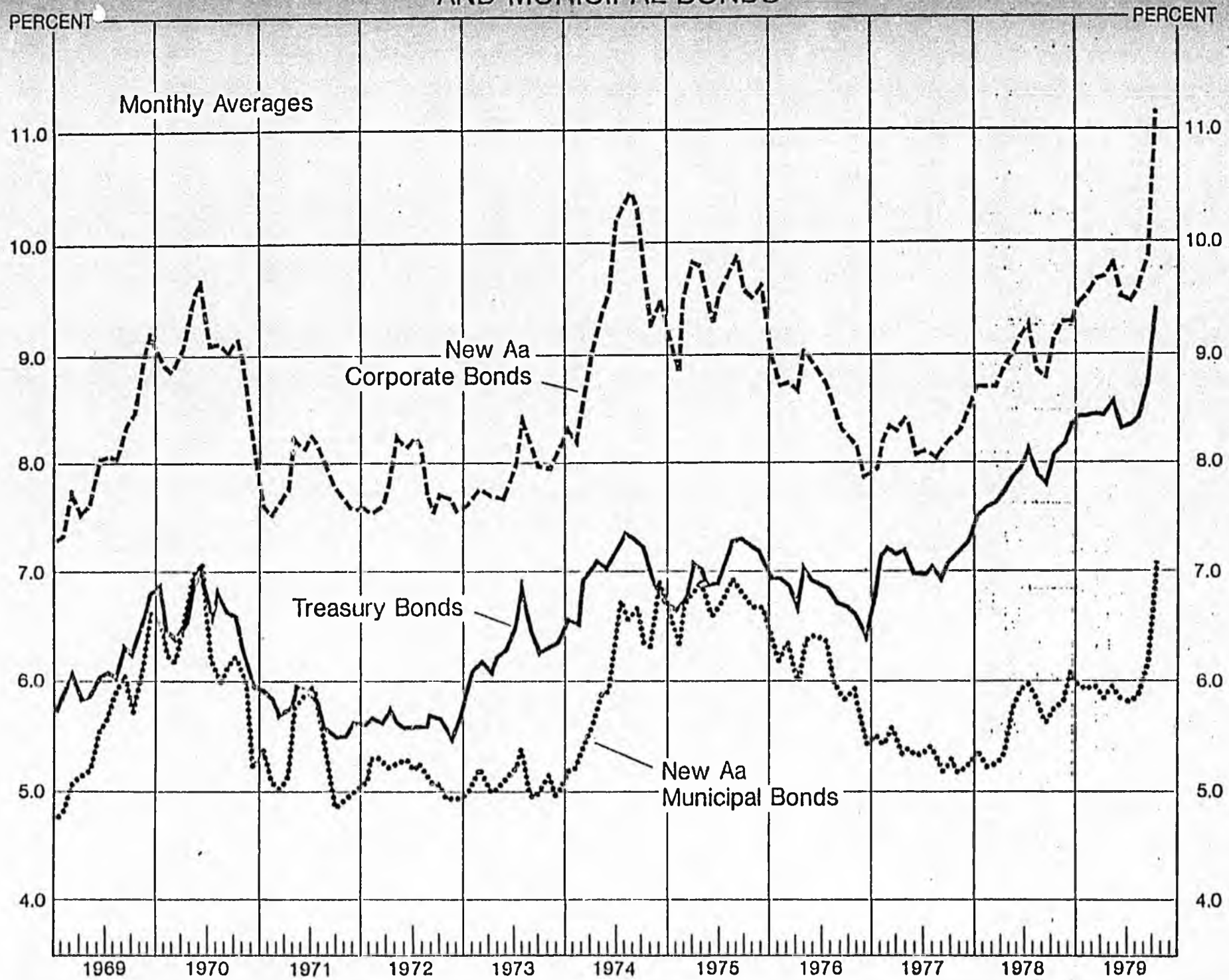

AND MUNICIPAL BONDS
PERCENT
PERCENT
Monthly Averages
11.0
10.0
9.0
8.0
7.0
6.0
5.0
4.0
New Aa
Corporate Bonds
Treasury Bonds
New Aa
Municipal Bonds
1969
1970
1971
1972
1973
1974
1975
1976
1977
1978
1979

CHART 1

TABLE 2

REPRESENTATIVE TAX-EXEMPT YIELDS
(Based on major new issue offerings for week ending December 14, 1979)

Maturity	Aaa	Aa	A
1980	6.00	6.10	6.20
1981	6.00	6.10	6.20
1982	6.00	6.10	6.20
1983	6.00	6.10	6.25
1984	6.00	6.10	6.25
1985	6.00	6.10	6.30
1986	6.00	6.10	6.30
1987	6.00	6.10	6.35
1988	6.05	6.10	6.35
1989	6.10	6.15	6.35
1994	6.35	6.45	6.60
1999	6.60	6.75	6.85

Municipal Bond Averages

Week Ending	Nuveen Index	Bond Buyer	Dow-Jones
November 23	7.99	7.38	7.76
November 30	7.92	7.26	7.63
December 7	7.78	7.17	7.53
December 14	7.86	7.26	7.62

JOHN NUVEEN & CO INCORPORATED

TABLE 3

DIFFERENCES BETWEEN ANNUAL AVERAGES OF YIELDS ON 20-YEAR, GENERAL OBLIGATION BONDS, BY RATING
(Basis Points)

	Differential Between Grades		
Year	Aa minus Aaa	A minus Aaa	Baa minus Aaa
1945	25	58	79
1950	19	54	75
1955	14	47	96
1956	21	50	99
1957	22	65	105
1958	22	59	92
1959	14	50	81
1960	16	51	82
1961	14	34	61
1962	11	25	52
1963	8	20	43
1964	7	19	42
1965	7	19	40
1966	9	25	49
1967	10	26	55
1968	10	31	63
1969	13	37	62
1970	26	47	63
1971	28	53	67
1972	15	34	52

Source: Moody's Series: Annual average of monthly differences.

TABLE 4

INTEREST COST DIFFERENTIALS AMONG RATING CLASSES
(Basis Points)

	Study (Period)		
Differential Between Grades	Phelps[1] (1957–58)	Kessel[2] (1959–67)	Petersen[3] (1964–1971)
Aaa-Aa	21	15	13
Aa-A	33	21	19
A-Baa	33	25	30
Baa-Ba	—	—	35
Item:			
Aaa-Baa	87	61	62

[1]Charlotte DeMonte Phelps, "The Impact of Tightening Credit on Municipal Capital Expenditures in the United States," *Yale Economic Essays*, Vol. I (Fall 1961), p. 300. In Phelps's equation, interest cost differentials between rating classes vary in proportion to the Federal Government's long-term bond rate. The figures above were calculated upon the assumption that the long-term bond rate was 3 percent.

[2]Reuben A. Kessel, "A Study of the Effects of Competition in the Tax-Exempt Bond Market," *Journal of Political Economy* (Sept. 1971). Instead of using the net interest cost of the issue as the dependent variable in his equation, Kessel used the difference between the twenty-year reoffering yield and White's Yield of 100. Standard & Poor's ratings were used instead of Moody's. Kessel's data sample included more than 9000 bond issues that appeared between 1959 and 1967, with virtually complete coverage of competitively offered issues that were larger than $1,000,000.

[3]John E. Petersen, "A Note on the Determinants of Municipal Bond Net Interest Costs" (unpublished), 1972. See summary of study at end of this chapter.

SOURCE: The Rating Game, John E. Petersen, Kraus Reprint, New York, 1974

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

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH WF-STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

M E M O R A N D U M

DATE: January 22, 1981

TO: Honorable Al Adams
House of Representatives
Alaska State Legislature

FROM: Milt Barker, Fiscal Analyst
Legislative Finance Division

Defease State G.O. Bonded Debt

The Department of Revenue estimates the total cost to defease all state G.O. bonds in FY 82 at $905 million. This is made up of three items:

Defease $720 million of outstanding G.O. bonds	$570 million
Cash out all authorized but unissued bonds	463 million
Delete FY 82 debt service	(128 million)
	$905 million

The $570 million would be paid over to bond trustees to purchase securities whose term and value at maturity matched the $720 million in bond maturities to be paid by the state. The AG does not believe authorizing legislation for this is necessary. However, there is no mention of such action in AS 37.15, the state bonding act, so it might be a good idea to have authorizing legislation.

The $463 million in cash would be to fund the capital projects that would have been funded with bond proceeds. The state's bond counsel says there would be trouble with the IRS if we defeased outstanding bonds and then subsequently issued new bonds within a few years time.

31-Q1LH

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH WF–STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

M E M O R A N D U M

DATE: June 23, 1980

TO: Honorable Russ Meekins, Chairman
House Finance Committee

FROM: Milt Barker, Fiscal Analyst
Legislative Finance Division

SUBJ: Refunding G.O. Debt

In the attached letter of April 7, 1980 from Bache Halsey, it is claimed that refunding the outstanding general obligation indebtedness of the state will result in savings in debt service on a present value basis. This does not appear to be the case.

If the refunding debt is issued at 8.5% as in the Bache projection, then the average rate of earnings on general or permanent fund investments should be around 11.5%.[1]

If the debt service schedules for outstanding debt[2] and refunding debt are discounted at 11.5%, which more properly represents the alternative earnings rate on funds that would be used for debt service, i.e. their opportunity cost, the existing schedule of debt service has the lowest present value, i.e. least cost to the state.

---

1. See attached Table 1 and yield chart which indicate that the average interest differential over the past five years between municipal and corporate Aa bonds has been 3.05%.

2. Bache's total for existing debt service of $831 million appears to be total debt service for fiscal years 1981 through 2000 exclusive of the debt service on the 1979 Bond Series B. See attached schedule from the "official statement" for the 1979 sale.

1-01 LH

Only if the discount rate is reduced to 10%, representing arbitrage earnings of only 1.5% between state G.O. debt and other market instruments, does the present value cost of the refunding debt service roughly equal the present value cost of existing debt service.

	Present value of Debt Service ($ millions)	
	@ 10%	@ 11.5%
Existing	444.3	412.2
Refunding		
5 year maturity	443.9	427.4
8 year maturity	449.7	426.2

The point here is that as long as the state can earn arbitrage because of the lower tax-exempt rates on its bonds, the state profits by having more debt outstanding over a longer period of time. Shortening the state's debt structure is not of financial benefit.

If an improvement in the state's bond rating is desired by committing funds to pay off the bonds, the Nuveen approach described in the attached Memo of February 6, 1980 is a better alternative in that there is no shortening of the state's debt structure and thus no reduction in the arbitrage earnings that will accrue to the state.

attachments

MB:bf

Bache

Bache Halsey Stuart Shields Incorporated
Bache Plaza, 100 Gold Street
New York, N.Y. 10038 (212-791-3588)

Samuel L. Plaia
First Vice President

April 7, 1980

Mr. Peter A. Bushre
Deputy Commissioner of Revenue
State of Alaska
Department of Revenue
State Office Building
Juneau, Alaska

Re: Alaska Debt Reorganization

Dear Mr. Bushre:

Preparatory to making a detailed presentation to the State Bonding Commission relative to the above subject, we thought we should give you a summary of the two variations on the refunding program and some selected data on each.

For calculation purposes, we have chosen an 8 1/2% rate and one bond issue dated June 1, 1980, with principal retirements beginning June 1, 1981, and a final maturity of June 1, 1988. The other issue will be dated the same but have its final maturity on June 1, 1985.

Total debt service on the outstanding bonds is $863,523,203 and accrued debt service at June 1, 1980, will be $32,338,362 (will have been paid) leaving a net of $831,184,841 to be provided for by the escrowed proceeds of the refunding bonds plus the earnings of the escrowed funds.

The two refunding issues will comprise the following debt service schedules:

Issue "A" - 8 1/2%

Date	Principal	Interest	Total Debt Service
6.1981	$ 43,910,000	$ 40,424,300	$ 84,334,300
6.1982	47,645,000	36,691,950	84,336,950
6.1983	51,690,000	32,642,125	84,332,125
6.1984	56,085,000	28,248,475	84,333,475
6.1985	60,855,000	23,481,250	84,336,250
6.1986	66,025,000	18,308,575	84,333,575
6.1987	71,640,000	12,696,450	84,336,450
6.1988	77,730,000	6,607,050	84,337,050
Totals	$475,580,000	$199,100,175	$674,680,175

Gross Savings

Net Outstanding Debt Service	$831,184,841
Refunding Bonds Debt Service	674,680,175
Gross Savings	$156,504,666

Present Value Savings

Net Outstanding Debt Service Present Value @ 8.5%	$488,608,900
Refunding Debt Service Present Value @ 8.5%	-475,580,000
Present Value of Difference	$ 13,028,900

Issue "B" - 8 1/2%

Date	Principal	Interest	Total Debt Service
6.1981	$ 77,895,000	$ 39,233,875	$117,128,875
6.1982	84,520,000	32,612,800	117,132,800
6.1983	91,705,000	25,428,600	117,133,600
6.1984	99,500,000	17,633,675	117,133,675
6.1985	107,955,000	9,176,175	117,131,175
Totals	$461,575,000	$124,085,125	$585,660,125

Gross Savings

Net Outstanding Debt Service	$831,184,841
Refunding Bonds Debt Service	585,660,125
Gross Savings	$245,524,716

Present Value Savings

Net Outstanding Debt Service Present Value @ 8.5%	$488,608,900
Refunding Debt Service Present Value @ 8.5%	-461,575,000
Present Value of Difference	$ 27,033,900

The "A" issue plan drains an extra $167,894,416 over an eight-year period from the general funds of the State; this being over and above the existing debt service. In other words an additional average of $21,000,000 per year is committed to debt service.

The "B" issue plan drains an extra $266,017,994 over a five-year period from the State's general funds compared to outstanding debt service, or an average of in excess of $53,000,000 annually. Obviously, this latter plan is more "dramatic" and also produces an extra $14,000,000 in present value savings.

The merits of both plans can be discussed in detail at a formal presentation. At that presentation to the State Bond Committee, in a form as suggested by Anselm Staack, the escrow investment income will be demonstrated to provide the necessary funds to fully extinguish the State's outstanding debt.

We look forward to hearing from you as to when we might return to Juneau for a formal presentation. At that time, we will be accompanied by representatives of Haynes & Miller, special counsel on the debt reorganization.

Sincerely,

Samuel S. Pelia

SLP:lh

cc: Mr. Anselm Staack, Department of Revenue
Rep. Hugh Malone, House of Representatives
Mr. Jim Rhode, Rep. Malone's Aide
Rep. Russ Meekins, House of Representatives
Mr. Mike Doogan, Rep. Meekins' Aide

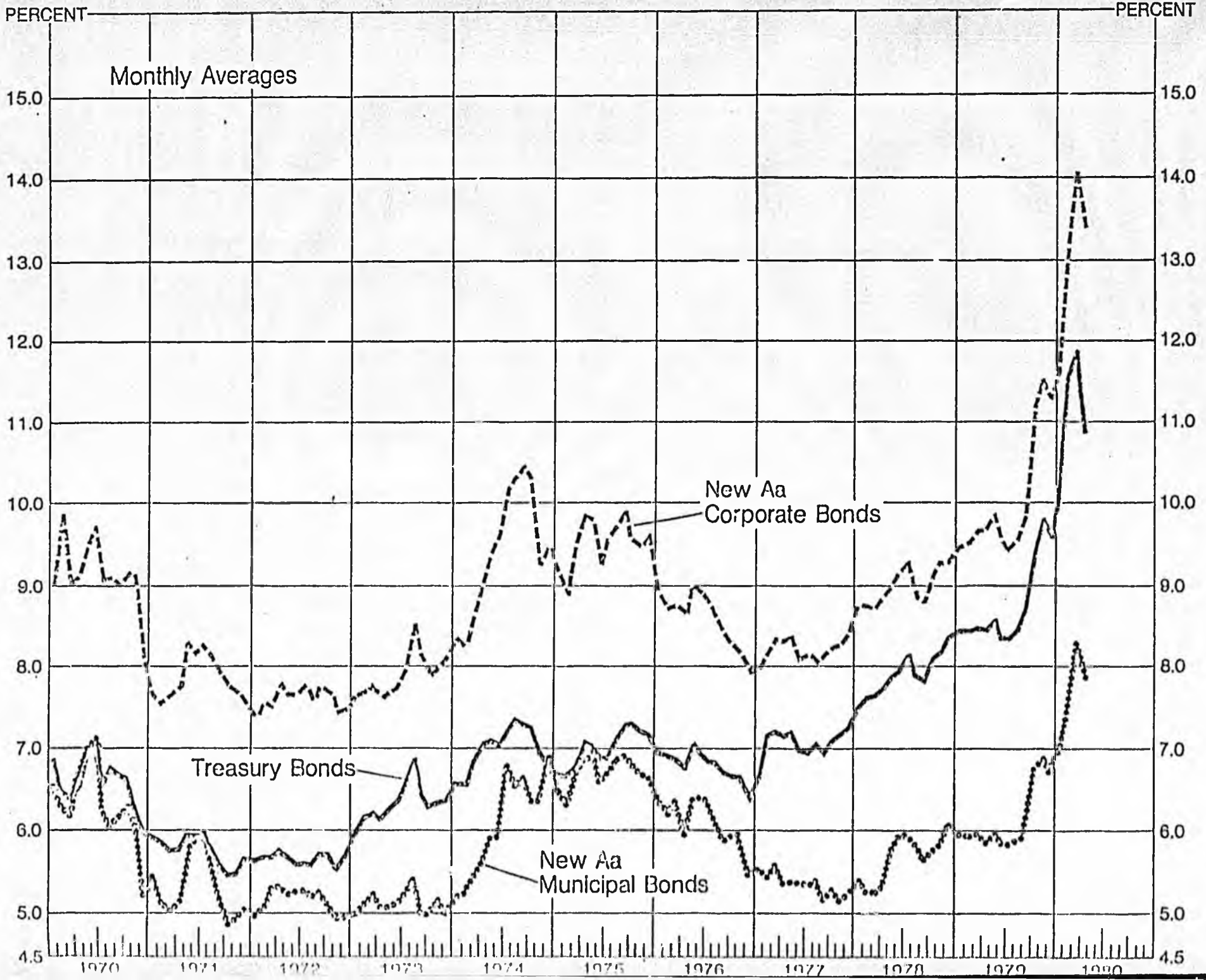
TABLE 1

INTEREST RATES ON BONDS
OF TWENTY YEAR OR GREATER MATURITIES

YEAR	Aa CORPORATE	Aa MUNICIPALS	DIFFERENCE
1979	9.77	6.00	3.77
1978	8.98	5.65	3.33
1977	8.20	5.34	2.86
1976	8.59	6.09	2.50
1975	9.51	6.70	2.81
		Five-year Average	3.05

Source: November 1979 Treasury Bulletin

AVERAGE YIELDS OF LONG-TERM TREASURY, CORPORATE, AND MUNICIPAL BONDS



DEBT SERVICE REQUIREMENTS

The annual debt service requirements on all outstanding State of Alaska general obligation bonds are shown below, together with the estimated annual debt service requirements on the State of Alaska 1979 Bonds, Series B, assuming interest at 6%.

Fiscal Year Ending June 30	Debt Service on Outstanding Bonds			1979 Bonds Series B			Estimated Debt Service Total
	Principal	Interest	Total	Principal	Interest	Total	
1979	$ 25,710,000	$ 33,177,202	$ 58,887,202	$ —	$ —	$ —	$ 58,887,202
1980	38,780,000	33,825,273	72,605,273	6,000,000	3,600,000	9,600,000	82,205,273
1981	37,045,000	31,604,607	68,649,607	6,000,000	3,240,000	9,240,000	77,889,607
1982	40,265,000	29,432,781	69,697,781	6,000,000	2,880,000	8,880,000	78,577,781
1983	40,500,000	27,147,922	67,647,922	6,000,000	2,520,000	8,520,000	76,167,922
1984	40,945,000	24,894,165	65,839,165	6,000,000	2,160,000	8,160,000	73,999,165
1985	40,830,000	22,624,860	63,454,860	6,000,000	1,800,000	7,800,000	71,254,860
1986	42,235,000	20,340,763	62,575,763	6,000,000	1,440,000	7,440,000	70,015,763
1987	41,350,000	18,071,221	59,421,221	6,000,000	1,080,000	7,080,000	66,501,221
1988	41,665,000	15,815,505	57,480,505	6,000,000	720,000	6,720,000	64,200,505
1989	36,717,000	13,509,721	50,226,721	6,000,000	360,000	6,360,000	56,586,721
1990	28,550,000	11,581,590	40,131,590	–0–	-0-	-0-	40,131,590
1991	28,989,000	9,958,430	38,947,430	–0–	-0-	-0-	38,947,430
1992	29,849,000	8,303,425	38,152,425	–0–	-0-	-0-	38,152,425
1993	25,063,000	6,656,987	31,719,987	–0–	-0-	-0-	31,719,987
1994	20,598,000	5,219,975	25,817,975	–0–	-0-	-0-	25,817,975
1995	19,096,000	3,987,625	23,083,625	–0–	-0-	-0-	23,083,625
1996	18,610,000	2,864,412	21,474,412	–0–	-0-	-0-	21,474,412
1997	14,865,000	1,800,419	16,665,419	–0–	-0-	-0-	16,665,419
1998	13,380,000	1,008,194	14,388,194	–0–	-0-	-0-	14,388,194
1999	8,640,000	368,931	9,008,931	–0–	-0-	-0-	9,008,931
2000	2,531,000	69,081	2,600,081	–0–	-0-	-0-	2,600,081
Total	$636,213,000	$322,263,089	$958,476,089	$60,000,000	$19,600,000	$79,800,000	$1,038,276,089

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH WF--STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

MEMORANDUM

TO: Hon. Leo Schaeffer
House Finance Committee

DATE: February 6, 1980

FROM: Milt Barker MB
Fiscal Analyst

SUBJ: Paying off State Bonds

Outstanding state general obligation bonds of $670,503,000 could be paid off with an appropriation of $546 million according to item 2 of the attached letter from John Nuveen & Co., the state's financial advisor.

The prefunding approach suggested by Nuveen would not cost the state any lost interest as would paying off the bonds immediately. In other words, the state hangs on to its cash, invests it at taxable rates, say 10%, while continuing to pay off bonds at only 6% or so, thus earning a net of 4% interest which it would not earn if the bonds were simply paid off.

Yet, the prefunding approach does assure bondholders of being paid off. This has two effects. One, existing bonds would immediately get improved ratings; the state would not benefit on this account but the bondholders would as there would be an immediate increase in the value of their bonds should they wish to sell them. Sterling Gallagher of Nuveen & Co. has suggested the state try to capture some of the increase in bond prices that would occur by making the prefunding contingent on bondholders turning in their existing bonds in exchange for new bonds with a lesser coupon or interest rate. We could split the difference of the price increase with them.

The second effect of prefunding would be to improve the ratings for any future bonds the state issues. Here, the state would get the full benefit of the effect. However, as the attached tables indicate the maximum reduction in the interest rates would normally be no more than thirty basis points or .3% This is based on the state going from its present A1 or A+ rating to Aaa. On $100 million of bonds with an average 5 year maturity, this would thus save the state at most $1,980,000 in interest costs over the life of the bonds.

Sterling Gallagher has also suggested that prefunding only the later maturities of the bonds could have the same effect on the interest cost to the state of future bond issues. In other words, the state's revenues on Prudhoe Bay production in the near-term would provide maximum security for bonds while prefunding

would serve the same function after Prudhoe begins to decline. Mr. Gallagher estimates only $100 million in prefunding would be required to prefund the tail end of outstanding state GOB's.

If you wish to seriously consider an appropriation for prefunding, we should request a legal opinion from state bond counsel as to whether such prefunding would cause any IRS arbitrage problems. In other words, the guarantee fund established by prefunding could result in the IRS finding that the prefunded bonds are arbitrage bonds and taking away the federal income tax exemption allowed on interest received by the bondholders. This would have no direct cost to the state, but the bondholders would undoubtedly prefer that prefunding not be done in that case.

In the attached letter from Orrick, Herrington, the state's bond counsel, a preliminary judgment is made that "establishment of the fund (prefunding account) probably could not affect the tax status of interest on bonds issued before the fund is established".

MB:kw

October 15, 1979

C. Richard Walker
Orrick, Herrington, Rowley & Sutcliffe
600 Montgomery Street
San Francisco, California 94111

In preparation for the upcoming session, legislative leaders have requested that we gather certain information for their review prior to the session. As the State's bond counsel, I would appreciate your responses to the following questions:

1. How much could be placed in a General Obligation Debt Guarantee Fund subject to IRS arbitrage limits?

2. Will the State have a possible arbitrage problem with the IRS if it continues to issue tax-exempt debt while building up a massive general fund surplus?

Sincerely,

J. H. Hogan, Director
Legislative Finance Division

JHH:pw

income shall be included in the gross income for the taxable year in which received by the taxpayer, unless, under the method of accounting used in computing taxable income, such amount is to be properly accounted for as of a different period.

Section 1.451-2 of the regulations provides, in pertinent part, as follows:

> (a) *General rule.* Income, although not actually reduced to a taxpayer's possession is constructively received by him in the taxable year during which it is credited to his account, set apart for him, or otherwise made available so that he may draw upon it at any time, or so that he could have drawn upon it during the taxable year if notice of intention to withdraw had been given. However, income is not constructively received if the taxpayer's control of its receipt is subject to substantial limitations or restrictions. * * *

If a life insurance policy provides that proceeds will be paid to the beneficiary of record upon receipt of due proof of death, and the insurance company determines in good faith that such a policy is payable (whether that determination is based on facts and circumstances indicating death or on a presumption of death under applicable state law), then the proceeds will be an amount paid by reason of death of the insured for purposes of section 101(a)(1) of the Code. Compare Rev. Rul. 76-468, 1976-2 C.B. 202, which states that for purposes of sections 2(a)(3), 112, 692, 6013, and 7508, the date of death of a member of the Armed Forces or a civilian employee, reported as missing in action or a prisoner of war and later declared to have been killed in action, is the Secretarial determination date of death, unless a later actual date of death is subsequently established. Rev. Rul. 76-468 refers to the Secretarial determination date of death as the date of death determined under 37 U.S.C. section 555 or 556. Rev. Rul. 76-468 is clarified so that any reference therein to the Secretarial determination date of death instead refers to the date on which the determination of death is made under those sections.

HOLDING

The payment of life insurance proceeds to *A* in 1977 is fully excludable from *A*'s gross income under the provisions of section 101(a)(1) of the Code. However, if *A* had deferred claiming the death benefit payment until a later year, any portion of the payment attributable to accumulated interest would be includible in *A*'s gross income under the provisions of sections 61(a)(4) and 101(c). Pursuant to section 1.451-2(a) of the regulations, the interest would be includible in the taxable year accumulated to the extent that *A* could have drawn upon it if *A* had submitted a claim for the proceeds.

See section 101(d) of the Code and the regulations thereunder with respect to computing the exclusion for proceeds held by an insurer under an agreement provided for in the life insurance contract, and paid other than as a single sum at a date later than death.

See section 2042 of the Code and the regulations thereunder with respect to the inclusion of the proceeds of life insurance in the value of a decedent's gross estate. For purposes of the federal estate tax, the date of death is the Secretarial determination date of death unless a later actual date of death is established.

EFFECT ON OTHER REVENUE RULINGS

Rev. Rul. 76-468 is clarified.

Section 103.—Interest on Certain Governmental Obligations

Arbitrage bonds; fund established for indirect payment of principal or interest. Examples illustrate whether the arbitrage yield restrictions of section 103(c) of the Code apply to amounts accumulated in funds established in connection with the issuance of local government obligations that are not used directly for the payment of principal or interest.

Rev. Rul. 78-302 [1]

ISSUE

Will amounts accumulated in certain funds be subject to arbitrage yield restrictions?

FACTS

Situation 1.

Authority *A* proposes to issue dormitory revenue refunding bonds. The refunding bonds will mature serially over 20 years. The proceeds of the refunding bonds will be deposited in an escrow fund to secure payment of the prior issue and to defease the lien of the prior issue on revenues of the authority. A portion of *A*'s dormitory revenues will be deposited in a "reserve fund." Amounts in the "reserve fund" will be pledged as security for the bonds.

Situation 2.

City *B* proposes to issue $5.5 million of 33-year sewer revenue bonds. Two and a half million dollars of the revenue bonds will mature serially over the first 30 years. In addition, $1 million of term bonds will mature in each of the last three years.

B's sewer revenue will be used as follows (in order of priority):

(1) to pay operating expenses,

(2) to pay all debt service on the revenue bonds, and

(3) to make deposits in a "renewal fund."

B covenants to maintain sewer rates high enough to pay all necessary operating expenses and to make all scheduled payments of debt service and all scheduled deposits in the "renewal fund." However, it would be impracticable for *B* to raise sewer rates high enough to meet the balloon payments due in years 31-33 solely out of revenues.

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[1] Also released as News Release IR-2018, dated July 30, 1978.

The "renewal fund" is not pledged as security for the revenue bonds. Moreover, amounts held in the "renewal fund" can in no event be used directly to pay principal or interest on the revenue bonds. However, *B*'s use of the "renewal fund" is restricted by covenants contained in the indenture for the revenue bonds. In particular, *B* is required to invest the "renewal fund" in Treasury bonds that will mature approximately 30-33 years after the revenue bonds are issued. Further, *B* will have only one practicable way to meet the balloon payments due in years 31-33. It will have to use the "renewal fund" to pay necessary operating expenses during these years. This will enable *B* to meet the balloon payments out of current sewer revenues.

Pending use, the amounts in the "renewal fund" will be invested at a yield that is materially higher than the yield on the sewer revenue bonds. Moreover, these amounts will at times exceed 15 percent of the original proceeds of the bonds.

Situation 3.

City *C* proposes to issue $10 million of general obligation bonds. While the bonds are outstanding, *C* will deposit a portion of its tax revenues in a separate "investment fund." The investment fund will be established and maintained at *C*'s discretion solely to enhance *C*'s general credit rating. It will not be specially pledged as security for the general obligation bonds, and *C*'s use of the "investment fund" will in no way be restricted by covenants contained in the bond indenture. Further, *C* does not reasonably expect to use amounts in the "investment fund" (directly or indirectly) to pay principal or interest on the general obligation bonds.

LAW AND ANALYSIS

Section 103(a)(1) of the Internal Revenue Code of 1954 provides that gross income generally does not include interest on obligations of a state or a political subdivision thereof.

Section 103(c)(1) of the Code provides that, with certain minor exceptions, the interest on an arbitrage bond is not excludable from gross income.

Section 103(c)(2) of the Code provides that the term "arbitrage bond" means any obligation all or a major portion (more than 15 percent) of the proceeds of which are reasonably expected to be used directly or indirectly (A) to acquire securities or obligations that may be expected to produce a yield over the term of the governmental issue that is materially higher than the yield on such issue; or (B) to replace funds that were used directly or indirectly to acquire securities or obligations described in (A).

Section 1.103-13(g)(2) of the proposed Income Tax Regulations published in the Federal Register on May 8, 1978 (43 FR 19675), provides that amounts accumulated in a sinking fund for an issue are treated as proceeds of the issue. Section 1.103-13(g)(3) provides that the term "sinking fund" includes a debt service fund, or any similar fund, to the extent that the issuer reasonably expects to use the fund to pay principal or interest on the issue. With certain exceptions, subparagraphs (2) and (3) apply to bonds sold after May 2, 1978.

In Situation 1, the "reserve fund" will be pledged as security for the bonds. Therefore, the "reserve fund" will be treated as a sinking fund, and amounts accumulated in the "reserve fund" will be treated as bond proceeds.

In Situation 2, the specific amounts accumulated in the "renewal fund" will be used to pay operating expenses rather than to pay principal or interest on the bonds. However, *B* will use amounts held in the "renewal fund" to replace sewer revenues, and will use the sewer revenues thus freed up to pay principal or interest. Therefore, the amounts accumulated in the "renewal fund" will be used indirectly to pay principal or interest on the bonds. Consequently, the "renewal fund" will be treated as a sinking fund, and the amounts accumulated in the "renewal fund" will be treated as bond proceeds.

However, in Situation 3, *C* will not use the "investment fund" (directly or indirectly) to pay principal or interest on the general obligation bonds. Accordingly, the "investment fund" will not be treated as a sinking fund, and amounts accumulated in the fund will not be treated as bond proceeds.

HOLDING

Amounts accumulated in the "reserve fund" in Situation 1 and in the "renewal fund" in Situation 2 will be subject to arbitrage yield restrictions as provided by section 103(c) of the Code. Because these amounts will be invested at a materially higher yield, the bonds will be arbitrage bonds and interest received by the bondholders will not be excluded from their gross incomes under section 103(a)(1). On the other hand, amounts accumulated in the "investment fund" in Situation 3 will not be subject to arbitrage yield restrictions.

Arbitrage bonds; third party securities pledged as collateral. Examples illustrate whether the arbitrage yield restrictions of section 103(c) of the Code apply to securities pledged by a third party as collateral for state or local government obligations.

Rev. Rul. 78-348 [1]

ISSUE

Will certain securities pledged as collateral for municipal bonds be subject to arbitrage yield restrictions?

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[1] Also released as News Release IR-2028, dated August 23, 1978.

FACTS

Situation 1.

State *A* proposes to sell $1 million of general obligation bonds, the proceeds of which will be loaned to Corporation *B*, a nonprofit corporation, that will use the proceeds to construct a hospital. In addition, *B* owns a federally insured mortgage note worth $1 million that will be pledged as collateral for the bonds. Under the terms of the pledge, the bondholders are reasonably assured that this collateral will be available if needed to pay debt service, even if *A* and *B* encounter financial difficulties. The yield on the mortgage note will be materially higher than the yield on the bonds.

Situation 2.

County *C*, a political subdivision of State *D*, proposes to sell $50 million of general obligation bonds. *C* will use the bond proceeds to finance the construction of various county buildings. Taxes and other revenues will be used to retire the bonds serially over 25 years.

D has a surplus fund that will be invested in Treasury bonds. Certain Treasury bonds worth $50 million will be pledged as collateral for *C*'s bonds. Under the terms of the pledge, *D* cannot dispose of any of the Treasury bonds while *C*'s bonds are outstanding (except to pay holders of the bonds in the case of default). Thus, the bondholders are reasonably assured that this collateral will be available if needed to pay debt service, even if *C* or *D* encounter financial difficulties. However, *D* does not reasonably expect to use the Treasury bonds (or interest thereon) directly or indirectly to pay debt service (payment of principal or interest) on *C*'s bonds. The yield on the Treasury bonds will be materially higher than the yield on *C*'s bonds.

LAW AND ANALYSIS

Section 103(c)(2) of the Internal Revenue Code of 1954 provides that the term "arbitrage bond" means any obligation all or a major portion (more than 15 percent) of the proceeds of which are reasonably expected to be used directly or indirectly (A) to acquire securities or obligations that may be expected to produce a yield over the term of the governmental issue that is materially higher than the yield on such issue; or (B) to replace funds that were used directly or indirectly to acquire securities or obligations described in (A).

Section 103(c)(2)(B) of the Code applies to an issue of obligations if the proceeds are used to replace funds invested in securities having a yield that is materially higher than the yield on the obligations. This section does not apply in every case in which the higher-yielding securities could have been liquidated as an alternative to issuing the bonds. However, the requisite nexus or sufficiently direct relationship between the bonds and the higher-yielding securities does exist where the securities are pledged as collateral for the bonds. An issuer that borrows to invest in higher-yielding securities and one that borrows against such securities already owned are in virtually the same economic position. Compare section 265(2) relating to interest paid to earn tax-exempt income, and see especially section 3.03 of Rev. Proc. 72-18, 1972-1 C.B. 740, citing *Wisconsin Cheeseman v. United States*, 338 F.2d 420 (7th Cir. 1968). The same principles apply when the higher-yielding securities pledged are held by any third party who will substantially benefit from the bond issuance.

For purposes of section 103(c)(2)(B) of the Code, a pledge of collateral need not be cast in a particular legal form. Thus, for example, the bondholders need not take actual or constructive possession of the collateral. However, there must be a reasonable assurance that the collateral will be available if needed to pay debt service, even if the issuer encounters financial difficulties. Thus, for example, an arrangement will not have the effect of a pledge of collateral if the issuer has discretion to defeat the "pledge" merely by liquidating the "collateral" and disposing of the proceeds.

In both Situations 1 and 2, securities (the federally insured mortgage note and the $50 million of Treasury bonds) are pledged as collateral for municipal bonds. Moreover, the yield on these securities is materially higher than the yield on the municipal bonds. Therefore, all or a major portion of the proceeds of the proposed bonds are reasonably expected to be used directly or indirectly to replace funds that were used to acquire securities at a materially higher yield.

HOLDING

The securities to be pledged as collateral for the proposed bonds described in Situations 1 and 2 will be subject to the arbitrage yield restrictions as provided by section 103(c) of the Code. Because the securities pledged as collateral will produce a yield materially higher than the yield on the bonds, the bonds (in both Situations 1 and 2) will be arbitrage bonds and the interest received by bondholders will not be excludable from their gross income under section 103(a)(1). Further, in Situation 1, the hospital bonds will be arbitrage bonds even if they are issued to finance the construction of a for-profit hospital.

Arbitrage bonds; funds established in connection with local government obligations. Examples illustrate whether the arbitrage yield restrictions of section 103(c) of the Code apply to amounts accumulated in certain funds established in connection with the issuance of local government obligations; Rev. Rul. 78-302 clarified.

WHITE, WELD & CO.
INCORPORATED

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THEODORE P. SWICK
FIRST VICE PRESIDENT
212/288-2153

CABLE ADDRESS-"WHITEWELD"

April 3, 1978

Report To
Alaska House and Senate Finance
Committees on Relocation of the
State Capital

In accordance with our contract with the State of Alaska Legislative Budget and Audit Committee on behalf of the House and Senate Finance Committees, we herein submit our report on financial questions arising from the plan for relocation of the Alaska State Capital. The report comments (I) specifically on the "Impact on State Bonding Capacity and Annual State Budget" (Impact Report), prepared for the Alaska Capital Site Planning Commission and (II) in a more general way on large capital raising programs and the demands of investors in considering lending funds to such programs in the form of purchasing bonds.

I. The Impact Report addresses itself to: "(1) the impact upon the State's capacity to issue bonds for purposes other than the new capital; (2) the ability of the State to fund the cash requirements of the Financing Plan from General Fund revenues and (3) the impact upon the marketability of all tax-exempt debt issued by Alaskan issuers".

In making our comments we have not attempted to evaluate the assumptions clearly enumerated in the Impact Report. We accept these assumptions as reasonable, particularly, the inflation rate of 8% used throughout and the "Base Case" economic development report by the University of Alaska regarding the growth rates for General Fund revenues, both petroleum related and non-petroleum related, population, income, economic development, etc.

(1) Bonding Capacity

The bonding capacity of any issuer is measured by its ability to sell bonds at reasonable rates and its ability to have access to the market when the need to borrow exists. The Impact Report states

that after examination of traditional indices of credit worthiness and bonding capacity any judgement is highly subjective. We are in full agreement with this observation and also point out that when these traditonal indices are applied to Alaska and its divisions of local government the picture for Alaska is bleak. However, the rating agencies, the bond underwriting community and, to a lesser degree, the investors in tax-exempt bonds have rightly recognized that Alaska must be evaluated on its own because of its special characteristics which makes it distinct from its forty-nine sister states.

There is no doubt that credit ratings placed on issues by the rating agencies have a tremendous impact on the costs of raising capital funds. The rating agencies in a general sense, and rightfully so, depend to a large degree on comparisons, medians, relationships, etc., in comparing one issuer to another. In applying this criteria of creditworthiness to Alaska and its municipalities, Alaska comes out badly in practically every category. Nevertheless, there are many examples where analysis and independent investigations by investment bankers and investors have led to investment decisions which have caused bond issues to be sold at less cost than similarly rated credits because of the strengths peculiar to the issuer.

Security analysts in evaluating Alaska, after recognizing the special problems such as its brief history as a State, its widely scattered and small population, its high costs of practically everything and its limited economic development, perceive its strengths, as represented by such things as its vast natural resources, oil, gas, coal, minerals, timber and fish, the private capital represented by the Native Corporations, State Fiscal Affairs, such as the creation of the Permanent Fund and the prospect of an expanding broad based economy with due regard for the quality of life, as insuring a bright future for the State. Nothing intrigues an investor more than lending to a government which is improving its credit position and so have his investment grow in relative value as time goes by.

The Impact Report places its principal measurement of bonding capacity on the ratio of annual debt service for all projected State needs, both related to the capital move and other needs, and projected General Fund revenues. We agree that this is a valuable and useful index, but do not agree with setting an 8% limit on the ratio of debt service to General Fund revenues. We can see this ratio as high as 16% without having an appreciable effect on the cost of raising funds in the capital market at reasonable rates when it is needed.

(2) Ability to meet cash requirements

The "business" of government at the state level is easily simplified to embrace three general areas of activity. They are education, transportation and what can be summarized as "social services" which would include such activities as health care, protection, justice and development of natural resources. As the Impact Report illustrates, even if the cost of the capital move as measured as a percentage of general fund revenues substantially exceeds 8%, said costs are minor compared to the three principal activities of state government.

(3) Marketability

As stated in the Impact Report, there is a volume restraint on investors based on an issuers location in a state or region. However, in the past five to ten years there are numerous examples where seemingly unmanagable amounts of bonds have been marketed without cost penalty by issuers for a single huge project or by issuers located in a limited geograpohic region. One of the earliest was an issue of $1.6 billion voted in the early 1960's in California to finance the "Feather River Water Project". At that time the underwriting community scoffed at the huge program and predicted it couldn't be financed except at a large penalty in terms of cost of borrowing. However, the project was financed successfully at no penalty in cost and as the project neared completion was able to raise additional capital by issuing revenue bonds for final completion and some expansions. Another more recent example was the authorization for the Municipal Electric Authority of Georgia to issue $2 billion bonds, over a period of years, to finance the Authorities ownership share in large electric generating projects, jointly with other owners, to serve 47 towns in Georgia with a combined population approximately the same as the population of Alaska. This authorization is being sold periodically now with great success in terms of borrowing costs. The Washington Water and Power Supply System is in a financing cycle and will eventually have outstanding approximately $7 billion in debt. Again the program continues successfully. Similar results were accomplished last year when City of Atlanta decided to finance a major airport expansion by issuing all the bonds at one time in the form of a $300 million issue.

A slightly different circumstance with equally successful results occurred when three major issuers in Nebraska, Nebraska Public Power District, Omaha Public Power District and Lincoln,

Nebrask Electric Authority all announced and sold large issues totalling some $300 million in a brief four week period. There are many other successes of this kind which are being financed at favorable borrowing costs and which are not having any adverse effect on the borrowing costs of other issuers in the same state or region.

The expansion of the amount of tax-exempt bonds being offered each year and the ability of the market place to absorb them at reasonable costs to the borrower has been dramatic in the last five years and well conceived and aggressively marketed "over-sized" issues and projects have been readily absorbed by the market place. It is not our intent to imply that there is no limit to the ability of the market to absorb at reasonable borrowing costs any and all potential bond issues. The discipline of the market will be selective in evaluating the economic need, the proper purpose, the ability and willingness to pay, the state and region basic economics, etc., and projects not meeting the tests will be penalized or ignored. There is a limit which can't be quantified, but we are of the opinion that the financial needs of the capital move combined with the projected need for borrowing by the State and its subdivision of government, based on the circumstances peculiar to Alaska can be met by the bond market at reasonable borrowing costs at the times the funds are needed.

II. Large capital raising programs

As discussed briefly above, major funding programs involving hundreds of millions and often billions of bonds are being successfully financed today. The key is a well planned, extensive and aggressive marketing program. Prior to the marketing program itself being initiated, project costs should be determined and announced publically in terms of both today's costs and inflated costs to cover an extensive construction time table. When financing by general obligation debt to be authorized by public vote, the entire bonding program should be voted upon by the constituants. They should be completely informed as to total costs as well as bonding requirements. Put the whole plan out in the open and right up front so that the public support is based on facts.

Investors will make judgements to lend funds to a project through the purchase of bonds when they can make an analysis that goes far beyond the mere citing of economic statistics and traditional ratios. Areas for examination include such things as the willingness to pay in addition to the ability to pay, the quality

of leadership and abilities of those entrusted with management of the financial affairs of the issuer, the need for the project, both from an economic and social point of view and the support of the people of the impacted area, (the business and banking community, the academic community and the public interest groups, including environmentalists). The marketing program will demonstrate public support, a determination to initiate and complete the project and the ability and resources to accomplish the task.

Such a marketing program includes a "road-show" of State officials, banking and business leaders, legislative and administration representatives holding high office telling the story of Alaska and the project to be financed at a series of meetings in the chief financial centers of the lower 48.

The principal sources of investment capital to purchase tax-exempt bonds are institutions (casualty insurance companies), banks, (commercial banks for their own investment needs and trust banks for their managed funds), tax-exempt mutual funds and unit trusts and individual investors. Each of these groups can be reached by the marketing program which will be orchestrated to telling the Alaska story from several points of view including Chamber of Commerce type promotional material, economic and financial facts, administration, legislative, business and public support and a clear demonstration that the program will fill a real need and that the issuer has the determination, resources and support to make it work.

In summary, it is our opinion that the State of Alaska, through the issuance of General Obligation bonds and the allocation of General Fund revenues, can finance the proposed Capital Move, as contemplated in the Financing Plan for the New Capital City of Alaska as discussed in the addendum thereto, "Impact on State Bonding Capacity and Annual State Budgets", in a timely manner at reasonable rates. This can be accomplished without increasing the cost of borrowing of the State and other issuers for non-capital move purposes and without causing General Fund revenues for all State needs being overwhelmed by the Capital Move requirements.

Significant unique characteristics of Alaska will be perceived to require analysis as to creditworthiness outside the traditionally used investment criteria. These characteristics will more than over come the low stature Alaska achieves by the traditional evaluation techniques.

Investors can be attracted to lend capital to large projects by complete and factual up-front disclosure of dollar requirements, by the demonstration of public support by obtaining voter approval of not only bonding requirements, but all costs, and by an extensive marketing program structured to demonstrate not only the ability, but the willingness to complete the project and repay the borrowed costs of its creation.

Theodore P. Swick

nuveen

John Nuveen & Co. Incorporated 209 South LaSalle Street, Chicago, Illinois 60604 (312) 621-3000

December 31, 1979

J. H. Hogan
Director
Legislative Finance Division
The Alaska Legislature
Pouch "WF"
State Capitol
Juneau, Alaska 99811

Dear Mr. Hogan:

This letter responds to your request dated October 15th that in our capacity as financial advisor to the State we respond to a series of questions regarding Alaska's capacity to issue general obligation debt. To simplify the presentation, I have restated the original questions, occasionally combining questions, and then provided our response.

1. What is the average spread in interest rates between tax-exempt municipal bonds of Alaska's rating and the typical investment of Alaska's General Fund, i.e. Corporate and U.S. Treasury Securities, Bank C.D.'s, Bankers' Acceptances, etc.?

   The approximate $680 million of outstanding Alaska general obligation bonds have an estimated average yield of 5.30% and General Fund balances are currently invested in a variety of short term money market instruments to return a yield of approximately 10.2%. When the most recent series of bonds were issued on April 10, 1979, $60 million in par value were sold for a net interest cost of 5.5920%. The bonds had an average life of 5 years, 9 months and yields on comparable maturities of U.S. Government Securities at that time were approximately 9.25%. The net spread at the time of the April sale of 3.66% is typical of the 3 to 5 percentage points which usually separates yields on comparable maturities of Alaska's G.O. Bonds and Federal Securities.

2. What level of G.O. bonding can Alaska achieve without altering its ratings or adversely affecting its interest rates?

   What rules of thumb can be used in judging the amount of bonds that can be issued without adverse consequences; the 8% or 16% debt service in relation to General Fund revenues mentioned in the White Weld & Company memo?

In the last decade Alaska's standing as a borrower in the tax-exempt markets has steadily improved. Recognition of this fact has been reflected in the improvement in ratings which occurred in 1974 and 1975. For investors this has been an enviable situation since their investments have experienced steady appreciation with the growing credit quality of the State.

Dramatic increases in natural resource production, most notably petroleum and natural gas, have been key features of this steady growth in market acceptance. Other factors have included population growth and economic diversification. On the negative side, the rating agencies perceive Alaska to have a heavy debt load on a per capita basis and as a per cent of personal income. In addition, the State is expected to have a continuing and substantial need to borrow over the immediate future. Operating expenses for state government have risen dramatically in the last decade. While there has been a move to diversify Alaska's economy, the State still is heavily dependent on petroleum revenues which are subject to short term interruption and long term uncertainty.

The general obligation debt of the State is currently rated "A1" by Moody's and A+ by Standard and Poors. An upgrade to AA by either agency would enhance the marketability of the State's debt and lower the average interest cost. In addition, other state agencies and major local issuers would be likely to receive improved ratings following assignment of a "AA" to the State. In fact, several months after the last upgrade for the State, ratings for 12 Alaska municipalities were also revised upward. Achieving the "AA" will almost surely require the State to moderate growth in General Fund expenditure and to enact legislation providing financially sound management of the Permanent Fund.

By the standard criteria for financial analysis, Alaska ranks below the other states and to a significant extent, it is relying on a single major source of revenue. Consequently, the market perception of Alaska is colored by intangible, psychological, perhaps even irrational factors and attitudes. In the recent past the market has been positive in its judgments regarding Alaska, but no one can accurately predict what level of debt will trigger a reaction leading to a negative shift in market sentiment.

In the last ten years, the annual general obligation borrowing of the State has grown from $24.4 million in 1970 to $100 million in the most recent 12 months. Maturities have been keyed to the expected life of Prudhoe Bay petroleum revenues. Each bond sale has been characterized by healthy bidding interest by at least 4 different syndicates. In view of the continuing improvements in state revenue, the momentum of a steadily improving credit it would be possible to consider annual issuance of $175 to $225 million over the next few years. Each bond sale will provide additional insights regarding the continuing growth of the State's debt capacity.

3. What greater level of G.O. borrowing could be achieved without wiping out the spread between the State's tax-exempt rate and taxable rates?

While in theory it would appear possible to trade much higher yields for increased borrowing, in practice there are institutional and psychological constraints which limit the growth of the State's indebtedness. The reaction of rating agencies, investors, underwriters and the financial press will begin to narrow the market for the State's general obligation debt, eventually leading to a situation similar to that of New York City, in which the market is closed to Alaska, regardless of the yield it is prepared to pay.

4. How much could our tax-exempt rate be reduced by depositing up to 15% or whatever the IRS arbitrage limit is in a G.O. debt Guarantee Fund?

A reserve fund as contemplated in the question would have a negligible impact on the State's cost of borrowing. A reserve fund is usually associated with revenue bond issues and incorporating it in a G.O. issue would probably raise more questions about what weakness it was meant to correct as opposed to what strength it was supposed to contribute. For a $100 million issue, arbitrage earnings in excess of the cost of borrowing the reserve would be less than 3% of annual debt service.

If you have additional questions or need further information, don't hesitate to call me. I and several of my collegues will be with Sterling Gallagher in our Juneau office during the week of January 7 through 11. At that time I would be available to meet with you and your staff.

Sincerely,

JOHN NUVEEN & CO., INCORPORATED

Anthony T. Dean
Assistant Vice President

ATD:Lmc

cc: Thomas K. Williams
Commissioner of Revenue

January 2, 1980

Tony Dean
John Nuveen & Co.
209 South LaSalle Street
Chicago, Illinois 60604

Dear Tony:

As we discussed on the phone, our office would appreciate your comments on the following questions:

1. Should the state bond or pay cash for future capital improvements?

2. Could retirement of all or part of Alaska's outstanding indebtedness improve its credit rating?

3. Is there a more efficient way to improve our credit rating than paying off existing debt such as municipal bond insurance, the G.O. debt guarantee fund mentioned in our letter of October 15, or some other means?

Yours truly,

Milt Barker
Fiscal Analyst

MB:bf

October 15, 1979

John Nuveen & Co. Incorporated
209 South La Salle Street
Chicago, Illinois 60604

In preparation for the upcoming session, legislative leaders have requested that we gather certain information for their review prior to the session. As the State's financial advisor, I would appreciate your response to the following questions:

1. What is the average spread in interest rates between tax-exempt municipal bonds of Alaska's rating and the typical investments of Alaska's general fund, i.e., corporate and U.S. Treasury securities, bank CD's, bankers' acceptances, etc.?

2. What level of G.O. bodding can Alaska achieve without altering its ratings or adversely affecting its interest rates?

3. What greater level could be achieved without wiping out the spread between our tax-exempt rate and taxable rates?

4. What rules of [illegible]mb can be used in judging the amount of bonds that can be issued without adverse consequences? The 8% or 16% debt service in relation to general fund revenues mentioned in the White, Weld & Co. memo? (copy attached)

5. How much could our tax-exempt rate be reduced by depositing up to 15% or whatever the IRS arbitrage limit is in a G.O. Debt Guarantee Fund?

Sincerely,

J. H. Hogan, Director
Legislative Finance Division

JHH:pw
Enclosure

M E M O R A N D U M

DATE: November 14, 1979

TO: The Honorable Terry Gardiner
Speaker of the House

FROM: J. H. Hogan, Director
Legislative Finance Division

SUBJ: Financial Questions

This Memo is a preliminary response to your questions given to me several weeks ago. Some of the answers are based on information from documents that will be updated. As I mentioned earlier, I will provide you with current information as it becomes available.

1. What is our present state debt? The outstanding Alaska general obligation bond debt as of April 10, 1979 (the date of the last general obligation bond sale) is $1,038,276,089.

2. What is our present municipal debt? As of January 1979 the general obligation bond debt of municipalities was $545,227,664. ("Alaska Taxable" will be republished in January 1980, and new figures will be available then.)

3. What is our present annual debt service? The current year's general obligation bond debt service is $82.2 million and the amount for FY 81 is estimated at $77.9 million.

4. What are the pro's and con's of paying cash or bonding for capital improvements?

5. What are the pro's and con's of paying off our present debt service?

6. What are the pro's and con's of paying off present municipal debt?

Milt Barker is preparing an analysis of these questions. We have also written the state's bond counsel and the state's financial advisor regarding certain questions on this subject. Milt will incorporate these responses in his Memo.

7. At what level should we bond for capital improvements? By what logic? Since Alaska currently has a level of general obligation bond indebtedness that exceeds the normal measures or standards applied to other states, we cannot use "traditional yard-sticks" to answer this question. The question of whether or not to bond is an economic and political question. The economic portion will be discussed in Milt's Memo.

   If the Legislature were looking for a rule of thumb for bonding, perhaps the best one that comes to mind would be limiting the use of general obligation bonds to fund new program starts; for example, new schools, new armories, new fish hatcheries and new state buildings could continue to be funded by the general obligation bond route. In this way you would have "public approval" for new capital program starts. Repairs and maintenance could be funded from cash appropriation sources; for example, highway repairs, ferry system repairs, airport repairs and building repairs could be funded from general appropriations under the assumption that once the public has approved a new capital project, the Legislature can presume they want their investment maintained and repaired so that the facility can continue to provide adequate public use or service.

8. How much capital improvement funds could we actually spend in a single year with our present level of state government? The answer to this question is difficult because it is hard to separate administrative/organizational problems from policy decisions not to spend. The enclosed letter from the Chairman of the Budget and Audit Committee to the Governor sets out the Committee's concern with the apparent lack of effort to complete bond projects already approved by the Legislature. Other research by our office indicates that of the 408 capital projects approved by the Legislature last Session in the General Appropriations Act, 302 have h had no expenditure from the accounts as of October 1. (The capital projects portion of the budget took effect on June 2, 1979.) Looking at it another way, of the $192 million appropriated in the capital budget, only $11 million had actually been spent by October 1. This next Session the Legislature might wish to hold hearings in an effort to determine whether policy decisions not to spend are responsible for this, or organizational overload of various state agencies.

9. What federal funds are projected to be available in the next two years? What are the matching requirements of state funds? The enclosed copy of "Dateline Washington", a National Conference of State Legislatures publication, contains one of several recent

articles which indicate that the President and the Federal Government intend to reduce Federal expenditures on State grant programs in future budgets. In addition to this general pattern of reduced spending on state programs, we can expect that wherever possible Federal agencies will chip away at Alaska's entitlements due to Alaska's very strong financial position. For arguments sake, let's assume continued Federal funding at the current year budget level, approximately $254 million. The matching requirements vary from program to program. For new grants that are received in mid-budget year, they can be 100% of the funding requirements. Current programs range down from there to 90%/10%, 75%/25%, 50%/50%, to an eventual phase out where the program becomes entirely State funding.

enclosures

JHH:bf

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WILLIAM F. ALDERMAN
RICHARD E.V. HARRIS
G. AIR EDWARDS
RAYMOND G. ELLIS
STEVEN A. BRICE
JOHN F. SEEGAL

October 30, 1979

Mr. J. H. Hogan
Director
Legislative Finance Division
State of Alaska
Pouch WF, State Capitol
Juneau, Alaska 99811

Dear Mr. Hogan:

In response to the questions in your letter of October 15:

1. This question will need considerably more elaboration before I can answer it with any reasonable assurance. I am not sure whether the suggested fund is to be used to guaranty debt service on general obligation bonds of the State or debt service on general obligation bonds of local governments in the State. I do not know the source of the moneys to be put into the fund, but I assume that those moneys will not come from any proceeds of bonds. On that basis, I do not think that a proper interpretation of the Internal Revenue Code would result in any arbitrage yield restrictions on the fund, because the applicable Code provision relates to the use of the proceeds of bonds.

However, the Internal Revenue Service has stretched and distorted the term "proceeds" in the Treasury Regulations and rulings thereunder. The result appears to be that, if the State deposits moneys from any source into a fund to be used to pay the debt service on general obligation bonds of the State or on general obligation bonds of local governments, or which fund is pledged as security for any such debt service, the Internal Revenue Service would consider the fund to be "proceeds" subject to arbitrage yield restrictions. This is indicated by Rev. Rul. 78-302 and Rev. Rul. 78-348, a copy of which is enclosed.

Even on this basis, the establishment of the fund probably could not affect the tax status of interest on bonds issued before the fund is established or before it was expected

to be established. Moreover, if the amount in the fund considered allocable to bonds hereafter issued, together with any other amounts chargeable under arbitrage rules to the "minor portion" of the proceeds of those bonds which is not subject to arbitrage limitations, do not aggregate more than 15% of the face amount of those bonds, the investment of the fund should not be subject to arbitrage yield restrictions.

The foregoing is all subject to further qualifications and complexities, but I think there is no point in pursuing them here. If you can give me a complete description of the workings of the proposed fund, I will try to give you a more definitive answer as to the federal income tax results. If there is any special need or desire for such a fund, I might suggest requesting a ruling from the Internal Revenue Service as to their treatment of the specific facts, and possibly an appeal from that ruling to the Tax Court in the quite possible event that we consider the ruling to be contrary to the law.

In any event, I am somewhat mystified as to the purpose of or need for the proposed fund, particularly if it is to relate to general obligation bonds of the State.

2. The issuance of bonds by the State in the presence of a "massive general fund surplus" should not result in taxability of the interest on the bonds, and it surely would not. This conclusion appears to be supported by Rev. Rul. 78-302 (enclosed). However, your phrasing of the question in terms of "a possible arbitrage problem with the IRS" prompts me to note that the IRS has gone so far in its pursuit of "arbitrage" that I would not be entirely surprised at <u>anything</u> that organization might contend.

In connection with all of the foregoing, I urge you and others in the State government to support the bill sponsored by the Municipal Finance Officers Association and about to be introduced in Congress to cure problems like these and to prevent further excesses.

Sincerely yours,

C. Richard Walker

Enclosure

nuveen
John Nuveen & Co. Incorporated 209 South LaSalle Street, Chicago, Illinois 60604 (312) 621-3000

January 21, 1980

Milt Barker
Fiscal Analyst
Alaska State Legislature
Budget and Audit Committee
Finance Division
Pouch WF - State Capitol
Juneau, Alaska 99811

Dear Milt:

This letter responds to the questions posed in your letter of January 2 regarding policies affecting management of the State's debt.

1. Should the State bond or pay cash for future capital improvements?

In today's tax-exempt market, Alaska can borrow funds at interest rates ranging from 6.20% to 7.1% depending on maturities. Currently, the State can invest surplus revenues in a variety of high quality money market instruments at yields of 10 to 13% or more. So long as Alaska continues to pursue a policy of prudent growth in its outstanding indebtedness, it can and should continue to benefit from the favorable interest rate differential that exists between the rate at which it borrows and the rate at which it can invest. The credit standing of the State is not so much affected by the means chosen to finance capital improvements as it would be by the magnitude of capital improvement programs in relation to the State's long-term sources of revenue.

2. Could retirement of all or part of Alaska's outstanding indebtedness improve its credit rating?

Alaska's outstanding general obligation debt of approximately $670-million could be prefunded by the creation of a special investment account, the principal and interest of which would be used exclusively to meet interest and principal payments on the debt. A deposit of $546-million to be invested in appropriate U.S. Government Securities at today's market yields would generate sufficient cash to meet principal and interest on the $670-million outstanding general obligation debt. This deposit is $124-million less than the cost of simply paying off the debt. Whether the State prefunds the debt or

those to be derived from a prefunding of the State's general obligation debt. In addition, the credit standing and debt capacity of local governments in Alaska would be substantially improved. During my visit to Juneau this week, we will assemble the data necessary to provide a preliminary estimate of the cost and potential financial advantage to be derived from a prefunding of the outstanding school debt.

I look forward to an opportunity to meet with you later this week.

Sincerely,

Anthony T. Dean
Assistant Vice President

ATD:lw

DIFFERENCES BETWEEN ANNUAL AVERAGES OF YIELDS ON 20-YEAR, GENERAL OBLIGATION BONDS, BY RATING
(Basis Points)

	Differential Between Grades		
Year	Aa minus Aaa	A minus Aaa	Baa minus Aaa
1945	25	58	79
1950	19	54	75
1955	14	47	96
1956	21	50	99
1957	22	65	105
1958	22	59	92
1959	14	50	81
1960	16	51	82
1961	14	34	61
1962	11	25	52
1963	8	20	43
1964	7	19	42
1965	7	19	40
1966	9	25	49
1967	10	26	55
1968	10	31	63
1969	13	37	62
1970	26	47	63
1971	28	53	67
1972	15	34	52

Source: Moody's Series: Annual average of monthly differences.

TABLE 4

INTEREST COST DIFFERENTIALS AMONG RATING CLASSES
(Basis Points)

	Study (Period)		
Differential Between Grades	Phelps[1] (1957-58)	Kessel[2] (1959-67)	Petersen[3] (1964-1971)
Aaa-Aa	21	15	13
Aa-A	33	21	19
A-Baa	33	25	30
Baa-Ba	—	—	35
Item:			
Aaa-Baa	87	61	62

[1]Charlotte DeMonte Phelps, "The Impact of Tightening Credit on Municipal Capital Expenditures in the United States," *Yale Economic Essays*, Vol. 1 (Fall 1961), p. 300. In Phelps's equation, interest cost differentials between rating classes vary in proportion to the Federal Government's long-term bond rate. The figures above were calculated upon the assumption that the long-term bond rate was 3 percent.

[2]Reuben A. Kessel, "A Study of the Effects of Competition in the Tax-Exempt Bond Market," *Journal of Political Economy* (Sept. 1971). Instead of using the net interest cost of the issue as the dependent variable in his equation, Kessel used the difference between the twenty-year reoffering yield and White's Yield of 100. Standard & Poor's ratings were used instead of Moody's. Kessel's data sample included more than 9000 bond issues that appeared between 1959 and 1967, with virtually complete coverage of competitively offered issues that were larger than $1,000,000.

[3]John E. Petersen, "A Note on the Determinants of Municipal Bond Net Interest Costs" (unpublished), 1972. See summary of study at end of this chapter.

SOURCE: The Rating Game, John E. Petersen, Kraus Reprint, New York, 1974

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S
JUNEAU, ALASKA 99811

April 2, 1981

The Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Room 205 - Behrends Building
Juneau, Alaska

Dear Senator Fischer:

Re: Senate Bill No. 296 and Senate Bill No. 297

Senate Bill No. 296, an Act prohibiting the sale of certain general obligation bonds, was introduced in the Senate on March 17, 1981 and was referred to the Senate State Affairs; Senate Transportation and Finance Committees.

Senate Bill No. 297, an Act making special appropriations for capital projects for which general obligation bonds have been authorized but not issued and for defeasance of outstanding general obligation bonds, was introduced in the Senate on March 17, 1981 and was referred to the Senate Resources; Transportation and Finance Committees.

For the consideration of the Senate State Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. Anselm Staack, Treasury Comtroller, Department of Revenue concerning both bills.

Sincerely,

R. D. Stevenson
Special Assistant

RDS/rdh

cc: The Honorable Bill Ray
Chairman
State Transportation Committee

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

The Honorable Bettye Fahrenkamp
Chairperson
Senate Resources Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Anselm Staack
Tresaury Comptroller
Department of Revenue

04-D2LH

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

SB 296, 297

I. REQUEST

Bill/Resolution No. SENATE BILL NO. 296 & 297
Title Prohibiting the sale of certain general obligation (GO) bonds, special appropriation ~~Requested by~~ for GO bonds that have been authorized but not issued and for defeasance of outstanding GO bonds. Date 3/17/81
Requested by Senate State Affairs & Resources Committees

II. FISCAL DETAIL

Agency Affected Department of Revenue, State Bond Committee
Program Category Affected General Fund
BRU, Program, or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

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

FUNDING (~~Thousands~~ MILLIONS of Dollars) ALL FIGURES IN MILLIONS OF DOLLARS

(1) GENERAL FUND		1,036.9				
(2) Debt Service Cost Reduction		(97.8)	(94.6)	(91.7)	(88.3)	(86.3)
(3) Defeasance Savings		(155.7)				
(4) Opp. Cost Post 5/78 issued		8.4	9.6	11.0	12.1	13.4
(5) Opp. Cost New Debt Not Issued		8.0	17.6	23.4	27.2	30.9
(6) PV Opp. Cost of Defeasance		8.9	16.4	22.8	28.0	32.7

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

(1) Appropriated funds to "cash-out" all remaining authorized but unissued bonds, defeasance of all outstanding/issued GO bonds. Defeasance portion based on interest rates in effect second week of March, 1981.

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

(2) This is the annual debt service related to the $718.2 (6/1/81) in bonds that would be due in the years indicated. The cash flow of the escrow set aside makes these payments when they become due.

(3) The savings in principal due to investments allowed on escrow set aside as part of defeasance.

(4) Opportunity cost related to the post-May 1978 outstanding debt as this debt is subject to defeasance at a restricted yield basically equal to the rate paid on the bonds.

(5) Opportunity cost of not using the favorable low interest rate obtainable on issuing GO bonds for new projects; rather, using all cash up front.

(6) Because debt service payments can be made later with "cheaper dollars" this is the Present Value difference due to early payment of annual debt service.

THE AMOUNT REQUIRED FOR DEFEASANCE IS BASED UPON INTEREST RATES AVAILABLE AT THE TIME THE TRANSACTION TAKES PLACE. ACCORDINGLY, FOR EACH 10% DROP IN INTEREST RATES, THE AMOUNT NECESSARY FOR DEFEASANCE GOES UP APPROX. 6.7%.

IV. DATE March 30, 1981
PREPARED BY Anselm C. Staack, Treasury Comptroller
AGENCY Dept. of Revenue/Treasury Division
PHONE 465-2351

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

Anselm C. Staack

33-001 (Rev. 12/80)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 297 and SB 296
Title Special appropriations for capital projects; defeasance of general obligation bond
Requested by _____ Date 3/18/81

II. FISCAL DETAIL
Agency Affected Department of Fish and Game
Program Category Affected NRMEC
BRU, Program, or Subprogram(s) Affected F.R.E.D.
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

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

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

No problems are envisioned if the appropriated general funds are available immediately after the prohibition of bond sales.

Two bond funds are affected:

CH 91/SLA 80, $7,718.8, which includes completion of Ship Creek, Trail Lakes, and Beaver Falls hatcheries; and
CH 140/SLA 80, $3,865.0, for development of Ship Creek, Snettisham, Kotzebue, and Main Bay hatcheries

IV. DATE March 27, 1981 PREPARED BY Janet B. Green
AGENCY Department of Fish and Game
PHONE 465-4120

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

33-001 (Rev. 12/80

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

This is in your file only!

March 17, 1981

To: Fellow Senators

From: Senator Vic Fischer

RE: General Obligation Bond Defeasance legislation

Today, legislation is being introduced that would pay off the entire state debt, erase the millions we pay in debt service and clear the slate for all future generations of Alaskans by getting our financial house in order.

A number of ideas have emerged in this legislation session dealing with how to improve the state's financial image with the rest of the country. Ideas range from a cancer fund to bailing out Chrysler to a high powered advertising campaign. One thing they all have in common is that they appeal to the citizen, to the masses in an attempt to improve the state's fiscal profile.

An idea that is neither a scheme nor an attempt to sway public opinion, deals with defeasing of the state debt. Through a special defeasing [escrow] account, the state could create a monetary approach that would pay off the entire state debt. This account managed by a special bond counselor would invest in the taxable bond market (approx. 12% interest) while paying off the incurred debt in the tax-exempt bond market (approx. 8% interest). The potential is there at the moment to erase Alaska's debt ($720 million) and take care of all future interest payments with a cash account of $570 million.

$270.8 + [redacted] + $153mm. TOT $432.8 SAVINGS

One may ask why not make the investments directly out of the general fund and not set up a special account. It has become clear that we, the Alaska Legislature have the ability to spend all the money before us, no matter the amount. This special escrow account would set this money aside for a specific purpose: to pay off the state debt.

If we were to create this "defeasing escrow account," it would preclude us from going to the bond market for a period (minimum) of 18 months due to IRS regulations. That is why this concept goes hand in hand with substituting cash for all authorized but unissued general obligation bonds. — $466mm.

With continuing pressure from our Washington delegation assuring us that the mood in the "lower 48" is becoming increasingly jealous of our resource wealth, this would be one way of "putting our financial house in order." We would be showing our responsiveness to the nation's financial community by giving a clear signal that we were doing "first things first." We pay off our debts before we borrow money for other purposes.

The best way Alaska can prove that it deserves to manage it's new found oil wealth is to show the country's financial community the state can manage thru fiscal conservatism with an eye on the future. Then, the "outside" ideas of draining off part of the state's wealth will begin to diminish.

$1,036,921,000

SB

299

STATE OF ALASKA

OFFICE OF THE LT. GOVERNOR

DIVISION OF ELECTIONS

JAY S. HAMMOND, GOVERNOR
TERRY MILLER, LT. GOV.
586-6181

POUCH AF—JUNEAU 99811

January 26, 1982

The Honorable Patrick Rodey
State Senator
Pouch V
Juneau, AK 99811

Dear Senator Rodey:

As the Division of Elections seeks to complete the procedural changes for the conduct of the 1982 Primary and General Elections, consideration needs to be given to the remaining clean up of Title 15, the Election Code.

Senate Bill 299 contains sections relating to the questioning of a voter's ballot and procedures for the state ballot counting review. These sections do not currently appear in Title 15 and without enactment of a version of these sections, problems will occur during the elections. Without enactment of the section involving questioning a voter's ballot, an election board, watcher, or other citizen cannot question a voter's ballot. It is, also, vital that the sections regarding the State Ballot Counting Review Board be enacted so procedures can be in effect for the review of the results of the counting of the ballots.

In Senate Bill 299, the most important sections and their titles are:

Section 5	AS 15.10.180	Appointment of Party Representatives for State Ballot Counting Review
Section 8	AS 15.15.210	Questioning of Voters of Suspect Qualification
Section 19	AS 15.20.220	Procedures for State Review

The remaining sections of Senate Bill 299 are clarifications of existing law and are not nearly as important as the above three sections.

Because Alaska is under the provisions of the Voting Rights Act, any changes enacted must be submitted to the Department of Justice for review. Without the review and approval by the Department of Justice, the changes cannot be implemented. At a very minimum, 60 days is required for review of proposed election changes by the Department of Justice. Usually 120 to 140 days are necessary for this review process to occur, therefore, I urge you to consider any election law changes at your earliest convenience.

If I may be of any assistance, please call on me.

Sincerely,

Patty Ann Polley
Director of Elections

5-6-81 Elections

DECLARATIONS OF CANDIDACY BY TELEGRAM

Out of 199 total declarations of candidacy, only 4.5% (9 total) filed by sending a telegram. Only 3.5% of those individuals actually needed to use the telegram method to meet the statutory deadline since 2 people met the physical delivery deadline in addition to submitting the telegram. Eight candidates for the State House and one candidate for the State Senate filed by telegram as follows:

STATE HOUSE

District 8: Charles Thomas Hutchins
tel. rec'd 6/2/80
nominating petition rec'd 6/4
(Libertarian)

District 9: R. E. Hardy
tel. rec'd 6/2/80
nominating petition rec'd 6/4
(Libertarian)

District 9: John L. Phillips
tel. rec'd 6/2/80
nominating petition rec'd 6/4
(Libertarian)

District 12: Jose Valient
tel. rec'd 6/2/80
nominating petition rec'd 6/4
(Libertarian)

District 14: Lynn Frank Saupe
tel. rec'd 5/30/80
declaration rec'd 6/2/80 (by the deadline)
later withdrew on 9/2/80
(Republican)

District 15: Bonnie Julia Kitchen
tel. rec'd 6/2/80
declaration rec'd 6/3/80
(Democrat)

District 17: Charles Joseph Guinn
tel. rec'd 5/30/80
declaration rec'd 5/31/80 (by the deadline)
(Democrat)

District 18: Martin B. Moore
tel. rec'd 6/2/80
declaration rec'd 6/6/80
(Democrat)

STATE SENATE

District K: Merrill Stephen Sikorski
tel. rec'd 6/2/80
(Republican)

AS 15.25.040 is amended to read as follows:

AS 15.25.040. MANNER AND DATE OF FILING DECLARATION. (a) The declaration is filed by either

(1) the actual physical delivery of the declaration in person at or before 5:00 p.m., prevailing time, July 15 (JUNE 1) of the year in which a general election is held for the office, or

(2) (THE ACTUAL PHYSICAL DELIVERY BY TELEGRAM OF A COPY IN SUBSTANCE OF THE STATEMENTS MADE IN THE DECLARATION AT OR BEFORE 5:00 P.M., PREVAILING TIME, JUNE 1 OF THE YEAR IN WHICH A GENERAL ELECTION IS HELD FOR THE OFFICE AND ALSO) the actual physical delivery of the declaration by registered or certified mail return receipt requested which is received at or before 5:00 p.m., prevailing time, July 15 (JUNE 1) of the year in which a general election is held for the office (AND RECEIVED NOT MORE THAN 15 DAYS AFTER THAT TIME).

(b) (IF THE POSTMARK IS ILLEGIBLE, A DATED RECEIPT FROM THE POST OFFICE WHERE DISPATCHED SHALL BE ACCEPTABLE AS EVIDENCE OF MAILING.) If July 15 (JUNE 1) is a Sunday or holiday, the deadline for (POSTMARKING AND) receipt of the declaration shall be extended 24 hours (IN EACH INSTANCE).

(c) A candidate for a statewide office or a candidate for a district-wide office shall file either with the director or an election supervisor. If the candidate files his declaration with an election supervisor, the election supervisor shall immediately forward the declaration to the director.

((d) IF THE DECLARATION FILED UNDER (A) OF THIS SECTION IS NOT RECEIVED WITHIN SEVEN CALENDAR DAYS, THE CANDIDATE SHALL BE NOTIFIED OF NONRECEIPT. THE CANDIDATE SHALL HAVE THE OPPORTUNITY TO REFILE HIS DECLARATION WITH PROOF THAT HIS PREVIOUS DECLARATION HAS BEEN FILED IN A TIMELY MANNER AND IN ACCORDANCE WITH LAW.)

AS 15.25.056 is repealed and re-enacted to read as follows:

AS 15.25.056. NOMINATION BY PARTY PETITION WHERE INCUMBENT DIES OR IS DISQUALIFIED OR INCAPACITATED. The death, disqualification or certification of incapacity of an unopposed incumbent candidate following the closing of the period for nomination and on or before the primary election date does not affect the counting and review of the ballots. If the results of the counting and review discloses that the candidate, if he had lived, would have been nominated, the candidate shall be declared nominated. The vacancy may be filled by party petition as provided in AS 15.25.110-15.25.130.

AS 15.25.150 is amended to read as follows:

AS 15.25.150. DATE OF FILING PETITION. The petition is filed with the director by actual physical delivery in person at or before 5:00 p.m., prevailing time, July 15 (JUNE 1) in the year in which a general election is held for the office, or by actual physical delivery to the director by registered or certified mail return receipt requested which is received (POSTMARKED) at or before 5:00 p.m., prevailing time, July 15 (JUNE 1) in the year in which a general election is held for the office. (, AND RECEIVED NOT MORE THAN 15 DAYS AFTER THAT TIME. IF THE POSTMARK IS ILLEGIBLE, A DATED RECEIPT FROM THE POST OFFICE WHERE DISPATCHED SHALL BE ACCEPTABLE AS EVIDENCE OF MAILING.) If July 15 (JUNE 1) is a Sunday or holiday, the deadline for (POSTMARKING AND) receipt of the petition shall be extended 24 hours.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR
TERRY MILLER, LT. GOV.

OFFICE OF THE LT. GOVERNOR

DIVISION OF ELECTIONS

POUCH AF—JUNEAU 99811

April 28, 1981

The Honorable Vic Fischer
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Fischer:

The proposal to move the filing deadline to July 15 and to change the Primary Election to the first week in September presents difficulties in preparation for the elections. Other alternatives that might be considered before changing the date of the filing deadline and the Primary Election date include:

1. establishment of a beginning date for the filing of declarations of candidacy and petitions. If the length of time that campaigns occur is to be shortened, the beginning date for filing for office would shorten this period.

2. establishment of a beginning time for campaign purposes. A deadline can be set for the beginning of campaigns.

The filing deadline for the elections can be moved to July 1 without presenting any difficulties in the preparation for the election. The moving of the filing deadline to July 15 presents difficulties in regards to the filing by telegram procedures. Candidates may file certain parts of their declarations of candidacy by telegram and the Division of Elections must await receipt of the declaration until the 15th day following the filing. With the filing by telegram provisions, ballot preparation and other materials requiring names of candidates must await receipt of the declarations before beginning preparation of these materials. Under the July 15 filing provisions, the ballot preparation cannot begin until August 1 - a month before the election.

The shortening of the time between the Primary and General Election presents difficulties for the completion of the Primary Election and preparation for the General Election. The items most threatened by this

change involve the preparation and printing of the election pamphlets, the preparation of ballots and tally books which require the names of candidates. The work required for the preparation of ballots, election pamphlets and tally books must occur before voting can begin. The staff currently works 7 days a week, 14 hours or more a day to complete the preparation process. As this work must occur, the voters will be short changed in that the materials and information will not be available and absentee voters will be disenfranchised. Mail service in some areas of this state is slow - 30 days are required to get materials to the villages in the Aleutians, thus, whole villages may not receive ballots or election supplies.

The procedures for conducting an election have changed frequently, however, the deadlines have remained static. The deadlines have not changed because the distances and the frequency of delivery of mail has not changed substantially. The Division of Elections cannot distribute election materials, pamphlets, and supplies in one or two days - it takes 30 days.

In conclusion, the changing of the filing deadline to July 1 will present few problems in the conduct of elections. The changing of the deadline to July 15 will require changes to the filing by telegram procedures. The shortening of the time between the Primary and General Elections by moving the Primary Election to the first week in September will require changes in the election pamphlet statutes, the time for the mailing of ballots and election material, the time for the conduct of recounts, and the availablility of absentee ballots.

Sincerely,

Patty Ann Polley

Patty Ann Polley
Director
Division of Elections

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

To: State Affairs Committee

From: Senator Vic Fischer, Chairman

RE: Shortening state election period

Date: April 22, 1981

Every two years Alaskans experience the endless thrill, boredom and annoyance of state elections. My hope is we can provide relief to the public, as well as reduce the cost of elections. Proposed committee substitute to SB 299 will accomplish this.

With increasing use of television and radio media, the public is subjected to virtually continuous bombardment by politicians from June 1 'til the November election. At times, electioneering reaches such a crescendo that people are just getting sick and tired of the whole democratic process of electing their public officials.

The other side of the coin is the ever escalating price of media for the candidates themselves, with individual state senate races approaching $100,000 in cost.

While the election process is crucial to assure that the public is given full information on all viable candidates, the extent of current electioneering and political harassment of voters is truly excessive.

One method of reducing public annoyance and, if possible, reducing costs is shortening the active campaigning process. I propose to reduce the process from the current 20 weeks to 14 weeks.

This is accomplished by moving the filing deadline for candidates in state elections from June 1 to July 15, resulting in a reduction of the primary campaign from the present 12 weeks to 7 weeks.

The general election period is cut from 9 weeks to 8 weeks by shifting the primary election date from the last Tuesday in August to the first Tuesday in September, shortening the election period in the State of Alaska from its present exhaustive schedule.

Alaska's election period, when compared to other states in the country, is much too long. Where other states have found ways to shorten the time between declaration of candidacy and actual determination of winner (primary and general elections), Alaska's time period has not changed since statehood. Even with the advent of sophisticated computers, Alaska's election time frame begins on June 1 and ends on the first Tuesday following the first Monday in November.

Listed below are the current and proposed election schedules:

	Existing Time Schedule	Proposed Time Schedule
-Last Filing date	June 1	July 15
-Primary Election	4th Tuesday in August	First Tuesday in Sept.
-General Election	1st Tuesday following 1st Monday in Nov.	1st Tuesday following 1st Monday in Nov.

This schedule deletes six weeks from the beginning of the election period by pushing back the "declaration of candidacy" deadline. This does not affect the schedule of preparing for the primary election.

The primary election is pushed back by one week from the last Tuesday in August to the first Tuesday in September. The following is a comparison of existing and proposed schedules to carry out the different functions that must take place between primary and general elections:

Events	Current Schedule			Proposed Schedule		
A. Absentee returns	Day 1-8	/ # of days	8	Day 1-8	/ # of days	8
B. Canvass Board	" 8-18	"	10	" 8-16	"	8
Certify votes	" 19-20	"	2			
C. Potential recount	" 21-27	"	(5-7)	" 17-19	"	3
D. Print ballots	" 21-34	"	14	" 17-27	"	11
Package Ballots	" 34-45	"	11			
E. Distribute Ballots	" 45-60	"	15	" 28-38	"	11

A. Eight days are required for receipt and counting of absentee returns.

B. The Canvass Board can work faster, using more people. Certification could take place within this second eight day period.

C. Any recount could proceed while ballots are being set for printing.

D. Under the present system, 25 days are set aside for the printing and packaging of ballots. Through the use of computers and more people, as necessary, this can be done in eleven days.

E. Eleven days are allowed for distribution of ballots statewide, rather than 15 days at present. Absentee ballots can still be available 15 days before the general election.

The new schedule shortens the primary race by six weeks. The general election period is shortened by one week. The total reduction in the state election period is six weeks, from 20 to 14 weeks. The Division of Elections is only affected by one week--only in the time period between the primary and the general elections.

Peggy Ann Polley

Analysis of Senate Bill 299

Section 1. AS 15.07.070(c) is amended to clarify dating on a completed voter registration card which is mailed to the Elections Offices. The change is to make the date of registration the date as shown on the voter registration card rather than the postmark date which frequently does not appear on the envelope.

Section 2. AS 15.07.070(f) is amended to clarify the dating as shown on a voter registration card. The controlling date is to be the date of re-execution. not a postmark date which may not appear on the envelope.

Section 3. AS 15.07.135 is amended so the wording is consistent with that appearing in AS 15.05.030.

Section 4. AS 15.07.140 is amended to clarify the persons who are to post lists of registered voters 40 days before an election. The change is so any election officials - registrars, or election board members - may post the list. As the statute is currently written, only a registration official can do the posting. In a small precinct a registrar may not be available to post the list but the change will allow for other officials to be assigned the task.

Section 5. AS 15.10.180 is amended to remove the reference to "canvass". When the election bill, Ch. 100, SLA 1980, was approved, a decision was made to clarify the word "canvass" which had a dual meaning. Inadvertently, the reference for the State Ballot Counting Review was not changed; hence, this amendment makes that change. The word "canvass" was used to refer both to the review of material and to the counting of ballots.

Section 6. AS 15.15.140(a) is amended to clarify that the materials are to be available so the voters may make their intent known as opposed to the election board or other persons acting on the behalf of voters.

Section 7. AS 15.15.195 is amended so that the voter's name must appear on the list of registered voters. As this section is written, it seems that the voter may be allowed to vote if he or she stands or sits on the list of registered voters.

Section 8. AS 15.15.210 is added. During the review following passage of Chapter 100, SLA 1980, it was determined that this section had been both added and deleted. The law as currently written does not allow for persons to be questioned by election boards, watchers or other persons available at the polls. This section specifies procedures for the questioning of a person's vote by the election board, watchers or other persons available at the polls.

Section 9. AS 15.15.215 is amended to clarify that the district questioned ballot counting board is responsible for determining the merits of a questioned ballot. The law as currently written seems unclear as to whether the responsibility falls to the election supervisor or the board.

Section 10. AS 15.15.240 is revised to clarify that an election board member or a person of the voter's choice may provide assistance to the voter. The law makes reference to an election judge as the only official who can assist the voter. Other members of the board, such as the clerk, may be better qualified to assist the voter but under current law would be unable to provide assistance.

Section 11. AS 15.15.260 is amended to allow for any member of the election board to remove the numbered stubs from the ballot and to provide instructions to the voter. Currently, the law only allows an election judge to have this responsibility. It is more realistic that a clerk or other board member may be assigned the duty.

Section 12. AS 15.15.300 is amended to clarify that a replacement ballot is not to be provided to a voter who improperly exhibits a ballot. The law as previously written provided no procedural instructions to follow if a ballot was unlawfully exhibited by a voter.

Section 13. AS 15.15.330 is amended to remove the word "immediately" in reference to opening the ballot box and the counting of ballots. The election board has other responsibilities which must be completed before the ballot box is opened. Those other responsibilities include the recording of the numbers from the stubs of the unused ballots, the disposal of the unused ballots and certain other recording duties.

Section 14. AS 15.15.360(c) is amended to provide for the procedures to be followed in the counting of hand-marked punch-card sample ballots. This would be necessary in the case where an election board or absentee voting official runs out of official punch-card ballots. A sample punch-card ballot would then be provided and would be marked with a pen or pencil. The outline of procedures for counting these ballots is, therefore, outlined in this amendment.

Section 15. AS 15.15.420 is amended to make clear that the Director and the State Ballot Counting Review Board review the results of the counting of the ballots. As the law is written, the Board and Director must review the counting which occurs in 300 separate locations.

Section 16. AS 15.15.430(a) is amended to make clear that the review by the State Ballot Counting Review Board and the Director is of the results of the ballot counting, not the observation of ballot counting in several hundred locations.

Section 17. AS 15.20.071(c) is to clarify the procedure and to make it clear that an absentee ballot by personal representation must be returned to the issuing official within three days. If the ballot is not returned within the allowable time, the ballot is not to be counted. The three day time period for the return of the personal representative ballot is firm except all personal representative ballots must be returned no later than election day.

Section 18. AS 15.20.190(a) is amended to make clear that the pay for some election officials may be different than the pay set for election board members who work on election day at the polls.

Section 19. AS 15.20.220 is a new section which was originally included in Chapter 100, SLA 1980, but a numbering problem caused this section to be deleted. The section explaines the procedure to be followed in reviewing the questioned and absentee ballot certificates and the provision for the counting of ballots received after the completion of the district review but prior to the completion of the state review.

Section 20. AS 15.60.010(4) is amended to allow for the inclusion of all persons who serve on the election board in the definition of "election board".

Section 21. AS 15.60.010(6) is an expansion of the definition of "election official" to include registration officials and registrars.

Section 22. AS 15.60.010(10) revises the definition of "hand-marked ballot". By the definition the ballot must be designated a hand-marked ballot; but we feel no designation is required. The fact that a ballot is marked by hand with a pen or pencil is sufficient.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 299

Title "An Act relating to elections"

Requested by Senate State Affairs Date 4-22-81

II. FISCAL DETAIL

Agency Affected Office of the Governor

Program Category Affected Legislative and Elective Operations

BRU, Program, or Subprogram(s) Affected Division of Elections

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	-0-	-0-				
200 TRAVEL	-0-	-0-				
300 CONTRACTUAL	-0-	-0-				
400 COMMODITIES	-0-	-0-				
500 EQUIPMENT	-0-	-0-				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-				

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

No additional fiscal impact for the Division of Elections.

IV. DATE April 22, 1981 PREPARED BY Danith D. Anderson

AGENCY Division of Elections

PHONE 586-6181

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

33-001 (Rev 12/80

SB

323

Nels A. Anderson, Jr.
Box 234
Dillingham, Alaska 99576
Phone: (907) 842-5802 2366

April 2, 1981

Governor Jay Hammond
Pouch A
Juneau, AK 99811

Dear Governor Hammond:

I was encouraged and disappointed when I read the "Bristol Bay Task Force" report approved by yourself on March 23, 1981. I felt that the recommendation for a marketing study is a short, halting, positive step in the right direction. However, I was deeply disturbed by the Gestapo-type reaction to so-called threats of violence during price disputes in Bristol Bay.

Please understand that I am not critical of the people who prepared the report because it does focus on one of the roots of the problem of getting a reasonable price for salmon in Bristol Bay.

The situation in Bristol Bay is a pond of pandemonium and chaos at this time. No quick-fix task force can study the problem, make recommendations, implement a plan and expect results in two months' time. However, I am encouraged to see some attempt to help fishermen establish a firm footing by getting basic data on the table as both sides bargain for a fish price.

I am disturbed by section B found on page 11 entitled "Controlling the Climate of the Negotiations". The title itself is enough to scare the most stalwart fishermen in Bristol Bay. Perhaps that was the intent, but I cannot believe that you would condone the use of force and violence to "control" negotiation climates. My reaction to that section is one of disbelief and confusion. Many fishermen are embittered by this section.

Section B is so one-sided that I fail to believe what I read when there has never been any killing of any person by violence in the history of the fish price negotiations. Although the report implies that the general welfare is to be protected, it looks as though it's the processors who are to be in possession of the armed forces of the state.

I don't want to belittle the "threats of violence and intimidation" but I can't help but note that fish processors have their own forms of intimidation. It is the threat of economic retaliation if a fisherman doesn't do what is best for the processor. Fishermen are told that if there is no settlement then there is no credit, no nets, no boat launching, no boat storage, no cannery mechanic etc., etc. There are also threats of ramming fishermen's boats by cannery skows. In fact, I believe there was such a ramming that took place last year.

I hope that you will reverse the outlay of public funds by appropriating $50,000.00 for discreet surveillance of potential violence and $320,000.00 for

Nels A. Anderson, Jr.
Box 234
Dillingham, Alaska 99576
Phone: (907) 842-5802 2366

a comprehensive marketing study for Bristol Bay. In addition, I hope you will continue to support a longer airfield in Dillingham to allow large 747-type aircraft to fly fish out. Finally, the development of Seafood Industrial Parks would be most helpful in providing additional markets for our fishermen who are finding themselves without canneries to fish for. A Seafood Industrial Park in Naknek or King Salmon and Dillingham would attract canning, freezing and specialty processing thus increasing the market for our fish.

Thank you for your consideration. Please call or write if you have any questions about the points I raised.

Very sincerely,

Nels A. Anderson, Jr.

cc: Senator George Hohman
Rep. Joe Chuckwuk

4-7-81 BB — SB 323

How determine if & when contingency plan for BB is put into effect?
- what criteria?
- who decides

SWAT GESTAPO PINKERTON

BB-2

32 troopers – 1 helicopter, Vigilant, B.Whaler

if some fishermen want to fish while others blockade – – protect those who want to fish –

Commitment by April 15

BB-3

Roger Painter, UFA

-- would bring potential of a strike closer

Prop. would work against efforts to defuse situation

B.B. Native Association recommendation

No processors have participated in hearings or meetings to deal w/issues

There's been no effort to bring sides together

Do they only negotiate/on price?

No enforcement of fisheries regulations
→ better capabilities of F+W enforcement

Fishermen singled out as culprits — but there are two parties — need to bring them together + resolve problems

BB-4

Jack McBride
BB Aquaculture Assn

Mtg w/ Gov. — Task Force

→ meets next week to consider steps to bring about price settlement

→ Put money into F&W enforcement, if necessary — divert to BB law enforcement.

Jack McBride

"1980 enforcement was adequate" — would nothing

Problem in 1981 not as serious as '80
- price 1,25 in 79, . . . 1980 - -
→ price will

→ HOW USE THE $270K CONSTRUCTIVELY

Sen Sturg. comm ✓✓✓ rec's ✓✓✓

BB-5

Sidney Smith, BB, Nushagak Fish Pad Coop

Archie Godchaulk, Nakneh

Problem are not the fishermen
but the outside corporation
- not threaten fishermen as done
in this bill

If consider bill:
- BB borough has police powers - cops?
- come in only at request of local
authority - then be under
direction of municip authority - X

Japanese have manipulated our govt
to use our st/troopers agst
our people
- decisions are made in Tokyo boardroom
- they've raped us.

Current admin - intent on squashing fishermen

→ local fishermen process &
market fish

BB-6

Hank Oskosky

March 24, 1981

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making a supplemental appropriation to the Department of Public Safety.

The appropriation would cover the cost of five boat charters and related operations costs in Bristol Bay during the 1981 salmon season. The money would be used only if special trooper patrol and surveillance activities became necessary due to disputes between fishermen and buyers concerning fish prices.

WHO DETERM., CRITERIA

These activities became necessary during the 1980 fishing season in Bristol Bay, because of fish price disputes. This appropriation will allow the Department of Public Safety to be prepared if the same problems arise this summer.

Since the period during which this money would be used extends into FY 82, the appropriation has a lapse date of June 30, 1982.

Sincerely,

S/JSH
Jay S. Hammond
Governor

Special Assistant
to the Governor

FILE NO: 507126

TELEPHONE NO: 465-4322

FROM: William R. Nix
Commissioner
Department of Public Safety

SUBJECT: Bristol Bay
Approximate Costs

Following are the approximate costs for the five (5) boat charters concerning the Bristol Bay contigency plan:

Boat Charters 6/8/81-7/7/81

$1000.00 per day x 30 days x 5 boats =		$150,000
Actual fuel costs only for those boats in transit to and from Bristol Bay, not to exceed 5000.00. 5 x 5000.00	=	25,000
If contractor provides operator during charter 6/8/81-7/8/81 cost for operator, not to exceed 5000.00. 5 x 5000.00	=	$ 25,000
Total		$200,000

Department Costs

15 Troopers at Sea Duty Pay rate of pay Overtime only	=	$ 51,000
Transportation to/from Bristol Bay	=	8,900
Per Diem, travel status only		4,400
Equipment - rain gear, survival suits, boots, 385 x 15	=	$ 5,800
Total		$ 70,100
GRAND TOTAL		$270,100

02-001A(Rev.10/79)

RESOLUTION NO. 81-14

WHEREAS, The salmon price negotiation in the Bristol Bay salmon fishery have been with us since the demise of the company fisherman; and

WHEREAS, The Governor for the second year in a row, has appointed a Task Force to help resolve this problem; and

WHEREAS, The most important players in this problem (fishermen and processors) have not been appointed to the Task Force; and

WHEREAS, The Task Force, for the second time in a row, has not understood the basis of the problem; and

WHEREAS, The Task Force chose to look no deeper than the surface of the issues; and

WHEREAS, This year's Task Force made two recommendations--one of which is clearly detrimental to the resident fishermen of Bristol Bay; and

WHEREAS, This recommendation is for a legislative appropriation of over $300,000 for troopers to be stationed in the Bay; and

WHEREAS, No one has ever been hospitilized, arrested, nor found guilty of a violent crime connected to price disputes in Bristol Bay; and

WHEREAS, The Task Force's recommendation clearly shows a biased opinion of the problem and reflects that bias; and

WHEREAS, Such a recommendation reflects an untrue picture to the people of Alaska that Bristol Bay fishermen are highly violent; and

WHEREAS, Such a recommendation for increased troopers in Bristol Bay could cause the situation to become intense and explosive; and

WHEREAS, The Task Force has, in fact made a recommendation which basically declares war on resident Bristol Bay fishermen;

NOW THEREFORE BE IT RESOLVED by the Executive Committee of Bristol Bay Native Association that the Legislature of the State of Alaska renounce this recommendation and let said recommendation die a non-violent death.

Willie P. Johnson
President

March 25th

CERTIFICATION:

I, the undersigned secretary of said Association, do hereby certify that the Executive Committee is composed of 10 members of whom 9 were present at a meeting this 25th day of March, 1981 and that the foregoing resolution was adopted by the affirmative vote of 9 members.

Joseph L Clark
Secretary

April 2, 1981
Date

SB 231 - ASHA
SB 232 - ASHA Older Alaskans housing $ 10 million
SB 233 - ASHA - creating Older Ak housing

SB 234 - ASHA handicapped + family
SB 235 - ASHA handicapped + family $ 15 million

[redacted]

SB 311 C+RA Sr. Cit housing $
SB 312 C+RA Sr. Cit housing $ 16 million

[redacted]

Proposed additional
SB 408 - Transfer ASHA to C+RA
SB 409 - C+RA housing study
SB 410 - C+RA housing study $450,000

Total passed out + proposed $ 41,450,000

MEMORANDUM State of Alaska

TO: The Honorable Vic Fischer
Alaska State Senator
Juneau

DATE: April 13, 1981

FILE NO:

TELEPHONE NO: 465-4322

FROM: William R. Nix
Commissioner
Department of Public Safety

SUBJECT: SB 323

In regard to the Committee Substitute concerning Bristol Bay Fisheries Protection, the following represents our needs related to the purchase and supporting costs of one (1) vessel and the lease of one (1) vessel. The purchased vessel will also be used in the Togiak and Sand Point fisheries.

If appropriated, the funds will be used as follows:

Personal Services (overtime/sea-duty)	30.6
Travel (transportation and per diem)	8.0
Contractual Services	39.0
Equipment (purchase of one (1) vessel and specialized gear)	133.5
TOTAL	211.1

cc: Ron Lehr, Budget & Management
Mike Whitehead, Office of the Governor
Col. Stickles, Fish & Wildlife Protection, DPS
Walt Lawson, Administrative Services, DPS

//

Protection

Special Judiciary Hrg Comm.

Gov's Bristol Bay Task Force

Rec $270,100

$200K for vessels - if price settlement - $ wasted

UNITED FISHERMEN OF ALASKA

MAILING ADDRESS & OFFICE:
197 SOUTH FRANKLIN ST.
JUNEAU, ALASKA 99801
907 586-2820

Rodger Painter
Executive Director

April 10, 1981

TO: Senator Vic Fischer

FROM: Rodger Painter

RE: Senate Bill 323

In light of the testimony before the Senate State Affairs Committee and special Senate Judiciary Hearing Committee on Bristol Bay, it is clear that Commissioner William Nix's proposal for dealing with the public protection question in Bristol Bay would cause more problems than it would solve. In addition to angering many fishermen and local residents, the proposal represents a potential unnecessary expenditure of state funds amounting to $200,000 (Commissioner Nix testified the $200,000 for chartering 5 vessels had to be committed by April 15).

There are valid concerns, however, about the ability of the Department of Public Safety to respond adequately to public protection problems connected with a price dispute between fishermen and processors. Bristol Bay is situated in one of the most undeveloped, isolated areas of Alaska, and it would be difficult for the Department to respond quickly to any emergency in the Bay unless the needed equipment, in this case vessels, is already on hand. Although the UFA does not believe it can be demonstrated that a public protection emergency now exists in the Bay or there are sufficient indications that one will develop during 1981 to warrant the kind of response capabilities requested by Commissioner Nix, it may be prudent public policy to ensure that the Department has backup capabilities in this isolated area.

What can be easily demonstrated in Bristol Bay and the nearby coastline north of Cape Newenham is the need for substantially upgrading the capabilities of the Division of Fish and Wildlife Protection to enforce commercial fishing regulations. The Division currently uses small Boston Whalers in most areas and has no vessel capabilities at all on other areas of the sprawling Bay fishing grounds. At the important Ugashik River system, for instance, there is virtually no enforcement presence. In addition, the Division does not have adequate capabilities to police the very significant Bristol Bay herring fishery, or vessels to run around Cape Newenham to the Security Cove-Goodnews Bay area to enforce regulations in the herring and salmon fisheries.

When there is inadequate enforcement of fish and game regulations honest fishermen who observe the rules are penalized. Enforcement is necessary to protect the biological integrity of our important fisheries resources.

If S.B. 323 is amended to give the Division of Fish and Wildlife Protection enough funds to purchase two or three 32 foot gillnet vessels, some of the larger enforcement problems of this area can be dealt with. This also would provide the Department with the backup capability necessary to respond to a public protection problem in Bristol Bay. It should be very simple for the Department to transfer the vessels from one division (Fish and Wildlife Protection)to another (Troopers).

If these vessels are purchased by the Division of Fish and Wildlife Protection, they also could be made available to the Department of Fish and Game for some of the crucial test fisheries used as primary management tools for the Bristol Bay salmon fisheries. ADF&G currently has only one gillnetter (stationed at Nushagak River) for test fishing; vessels are chartered for test fishing at the Naknek, Kvichak and Egigik Rivers, as well as the "outside" districts of the Bay.

Original Sponsor: Rules/Governor

Funding Information
General Fund $211,100
Other Funds 0
$211,100

IN THE SENATE BY THE STATE AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 323 (State Affairs)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making appropriations to the Department of Public Safety for fish and wildlife protection; and providing for an effective date."

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

* Section 1. The sum of $77,600 is appropriated from the general fund to the Department of Public Safety for fish and wildlife protection in Bristol Bay.

* Sec. 2. The sum of $133,500 is appropriated from the general fund to the Department of Public Safety for the purchase of one vessel and related equipment to be used for fish and wildlife protection in the Bristol Bay fishery and in the Togiak and Sand Point fisheries.

* Sec. 3. The unexpended and unobligated portions of the appropriations made by this Act lapse into the general fund June 30, 1983.

* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Introduced: 3/24/81
Referred: State Affairs and Finance

Funding Information
General Fund $270,100
Other Funds -0-
$270,100

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

IN THE SENATE

SENATE BILL NO. 323

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making a supplemental appropriation to the Department of Public Safety to pay Bristol Bay charter and operations costs; and providing for an effective date."

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

* Section 1. The sum of $270,100 is appropriated from the general fund to the Department of Public Safety to pay Bristol Bay charter and operations costs.

* Sec. 2. The unexpended and unobligated part of the appropriation made in this Act lapses into the general fund June 30, 1982.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-070(c).

state what bill is for?

Hammond calls for minority hire

By Empire Staff

To assure all state agencies try recruit and hire minorities and women, Gov. Jay Hammond has instructed state agencies to do all they can to increase hire of "underutilized classes."

Hammond specifically said there should be an increase in the number of Natives, women and racial minorities hired by the state. The governor said he wants to make sure the state is doing all it can to implement affirmative action employment in Alaska.

Current merit system rules require a vacancy to be filled from among the top five candidates on the state personnel register. Agencies can hire from other than the top five candidates "when unique or unusual circumstances are recorded by the appointing authority."

Hammond has requested state agencies which lack minorities or women to hire from a list of the top five overall candidates or from an additional list of the top five eligible candidates from the so-called underutilized class.

According to Bruce Cummings, director of the state Division of Personnel, if an agency fails to meet state affirmative action goals it may submit a request to the Division of Equal Opportunity Employment for approval to hire other than one of the top five candidates for a job. If approved, the Division of Personnel will then furnish a list of candidates available for the job, and the agency is free to hire the most qualified woman, Native or racial minority.

The memo states "unique or unusual circumstances" exist when a state agency doesn't meet state affirmative action plans.

Hammond said under the revised plan, no applicant will be denied employment solely on the basis of race or sex, and no one will be hired to fill specific "quotas."

"Rather, these procedures are designed to correct ... any underutilization of racial or sexual groups which may have resulted from pre-existing selection procedures or from their misapplication," Cummings said.

Cummings said the divisions of Equal Employment Opportunity and Personnel will be enlisted to help recruit women and minorities.

"The real test in our commitment to affirmative action will be how hard we are willing to work to interest qualified minorities to work for the state. We will not hire strictly because of quotas. We will hire on the basis of ability, of getting qualified people to do the job," Hammond said.

At Hammond's urging, Cummings has formulated a plan allowing state agencies to hire from other than the top five candidates when it can be proven the agency employs fewer members of a racial or sexual class than the proportionate number of qualified persons in the job market.

How much enforcement is enough?

J. Juneau Empire 4/13/81

Bristol enforcement questioned

By The Associated Press

Beefing up the law enforcement effort at the Bristol Bay fishery this summer could trigger, rather than curb a threat of violence, the executive director of the largest fishermen's group in the state said last night.

Rodger Painter told the Senate State Affairs Committee that a bill (SB323) which would dump $270,000 more into public safety at the peak of the Bristol Bay salmon run this season "would bring the potential of a strike a little closer. It would inflame the situation, and fishermen would be branded as criminals."

The expenditure was recommended by a task force appointed by the governor to investigate reports of violence stemming from a price dispute last summer between fishermen and processors. The Senate Judiciary Bristol Bay Hearing Committee said the request should be reviewed and funded if necessary.

Commissioner of Public Safety William Nix said the money would be spent to add 15 officers to the 35 stationed at Bristol Bay last summer, to charter five boats for surveillance, and for added helicopter patrol time.

Sen. Dick Eliason, R-Sitka, said a more secure environment is needed at Bristol Bay to protect "the rights of fishermen to pursue their livelihoods." Many Southeast Alaska fishermen worked during the price dispute, and were threatened.

Sen. Arliss Sturgulewski, R-Anchorage, a member of hearing committee, said public safety officers must stay out of price negotiations, and avoid the appearance of taking sides.

Sen. Terry Stimson, D-Anchorage, said he is concerned that the "razzle and dazzle kind of flash" that the Legislature is giving problems at Bristol Bay, and "increased law enforcement might precipitate violence." He suggested that action to boost law enforcement be delayed until needed.

But Ms. Sturgulewski said it is important to have law enforcement personnel on hand at the fishery because "you cannot get what you need out there on a moment's notice. People's lives are too valuable, the resource is too valuable" to waste time when a problem erupts.

Painter said fishermen and processors should be allowed to engage in collective barrgaining at Bristol Bay. Currently, federal anti-trust laws require the two marketing associations representing more than half the fishermen at Bristol Bay to set prices with each processor separately.

Painter said the $270,000 proposed for increased public safety would be better spent to uphold state fish and wildlife laws. He also urged lawmakers to give more attention to several recommendations from the legislative hearing committee.

Both the governor's task force and the legislative panel gave support to an ongoing marketing study sought by fishermen. However, Painter said that state officials wasted so much time getting started on the study that it will likely be worthless this season.

The legislative panel recommended that the state:

—analyze the fish processing structure at Bristol Bay, and suggest alternatives to the existing system.

—help local fishermen and fishermen's groups develop new markets rather than continuing to depend on processors.

—review of the performance of state agencies that deal with the fishery, and the distribution of state loans to processors. The panel said changes should be identified that would make new domestic processing and marketing operations clearly eligible for state aid.

—develop a list of facilities needed to support the expansion of the fishing industry and community needs in Bristol Bay.

MEMORANDUM State of Alaska

TO: The Honorable Vic Fischer
Alaska State Senator
Juneau

DATE: April 13, 1981

FILE NO:

TELEPHONE NO: 465-4322

FROM: William R. Nix
Commissioner
Department of Public Safety

SUBJECT: SB 323

In regard to the Committee Substitute concerning Bristol Bay Fisheries Protection, the following represents our needs related to the purchase and supporting costs of one (1) vessel and the lease of one (1) vessel. The purchased vessel will also be used in the Togiak and Sand Point fisheries.

If appropriated, the funds will be used as follows:

Personal Services (overtime/sea-duty)	30.6
Travel (transportation and per diem)	8.0
Contractual Services	39.0
Equipment (purchase of one (1) vessel and specialized gear)	133.5
TOTAL	211.1

cc: Ron Lehr, Budget & Management
Mike Whitehead, Office of the Governor
Col. Stickles, Fish & Wildlife Protection, DPS
Walt Lawson, Administrative Services, DPS

PART 4.

REPORT TO

JAY S. HAMMOND

GOVERNOR

BY

BRISTOL BAY TASK FORCE

MARCH 23, 1981

Bristol Bay is not only one of the largest fisheries in Alaska - it has historically been one of the most troublesome. Since the 1950s, the fishery has been rife with animosity and strife between fishermen and processors. Strikes have been common with resultant waste of the resource until price settlements are achieved.

In 1980, the situation became critical. Negotiations between the major marketing associations and individual processors were confused and bitter, resulting in very little fishing until a settlement was reached in early July. During the strike, threats of violence were directed by fishermen who refused to fish for the offered price against fishermen who wished to accept the offer. The threats were effective in reducing the effort until a price settlement was reached. The Department of Fish and Game estimates that as many as 21 million additional salmon could have been taken during the strike period, though cannery capacity probably would have reduced that number. Under any criteria, the loss in value was enormous; to fishermen, to canneries and to the State, which owns the resource. Moreover, coming on the heels of a strike in 1979, serious question has been raised as to how long other nations which presently are forbidden to take Bristol Bay salmon will remain quiet while millions of fish are wasted during domestic price disputes.

You requested that the task force review what happened in 1980, with a view toward recommending State action to ensure that whatever happened would not occur again. In an effort to do that, we have discussed the problem at length with nearly everyone involved. Either as a group or individually, we have spoken with representatives of most major processors, the directors and members of the major marketing associations, and a number of fishermen who are not committed to any marketing association. We have discussed the problem with legislators from the affected area. We also participated with the Legislature in holding hearings in Bristol Bay, both at Dillingham and Naknek, during which, residents of the area expressed their views. Final hearings were held in Juneau on the same subject.

The task force has met repeatedly to discuss the information available and to reach a decision as to concrete recommendations. The recommendations are contained in this report. Since they have already been discussed with you and with interested legislators, they will be outlined here only in their basic form. Moreover, since extensive reports have previously been prepared concerning Bristol Bay (particularly that done for the Legislative Affairs Agency last year), we will not spend time here with a lengthy historical review, except as it is necessary to explain the recommendations.

The Nature of the Problem

The basic element which underlies the economic strife of Bristol Bay is the changes that have affected the fishery. A major change is the fairly recent shift from a cannery operated fishing fleet, subject to industry control, to a fleet of independent fishermen, less subject to that control. Independent fishermen have the right under federal law (15 USCA SS521, 522) to organize into marketing associations. These associations permit the fishermen to market their fish in a collective manner, a right, which but for the law, would be denied them under the anti-trust laws of the United States.

Marketing associations are not unions and do not have the powers granted to unions under the labor laws of the United States. They may not, for instance, establish prices which must be paid to all fishermen by processors [Hinton v. Columbia River Packers Association, (9th Cir. 1942) 131 F(2d) 88] or use traditional picketing and boycott methods against processors for that purpose. They may not, under law, interfere with the sale by non-members of the associations to processors with whom the associations are engaged in price disputes. They are exactly what the law states - marketing associations - and whatever power they have must come solely through the fact that they control a substantial supply of fish desired by industry.

In fact, however, the marketing associations in Bristol Bay have followed somewhat different patterns in negotiating prices for fish. While the leadership of the associations have made it clear that it is not official policy, there is no doubt that members of the associations individually and collectively, apply substantial pressure against both non-members and processors during negotiations, primarily to ensure that no fishing will occur in the absence of an association contract. In the absence of any legal power to accomplish this end, association members have adopted less sophisticated, but equally effective techniques - specifically those of intimidation. Association members are quite blunt about it - in their view, it is simply a part of the bargaining process - it always has been and it always will be. As a spokesman for the Bristol Bay Native Association put it in testimony to the Legislature: "Scare tactics...is a part of of a process of expression in the development of an agreement leading up to a price settlement."

The marketing associations are in a developing stage, and their procedures for negotiation are not very sophisticated. Aside from the "scare tactics," the procedures for adoption and ratification of contracts are unsettled. Last year, for instance, was the first time to our knowledge that any Bristol Bay marketing association (in this case AIFMA), did any kind of an economic study of the salmon market as a prelude to negotiation. The study suggested a settlement at

a certain level, but when the executive board of the association reached such a settlement, it was rejected in a mass meeting of the membership. Eventually, after much of the season went by, an approximately similar offer was accepted. The incident brings to light both the dearth of information on economic conditions available to the marketing association and the lack of any established procedures to analyze and ratify contract offers, short of what are bound to be tense and confused mass meetings.

The processors have equal difficulty in reaching settlement in a timely fashion. First of all, under law, since they are not dealing with unions, but with groups of independent fishermen, there can be no industry-wide bargaining. Any discussion or concerted activity between processors to reach a price settlement is a combination to set prices within the terms of the anti-trust laws. Since the processors have already been sued under these acts for collusion and are presently the subject of a federal investigation, they are particularly sensitive toward avoiding even basic communication between themselves. The result is confusion - the marketing associations deal with one processor, then with another in an attempt to set a price for the whole bay, but the processors have no real way of knowing what has been offered or the status of the negotiations elsewhere. There is also a great deal of historical animosity between processors and fishermen, dating from past times when fishermen

were employees of the canneries. Many fishermen feel that the processors have never come to accept them as truly independent, and that this failure is the root cause of the problem.

Whatever the cause, the bargaining process by which prices are set in Bristol Bay is primitive in nature. Communications are poor, the element of threat is constantly present, distrust is high. It is no surprise that the process often fails to produce a reasonable price settlement until the situation becomes absolutely critical.

In a traditional industry - union negotiation, the impact of failure in a bargaining process can be mitigated. For instance, if the steel industry and the steel union fail to agree on a price for labor, and a strike ensues, the economy is disrupted, but the disruption can be minimized by the fact that once the strike is settled, more steel can be made to make up the loss. In most fisheries, the impact of a strike of limited duration can also be rectified by increased processing at a later time. But in Bristol Bay, the season is so short, and the run of such a concentration, that the impact of a strike cannot be rectified. Once the fish are in the river, there is no way they can be recovered. The excess escapement may produce more fish five years hence, but according to our best biological assessment, it is not a one to one return, but wasteful over-escapement.

Moreover, unlike most industries, the product of the fishery, the salmon themselves, are a resource that belongs neither to the processors nor the fishermen. They belong to all the people of the State, and a loss due to a strike is not just limited to the participants in the strike. It is a waste of the public's resource.

The situation is further complicated by the fact that the State has, in essence, given the parties in Bristol Bay an exclusive right to develop and utilize this resource. The fishermen are protected against outside competition by the limited entry program, under which less than 3,000 gear licenses have been issued. The processors are protected by a series of State and federal statutes and regulations which prohibit foreign processors from entering the bay to compete directly for fish purchases. The State is presently completely dependent upon the reasonable efforts of fishermen and processors at price negotiation to ensure adequate harvest of a public resource.

There is, therefore, a clear State interest at stake in Bristol Bay. But at the same time, it has to be kept clear that the problems to be addressed are those created by the clash of private interests in the economic marketplace. If these interests are unwilling or unable to solve their own problems, the State will have to take an active role in assuring that in some manner the salmon resource is adequately

harvested. Every opportunity, however, should be given the parties to deal with the problem themselves - primarily to develop a system of settling the price for salmon which alleviates the necessity of wasteful strikes. We see no role for the State in establishing the price to be paid for salmon or in telling the parties how to set the price. That type of intervention would have implications far beyond the price disputes in Bristol Bay. The whole thrust of the State's effort should be to create a climate within which the parties can work out their own disputes.

With few exceptions, all the parties involved in Bristol Bay recognize the need for some help in changing the present process of negotiation. Obviously, the suggestions as to what should be done differ. But out of all the discussion and hearings, two central themes have emerged, both of which have been endorsed by the task force for action. We will review them separately.

A. <u>A Comprehensive Marketing Study for Bristol Bay Salmon</u>:

The executive boards of all fishermen's marketing associations, plus all independent fishermen who have made their views known to the task force, have asserted that the key to a more sophisticated bargaining process is information, and that the key element necessary is a

comprehensive marketing study for Bristol Bay salmon. The marketing associations claim that they have no way of knowing the basic data concerning prices for which salmon can be sold on the wholesale market, trends in those prices, and other factors which affect the amount that processors can reasonably pay fishermen for the raw product. The canneries have this information available to them - the fishermen do not. If they did, the fishermen assert, the parties would commence bargaining from the same point, and would have an easier time reaching a settlement.

Even those recommending the marketing study recognize that there will be some initial difficulty in establishing the study as an aid to the bargaining process. The best marketing study in the world will tell little about the individual experience of a particular processor, so there is a risk that even if the study is done by an impeccable authority, processors will still refuse to concede its relevancy. Moreover, there is a question as to the impact it will have on the marketing associations themselves. Last year, AIFMA produced just such a study, and it predicted a level of settlement nearly indentical to that eventually reached. But a tentative settlement at that level by the AIFMA Board was nonetheless emphatically rejected early by the membership.

In spite of these considerations, the task force recommends that the State obtain and finance the requested study. It is the basic proposal made by the fishermen most intimately involved in the problem, and they claim that if a marketing study is done by an authority of good credentials, it will be accepted by both sides, and will be helpful in the bargaining process. Moreover, the study has real public value. The fisheries are a long-standing, major industry in Alaska, and there is a legitimate public interest, both on the part of the Legislature and the Administration, in having an accurate picture of the trends in the industry. Accordingly, we believe that the study should be done, not only for Bristol Bay, but for all of Alaska's salmon fishery.

There is inadequate time available this year to have a comprehensive study done for the entire State. There is time, however, to accomplish the study for Bristol Bay, so that it may be of use in the bargaining process. The Department of Commerce has already contacted a number of consultants who can perform the work. To ensure the credibility of the effort, the selection of a consultant will be done with the advice of all marketing associations and industry spokesmen who will be afforded the opportunity to comment on the proposals before a contractor is selected. The scope of the work, as well as a timetable for its completion, is

attached. The study should be completed by the end of the first week in May and will not exceed $50,000 in cost to be funded from existing appropriations to your office.

As we move forward toward a more comprehensive annual review of marketing conditions throughout the salmon industry, we will have available this year's experience with the study in Bristol Bay. This will afford the Legislature, which will be required to appropriate future funds, the opportunity to see how the study operates in practice, and of what real use it is, both to the bargaining procedure and to the public at large.

B. Controlling the Climate of the Negotiations:

There seems to be no doubt that physical intimidation has been closely tied to the negotiation process in Bristol Bay for many years. As early as 1962, Governor Egan made a special trip to Bristol Bay to lower the tension that was building. Every strike since statehood, such as those in 1969 or last year, has had its own litany of threats by fishermen against processors or against other fishermen.

Much of the testimony before the legislative committee concerned how real the threats really were during last season's dispute. Many pointed out that no one was

killed or even seriously hurt and that there was no massive destruction of property. Others testified that the flash point was always nearby, that guns were present and that whatever the actual level of violence, the level of intimidation was real and sufficient to keep many fishermen who wanted to fish, on the beach.

It is difficult to determine how real the threats of violence really are - whether left alone, they would simply dissipate or have the potential to escalate into action. But, the key fact to us is that many fishermen and processing personnel who make their living in the Bay believe there is a real threat of violence and respond accordingly. Equally important, is the fact that what intimidation is taking place has been institutionalized. Many fishermen in the bay regard intimidation as an integral part of the bargaining process. So long as that is the case, threats of violence will attend any extended and difficult negotiation and the potential will always exist for real violence.

The pattern of intimidation goes back a long way and its not going to change overnight. But, it appears to us that the State must make a clear statement to the effect that intimidation cannot be a regular part of settling prices in Bristol Bay; that threats on life or limb are just as bad when they are made against fishermen

or processing personnel as when they are made against anyone else. To do this, we recommend that the Public Safety presence in the bay be increased substantially during this and probably future seasons until a new pattern of dealing with price negotiations emerges. Commissioner Nix has prepared a memo covering what he intends to do in the bay this summer. It is attached. In addition, assuming that adequate funds are appropriated, the Commissioner is planning to charter five vessels so as to be able to patrol the bay from the water.

If a price settlement is not reached early, which would avoid the necessity for the expenditure of contemplated funds, the full cost for this program would be $320,000. A bill has been drawn for submission to the Legislature in the amount of $270,000. The remainder of the necessary funds are contained in a supplemental budget request already submitted to the Legislature. Since members of both houses have participated in hearings on this subject, they will certainly be knowledgeable on the subject and we are sure will have their own views as to whether the program is necessary. In our view, it is.

Bristol Bay is a fishery very much in transition. Cooperatives are being seriously discussed. Some fishermen are investing in small processor facilities,

and new marketing techniques are being developed. More processing is being done by floating rather than onshore facilities. There are a host of State programs ranging from Alaska Renewable Resources Corporation to Alaska Industrial Development Authority that can and should assist development of those new and different means of harvesting and processing fish in the bay. But the development must be permitted to occur peacefully. We believe the increased presence of law enforcement personnel will have some effect in reducing the tension level.

Some had suggested to the task force that additional steps should be taken as protection against violence on the fishing grounds--specifically the revocation of the limited entry permit belonging to anyone who was convicted of a violent act in connection with a fisheries price dispute. Aside from the very real difficulty in writing a satisfactory bill, we feel that this step is not appropriate at this time. Under present laws, there are substantial penalties for violence or threats of violence. What has been lacking is not so much the law as the ability to enforce it. That can be remedied directly and should be.

Conclusion

The basic approach of this task force has been to ask the parties involved what they thought would best help the situtation, and then attempt to implement those suggestions into an effective government response. We did consider, along the way, more drastic government action, such as opening Bristol Bay both to foreign processors and all fishermen, limited entry permit or no, in circumstances where it appeared the parties would not reach a settlement. We concluded that such an approach is not called for at this time. There is no reason to assume that the fishermen and the processors in the bay cannot work this out by their own means with the assistance they have requested of the State.

We intend, as you suggested, to monitor what happens in the bay this year, and make a second report to you after the season. We should then be able to assess whether what we have recommended has improved the situation, and if not, what further steps will be required.

This report is respectfully submitted by members of the Bristol Bay Task Force, March 23, 1981.

Avrum Gross
Executive Director

Ronald O. Skoog, Commissioner
Alaska Department of Fish and Game

William R. Nix, Commissioner
Alaska Department of Public Safety

Edmund N. Orbeck, Commissioner
Alaska Department of Labor

Charles R. Webber, Commissioner
Alaska Department of Commerce & Economic Development

John Williams, Commissioner
Commercial Fisheries Entry Commission

Michael Whitehead
Special Assistant to the Governor

This report is approved:

Jay S. Hammond
Governor

March 23 1981
Date

Attachment A

Request for Proposals

Project Topic

To evaluate market conditions related to the production of red (sockeye) salmon in Bristol Bay during 1981.

Purpose

Information generated as a result of this project is expected to provide a comprehensive and objective view of current and projected market conditions for Bristol Bay red salmon. The intention of the State is to make impartial basic market data and observation available for reference by fishermen and processors engaged in annual preseason price negotiations. The value of the project depends on the contribution such information actually makes toward the settlement of timely and satisfactory agreements in Bristol Bay.

Selection of Contractor

The Office of the Governor will contract with an individual or firm having substantial experience in the marketing of seafood products or is closely familiar with the business and has an understanding of current conditions and events occurring within the industry.

About five prospective contractors will be asked to personally present their qualifications and work plan to a project management committee on or about March 27, 1981, in Juneau. The project management committee will be composed of at least three people and, at a minimum, will represent the Office of the Governor and the Department of Commerce and Economic Development. With the concurrence of the Governor's representative, the committee will select the best apparent contractor and proceed to negotiate major terms of agreement. It is the intent of the State to have the contract written and fully executed within about five days of the contractor's presentation.

The project management committee will ask people from four or five organizations representing fishermen and processors to participate in an advisory role with the project management committee during the presentation and selection process.

Members of the management committee will rate each prospective contractor on the following basis:

20% Compensation required (the total amount budgeted for this project is $50,000. If the compensation required exceeds about $40,000, the scope of work and project feasibility will have to be reevaluated.)

40% Demonstrated ability of the firm to acquire accurate basic data and information (previous related work, familiarity with available sources, recognized sub-contractors or associates and so on).

40% Demonstrated ability of the firm to organize and evaluate market information and data, present understandable written reports and meet the time deadlines imposed.

Scope of Work

The contractor will deliver to the Office of the Governor written reports which provide in careful detail the following information:

1. Describe the actual or relative magnitude of sales of Bristol Bay red salmon, by product form (canned, frozen, fresh and roe) in each country of final destination.

2. Describe the specific channels used to distribute red salmon products -- ending, if possible, at the point of actual consumption.

3. Identify, where possible, specific firms which handle or distribute major amounts of Bristol Bay red salmon. Concentrate on any important systems of vertical integration established by individual firms and points where actual ownership of products are transferred.

4. Explain how and when red salmon products are further processed, packaged and labeled after leaving Alaska. Describe the circumstances under which various red salmon products are purchased by the final consumer.

5. Describe as fully as possible the existing market demand for Bristol Bay red salmon products. Determine if any special efforts were or are being made to advertise or promote sales. Compare current prices and the movement of inventories with past years. Explain the attitude of major users of Bristol Bay red salmon toward these products. Evaluate the relative effect of alternative salmon supplies to demand.

6. Provide an explanation of how the prices of Bristol Bay red salmon products are established. Determine how prices might be influenced or dictated by seasonal financing conditions and mechanisms. Carefully document a significant number of actual prices paid at various stages in the distribution chain for various product forms and categories of quality produced during the 1979 and 1980 seasons. Relate prices to costs and margins at appropriate points (especially consider any major factors which are likely to influence production costs).

7. Present a well-reasoned analysis of expected market demand for Bristol Bay red salmon harvested in 1981 and, based on various possible magnitudes of supply, estimate an appropriate range of increases or decreases in current wholesale prices which might be expected.

Time Frame and Deliverables

May 1, 1981 — The contractor will deliver a readable draft report of progress and a press-type summary of important conclusions.

May 15, 1981 — The contractor will deliver a final, complete report. The contractor will also provide a clear and objective summary of the final report. Depending on the information to be presented, the summary might be five or six pages. The summary will be widely distributed to people involved in the Bristol Bay salmon fishery.

June 1, 1981 — The contractor will monitor important market indicators and report any substantive changes in the form of a press-type summary.

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

Attachment B

MEMORANDUM State of Alaska

TO: Commissioner W.R. Nix
Department of Public Safety

DATE: January 16, 1981

FILE NO:

TELEPHONE NO: 269-5642

FROM: Colonel T.R. Anderson
Director
Alaska State Troopers

SUBJECT: Bristol Bay
Contingency Plan

Preface

During the past few years there has been a movement among fishermen to organize so as to be able to bargain collectively with the buyers.

Events Leading to 1980 Strike

During the 1979 season, the per pound price of red salmon was established at $1.25. An excess of supply for that year resulted in diminished marketability of the large catch. Consequently, there were considerable quantities of unsold, frozen red salmon going into the 1980 season. This was a factor precipitating the drastic reduction in the per pound price offered in 1980 to 40¢.

A large run projection (50 million) in 1980 provided the fishermen with the opportunity to organize and strike over the price being offered. There would be no fishing until the price was raised.

The strike resulted in numerous threats of violence, some alleged assaults, and some instances of boat ramming, including one incident in which the Department of Public Safety vessel, Vigilant, was rammed by a fishing boat.

Several Troopers and Fish and Wildlife Officers were sent to Bristol Bay to quell any further acts of violence. The arrival of the Department of Public Safety personnel had the expected effect of reducing the potential for life and property threatening activities.

By the end of three weeks, the per pound price had been negotiated up to 68¢ and the fishermen returned to work.

The 1981 Contingency Plan

In an effort to minimize the possibility of a reoccurrence of unlawful activity on the fishing grounds, the Commissioner of Public Safety has directed that a 1981 Bristol Bay contingency plan be developed. At this time however, the preliminary indications are that the factors necessary for a strike this season will be absent, one of the more salient of these being the projection of a significantly reduced run of red salmon which means the fishermen will not have time to strike without significant and perhaps devastating financial losses.

DEPARTMENT OF PUBLIC SAFETY
COMMISSIONER'S OFFICE
Juneau, Alaska
FEB 03 1981

Preseason Intelligence

One of the more vital aspects of our preventative efforts will be the gathering and assessment of information from the field and from the participants of the Bristol Bay fisheries themselves prior to the season. To this end, a system has been established within the Department of Public Safety which links field activities with the Commissioner's office with a resultant two way flow of information.

Captain Harcourt Tew, Alaska State Troopers, has been assigned to coordinate the flow of information between the office of the Commissioner and the field under the following system:

All intelligence from the field will be directed to Lieutenant Jent, CIB, in Anchorage. He will be responsible for forwarding it to Captain Tew in Juneau with copies to Colonel Anderson, Colonel Stickles, and Captain Swackhammer, Detachment Commander of the affected area.

Tentative Schedule of Events

The foregoing dates are merely to establish a general time frame and are not intended to portray the actual days on which these events will occur.* This will be progressively "fine tuned" as the fishing season approaches and more information is received.

May 10 Local and some out of state fishermen prepare boats and equipment.

May 15 The Public Safety Academy will have completed and distributed a 60 minute training tape on various safety aspects of water borne enforcement. This tape will be viewed by all personnel participating before departing for Bristol Bay. The tape will include such things as: vessel boarding procedures, use of survival gear, small boat handling in rough seas, and officer safety related to on board contact with fishermen.

May 25 The Field Operations Commander arrives in Bristol Bay. Captain Swackhammer, Commander of the Detachment which includes the Bristol Bay fishing grounds, is assigned the responsibility of acting as the Field Operations Commander (FOC) and will coordinate activities in the field such as:

- intelligence
- communications
- logistics
- equipment/supply needs
- general supervision
- other

*Some activity dates are firmly established at this time. These events will be noted with the word 'will' being underlined.

The Field Operations Commander will remain in the Bristol Bay area as long as needed.

May 29 — All personnel will have viewed the training tape by this date.

June 1 — Corporal Schadle and Trooper Whitaker, Alaska State Troopers, will arrive in Bristol Bay (Schadle to King Salmon, Whitaker to ~~Dillingham~~ King Salmon). They will each fly a Department of Public Safety Super Cub throughout their respective areas. It is expected that they will make considerable personal contact with the people in the area while in uniform. They will be gathering and giving information during their travels with the main objective being high visibility of uniformed Troopers. DILLINGHAM

June 1-7 — Commercial king salmon fishing starts in the Dillingham area. The increased fishing for kings last year is believed to have been a result of the forecasted strike. No strike related problems developed during this period last year.

June 8-10 — Alaska State Trooper personnel selected to participate in the effort will begin to arrive in Anchorage for staging and eventual en masse movement to Bristol Bay.

June 1-10 — Fish and Wildlife Protection will be utilizing an Alaska Department of Fish and Game 32' vessel for enforcement in Bristol Bay. The vessel will be available only until June 10 as of now.

June 10 — Red salmon fishery opens.

June 10 — Eight Troopers will be sent to Bristol Bay if needed. Selected personnel will fly as a unit in a chartered twin.

June 10 — Two chartered float equipped helicopters will be sent to Bristol Bay from Anchorage. On board will be three additional Alaska State Trooper personnel:

- Trooper G. Hooper; video
- Trooper G. Lewis, video
- Trooper J. McGhee, MEDIVAC

Department of Public Safety video equipment will be used continually in the area and the taping of fishing related activities will be made obvious in an effort to prevent potential violent conduct. Trooper McGhee will serve as the Department of Public Safety on site medicial technician.

June 15-18 — MV Vigilant will arrive in Bristol Bay.

June 22 Projected run will start to peak.

July 4-7 Actual run peaks (based on past years).

Aircraft Transportation to Bristol Bay

Of the fixed wing equipment available, Ray Tremblay has recommended utilizing the Volpar twin to transport the eight Alaska State Trooper personnel to Bristol Bay. This aircraft can be chartered from Troy Air in Anchorage. It will carry eight passengers plus gear to the area in approximately one hour at a cost of $430.00 plus 5% tax.

One Department of Public Safety Grumman Goose will remain on standby in Kodiak for use in the area as needed.

On Site Aircraft Transportation

Two Department of Public Safety Super Cubs will be available for use by Alaska State Trooper pilots as needed. Fish and Wildlife Protection will make the necessary provisions to see that the 100 hour maintenance requirements, if needed, can be performed in the field with no more than approximately six hours "down time."

Helicopters

Bell Jet Rangers on floats can be obtained through Alaska Helicopter at a cost of $375.00 per hour plus fuel (burn rate approximately 35 gallons per hour). A minimum of three hours per day must be guaranteed. Flight time to King Salmon is one and one half hours.

All aircraft used in the operation will be clearly marked as State Trooper aircraft.

Watercraft

There will be three Boston Whalers (17, 19, and 21 feet) available. The Vigilant will be carrying a shore boat also.

Liaison with U.S. Coast Guard

Commissioner Nix is presently working on identifying the role which the Coast Guard expects to play.

Communications

Presently there is a VHF transceiver at the Fish and Game facility in King Salmon. There is also a single side band unit. Captain Swackhammer is working with the Division of Communications in assessing the engineering/labor needs in order to make existing Department of Public Safety equipment (i.e., MX 360 portables) compatible with the King Salmon repeater.

Ground Transportation

Captain Swackhammer will arrange for needed vehicles.

Meals/Lodging

Existing costs and insufficient dining facilities in the area may necessitate providing one meal charge per day in addition to allowing a $21.00 per day meal allowance.

An Alaska Department of Fish and Game bunkhouse in King Salmon will adequately house all participating Alaska State Trooper personnel. Department of Public Safety has been authorized priority use.

The availablity of facilities at Clark's Point and Egegik will be assessed by Department of Public Safety personnel.

Dillingham Fish and Wildlife has a three bunk facility which may have one bunk available to Alaska State Troopers during the period in question.

While it appears now that the likelihood of another stike by fishermen in Bristol Bay is minimal, the preparations and planning now underway by the Department of Public Safety should have a substantial impact on minimizing the ability or desire of participants in the fishery to generate violent or other unlawful conduct should a strike occur.

WHY HERE?

Prisoner Handling

I. Felony Arrests

?eg.?

Individual(s) arrested for a strike related felony will be flown to Anchorage as soon as possible to minimize the risk of such a person being able to incite others to violence. Corporal Schadle is the designated pilot should this be necessary.

II. Misdemeanor Arrests

Misdemeanor arrests will be handled by either the King Salmon or the Dillingham magistrate.

III. Mass Arrests

Captain Swackhammer will have a twin aircraft on standby to be utilized for mass prisoner movements. This aircraft may be as large as a ten place Navajo but no smaller than a Beech Baron. In the event of mass arrests, the prisoners will be flown directly to Anchorage.

IV. Existing Prisoner Holding Facilities

Presently there is a four prisoner facility at the Dillingham Jail and a two prisoner facility in Naknek.

V. District Attorney's Office

District Attorney Larry Weeks will assign one member of his staff to Bristol Bay if needed.

Attachment

ATTACHMENT

Additional Equipment:

Based on the projected use of fourteen Alaska State Trooper personnel, the following additional equipment will be needed:

03	Float coats	@ $46.45 each	$139.35
06	Pair hip boots	@ $30.45 each	$182.70
*14	Heavy duty rain trousers	@ $44.95 each	$629.30
*14	Heavy duty rain jackets	@ $48.95 each	$685.30

The Imperial survival suit is available through Alaska Marine at $299.00 each. They normally carry 12 suits in stock during the spring. Allow one week for delivery from Seattle.

*Helly-Hanson (Norwegian Made)

Alternative Fixed Wing Twins:

Troy Air:

Navajo six plus gear, $975.00 plus 5% tax.

Anchorage Airways:

Cessna Titan, up to eight passengers but limited gear, $325.00 per hour dry. Burns 30 gallons per hour, two hour trip.

Evergreen:

Twin Otter, 15 passengers, $2,400.00, one and one half hour flight time.

Jet Alaska:

Lear, six passengers, $1,800.00, 45 minutes.

10	11	12	13	14	15	16
*LOCAL AND SOME OUT OF STATE FISHERMEN PREPARE BOATS AND EQUIPMENT					*PSA TRAINING TAPE FINISHED	
*ONGOING INTELLIGENCE GATHERING BY C DETACHMENT PERSONNEL						
24	25 *FOC ARRIVES IN B.B.	26	27	28	29 *ALL DPS PERSONNEL HAVE VIEWED TAPE	30

JUNE

	1 *AST PILOTS ARRIVE B.B. *KING SALMON FISHERY BEGINS *ADF&G 32' ARRIVES B.B.	2	3	4	5	6
7	8 *PARTICIPATING AST PERSONNEL ARRIVE ANCH. FOR STAGING	9 *PSA PERSONNEL ARRIVE ANCH	10 *AST PERSONNEL DEPART FOR B.B. IN FIXED WING & HELICOPTERS *RED FISHERY BEGINS *MOST FISHERMEN ARRIVE	11	12	13
14	15 *VIGILANT ARRIVES IN BRISTOL BAY	16	17	18	19	20
21	22 *RED FISHERY BEGINS TO PEAK	23	24	25	26	27

JULY

			1	2	3	4 *RED FISHERY PEAKS

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

P6 #

MEMORANDUM

TO: Senator Jalmar Kerttula
President of the Senate

FROM: Senator Arliss Sturgulewski
Chairman, Hearing Committee

Senator Pat Rodey, Chairman
Senate Judiciary Committee

DATE: March 27, 1981

SUBJECT: Bristol Bay Fishery Hearing Report

The Special Judiciary Hearing Committee was charged with conducting a series of fact-find hearings on the Bristol Bay fishery. The results of these hearings and recommendations for action were to be reported to the Senate.

The attached report summarizes the findings of the Hearing Committee and presents a series of recommendations for further action.

Al Gross, Chmn.

The report of the Governor's Bristol Bay Task Force is also attached.

The Special Judiciary Hearing Committee report makes the following recommendations:

Recommendation No. 1

Legislative support for the Department of Commerce and Economic Development's market study needs to be shown. Although the time frame for the current study is extremely short, the approach taken by DCED should provide a comprehensive picture of the existing Bristol Bay marketing structure and alternative types of price settlement.

Recommendation No. 2

Direct the Governor to prepare a plan for developing line agency capability to develop a similar understanding of the market system and market potential for all Alaskan fisheries. The plan for achieving this ongoing market analysis should be presented to the Legislature in January of 1982.

Recommendation No. 3

An analysis is needed of how other U.S. and foreign fisheries are organized, from the fishermen, processors, brokers through to the final markets. The purpose of this analysis is to develop an understanding of the various types of existing industry organization and what particular structures could be possible in Bristol Bay. Information developed through this study would be made available to fishermen, marketing associations, cooperatives and processors as well as the general public.

Recommendation No. 4

While efforts of the Alaska Seafood Marketing Institute are directed primarily at increasing the consumer's demand for salmon products, broader research on potential markets for Alaskan salmon and other seafood products needs to be done. Because of the industry's present focus on the Japanese market, there is little knowledge of alternative markets, locations and possible level of demand, both in the U.S. and abroad.

Recommendation No. 5

A program is required that provides assistance to local fishermen and fishermen's groups in actually contacting potential markets. The purpose of this program, whether done through an agency, through contract or through direct financial assistance to fishermen's groups, would be to facilitate contact between fishermen and potential buyers without regard to the type of marketing structure used. While initially focusing on Bristol Bay, the marketing assistance should be available for all Alaskan fisheries.

Recommendation No. 6

A review of the policy guidelines and performance of ARRC, CFAB, AIDA and the pack financing program should be undertaken to identify changes in their statutory direction that would make new domestic processing and marketing operations clearly eligible for these programs. This task might be best carried out by one or a combination of legislative committees.

Recommendation No. 7

The Legislature should direct the Governor to develop a list of public capital facilities required to support the expansion of the fishing industry and community needs in the Bristol Bay region. This list should be based on analysis of infrastructure needs in the region and should present a plan and coordinated approach among executive agencies to provide those facilities. The Governor's recommendations should be presented to the Legislature in January of 1982.

Recommendation No. 8

The Governor's supplemental appropriation request for the Department of Public Safety should be reviewed to determine if that request will provide support capabilities that will allow independence from private facilities and vessels. A supplemental appropriation to fund support services for the State Troopers should be considered on a priority basis for this fiscal year.

Recommendation No. 9 - Follow Up

As a final recommendation on legislative oversight, the Governor should provide the 1982 Legislature with a report on the use of the marketing study (Recommendation No. 1) during the 1981 fishing season and the activities of the Department of Public Safety in Bristol Bay this summer.

Attachments

BASIC PROBLEMS —
— FISH MARKETING — MOST RECS
— NEGOTIATIONS PROCESS

SENATE JUDICIARY HEARING COMMITTEE
Report and Recommendations
March, 1981

A special Senate Judiciary Hearing Committee was formed in late February to conduct a series of hearings on the Bristol Bay salmon fisheries and to report to the Senate its recommendations for both legislative and executive action.

Initially these hearings were to focus on two aspects of the Bristol Bay fishery: the State's role in the negotiating process and the public safety concerns related to the settlement of fish price negotiations. Hearings were conducted in Dillingham, and Naknek, with additional hearings in Juneau. The Governor's Bristol Bay Task Force was present at the Dillingham and Naknek hearings. Task Force Chairman Av Gross and Department of Public Safety Commissioner William Nix attended one of the Juneau hearings. (A copy of the Task Force Report is attached to this report.)

The following recommendations are drawn from the testimony of nearly 50 individuals at the three hearings. While the original concerns of the Hearing Committee were the State's role in the negotiating process and in maintaining public safety, it quickly became apparent that a broader approach to meeting Bristol Bay's needs was required to be effective. As the Governor's Task Force report states, much of the stress occuring in Bristol Bay is due to the changing nature of the fishery and the marketing structure. Because the end result of this evolution in the fishing industry is not known, State policies toward the Bristol Bay fishery should neither artificially restrict that change, nor force the adoption of any "new" system.

The recommendations of this report are organized under four topics: Market Study, the Changing Nature of the Bristol Bay Fishery, Capital Improvements and Public Safety. These recommendations provide a coordinated policy approach to Bristol Bay and, ultimately, to the changing nature of the domestic fishing industry Statewide, while maintaining a general concern for public safety and individual rights.

Market Study

Most of those testifying before the Committee recommended that the State fund an objective marketing study. People thought that such a study would allow fishermen to negotiate on a more equal footing with the processors, and would be of most benefit to the majority of Bristol Bay fishermen who regularly fish for the large, established processors. This market study would at a minimum analyze the market for salmon, wholesale prices and trends, effect of pack sizes on prices, and changes in the costs to fishermen and processors

C

in producing their products. The result would be a recommended range of ex-vessel prices that could be paid for salmon, by type of product (fresh, forzen, canned). Alternative types of price settlements mentioned during the hearings, such as price indexing, percentage of wholesale price and sliding scale agreements should also be considered.

This market price study, as brought out in public testimony, is actually needed in all Alaskan fisheries. The Bristol Bay study could be the first step in the development of an understanding of market conditions related to each of the fisheries in Alaska. In the long run, it is necessary for both the State and the domestic industry to understand the nature of markets for bottomfish, general fish products (fish meal, fish sticks, etc.), crab and herring as well as salmon. With this knowledge, the State is in a better position to create programs to effectively involve Alaska, and Alaskans, in the utilization of the State's fishery resources.

The Governor's Bristol Bay Task Force has announced that the Department of Commerce and Economic Development will have a Bristol Bay market study done by May 15, 1981. The study is to describe the actual inventories, sales, processes and final destination of Bristol Bay red salmon; identify firms and describe the structure used in marketing and distributing these products; describe processing done after the salmon leave Alaska; describe existing demand for Bristol Bay salmon, including sales promotion efforts; relate demand to alternate sources of salmon; explain how prices are set for Bristol Bay salmon, including the effect of financing mechanisms and production costs; and present an analysis of market demand, identifying a range of wholesale prices related to different levels of salmon catch.

Recommendation No. 1

Legislative support for the Department of Commerce and Economic Development's market study needs to be shown. Although the time frame for the current study is extremely short, the approach taken by DCED should provide a comprehensive picture of the existing Bristol Bay marketing structure and alternative types of price settlement.

Recommendation No. 2

Direct the Governor to prepare a plan for developing line agency capability to develop a similar understanding of the market system and market potential for all Alaskan fisheries. The plan for achieving this ongoing market analysis should be presented to the Legislature in January of 1982.

Changing Structure of the Bristol Bay Fishery

Several individuals testified as to the changing nature of the fishing industry in Bristol Bay. There appears to be a general feeling that much of the tension in the Bristol Bay fishery is actually due to this change in the structure of the industry. One component of this change is the desire by many local fishermen to develop a new, locally controlled means of marketing their fish as an alternative to the established processing plants. At the same time, most fishermen in Bristol Bay are linked closely to those large processors; cannery fishermen enjoy the benefits of credit, boat storage, ready access to supplies and other benefits in exchange for fishing only for a single processor. Fishermen who violate this unwritten agreement by selling their fish for a higher price to a different processor often find themselves both without a regular buyer and without the benefits of a cannery fisherman.

Fishermen may be unable to actually find markets or make connections with representatives of markets that might otherwise purchase their fish. It was reported to the Committee that there are currently an estimated 125 fishermen who have no markets for their fish. Other fishermen who do manage to organize and find potential markets for their fish outside of the established system report an inability to get their operations "off the ground," due to a lack of front end financing.

In addition, a number of those that testified thought that present State programs involved in fisheries, such as the Alaska Renewable Resources Corporation (ARRC), the Commercial Fishing and Agriculture Bank (CFAB) and the pack loan program, did not provide support for new marketing/processing operations. While some people thought that these State programs were purposefully oriented toward the existing processors, others felt that the inability to use State programs to develop new or expanded processing activities by domestic organizations was a result of unclear policy directions to those programs.

A number of very specific changes in existing State programs were suggested during the hearings. These suggestions ranged from requiring ARRC loans to be made only to wholly-owned Alaskan firms on one hand, to requiring processors to sign a price settlement with fishermen in order to be eligible for ARRC, CFAB or pack loans.

On the whole, people identified the State's role in this changing industrial setting as providing the catalyst for new developments in the industry. This would be accomplished through ensuring easier access to ARRC, CFAB, pack loans and

other funds to be used by new processing operations for organizational, front-end or operating costs prior to the sale of their products.

Recommendation No. 3

An analysis is needed of how other U.S. and foreign fisheries are organized, from the fishermen, processors, brokers through to the final markets. The purpose of this analysis is to develop an understanding of the various types of existing industry organization and what particular structures could be possible in Bristol Bay. Information developed through this study would be made available to fishermen, marketing associations, cooperatives and processors as well as the general public.

Recommendation No. 4

While efforts of the Alaska Seafood Marketing Institute are directed primarily at increasing the consumer's demand for salmon products, broader research on potential markets for Alaskan salmon and other seafood product needs to be done. Because of the industry's present focus on the Japanese market, there is little knowledge of alternative markets, locations and possible level of demand, both in the U.S. and abroad.

Recommendation No. 5

A program is required that provides assistance to local fishermen and fishermen's groups in actually contacting potential markets. The purpose of this program, whether done through an agency, through contract or through direct financial assistance to fishermen's groups, would be to facilitate contact between fishermen and potential buyers without regard to the type of marketing structure used. While initially focusing on Bristol Bay, the marketing assistance should be available for all Alaskan fisheries.

Recommendation No. 6

A review of the policy guidelines and performance of ARRC, CFAB, AIDA and the pack financing program should be undertaken to identify changes in their statutory direction that would make new domestic processing and marketing operations clearly eligible for these programs. This task might be best carried out by one or a combination of legislative committees.

Capital Improvements

As stated by the Governor's Task Force, the full utilization of the Bristol Bay Fisheries resource is a major State concern. The development of new and expanded markets and marketing structures is one aspect of increasing the utilization of Bristol Bay salmon.

However, access by fishermen and new industry operations to this resource requires a range of facilities to support their activities. These facilities include boat harbors, ocean and industrial docks, water supplies, airports, airport industrial areas and roads.

At present, public and private facilities in the Bristol Bay region lack the capacity to handle new developments in the local fishing industry. This, in effect, creates a barrier to the establishment of new marketing operations, new processors, and to the ability of local fishermen to find alternatives to the storage, repair and support services offered by the existing processors. Simply locating land upon which to build private industrial facilities is difficult, although this situtation may change with the shift in ownership of large tracts of land to the local Native corporations.

In short, the natural evolution of the fishing industry in Bristol bay will require basic investment in public infrastructure. A number of individuals testified that fishermen had no place to keep their boats during the summer and no place to unload fish or store equipment. New processors also have no dock space for their operations, are faced with community water systems unable to supply their needs, and under-developed airport facilities that create delays in the transport of fish to markets. The physical difficulty local fishermen and organizations have in getting their products to market undoubtedly affects the ability of those interests to make commitments to potential markets.

Because of the level of industry activity in Bristol Bay, local residents cannot understand the State's apparent disinterest in developing basic facilities in their region. As one individual stated before the Committee, it seems common sense to provide for the infrastructure needs of Bristol Bay's proven natural resource industry on at least an equal basis to the State's assistance in providing infrastructure for unproven renewable and nonrenewable resource developments.

The Department of Transportation and Public Facilities is currently funding a study of the transportation facility needs of Southwest Alaska, including the Bristol Bay region. Transportation facility needs related to both industry activities and community growth will be identified in this study. The estimated completion date for this regional transportation study is June, 1981.

Recommendation No. 7

The Legislature should direct the Governor to develop a list of public capital facilities required to support the expansion of the fishing industry and community needs in the Bristol Bay region. This list should be based on analysis of infrastructure needs in the region and should present a plan and coordinated approach among executive agencies to provide those facilities. The Governor's recommendations should be presented to the Legislature in January of 1982.

Public Safety

One of the Committee's initial charges was to listen to the Bristol Bay residents on the relationship of public safety to the settlement of price disputes. A significant volume of testimony was received on the use of threats and "scare tactics" in the negotiating process. In addition, a number of people testified that the fishermen feel under extreme pressure to ensure a unified approach to price settlement, because the majority of fishermen have no alternative market to the existing processing operations. Fishermen feel that they have to speak with a single unified voice to be effective within the present system.

As market alternatives develop, the emphasis on maintaining the appearance that fishermen are of a single, unified mind will decrease. Different groups of fishermen will be able to develop their own markets and marketing systems. Witnesses testified that changes in the nature of the Bristol Bay fishery will result in more ex-vessel price competition by processors and in a reduction in the use of threats and intimidation in the settlement of price disputes. Individuals or small groups of fishermen will be able to settle for a price they feel acceptable, without appearing to undercut other fishermen's organizations or markets.

However, until the majority of fishermen feel that they have some market flexibility and have the opportunity to control their own position in a more differentiated marketing system, the use of pressure tactics to encourage conformance to marketing association negotiations is likely to continue.

There will be a continuing need for public safety presence in Bristol Bay. The State's public safety effort must be related to the enforcement of existing laws, without purposefully intervening in the negotiating process itself. In general, a low profile coupled with a workable contingency plan will meet public safety needs while minimizing public reaction simply to the visible presence of public safety personnel.

In order to remain as objective as possible in appearance in its public safety mission, the Department of Public Safety should provide its own support services and remain independent of all parties in the negotiating process. The lack of departmental boats and equipment during the 1980 season resulted in State Troopers being placed on barges and facilities operated by the processors. This lack of support capability decreased the ability of the Troopers to carry out their duties, in that they lacked the mobility to respond. In addition, placing individual Troopers on private property was interpreted by some fishermen as a demonstration that the State was more interested in protecting the processors than in protecting the general public safety. This situation should be avoided in the future, if at all possible.

The Governor's Bristol Bay Task Force has recommended that the Department of Public Safety develop a contingency plan for the 1981 Bristol Bay fishing season. The Governor will submit a special appropriation request to the Legislature to fund additional manpower and support services for this coming season. Both Public Safety's contingency plan and the supplemental appropriation request are included in the Task Force Report.

Above all, the State should emphasize that public safety must be maintained in Bristol Bay, as in other parts of the State. The present legal system defines the "unacceptable use of force and pressure tactics." It is important that these laws be enforced equally in all parts of the State and on behalf of all the citizens of the State.

Recommendation No. 8

The Governor's supplemental appropriation request for the Department of Public Safety should be reviewed to determine if that request will provide support capabilities that will allow independence from private facilities and vessels. A supplemental appropriation to fund support services for the State Troopers should be considered on a priority basis for this fiscal year.

Recommendation No. 9 - Follow Up

As a final recommendation on legislative oversight, the Governor should be provide the 1982 Legislature with a report on the use of the marketing study (Recommendation No. 1) during the 1981 fishing season and the activities of the Department of Public Safety in Bristol Bay this summer.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF PUBLIC SAFETY

OFFICE OF THE COMMISSIONER / POUCH N – JUNEAU 99811

February 25, 1981 465-4322

The Honorable Joseph Chuckwuk
House of Representatives
Pouch V
Juneau, AK 99811

Dear Representative Chuckwuk:

In response to your letter of concern on the past and future of this Department's position related to the Bristol Bay salmon season, at the outset, the Department will continue to follow its mandate, as it has in the past, of taking such action as necessary to preserve law and order and to protect the lives and property of all Alaskans.

As I am sure you are aware, confrontation begets violence. If confrontation does exist and a deterrent to violence is present during that time to prevent or reduce its capability of occurring, the results are less severe than stopping the violence once it occurs.

The Department's action as related to Bristol Bay was primarily that of deterring the violence that was ever present during the confrontation that existed between fishermen and processors as well as fishermen and fishermen at the time of salmon price negotiations in that area.

The information you requested as related to actual cases in the Bristol Bay area is as follows:

Criminal

Data covers Bristol Bay area for April through July of each year.

	1978		1979		1980	
	Off.	Arrest	Off.	Arrest	Off.	Arrest
Homicide/Manslaughter	1	1	1	1	Ø	Ø
Rape	1	1	Ø	Ø	Ø	Ø
Aggravated Assault	Ø	Ø	5	3	8	5
Burglary	5	1	6	1	12	1

12-L2LH

Larceny	27	2	5	2	17	1
Other Assaults	9	5	5	2	4	1
Vandalism	9	1	6	4	12	2
Weapons	1	1	2	2	1	0
Disorderly Conduct	3	2	2	2	17	6
Arson	ø	ø	1	1	ø	ø
All Other Offenses	35	8	20	6	39	7
Total	91	22	53	24	110	23

Fishing Citations Issued

Commercial	60	91	26
Sport Fishing	3	9	2
Total	63	100	28*

*Note: 1. In 1980 there were no closed water restrictions.

2. In 1980 Fish & Wildlife Officers assigned to land, boat, and aircraft in the Bristol Bay area concentrated on necessary peace keeping activities.

The Department's enforcement intelligence indicated that the prospect of violence in the Bristol Bay area during the 1980 salmon price negotiations was real, and covert and overt acts were committed to substantiate that information. As a result, the Department in its role of crime prevention elected proaction rather than reaction. The outcome related to our presence to reduce the possibility of violence in Bristol Bay was obviously effective.

The position this Department will take in the upcoming 1981 Bristol Bay salmon price negotiation will be a reflection of conditions that prevail during that time and will be solely based on a level necessary for peace keeping and the protection of life and property.

Sincerely,

William R. Nix
Commissioner

cc: Governor Hammond
Senator Pat Rodey
Senator George Hohman
Mr. Avrum Gross

25 Feb 81
5:25 PM
Phone conversation w/ Commissioner Nix / says he will not provide information! Jae

Alaska State Legislature

House of Representatives

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

February 13, 1981

Commissioner William R. Nix
Alaska Department of
Public Safety
Pouch N
Juneau, Alaska

Dear Commissioner Nix:

I am extremely concerned about the upcoming Bristol Bay salmon season and the role that the Department of Public Safety may pursue during the negotiations over salmon prices between the fishermen and the processors.

Governor Hammond is quite concerned himself; in fact, as you know, he appointed Avrum Gross, one of his close political advisors, to head a special task force of which you are a member. The Task Force is to analyze the problems, as perceived by the Governor, that arose last summer and to make certain recommendations to ensure that those problems do not reoccur.

Since your department maintained a high profile during the fishing strike in the Bay area, I would like to know what you, as Commissioner, think happened in Bristol Bay last summer regarding violence, and, certainly, I would like to hear of your concerns regarding this summer's season.

Your department must be aware of specific acts of violence, since the Governor has become so concerned that he has entertained the idea of amending the commercial fisheries limited entry law to provide for the revocation or suspension of permits for those convicted of committing certain crimes during strikes. I would like you to enumerate the specific acts of violence you are aware of that occured in the Bay. How many arrests were made by your department during the strike? How many persons were prosecuted? How many persons were convicted of committing acts of violence during the last season? (I am looking for solid facts.)

To entertain an extreme idea such as the revocation or suspension of permits, the Governor, in his concern over violence, must be relying on data compiled by your department, or at the very least, he must have been given reports of violence that have been substantiated by your department.

I certainly don't condone violence, but the prospect of revoking or suspending fishing permits is questionable. You can recite the numerous laws designed for public protection. There is no shortage of criminal laws; the issue is simply one of enforcing those laws already on the books.

I would appreciate a quick reponse to the questions that I have posed to you. As I have already said, I am extremely concerned about how the administration perceives the potential problems that may arise in Bristol Bay this summer.

Sincerely,

Representative Joseph Chuckwuk

cc: Governor Jay Hammond
Senator Pat Rodey
Senator George Hohman
Mr. Avrum Gross

JC/ah

P. 7-9
2-1-3

BRISTOL BAY HEARINGS
REPORT

The following document was prepared and released in two stages. It is intended to provide background for the recommendations made to Senate President Kerttula on the Bristol Bay Fisheries.

CONTENTS

1.) Hearing report from Dillingham and Naknek

2.) Hearing report from Juneau

3.) Written testimony and documents presented to the committee

4.) The Governor's Bristol Bay Task Force report

1. BRISTOL BAY HEARING REPORT

DILLINGHAM/NAKNEK

PURPOSE

For the purposes of this report, subjects have been consolidated and selected quotations used to illustrate the concerns and perceptions of individuals appearing before the committee. The report does not attempt to present the Task Force's views or comments during the hearing, but rather to let the individuals in Bristol Bay express their concerns in their own words.

This is not a final report. Additional hearings will be held in Juneau on March 16 on the same subject.

INTRODUCTION

On January 28, 1981, Senate President Jay Kerttula requested Senator Pat Rodey, the Judiciary Committee Chairman, to examine the public safety problems which occurred in Bristol Bay during the 1980 salmon season price dispute.

After a preliminary examination, it became clear that the public safety problems could not be divorced from the greater issues of price negotiation and resource utilization, and so the scope of inquiry was enlarged to adequately address the problem.

Senator Rodey was contacted by Avrum Gross, the Governor's appointed director of the Bristol Bay Task Force, about working together on the matter. Senator Rodey agreed to do so in order to speed the hearing process and to avoid unnecessary duplication of effort.

Senator Sturgulewski, Chair of Legislative Budget and Audit, was appointed chair of the Bristol Bay hearings, with Senator Hohman invited as the representative of the District.

Several members of the House representing fishing constituencies also expressed an interest in participating in the hearings, with the House delegation composed of Representatives Chuckwuk and Hurlbert.

The hearing board attending consisted of:

Senator Sturgulewski, Chair
Representative Hurlbert
Representative Chuckwuk

Representing the Governor's Task Force were:

Avrum Gross, Director
Commissioner Nix, Public Safety
Commissioner Skoog, Fish and Game
Commissioner Webber, Commerce & Economic Development
Commissioner Williams, Commercial Fisheries Entry Commission
Mike Whitehead, Governor's Office

HEARINGS

The initial hearing was held in Dillingham on February 28, from 6:30 p.m. to 10:30 p.m. The hearing was attended by approximately seventy individuals and reached a larger Bay audience by being broadcast over KDLG of Dillingham.

The committee heard testimony or questions from:

Joe McGill	Val Nick Angasan
Andy Golia	Lyman Smith
Joe Clark	Jim Bingman
Jerry Libof	Dave McClure
Fred T. Angasan	Mark Seger
Mitch Kink	Thomas Crandell
Kay E. Larson	Dorothy Hummer
Robin Samuelson	Leon Branswell
Jack McBride	Carl Larson
Laura Schroeder	Stan Small

The second hearing took place in Naknek on March 1, from 12:15 p.m. to 3:30 p.m., and was attended by approximately thirty individuals.

The committee heard testimony or questions from:

John Eckert	Mike Hakala
Mitch Kink	Anthony Balachi
George Gottschalk, Sr.	George Gottschalk, Jr.
Harvey Samuelson	Monty Handy
John Lundgren, Sr.	Allen Aspelund
Richard Johnson	Ralph Angasan

The following topic areas were repeatedly mentioned during the hearings in Bristol Bay as major concerns of local individuals:

Market Study
Processing Shortfalls
Infrastructure Needs
Pricing Concepts
Foreign Control
Public Safety Concerns
Seafood Marketing
Pack Lons, AARC, and CFAB

MARKETING STUDY

The single largest topic of discussion was the State's involvement in financing a comprehensive marketing study to provide information to fishermen and processors prior to price negotiations. Each individual who addressed this point cited the lack of data available to fishermen on world market conditions, although it was generally conceded that processors already had the information at their disposal. Typical comments on this subject included:

Andrew Golia (Dillingham): "I feel this study is highly important and could lead to an early price settlement in Bristol Bay. . I think the importance of this study is that it will give processors and fishermen a starting point in price negotiations this upcoming season."

Jack McBride (Dillingham): "A state-funded study by a firm that could supply credible information to both the fishermen and processors would go a long way to establish a price range within which both the fisherman and processor could feel comfortable to negotiate."

Allen Aspelund (Naknek): "I think if the state would have a similar method (State of Washington market survey) . . .I believe you will create for us fishermen a little trust. . .We don't know what's fair."

Val Angasen (Dillingham): "A study could be conducive for an early settlement, in that the state legislature, the people of Alaska, who the resource belongs to, might have an inkling of an idea whether or not price offers are fair or not fair."

PROCESSING SHORTFALL

Another major point of contention among fishermen is that processors purposefully hold down the number of fish processed, and therefore limit a fisherman's possible income. Bay fishermen firmly believe the state was misinformed on the total capability of processors for the 1980 run.

Mike Hakala (Naknek): "You will also hear the argument that you can get a low price and a lot of volume here in Bristol Bay but. . .they (processors) can't handle the fish. The day it opened they put us on a 6000 lb. limit . . .if that's handling fish, I sure in hell don't know what to say about that."

Kay Larson (Dillingham): "Last year there was also a lot of talk that fishermen should have been willing to take a low price for their fish and make the difference up in quantity. As fishermen who have worked with the canneries for many years, we knew this possibility would not be open to us. We knew that canneries would not increase their production and this proved to be true."

John Eckert (Naknek): "The processors in the Bay here can only process approximately 25 million fish. And on

large run years, they are not going to open up those canneries for any more fish than they can handle.

Mitch Kink (Dillingham): "They (processors) don't want all the fish. I think they said they could handle all the fish. . .if anybody here believes that if we would have went out on the first day of fishing that we would have caught 21 million fish, I think is a little wrong."

INFRASTRUCTURE NEEDS

An expressed concern of residents in the Dillingham area was the infrastructure needs of the community. Most individuals testifying on this topic believed that increased availability of transportation facilities would increase the likelihood of new processors coming into the Bay.

Lyman Smith (Dillingham): "The key thing here that keeps fresh market fisheries from really going is the lack of airport facilities. . .In addition to runways, we also need a parallel taxiway so there can be more than one aircraft operating on that airport at one time.

Laurie Schroeder (Dillingham): "It isn't easy for a new processor to come into Dillingham. . .We don't have lots of docks, we have one public dock that goes dry at low tide. . .We have a 100-boat boat harbor and we have 539 users. . .There are all kinds of things that hamper local fishermen."

Jack McBride (Dillingham): "Finding ways of lowering costs, such as transportation, is certainly another positive

action. Providing easily-accessible docks, improved runways and reasonable road systems would lower the cost of production."

Kay Larson (Dillingham): "Perhaps more competition on the processing side would make for a healthier industry. Competition in any industry is always healthy. State funding which would encourage the development of this competition could be a possible solution. Such funding should include new docks and airport improvements which would make it easier for new processors to come into the Bay."

PRICING CONCEPTS

A considerable amount of time was spent discussing the pricing structure of salmon, the method by which processors paid fishermen for their catches. Many fishermen were interested in establishing a base price for unprocessed fish, with a percentage of the final wholesale price being returned to fishermen.

Mitch Kink (Dillingham): "I think that a fisherman is worth 40% of what he gets as a final price from the wholesalers. . .I think we are worth that much in this industry."

Mike Hakala (Naknek): "I believe there should be a base price for salmon and I believe in a sliding scale."

Jim Bingman (Dillingham): "I think that this would be a good way for the state to help us if we had a base price and the canneries, the processors, could depend on this money (pack loans)."

Individuals testifying were about evenly divided on the question of the state's responsibility in setting a base price for unprocessed fish. Everyone concluded, however, that a comprehensive marketing study could provide the data needed to set a base price.

FOREIGN CONTROL

Considerable resentment towards foreign-owned processors was expressed by local residents, not only in the actual processing business but in marketing as well. Some individuals put it this way:

George Gottschalk, Jr. (Naknek): "At present there is no control over foreign ownership in the fisheries. For all practical purposes, the Japanese have a virtual stranglehold on Alaskan fishermen through market manipulation of all our fisheries products."

Jim Bingman (Dillingham): "I know the Japanese have taken over most of the canneries. . .I've watched them take over Togiak. They financed and got the processor. They got the processor to swallow the hook, then they jerked hard to set it. There's nothing the processor can do but step out and let the Japanese have it."

Thomas Crandell (Dillingham): "The marketing facilities are essentially controlled by the Japanese; there isn't an extensive marketing path for very much salmon into the domestic market."

PUBLIC SAFETY CONCERNS

Overall, the public safety problems encountered in the Bay during the 1980 season were downplayed by residents.

Most felt that the few violent acts that took place were distorted by the media. Some fishermen, however, did express concern that the Department of Public Safety overreacted to the potential for violence.

Fred T. Angasan (Dillingham): "Scare tactics by striking fishermen are mistaken by outside law enforcement officers and the press as acts of violence. For example, striking fishermen talking on their radio transmitters, saying things like telling how they would use guns if they had to, or possibly damaging a non-striking fisherman's net. These are not physical acts of violence, but simple scare tactics which is part of a process of expression in the development of an agreement leading up to a price settlement.

Joe McGill (Dillingham): "It's a sore point with a lot of people here that the Department of Public Safety to act as, I don't know if to call it goon gang for a lot of scab fishermen, that's the word everyone else uses, that did create a lot of hard feelings."

Joe Clark (Dillingham): "I felt threatened; this happened during the 1980 price dispute. Commissioner of Public Safety William Nix sent Trooper Carl Fraser to Clark's Point to inform my son, Kay Clark, and myself that if we harrassed the processors we could be arrested, confiscate our boats, and might even be made to lose our limited entry permits."

Several individuals asked whether the administration planned to introduce legislation that would enable limited

How true

→ ? unconstitutional to take property w/out due process of law

entry permits to be revoked for acts of violence committed on the fishing grounds. Without exception, fishermen believed this to be an unfair and unjustifiable additional penalty. ?

SEAFOOD MARKETING

The concept of promoting Alaskan seafood in domestic markets was widely endorsed during the hearings, as one positive step the state is taking for the fishing industry. Typical remarks included:

Lyman Smith (Dillingham): "I see this segment (fresh fish) as the weakest segment in the market. Where else in the world can you address the numbers of people that you can in the United States that have average incomes to afford this product in such numbers as you can in the United States; and I think that this deal (Alaska Seafood Marketing Institute) that the state has going on to get involved in promotion, the market is going to go a long way toward alleviating these problems."

Jack McBride (Dillingham): "Funding of programs such as the Alaska Seafood Marketing Institute is another positive way the State can involve itself. Obviously if the demand for salmon is high, the price will also be good."

PACK LOANS, AARC, CFAB

Many fishermen resented the State's financial involvement in the processing industry, not only with direct pack loans to companies involved in price disputes, but also through the Alaska Renewable Resource Corporation and the Commercial Fishing and Agricultural Bank loans.

Robin Samuelson (Dillingham): "Ball Brothers borrowed 4 or 3 million dollars from AARC, from the state, my money . . .and paid 40 cents to 35 cents and still haven't paid off their fishermen. . .I think that's criminal."

Joe McGill (Dillingham): "Last year, in my opinion, and I think the whole audience thinks the same way, our worst enemy was the state. In the first place, they financed a bunch of packers that won't pay the price and we couldn't even get them to the negotiating table to talk to them and discuss prices."

George Gottschalk, Sr. (Naknek): "I think the state should quit backing the processors. . .backing the processors up here buying 30-cent scab fish before the price is settled . . .The state backed Icicle Seafoods, and I don't know how many other foreign processors they backed."

Harvey Samuelson (Dillingham): "It (pack loans) should go to real American processors, not their buddies from across the sea. . .After they caught 700,000 fish (reference to 1981 High Seas catch), Jay Hammond shouldn't give them one penny."

Prepared by:

Kevin K. Bruce
Committee Aide
Senate Judiciary Committee
March 9, 1981

Written testimony presented to the Bristol Bay Committee is attached.

2. BRISTOL BAY HEARING REPORT
JUNEAU

INTRODUCTION

To conform with the initial Bristol Bay Hearing Report, the supplement report is organized in the same fashion.

Subjects examined have been consolidated and selected quotations used to illustrate the concerns of persons testifying before the committee.

Recommendations from the committee are not contained within this document, but will be made in the transmittal letter of both reports to Senate President Jalmar Kerttula.

HEARINGS

The hearing board in Juneau consisted of:

Senator Sturgulewski
Senator Rodey
Representative Chuckwuk
Representative Hurlbert

The Governor's Task Force was represented at the March 16th hearing by Avrum Gross and Commissioner Nix.

Two hearings were held in Juneau to conclude the committee's inquiry. The first was conducted on March 16th from 1:30 P.M. to 4:35 P.M. The hearing was attended by approximently forty individuals. The committee heard testimony from:

Rodger Painter
Sidney Smith
John Garner
Hank Ostrosky
Eric Eckholm
Jim Beaton
Mitch Kink
Archie Gottschalk
Ray Smith

The second hearing was held on the following Thursday, March 19, from 3:40 P.M. to 5:45 P.M. The committee heard comments from:

Val Angasan
Phil Daniels
Dean Paddock
Jack McBride
Sidney Smith
Chip Toma

ISSUES

PUBLIC SAFETY CONCERNS

The presence of violence on the fishing grounds was without a doubt the most hotly contested issue by all parties, and consumed a substantial portion of the hearings. As indicated

in the original hearing report (see attached), residents of Bristol Bay generally downplayed the issue during the hearings in Dillingham and Naknek. Other bay fishermen, notably those members of the Bristol Bay Fishermen's Marketing Association, presented a conflicting view of the situation. Their testimony indicated that violence, and intimidation was directed at fishermen harvesting salmon before the general price settlement, and was a dominate aspect of the season.

Both sides testified extensively on the violence issue in Juneau:

Jim Beaton -

"...I truly feel that one reason there is a lot of this downplay (of violence) is just purely fear and intimidation; no more and no less. I talked first-hand with some people who were closely involved in some of these incidents; one of them had a gun held on him, and one who had his fish thrown over, and I urged them to come forth....and he told me that he was afraid for his family and his kids..."

Dean Paddock -

"...I think there was a tremendous potential there for the lid to blow off; the potential of threat was great. I'm just thankful nobody got killed, and they could have. It was very close, a very iffy thing. I saw people behave irrationally, and I saw mob psychology working..."

John Garner -

"There's a gray area there and where you draw the line and where I draw the line may well differ between scare tactics and violence...We want you to know that there were many fishermen who sat on the beach out of fear for exactly the kinds of reasons that you will hear on the tape."

(Reference to a tape submitted by Garner, transcript attached.)

Chip Toma -

"...I find it highly ironic that the very same fishermen who made limited entry such an emotional issue in 1973 are doing the same to the legislature of 1981 regarding violence. They are the only fishermen who are dragging this line through the water..."

Roy Smith -

"I wasn't bodily drug off the grounds, but I was circled, told that my boat should be sunk, that I was on their list and that they had taken pictures of me, I was going to have my picture on their so-called bulletin board, that I would definitely not be forgotten."

(speaking about an incident at the Dillingham Boat Harbor)

"He did say later that he had a flare gun and I saw him throw the oil in the boat and said he wanted the captain to show himself and he was going to kill him, that he was going to tear his heart out. He said, "I'm going to count to 10 and if you don't show yourself I'm going to torch your boat."

Jack McBride -

"The violence issue began here in Juneau and, has been--and still is being--perpetuated right here in Juneau. Here in Juneau, is where you hear about the violence--not in Bristol Bay."

MARKETING STUDY

Again, as in the initial hearings in the bay area, considerable support was given to a state funded marketing study to provide information to fishermen and processors prior to price negociations.

Phil Daniels -

"Processors are much more sophisticated in dealing with the market. They know what's happening to a degree that the

fisherman can only speculate. That's the reason the marketing analysis is so important. You've got to have this information in the hands of the fishermen, and then maybe the fishermen will have a better opportunity to arrive at rational requests as far as price is concerned."

Rodger Painter -

"I'd like to emphasize that probably the best thing that the State could do is to provide some realistic analysis of world market for salmon, and I do think it's the State's responsibility."

Jim Beaton -

"First of all, of course, the marketing study; it really isn't to my advantage, but I don't have any problems with that. I think that it is probably a step in the right direction, providing that any one man could ever really understand the market."

Jack McBride -

"The state should also fund a study which would supply information which would be credible to both processors and fishermen. This study should include such things as, "how interest rates relate to the price fishermen get for their fish, what does the fresh frozen market do in relation to the canned market, how does the yen/dollar relationship effect the price of salmon, what does it cost to hold an inventory of salmon in anticipation of a higher price and how are other markets other than the Japanese effecting the price of salmon, and where can we find other markets."

Mitch Kink -

"A comprehensive study of World Markets for Bristol Bay sockeye salmon should be conducted by an independent economic consultant who does not work and has not worked for fishermen or processors to have a positive effect on an early settlement

of fish price in Bristol Bay the study should be completed by mid April. This means the process for implementation should be initiated as soon as possible."

FOREIGN CONTROL

Resentment towards the dominence of foreign-owned processors surfaced in Juneau, although not to the extent that it was expressed in Bristol Bay. Some individuals described it this way:

Archie Gottschalk -

"The marketing, financing, and processing aspects of the fisheries are predominantly controlled by foreign corporations, especially Japanese corporations: they determine the volume of salmon they want to pack, and as we have seen over the years, the price that they want to pay."

Hank Ostrosky -

"...The direct intervention by the state into the loaning practices of directing 75 million dollars to Japanese cartel instruments that undermined the price structure in Bristol Bay and created the tension."

PROCESSING SHORTFALL

Regardless of where individuals stood on other issues, a universal attitude in all hearings was that processors had a vested interest in not processing all available fish. Typical comments on the subject included:

Sidney Smith -

"The big issue that I see happened in 1980 was, all of a sudden, you've got a scare of saying that the market was going to be over-flooded which was correct. Japan only needs about 22 million to provide for their whole marketing system. Anything above that is excess."

Jim Beaton -

"...everything is on the side of the processor, don't

kid yourself there; the longer they go, the less volume; the better they are going to come out on their pack anyway. The whole thing is almost a stacked deck."

Phil Daniels -

"The industry estimated that they could process 37.1 million fish. I'm not sure those figures are correct, but I believe in a year when you have such substantial surpluses of fish, as we had last year; we're looking at 40 million sockeye coming back in Bristol Bay alone, there's every reason to suspect that many processors simply didn't want to harvest all that product."

Mitch Kink-

"...when a company has said that they have put 50,000 cases, this year they are going to put up 60,000 cases whenever they can, they have got so many boats, they are going to catch so many fish, I think this is poppyrot."

INFRASTRUCTURE

As would be expected, infrastructure needs of Dillingham were not discussed extensively in Juneau, however two individuals stressed those concerns like this:

Chip Toma -

"Implement some of the transportation improvements in Bristol Bay that will assist fish movement; airport lengthening and repair, docks and roads. This will increase healthy competition in addition to the ability to process more fish."

Jack McBride -

"Finally there are many shortcomings in the local infrastructure of Bristol Bay. These would include lack of docks, lack of adequate runways, lack of decent roads, lack of land, lack of harbors, even lack of access to adequate land."

STATE ROLE IN NEGOTIATIONS

Several persons feit that the state was not going far enough in its perceived role in Bristol Bay negotiations. Comments varied in scope, but many individuals expressed a belief that, without active state involvement, the industry would lack the means to overcome the procedural problems of negotiations.

Rodger Painter -

"Why have there been plans formulated to deal with violence in Bristol Bay when nothing has been done to head off a confrontation? I think the state has taken the wrong approach to this situation and should be trying to solve the problem up there, not to deal with a potentially-violent situation."

Val Angasan -

"The administration,...they haven't offered to step in and play a real part in the management of that resource."

Jim Beaton -

"I frankly would like to see the other things I mentioned: the vertical integration, the cooperative venture, the check and balance system that would prevent all of this stuff from happening, in lieu of the police force going up there...but until that comes about, and I don't see it coming about this year, I don't see where we can do anything except create at least an atmosphere where people will not be killed."

Mitch Kink-

"Set provisions for successful negotiation from free negotiation with deadlines, to mediation, to binding arbitration. The party that does not follow these provisions and deadlines as set down by the State of Alaska should be penalized.

Phil Daniels -

"The idea that we are going to have some prevailing, rational solution occur if it's simply left up to the fishermen

and the processors does not seem, to me, reasonable. I do not think we are going to reach a solution in Bristol Bay unless the State takes a real interest in this negotiating process.

Prepared by:

Kevin K. Bruce
Committee Aid
Senate Judiciary Committee
March 25, 1981

Written testimony or documents presented to the committee are attached.

PART 3.

Written testimony and documents presented to the Committee

TESTIMONY

presented to

JUDICIARY COMMITTEE
&
GOVERNOR'S TASK FORCE

in
Dillingham, Alaska

on
February 28, 1981

TESTIMONY

of

Kay E. Larson
Deputy Director
Bristol Bay Native Association

There are many kinds of people who participate in the Bristol Bay commercial salmon fishery. There are the doctors and lawyers who take a month's vacation from their regular jobs and fish for a "change of pace." These doctors and lawyers are, of course, happy if they can make a profit in the fishery but don't mind too much if they loose money because that gives them a good tax write off.

There are the year-round fishermen who follow the fish from California to Kotzebue. Although these fishermen are looking for a profit in the Bristol Bay fishery, they can stand a loss because they have incomes from the other fisheries in which they participate.

There are the few local fishermen who fish during the summer and then work all winter. These fishermen are also looking for a profit in the fishery but can survive on their winter jobs.

But the majority of our local fishermen have absolutely no other alternatives available to them--their entire year's income is derived from the commercial salmon fishery here in Bristol Bay. They are 100% dependent on the fishery because there is very little employment in the villages. The employment that is available is mostly provided through BBNA's CETA program (and I'll speak about our federal programs later). These fishermen, who are 100% dependent on the fishery, have a very different view of the fishery than that fisherman who comes here for a vacation and a tax write-off. The decisions

you make about the fishery should be based on these 100% dependent fishermen.

In 1977, the price of fish was 59 1/2¢ per pound and the price of gasoline was 60¢ a gallon. During that time, a fisherman could buy a good, new boat for $50,000. In 1980, fish were bringing 57¢ a pound. But gasoline had gone up to $1.25 a gallon and boats were up to $80,000 to $100,000. The price of fish has not kept up with our expenses.

There has been a lot of talk and concern expressed about canneries being able to make a profit. As fishermen, we are also concerned that canneries make a profit. Our future depends on them being healthy and we know it. BUT as fishermen, we, too, must make a profit. We cannot make a profit when our expenses are increasing at a much faster rate than our income. Economic returns to the fishermen must be considered as well as economic returns to the processors.

Last year there was also a lot of talk that fishermen should have been willing to take a low price for their fish and make the difference up in quantity. As fishermen who have worked with the canneries for many years, we knew this possibility would not be open to us. We knew that canneries would not increase their production and this proved true. Canneries have long operated with the "small grocer" attitude--a small amount of turnover in stock and their profit made on a resultingly large mark up. Processors have known for several years that the resource was on the rise. They should have changed their thinking to a "Safeway" attitude--a bigger turnover and profits based on quantity. Even though Fish and Game has predicted these good years, we have not seen a great deal of gearing up by the processors so that they would be ready for them. We have not seen Bristol Bay salmon advertised like "Charley Tuna." We have not seen the import of equipment to increase the lines in local canneries. In fact, we have not seen any gearing up in

preparation for these good years. We knew that processors would not be able to handle all of the fish and we knew that we could not make up the difference in price by selling more fish.

The State's idea of a market campaign to sell more Alaskan seafoods is a good one. It is a responsibility that processors have long avoided. Processors should have been out there a long time ago building up their markets and selling their products. In these days of greater amounts of salmon, processors should change their thinking from the "small grocer" to the "Safeway" attitude and get out there and really push their product.

The economic situation in Bristol Bay may become even more dependent on the salmon fishery than it is now. BBNA has been able to provide CETA jobs in the villages with federal funds. Although the wages under CETA are not comparable with a doctor's or lawyers' wages, the CETA job does provide survival during the winter. BIA General Assistance has also been a means of survival. With the present administration in Washington, D.C., we are anticipating cuts of more than $1 million in federal monies which go to the people in the villages either in CETA wages or General Assistance. With cuts this large, the fishery becomes even more crucial. The number of 100% dependent fishermen will grow and the amount of dependency on the fishery will increase.

Bristol Bay fishermen have made many sacrifices in the fishery through the years. When the resource was down, they sat on the beach and tightened their belts the following winter. In those years, market prices were up and margins of profit to the processors were large. Fishermen accepted a depressed price last year even though their operating expenses had continued to rise. After the settlement, market prices went up steadily which should have been a big help to processors. As fishermen, we are willing to make

some sacrifices but we cannot continue to be the ones making the biggest and longest sacrifices. During planning for the fishery or during price negotiations, the main concern always seems to be the viability and economic return to processors. Fishermen are businessmen, too, and their margin of profit must be taken into consideration.

Perhaps more competition on the processing side would make for a healthier industry. Competition in any industry is always healthy. State funding which would encourage the development of this competition could be a possible solution. Such funding should include new docks and airport improvements which would make it easier for new processors to come into the Bay. State funding should also include loans to newly developing processors. If the State will build new docks and improve our airports and will loan money to new processors, development of the fishery should be greatly encouraged. It appears that the only real answers lie with processors and a change in their attitude.

The decisions you are going to make will have a tremendous impact on the economic viability and returns to fishermen as well as processors. Please remember that fishermen are businessmen, too, and that their margin of profit must be taken into consideration.

Thank you.

A POSITION STATEMENT

BY THE

BRISTOL BAY NATIVE ASSOCIATION

TO THE

JUDICIARY COMMITTEE

AND THE

BRISTOL BAY TASK FORCE

"Violence Related to Bristol Bay Salmon Price Settlement"

My name is Fred T. Angasan. I am Executive Director of Bristol Day Native Association, and I have also been a commerical fisherman in Bristol Bay for twenty-eight years. Strikes related to salmon price settlement have occurred in Bristol Bay virtually every two or three years. Therefore a strike situation between the fishermen and the processors is not an unusial occurrence.

I have vivid memories of one particular strike that happened in nineteen-sixty-nine. This strike was unusual in the means the fishermen used to form a picket line. A picket line was formed by approximately four-hundred fishing boats, which stopped fishing boats from going out the Naknek River to the fishery. In this situation scows still crossed the picket line without inflicting damage to any of the fishing vessels. Fishermen that did cross the picket line to fish were treated in a hostile manner by the striking fishermen. One particular boat returned from the fishing grounds with a large load of fish. Striking fishermen boarded his boat and painted the word "SCAB" on his boat with black paint. This incident was significant as the next day the striking fishermen came to an agreement with the processors. This fisherman was not physically harmed, nor was his boat damaged. In all the twenty-eight years of my experience fishing in Bristol Bay, no outbreak of violence has ever occurred. Violent situations that have taken place were individual confrontations that usually took place in Naknek bars.

In the 1980 strike which became needlessly long and tense, a number of picket lines were formed on the Naknek

and Nuahagak Rivers by hundreds of fishing boats in front of the Witney-Fidalgo cannery, which lasted several days. The striking fishermen used this means to stop cannery tenders from delivering salmon to the processing facility. This situation was very similar to the nineteen-sixty-nine strike with the exception that in nineteen-eighty, fifteen Alaska State Troopers were dispached to the Naknek, Nushagak area. The Alaska State Troopers threatened the striking fishermen, stating that if violent situations did break out, they would confescate their boats, gear and fishing permits.

Scare tactics by striking fishermen are mistaken by outside law enforcement officers and the press as acts of violence. For example, striking fishermen talking on their radio transmitters, saying things like telling how they would use guns if they had to, or possibly damaging a non-striking fisherman's net. These are not physical acts of violence, but simple scare tactics which is part of a process of expression in the development of an agreement leading up to a price settlement The most serious problem in a strike are the scabs, not a direct confrontation with the processors.

The Alaska State Troopers and the media create violent situations by over reacting. Therefore in closing I caution the Judiciary Committee, and the Bay Task Force not to over react to the negotiation process or to strike situations. The Judiciary Committee and the Bristol Bay Task Force must stay within it's legal boundaries and confine it's efforts to the legal process and constitutionality.

STATEMENT BY

ANDREW GOLIA
COMMERCIAL SALMON FISHERMAN

Before the Bristol Bay Task Force

Dillingham, Alaska

February 28, 1981

Madame Chairwoman, Legislators, and Task Force and staff members, my name is Andy Golia, and I'm a resident of Dillingham, having been born and raised in this community. I'm a commercial salmon fishermen, and during the winter months, I work as an Economic Planner with the Bristol Bay Native Association, the regional non-profit corporation based here in Dillingham.

Over the last year, I've served as a board member for the Western Alaska Cooperative Marketing Association (WACMA). Currently, WACMA is in the process of their annual election of their board, and I have been nominated for re-election to the board. In any case, because of the current litigation between WACMA and the State of Alaska, my testimony does not reflect my feelings as associated with WACMA. My testimony only reflects my feelings as a commercial salmon fisherman.

Briefly, I'd just like to say that I believe the Task Force and you legislators here should immediately endorse and try to secure funds to complete a market conditions study on Bristol Bay salmon. There has been some discussion locally about this idea, and I believe that fishermen in Bristol Bay would agree to this concept. I feel this study is highly important and could lead to an early price settlement in Bristol Bay.

The study should be conducted by a national or international

marketing firm which is reputable in the area of fisheries. The firm that is selected to complete the study should be reviewed and endorsed by the majority of the Bristol Bay processors and the fishermen associations. Perhaps, at least three (3) or five (5) reputable firms should be recommended, and then a deadline set for one (1) to be selected to conduct the study.

The study should examine the current market conditions for Bristol Bay salmon on the world market, and make projections on the expected market conditions for salmon up to the 1982 commercial season. The study should reveal the market situation for Bristol Bay salmon in Japan, Europe, and the U. S. domestic market. In essence, the study should reveal a fair price that fishermen should get for canned and fresh/frozen salmon, taking into consideration all the different market factors on the world market.

The completion of this independent study should give an idea to the Task Force, the Governor's Office, and the State Legislature on who's being fair and unfair in the price negotiations between processors and fishermen. We have heard that Governor Hammond would work to allow foreign processors into the Bay if the domestic processors don't offer a reasonable price to the fishermen. Likewise, we have also heard that if the fishermen are demanding too high of a price, then he would attempt to get fishermen into the Bay who want to go fishing for a lesser price.

I think the importance of this study is that it will give processors and fishermen a starting point in price negotiations this upcoming season. At least it will give the processors and

fishermen something to work with. Most of all, it would point out who's being fair and unfair in the price negotiations here in Bristol Bay.

In conclusion, because of the time constraints, and if this Task Force and you legislators agree upon the study, to expediate things, I would establish a time frame for the processors and fishermen associations to review and comment upon the selection of a marketing firm. The study should also be accomplished as soon as possible.

That concludes my testimony.

Thank you.

March 1, 1981

Madam Chairperson:

At present there is no control over Foreign Ownership in the fisheries. For all practical purposes the Japanese have a virtual strangle hold on Alaskan Fishermen through market miniplation of all our fisheries products. Our laws are not able at present to regulate Foreign ownership percentages. I suggest the Legislature's both Federal and State seriously attempt to secure laws that would limit the amount of Foreign ownership in the companies that are supposed U.S. Corporations. With this in mind we as citizens would realize more of the true value of our Fisheries Resources.

At present under Foreign treaties they can arbitrally hold down fish prices onshore, say that we are not fully utilizing the fish and ask and most likely obtain an offshore allocation.

The Japanese government is the bank for their corporations involved in the fisheries, at present (I believe for 3%).

At our present 19½% prime interest rate and the exchange rate of yen per dollar, the Japanese Corporations really have our legitimate National Companies between a rock and a hard spot as far as competativeness is concerned.

Our Permanent Fund should be more aggressive in assisting companies that are wholly owned Alaskan or Domestic owned Corporations, that are interested in developing Domestic Markets.

Transportation is also a hinderance for the sake of total fisheries resource realization, special tariffs should be pursued.

Regional Boards should be established to handle Regional situtations as far as Management initatives are concerned.

At present it is unfair to ask a Statewide Board to make prudent decisions for such a large area as Alaska.

In cases such as a bumper or high cycle years especially in Bristol Bay, Foreign processors should be solicited for maximum use of our salmon resources and for the sake of increasing processing capabilities which would ultimately allivate much of our quality control and market problems.

George F. Gottschalk, Jr.
P.O. Box 132
Naknek Alaska 99633

STATEMENT BY JACK MCBRIDE
P.O. BOX 10222
DILLINGHAM, ALASKA 99576

Madam Chairman, Legislators, Members of the Task Force and Staff, my name is Jack McBride. I am the Manager of the Imarpik Regional Aquaculture Corporation.

First of all, we certainly want to thank all of you who have taken the time from your busy schedules to come here to Dillingham to listen to our concerns and suggestions. We know you'll go back to Juneau with a much better idea of our human feelings that would be impossible to express in letters and phone calls. We hope that you are bringing us a better understanding of the problems too, and some of the possible solutions.

We would like to let you know too, that KDLG has done an excellent job of informing the public of these issues, through, not only announcements, but also a number of discussions of the problems throughout this past week.

I'd like to quote from an article on page 19 in the July, 1980 issue of the ALASKA FISHERMAN'S JOURNAL which I have marked Exhibit A.

"The Japanese market has not collapsed nor are 1979 salmon inventories in Japan currently at abnormally high levels nor is the yen/dollar exchange rate the least unfavorable to Japan."

"As we reported last month in "Japan Marketplace," Japan is likely to import more salmon in 1980 than it did last year. The domestic catch in Japan is expected to be down sharply and last year's frozen inventories have been largely sold off."

This article was written by David Keene and Brent Evans who are both fluent in Japanese and have lived, studied, and worked in Japan. David Keene is a marketing consultant in Japan and represents a chain of Japanese seafood retaurants. Brent Evans had recently worked for two years at a Japanese economic research firm in Tokyo.

This issue of the ALASKA FISHERMAN'S JOURNAL would have arrived in most fishermen's mail box during the height of Bristol Bay's price negotiations. Do you think that if this was the information that you had available to you that you'd find it just a little hard to accept the fact that you were going to be paid 40¢ per pound for fish that you had got as high as $1.25 per pound one year earlier?

I think this points out that there were other facts in the "mix" or someone was misinformed or that indeed fishermen were not paid a reasonable price for their fish.

A State funded study by a firm that could supply credible information to both the fishermen and processor would go a long way to establish a price range within which both the fishermen and processor could feel comfortable to negotiate. This study should include information like the relationship of the yen to the dollar, interest rates, transportation costs, etc. This, I believe would be one positive way the State of Alaska could involve itself in a positive way.

Funding of programs such as the Alaska Seafood Marketing Institute is another positive way the State can involve itself. Obviously if the demand for salmon is high, the price will also be good.

STATEMENT BY JACK SCHULTZ
P.O. Box 10222
DILLINGHAM, ALASKA 99576

Finding ways of lowering costs such as transportation is certainly another positive action. Providing easily accessible docks, improved runways and reasonable roads systems would lower the cost of production.

Marketing alternatives could be explored that fishermen could apply in attempting to solve their marketing or market-related problems. These would include organized exchanges, vertical integration and joint ventures, marketing boards, and others.

I also believe that the Governor's Task Force or whatever instrument is established to correct these problems, should not be disbanded as different problems arise each year and each year requires a little different approach to the solution and a Task Force responsive to these needs may very well prevent problems such as occurred in 1980 Bristol Bay, the State, and indeed, the world cannot afford to waste in excess of 100 million pounds of salmon as we did in 1980.

Thank you.

Japan's dominance: realizing the US role

Brent Evans
&
David Keene

An Analysis

Alaska fishermen are being asked to bite the bullet this year on salmon prices. Justifiably, perhaps, but not for the reasons frequently repeated these days to fishermen. The Japanese market has not collapsed nor are 1979 salmon inventories in Japan currently at abnormally high levels nor is the yen/dollar exchange rate the least unfavorable to Japan.

As we reported last month in *Japan Marketplace*, Japan is likely to import more salmon in 1980 than it did last year. The domestic catch in Japan is expected to be down sharply and last year's frozen inventories have been largely sold off. Even allowing for a much higher than reported catch level from Russian waters, Japan will be looking to buy as much as 70,000 metric tons (1979 import total was 54,697 mt). Added to this, a sharply rebounding yen over the last two months has strengthened the buying power of Japanese seafood importers, making U.S. seafoods purchased with dollars less expensive.

With Japan's market conditions conducive to large volume imports in 1980, this year's sockeye prices reflect more the strong bargaining position of Japanese buyers than traditional fundamentals.

To be fair, it needs to be reiterated that 1979 was a very bad year for the Japanese seafood industry as a whole. Too much seafood was purchased at too high a price, and many firms, importers, wholesalers and retailers, suffered losses. Importers in particular are still being criticized in the Japanese press for speculative practices which further tarnished the industry's image with the Japanese public.

Anxiety in Japan caused by the adoption of 200-mile limits around the world had a lot to do with the prices they were willing to pay for U.S. fish in 1978 and 1979.

Last year's financial setbacks and public criticism have brought Japanese fish importers back to earth, leading to a reevaluation of both their bargaining position with the U.S. and the price they would pay for salmon.

In short, major Japanese buyers know that as long as the U.S. relies solely on them to buy, import and market fish in Japan, they can impose terms weighted strongly to their advantage.

When looking for someone to blame for the present hard times it is almost axiomatic that the accusing finger be pointed at Japan. Our complaints run something like: "It's no wonder we're not getting anything for our fish—the Japanese have a stranglehold on the whole industry," or "To get us hooked they come in one year offering to buy all our production at any price. Then once they have us where they want us they demand higher quality product at outrageously low prices. The big Japanese companies had it all figured out in advance. It's nothing more than out-and-out conspiracy."

Such complaints are noteworthy not for the amount of truth they are based on but for the disquieting traits they reveal about our trading position with Japan. Our relationship can be spelled out in three adjectives: adverse, passive and resigned.

The Japanese—adversaries or customers?

It is a paradox that we, the sellers, have come to regard the Japanese, the buyers, more as adversaries than customers. An adversary is someone you approach with suspicion, whereas a customer is someone you approach with the desire to serve. In dealing with an adversary you are primarily interested in his motives and how a particular action of his could damage you. In dealing with a customer you are primarily interested in his needs and how his actions could be adapted so as to maximize mutual profitability. Interaction with adversaries is essentially combative, whereas successful interaction with customers is keynoted by cooperation.

It is not difficult to perceive that our fundamental outlook towards the Japanese as adversaries/buyers instead of customers/buyers is unhealthy and counterproductive. If it continues to persist it will severely retard the growth of a relationship that has the potential of being staggeringly profitable for both sides.

Passive seller vs. active buyer

The second characteristic of our position as sellers of seafood products to Japan is passivity. To us, passive seller is a contradiction in terms. A seller is supposed to be aggressive. To be successful, he must first go out and get a feel for the market and then capture it by carrying out a carefully designed plan of attack based on his findings. However, in looking at what has been happening in our industry over the past several years, we see that the Japanese—the buyers—are the ones who have grabbed the initiative. They have established permanent representation here and have been aggressive in appropriating capital for acquiring, modernizing and expanding processing operations.

The hugeness of their presence in our industry to the point where they can effectively dictate prices and terms to us did not come by accident. It is the fruit of long-term planning and single-minded efforts to cope with anticipated seafood shortages caused by the world-wide move to declare the 200-mile economic zones. Viewed in this way, their presence here is nothing else but the result of good sound business practice—doing what one has to do in order to secure a reliable source of supply.

Unfortunately, we have contented ourselves with being 'passive objects,' the cultural and language differences as insurmountable.

Recognize these statements? They belong to the conventional wisdom shared by businessmen from many other industries besides our own. It has as its fundamental tenet the belief that the Orient, especially Japan, is surrounded by an impenetrable shroud of mystery and will forever remain inscrutable to Westerners. Thus it is that in venting our spleen about the one-sidedness of our buyer-seller relationship with the Japanese, there is never any mention made of possible countermeasures or plans of action which have as their goal the upgrading of our position to that of an equal. This lack of initiative is a sign that we have resigned ourselves to whatever fate has in store for us.

In the foregoing, we have attempted to outline symptoms of a malady besetting our industry. We maintain that there is a cure; namely, changing ourselves to cooperative, aggressive, determined sellers. This calls for a radically different approach to the Japanese market. We must begin to take responsibility for our own marketing instead of entrusting it to a small elite of major trading and fishing companies. In next month's editorial we will get into some concrete proposals for doing just that by taking stock of latent strengths in our position vis-a-vis the Japanese market and capitalizing on them. □

David Keene and Brent Evans are both fluent in Japanese and have lived, studied and worked in Japan. A marketing consultant on Japan, David Keene represents a chain of Japanese seafood restaurants. Brent Evans recently worked for two years at a Japanese economic research firm in Tokyo; he is currently general manager of the Journal.

Resignation

The third underlying feature of our position vis-a-vis the Japanese market is resignation. Although obviously dissatisfied with the way things are, we nevertheless continue to find excuses for inaction and thus acceptance of that status quo in our dealings with Japan.

"Corporations like Mitsubishi and Taiyo are too big and too sophisticated—it's impossible for us to compete with them on their home turf."

Trollers' Lament

In the foc'sle, making up hootchies,
While the surf pounds over the rocks,
A hard-working man devises a plan,
While the ocean teases and mocks.

The salmon outsmarted us today,
As they have many times before,
And a Southeast gale made us turn tail
and find a snug little port.

It's an uncertain life, to say the least,
For on nothing can you rely.
You desperately wish to run into some fish
And a cannery wanting to buy.

It's a way of life that's passing away
In front of our saddened eyes,
Battling the ocean, in perpetual motion
In search of the Kings we so prize.

For the fisherman adapts to the ocean,
And finds a way to survive,
But the constant frustrations of new regulations
May just be the fleet's demise.

For the runs aren't what they once were,
And they certainly need to do something.
They didn't foresee a depleted sea,
Tho they still might save the king.

And find a renewal of the troll fleet
In a few years, with a big run.
For with no fishermen here, there are no pioneers.
And the individual is done.

—Terry Adams
Wrangell

TESTIMONY BEFORE SPECIAL JUDICIARY / BRISTOL BAY

SUBCOMMITTEE, JUNEAU, 3/20/81

MY NAME IS CHIP THOMA. I AM THE FOUNDER AND FIRST EDITOR OF THE UFA NEWSPAPER, THE ALASKAN FISHERMAN, THE PEOPLE AND PUBLICATION THAT BROUGHT THE ISSUE OF LIMITED ENTRY TO THE ALASKAN LEGISLATURE IN 1972 AND 73. I AM ALSO THE FIRST WRITER IN THIS STATE TO EXPOSE THE EXTENT OF JAPANESE OWNERSHIP IN ALL LEVELS OF THE ALASKAN ECONOMY.

ADDITIONALLY, I ASSISTED LAST YEAR IN BOTH SETTING UP THE FINANCING AND MATERIAL LOGISTICS FOR THE HERRING GILLNET FISHERY AT CAPE ROMANZOF (VILLAGES OF CHEVAK, HOOPER BAY, SCAMMON BAY) AND I SUCCESSFULLY HELPED TO ARGUE THE EXCLUSION OF HERRING SEINERS NORTH OF CAPE NEWENHAM (TOGIAK) LEAVING THIS FISHERY TO PRIMARILY LOCAL INTERESTS.

I HAVE A FEW BRIEF COMMENTS ON THE BRISTOL BAY SALMON RUNS OF 1980 AND 1981;

1) ALONG WITH MANY OTHERS, I DECRY THE LOSS OF SALMON RESOURCE UP THE CREEK LAST YEAR, BUT I DO BELIEVE THE PRICE OFFERED TO FISHERMEN WAS TOO LOW. CONSEQUENTLY, I EMPATHIZE WITH THOSE FISHERMEN WHO HONORED THE STRIKE. AS I THINK WE'VE ALL LEARNED FROM THESE HEARINGS, THE INABILITY TO PROCESS THE CATCH IS DIRECTLY RELATIVE TO PRICE AND RELUCTANCE TO COME TO AGREEMENT IN A TIMELY MANNER.

2) I FIND IT HIGHLY IRONIC THAT THE VERY SAME FISHERMEN WHO MADE LIMITED ENTRY SUCH AN EMOTIONAL ISSUE IN 1973 ARE DOING THE SAME TO THE LEGISLATURE OF 1981 REGARDING VIOLENCE. THEY ARE THE ONLY FISHERMEN WHO ARE DRAGGING THIS LINE THROUGH THE WATER, THE EXACT SAME INDIVIDUALS WHO EXAGGERATED THE CASE FOR LIMITED ENTRY IN 1973.

3) I'D LIKE TO REMIND THIS COMMITTEE THAT LIMITED ENTRY LEGISLATION WAS BASED ON TWO PRIME FEARS; THE RESOURCE DESTRUCTION FROM BAD WINTERS AND THE POTENTIAL OF TOO MANY FISHERMEN RELOCATING TO ALASKA FROM WASHINGTON STATE BECAUSE OF THE BOLDT DECISION.
   BUT LIMITED ENTRY WAS NOT SET UP TO MAKE FISHERMEN A SEPERATE CLASS IN SOCIETY - IT WAS DONE TO PROPERLY HARVEST A COMMON PROPERTY RESOURCE OF THE STATE. A PERMIT IS JUST THAT.. A PERMISSION TO FISH. I SUGGEST IF ANYONE WANTS AN ADDITIONAL OR SPECIAL POLICE PROTECTION, THEY EITHER RUN FOR PRESIDENT OR START A CIVIL RIGHTS MOVEMENT. THESE ARE THE ONLY EXAMPLES IN SOCIETY I AM AWARE OF THAT SPECIAL PROTECTION IS WARRANTED.

4) THESE LAST POINTS I'D LIKE TO MAKE ARE RECCOMENDATIONS FOR 1981:

   A) IMMEDIATELY INSTITUE A MARKETING STUDY. THIS COMMITTEE HAS BEEN ASKE TO DO THIS SINCE IT'S FORMATION. THE GOVERNOR'S TASK FORCE HAS BEEN ASKED TO DO SO SINCE NOVEMBER.
   B) IMPLEMENT SOME OF THE TRANSPORTATION IMPROVEMENTS IN BRISTOL BAY THAT WILL ASSIST FISH MOVEMENT; AIRPORT LENGTHENING AND REPAIR, DOCKS AND ROADS. THIS WILL INCREASE HEALTHY COMPETITION IN ADDITION TO THE ABILITY TO PROCESS MORE FISH.

C) I'D LIKE TO SUPPORT SOME OF THE POINTS MADE BY MITCH KINK OF AIFMA:
   a) A TIMELY MARKETING PLAN
   b) DO AWAY WITH THE ONE BOAT, ONE COMPANY CONCEPT, BY A NON-DISCRIMINATION AGREEMENT BETWEEN THE STATE AND ANY PROCESSING COMPANY THAT RECEIVES A STATE LOAN, BE IT FOR PACK OR EQUIPMENT. THIS WILL ALLOW ANY BAY FISHERMAN TO DELIVER TO NEARLY ANY PROCESSOR, & WILL COMPLETELY CHANGE THE PRESENT WAY OF DOING BUSINESS IN THE BAY, FOR THE BETTER.
   c) I AGREE THAT SOME ASPECTS OF BINDING ARBITRATION SHOULD BE IMPLEMENTED. IF THE STATE WAS READY TO MOVE THIS WAY, AGREEMENTS COULD HAVE TIME LIMITS AND PRICE RANGES TO ARGUE, NOT THE WIDE OPEN SPECTRUM AS IT NOW EXISTS.

5) LASTLY, TIE THE PROPOSED PACK LOANS FOR 1981 TO AN AGREEMENT SIMILAR TO THE ONE DEVELOPED IN THE SENATE LAST YEAR; THAT LOANS WILL BE WITHHELD UNTIL A FAIR, REASONABLE PRICE IS NEGOTIATED AND SIGNED WITH THE FISHERMEN'S ASSOCIATIONS. UNLIKE REPRESENTATIVE MALONE, I DO NOT CONSIDER THIS A SLEDGEHAMMER, BUT A HEDGE ON THE ABUSES THAT OCCURRED LAST YEAR. AS YOU KNOW, THE SAME FIRMS AND INDIVIDUALS WHO GOT THE LOANS LAST YEAR WERE THE PRIME ABUSERS OF FAIR PRICE, SETTLING UP WITH THE FISHERMEN AND THE MISUSE OF THESE LOAN MONIES, PRECISELY BECAUSE NO STRINGS WERE ATTACHED TO THE FINAL LOAN FORM.

FINALLY, I'D LIKE TO THANK THE MEMBERS OF THIS SUBCOMMITTEE WHO HAVE EXTENDED AN EFFORT TO SOLVE THE PROBLEMS OF THE WORLD'S GREATEST FISHERY, BUT LIKE MR. CHUCKWUK, I AM PUZZLED WHY THERE ISN'T MORE INTEREST ON THE PART OF OTHER MEMBERS OF THE LEGISLATURE. I COMPLIMENT KEVIN BRUCE'S SUMMARY REPORT OF THE SUBCOMMITTEE'S TRIP TO THE BAY AS IT SHOWS THE LEVELS AND MAGNITUDE OF THE RESIDENT CONCERNS.

THANK YOU

Chip Thoma

CHIP THOMA

UNITED FISHERMEN OF ALASKA

MAILING ADDRESS & OFFICE
197 SOUTH FRANKLIN ST
JUNEAU, ALASKA 99801
907 586-2820

SUBMITTED BY: RODGER PAINTER

Rodger Painter
Executive Director

RESOLUTION #81-1

March 11, 1981

WHEREAS the commercial salmon fisheries are vitally important to Alaska's economy; and

WHEREAS Bristol Bay sockeye catches are expected to account for more than one-fourth of the 1981 statewide salmon harvest; and

WHEREAS limited world markets for Alaska salmon products will be greatly influenced by the amount of sockeye harvested in Bristol Bay during 1981; and

WHEREAS there was strong disagreement over the condition of world salmon markets during the long, bitter price dispute between processors and salmon fishermen in 1980; and

WHEREAS the over-escapement of 21 million sockeye salmon in Bristol Bay during 1980 may sharply reduce survival rates; and

WHEREAS continued underutilization of the tremendous Bristol Bay salmon resources could result in a reallocation of the fish under international treaties to Japanese fishing fleets; and

WHEREAS Bristol Bay fishermen and processors have widely divergent views of the condition of world markets for Alaska salmon during 1981; and

WHEREAS all of Alaska's commercial salmon fishermen will be affected by the outcome of negoitations over the price of sockeye salmon in Bristol Bay; and

WHEREAS the State of Alaska has assumed the lead role in attempting to solve the complex problems leading to the price standoff in Bristol Bay; and

WHEREAS the State of Alaska has the responsibility for the sound economic management of the natural resources belonging to all citizens of the State; and

WHEREAS a first class study of world salmon markets would give fishermen and processors common ground for discussions of prices for Bristol Bay salmon and pinpoint the market value of the state's valuable salmon resource in Bristol Bay;

BE IT RESOLVED that the United Fishermen of Alaska believes the State of Alaska has the responsibility to fund a first class study of world markets for Bristol Bay salmon to help ensure full utilization of the resource and avoid the potential of losing the crucial salmon runs to Japanese fishermen.

PRESENTED BY: JACK MCBRIDE

MR. [redacted] Chairman, Legislators and staff. I am Jack McBride from Dillingham, Alaska. I am the General Manager of the Imarpik Regional Aquaculture Corporation.

The statements to follow are my own and do not represent an official position of the organization that I am employed by.

I am here today to ask you to think about where the violence in Bristol Bay starts. Several of you came to that area recently to listen to the citizens of Bristol Bay. Over 5 percent of the total population of Dillingham came to listen and express their views--over 10 percent of the total population of Naknek came to listen and express their views. The entire population of Bristol Bay in over 30 villages had the opportunity to call in during the meeting, which was being broadcast live by KDLG, Bristol Bay's radio station. Yet, not one person among them, told you that Commissioner Nix should send more peace officers up there--not one person among them, suggested that Limited Entry permits be revoked or restricted for certain acts of violence by fisherman.

Now I come to these meetings in Juneau and a number of people have testified that controls are necessary. Someone suggested that it was fear that prevented people in Bristol Bay from speaking up.

Many of these citizens have spoken up on other controversial issues--and even if they were fearful they spoke up anyway. I would find it hard to believe, as I'm sure you do, that there are over 5,000 cowards in a community that has one of the harshest natural environments in the United States--a community where survival is an every day fact of life. To suggest that not even one person would speak out, is an insult to those citizens.

The violence issue began here in Juneau and has been--and still is being--perpetuated right here in Juneau. Here in Juneau, is where you hear about the violence--not in Bristol Bay. A handful of people are running up and down the halls of the capitol building taking up your time, telling you about this violence.

If you'll remember, you began hearing about this violence long before the 1980 fishing season, and these people were telling you about the threat of violence in 1981 before the nets were dry after the 1980 season

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They made you believe it too. I don't see one uniformed police officer at this hearing, nor did I see one the other day. Yet in both Dillingham and Naknek there were a number of uniformed police officers at the meetings. Police officers picked you up at the airports and escorted you to the meetings. There were five police vehicles sitting outside the meeting hall in Dillingham during the meeting. One police officer who didn't know me, obviously, offered to drive me to the hotel after the meeting. Now I've been walking to and from work for nearly two years up there and not once was I asked if I cared for a ride by a police officer. I hope you folks came away understanding that we, in Bristol Bay, are just as law abiding as the people in Juneau are. We believe in going through the political system as you do. We're just not as good at it.

I want you to think about who these people are who are taking up your time telling you about the violence. They tell us, in these hearings, of their leadership ROLES in the fishing industry's concerns--yet the majority of the fishermen are not telling you about the violence.

I would say that neither fishermen nor the residents of Bristol Bay are in favor of any new controls to prevent violence. Neither are they in favor of violence. New controls would only tend to "accentuate the negative" and will only tend to solidify any adverse positions that have occured and would leave even less room for useful communication.

Fifty laws in Bristol Bay will not make a problem go away that was created in Juneau for a few peoples' self interest. The laws that Commissioner Nix now has at his disposal are adequate for all other situations and I believe they are also adequate. to handle this situation, and we won't be assuming that it is only fishermen who might commit an act of violence.

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Whenever, we as citizens, find ourselves in an adverse position with another citizen our first reaction is to think that we are the one that is right, and that the law should settle the problem in our favor, which, of course, is the only just way. .. the saying goes, "It depends on whose ox is being gored."

Situations such as this are political and always very sensitive, and we cannot expect to settle the problem by the use of an officer of the law, nor do they want to be put into the position of settling the problem, and we're wrong to ask them to . Do we want law officers to settle our political and social disputes? When we do that, we are a police state. and I don't think any of us would want that.

Bristol Bay salmon do not belong to any group of fishermen. Nor do they belong to all the fishermen. Nor do they belong to the processors. They belong to all of the citizens of the STate of Alaska and it is the state's obligation to see that the salmon resource of Bristol Bay is utliized to its maximum, taking into consideration, good management practices.

Obviously when there is an over-escapement of 105 million pounds of fish, something is wrong with the system and the state has an obligation to find remedies, whereby, this situation will not happen again. Pointing fingers at different groups of fishermen is not the answer nor will pointing fingers at processors help. An honest assessment of the entire situation and its shortcomings needs to be undertaken by the state and then these shortcomings need to be addressed in a positive way.

I see at least three very definite shortcomings and there are more. They are: lack of markets, lack of processing capabilities and lack of infrastructure in the bay, to properly handle the resource.

The state took a big step this past year by funding the Seafood Marketing Institute. This is a positive step. When the market is right the price will be right. ..

Different methods of marketing should be analyzed--can we learn anything from other fishing countries or can we learn anything from the marketing of other commodities.

Processing capabilities should be analyzed, and are these facilities being fully utilized.

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Is it true that markets are being controlled by the amount of fish processed, and, if it is true, what can the state do about it.

Finally there are many shortcomings in the local infrastructure of Bristol Bay. These would include lack of docks, lack of adequate runways, lack of decent roads, lack of land, lack of harbors, even lack of access to adequate land.

The state should also fund a study which would supply information which would be credible to both processors and fishermen. This study should include such things as , "how interest rates relate to the price fishermen get for their fish, what does the fresh frozen market do in relation to the canned market, how does the yen/dollar relationship effect the price of salmon, what does it cost to hold an inventory of salmon in anticipation of a higher price and how are other markets other than the Japanese effecting the price of salmon, and where can we find other markets."

These are all things the state can do that are positive, and I'm sure there are others. Making new laws against violence will not correct the reasons why the salmon resource is not being utilized in Bristol Bay and will not even correct the violence. Let's do some positive things that will correct the problems, and there won't have to be any reason for violence, and the state will have maximized the utilization of the resource of Bristol Bay salmon for all of the citizens of the state of Alaska, and not for a chosen few for their own self interests.

From: Mitch Kink, General Manager A.I.F.M.A.

To: Senate Judicial Hearing Committee

Re: 1981 Bristol Bay Fisheries

The following are the recommendations and suggestions made by Mitch Kink (G/M - AIFMA) to Senate Judiciary Committee Hearings held in Nakneh, March 1, 1981.

1. The State of Alaska does absolutely nothing during fish price negotiations. But the different commissions should prepare a plan to be implemented when the need calls for such a plan. Example; If the safety of people is in jeopardy then the Public Safety Commissioner should put his plan to work, etc.

2. Set provisions for successful negotiation from free negotiations with deadlines, to mediation, to binding arbitration. The party that does not follow these provisions and deadlines as set down by the State of Alaska should be penalized.

3. Do away with the one boat, one company concept. Example: If one company settles for a price from Bristol Bay Salmon then everybody in the bay can sell to that company without any reprisals, on a first come, first served basis, and if any surplus salmon shows up in that Company's program, they must shut down that operation until all the salmon run can be utilized.

4. The State of Alaska will not issue any licenses to do business in Bristol Bay Fisheries until the complete cycle of doing business in the Bay Fisheries is completed.

5. Create a good climate for good and meaningful negotiations, by doing a feasibility study on the financial structure of Bristol Bay. This study should start with the financial history of the Bay to the present trends.

6. A comprehensive study of World Markets for Bristol Bay sockeye salmon should be conducted by an independent economic consultant who does not work and has not worked for fishermen or processors to have a positive effect on an early settlement of fish price in Bristol Bay the study should be completed by mid April. This means the process for implementation should be initiated as soon as possible.

PRESENTED BY: HANK OSTROSKY

ICICLE SEAFOODS GIVE THE FROZEN SHAFT TO BAY FISHERMEN

The Japanese "brokering Cartel" that controls Alaskan Fisheries has effectively used Icicle Seafoods of Petersburg, Alaska as the major processor to fix prices to Alaskan fishermen/producers in Bristol Bay and the rest of Alaska.

This Cartel operates on an international basis and is presently under investigation by the Anti-Trust Division of the Justice Department, Federal Trade Commission, Civil Rights Commission, and the Merchant Marine and Fisheries Committee of the U.S. Congress which is chaired by Representative Breaux of Louisiana.

In our own investigation of Icicle Seafoods, we found some very interesting relationships between major stockholders who hold important policy determining positions on Federal, State and International boards which aid and abet their manipulations of allocation and prices of salmon which benefit their collaboration in the Japanese controlled Cartel.

For instance, Bob Thorstenson is the largest stockholder of Icicle (whose parent company was Petersburg Fisheries and before that, Petersburg Fisheries Co-op) is a member of the International North Pacific Fisheries Commission (INPFC) that allocates salmon between the United States, Japan and Canada along a variable abstention line in the North Pacific and the Bering Sea. Gorden Jensen, also a major stockholder of record in Icicle, sits on the Alaska Board of Fish and Game and the North Pacific Management Council whose former Chairman, Elmer Rasmuson, owner of the Bank of Petersburg and the chairman of the Executive Committee of the National Bank of Alaska, also sits on the INPFC with Thorstensen.

This cozy cabal results in the control of the allocations of salmon in the international waters controlled by INPFC, then to the waters within the 200 mile limit Fisheries Management Zone of the U.S. controlled by NPFMC and then into the inshore waters controlled by the Alaska Board of Fish and Game.

When we received copies of the Debt Structure of Icicle Seafoods, we found that Mitsubishi International Fund, along with Hoi, a wholly owned subsidiary of Fuji Oil of Japan, had loans in excess of $15,000,000.00 to Icicle and by using select banks in Alaska and Seattle, washed their money through the system so that the fisherman/producer subsidized the whole financial structure through which the Cartel group manipulated the allocations and the prices.

This scheme is resulting in the bankruptcy of many producer/fishermen and will further result in the excessive prices paid by the consumer/housewives in the U.S., Europe, Japan, and the rest of the world.

Even though Icicle Seafoods surfaces as an Alaskan/American owned Corporation, the control of its financing and marketing structure places it in full compliance and conspiracy with the Japanese agents of the International Cartel.

Further investigation discloses that American Counterpart Funds are washed through the Japanese banking system and then come back through Japanese processing companies to purchase American processing assets with low interest and no interest loans. These funds are also used as no interest loans to purchase fish by select corporations.

Involved in this price fixing conspiracy are major U.S. banks such as Crocker International, Rainier Bank, Seattle First, and Citibank of New York, to name a few.

These groups, along with American and European counterparts are involved in a multi-billion steal of Alaskan/American/Bering Sea assets, in which the victims are the legitimate fisherman/producers and the consumer/housewife.

The Administration of the State, along with select legislatures have been directly involved with the Japanese Cartel. The Governor's Office of Jay Hammond, under the direct control of Bill Spears, who, as a trustee of Alaska Renewable Resources, Corp. (ARRC) allocates large grants of money from the Permanent Fund to subsidize low interest/no interest loans to Icicle Seafoods to undermine the price structure of Alaska producer/fishermen. This further inhances the control of the Japanese Marketing Cartel.

To date over 13 million dollars of State tax money has been washed through ARRC specifically to fix a low price to the producer/fisherman.

Contrary to the eyewash article written by Bill Blessington of the Anchorage Times, this low price to the fishermen is not going to lower the price to the consumer.

Within two months, record-high prices for salmon will be paid by the consumer because of the international manipulation of the Cartel.

The huge profits that will be made by the processor/broker will not surface in Alaska or the U.S. The profits will surface in Japan where the distribution of the spoils can take place and defy documentation because of lack of a foreign "conflict of interest" policy by the U.S. or the State of Alaska.

The sell-outs and pay-offs reached into all levels of the fishing industry in the form of State and Federal subsidized loans, job offers, partnerships in various fish brokering schemes, and hidden fish prices to various administrative heads and board members of fisheries associations both resident and non-resident. (A fiscal and physical audit of the funds and assets by the Budget and Audit committee is long overdue.)

It was interesting to note that the resident and nonresident fishermen quit fighting long enough this year to realize that they were both being screwed by their own agents brokering what little organization that was left, for their own personal accounts.

The flagrant machinations of Phil Daniels, special consultant lobbiest for the United Fisherman of Alaska (UFA) along with Bob Blake, UFA president from Cordova, is an embarassment to the members of that orgaization. A major reassesment of that organization and its priorities ar in order if they are to continue as a force in the fishing industry of Alaska.

The direct involvement of both Daniels and Blake in price fixing and organization manipulation with Icicle Seafood will give students of Alaska fishing history an insight into the takeover of the Petersburg Fisheries Co-op by the present majority stockholders of Icicle.

The Alaska Independent Fishermen's Marketing Association (AFIMA) -- whose initials by a strange coincidence acn be manipulated to spell MAFIA -- is also going through an organizational change with charges and counter charges of "sell out" against its former administrative officers and board members who discreetly resigned at the insistance of the majority of its members. This fishermen group is going through the agonizing discoveries of how it was screwed. Its leadership and all the basic information on industry cost figures but chose to use the dubious information of a consultant, Richard Wilson, a former City Manager of Cordova, who used his share of the $25,000.00 AIFMA marketing study money to set up a fish buying station at Paul's Creek to buy cheap fish at 40¢ a pound from AIFMA, WACMA, and UFA scabs.

The three major factions that control AFIMA, the Italian, Scandinavian and Yugoslavian representatives are now eyeballing each other and the representatives of these groups are endeavoring to keep the fishermen apart and from comparing notes. They have good reason to believe that if the fishermen really start talking to each other the feeling of getting screwed is the same in any language or any culture.

The wholesale political brokering of their membership for the benefit of a few so called "leaders" may result in the realization that could lead to a legitimate fisherman/producer Co-operative being formed capable of serving their direct economic interest.

The eyewash Alaska resident contingent of AIFMA, which has never been seriously considered in the past, is also under direct fire. It is interesting to see what excuses they will come up with especially those wheel dogs acting as leaders who were involved in the price fixing/manipulations.

All in all , the Bristol Bay News will have an interesting time reporting and analyzing the enfolding future fishing scenairo.. .. ..

BRISTOL BAY NEWS
26 July 1980

Excerpts from tapes of radio traffic on the Naknek River on Saturday, June 28, 1980.

Prepared aboard the Department of Public Safety surveillance vessel, M/V Vigilant, Capt. Lockman in command.

The excerpts are in chronological order from a single 90-minute tape, highlighting the most relevant conversations. Excerpts are only presented to save the Committee time; however, the complete tape is available for the Committee on request.

A Salamatoff Seafoods salmon tender - the Sal-Sea Belle - is moving up the Naknek River with a load of salmon on June 28, 1980, while the fishermen's strike is still ongoing. Striking fishermen are trying to prevent the Sal-Sea Belle from reaching a dock where the fish can be off-loaded.

At the same time, fishermen are discussing the possibility of blockading the mouth of the Naknek River (to keep vessel traffic from entering or leaving the river) and patroling the grounds to keep fishermen from fishing.

PRESENTED BY: JOHN GARNER

Lockman: If they're shooting at him, then its a whole different ball game, OK.

Fisherman #1: For Christ's sake, why in the hell don't they stop this shit? What're you guys doing out there--just... having fun?

Fisherman #2: Fuck you...

Fisherman #3: They sound like a whole bunch of really big men, about four years old.

Fisherman #4: Somebody's going to get....

BREAK

Fisherman #1: He's right in our starboard side--he's right on there, ...'s leading this guy in here.

Fisherman#2: Whats somebody going to do to block them Whalers...get that son of a bitch while they're loading...and ...OK

Fisherman #3: Whats the matter with these damn people, are they all stupid?

Fisherman #4: Think they've just stuck our quotes up there on top this violence...why don't you move your ass--

Fisherman #5: What are you doing to stop that scow before somebody gets hurt--we may have to shoot one of 'em before anybody wises up--

BREAK

Fisherman#1 We want more support, and we want men.

Fisherman #2: What are you talkin' about...
You can see nothing's going down here.

Fisherman #3: ...forced to get a

Fisherman #4: Just watching us play games, they can stop this shit. and they...the god damned anchor before somebody gets killed. Nobody can get a shot of you running up there.

BREAK

Fisherman #1: Shoot 'em!

Fisherman #2: He's got Fish & Game right by his side--

Fisherman #3: God damned boat!

Fisherman #1: Shoot the Fish & Game, shoot 'em!

Fisherman #5: They got bigger guns than you, ya wimp ass suck...

BREAK

Fisherman #1 I feel the, uh- explosive nature, uh, of this whole thing, uh, why is it that...maybe...you didn't close 'em, so that, um, they'd think it's serious...

Lockman: Yeah, roger, that's gotta be my recommendation. I agree it's gone a little too far now, OK.

Fisherman #1: Yeah, I think so, uh, its not enough, uh, not enough boats fishing here to make, uh, any difference in the, uh, escapement, errr, all that kind of stuff, its just too risky; we don't want to see any, anybody go down here.

Lockman: Yeah, um, thats our concern, uh, ya' know, that's why we haven't we haven't taken any action, uh, so far. We've just been sitting here watching people break the law, you know. We're not going to continue to do that. Uh, I'm going to recommend to the State arbitrators that they just shut, close Bristol Bay for the year and everybody can start again next year. OK.

Fisherman #1: Well, maybe thats the way to do it.

Fisherman #2: Don't be ridiculous.
I came to fish.

Lockman: Yeah, I, uh, agree with ya there, uh, I think, uh, thats, uh, pretty extreme measures, too, uh, but we can't, uh, can't go on with this, the fishermen have already lost this battle, uh, they've done more damage to their image in the last 48 hours than they're gonna recover from in the next ten years, OK.

Fisherman #1: Get the Governor to close this whole fishery down before somebodys killed and he's got blood on his hands. This is gettin' out of hand damn quick--

(garble)

Fisherman #2: Sal-Sea Belle over here--close right down on her, Mable B; And I think right now is the time to close the river 'cuz there ain't no one up the river, with fish on board and if we close her right now, we're cool.

BREAK

Fisherman #1: Bunch of us standing around here doing nothing, well the main thing is get on up that, inside the river and block the fucking main entrance.

Fisherman #2: Sal-Sea Belle, did you make it to the docks?

Fisherman #3: ...where is this dock? Is this dock alongside this barge?

Fisherman #2: Roger, the dock alongside the barge.

Fisherman #4: OK, coming now, we're going to put it off the...now.

Fisherman #5: OK, block that barge off and block that dock off. Thats what they use for their helicopter launching pad. Just block the dock and block that barge. Don't let them even get close to it.

Fisherman #5: He's way up the other side of the...from Peter Pan.

Fisherman #6: More boats down here.

BREAK

Fisherman #1: beatin' our brains...against the wind... We gotta go out and stop the guys from fishin'. Why stop a 180 foot tender when you can go stop a 32 ft gill netter. Lets use our brains. We've got 50 thousand boats. We patrol the area, thats all we gotta do, is stop ten stinkin' boats from fishin'. We don't stop no 180 ft boat, he'll knock us down like a bowling ball.

Fisherman #2: Not with motars, he won't.

Fisherman #3: heh, heh, heh, bet your ass.

Fisherman #4: Well, we should get together and hold a meeting and decide what we're gonna do -- we'll block the river, stop the guys outside or what are we gonna do, Let's hold a meeting and

Fisherman #5: thats what yesterdays meeting was for...

Fisherman #4: but nobody wants to listen. They've been there all day, Leo. They're seventy strong right at the dock. Listen, lets stop arguing, lets go to the mouth of the river and we'll all tie up and we'll get together and make the plans.

interupt: we're going to be right here...

Fisherman #4: talk about what to do -- get to the mouth of the river and lets organize...like human beings...and we'll stop this thing. Stop cussing at Alaska packers and stop cussing at everybody else. Let's do this like...and we'll finish this thing. We'll all go to the mouth of the river and we'll have a big party like Jimmy says.

BREAK

Fisherman #1: Yeah, we need more boats.

Fisherman #2: Yeah,these guys from Red Salmon can go up there. Hey, why don't you guys around the Red Salmon area go up in the dock...that boat, isn't at the dock yet.

Fisherman #3: Ain't gonna be able to get in...

Fisherman #4: Listen, Dominic, do you know how many boats are gettin' bumped right now. Do you know how many boats are gettin' bumped?

Fisherman #5: No, I mean, if you got a fucking tender, or any dock or any barge at this present time.

Fisherman #6: He's about 25 feet away and he's bumping our boats! We need more boats! Uh, Dom, we need more boats!

Fisherman...garbled

Fisherman #7: God damn it, lets go, lets get outta here, lets go, we need more boats. Whats the matter with you guys.

BREAK

Fisherman #1: I believe the, uh, skipper of that...an emergency meeting of the Alaska Dept of Fish and Game. Fishermen could be called together, uh, within the... probably and that they could issue an executive order, the fishery would be closed for everyone, until this powder keg is taken care of.

BREAK

Lockman: Yeah, I really don't know whether they can do that or not, but that's what I'm gonna recommend.

Break

Lockman: Just that little group thats all wound up. They pretty well got 88 all to themselves there, this morning, uh. We'll be standing by on 16, OK.

Fisherman #1: Thats a mistake -- when you only say 5%, this whole industry is uptight and you're sitting on a power keg over there. Don't ... don't conceive that idea that there's only 5% thats running this. This whole industry is uptight. Don't forget that.

Lockman: Well, what is your suggestion, OK.

Fisherman #1: Just what the man said, call the Governor and close this thing down in the interest of life, liberty and the industry

interupt: pursuit of happiness

Fisherman #1: this is gone on. Please stand by your CB radio.

Fisherman #2: We're here to make a living, not please somebody. --- Bear stand by now. The canneries and boats alone deserve the Governor's attention. And our livlihood and our families deserve his consideration also. This is a lifetime industry for many of us. We'd like to see it protected lawfully, legally and we'd like to fish it the same way. And these renegades, when they're fucking the whole industry, its gonna just create a bundle of tension. Somebody or something is gonna burn up or somebody's gonna get killed.

Fisherman #2, continued: That's gotta happen. I've seen guns pulled on this river before. And believe me, its no fun. So I hope that you will convince that Governor that the best thing for the industry is to close it down, until its settled. One way or another. We'll go home or they'll take the fish, one way or the other. That's a convention of the whole damned industry out here on this river, sir. Well, I thank you for listening and I hope that, uh, some consideration can be given to this under the light of calmness and good sense, because we do get a little wild out here at times. We're individuals. We're not regimented lunch buckets out here, and we're gonna protect this industry. Ah, rest assured,

Break

Fisherman #1: Rita Marie is watching a tender and callin' Casey...
Going down river;
Watch her, watch her, watch her.
She's goin' down; headin right towards you, Dom.

Fisherman #2: See there, the Governor said he wouldn't do anything until he did see bloodshed.

Fisherman #3: Well, lets go get the guys that are catching them, that's right.

Fisherman #4: Somebody come up with a good idea.

Fisherman #5: The best idea is to go out and stop the fisherman.
And you're not gonna get any...
...stop the fisherman...

Fisherman #6 They're on the grounds at night, when its dark.

BREAK

Lockman: I agree with ya, its, ah, its sure got outta hand tonight. But, uh, ya know, we're doing what we can. We're a little outnumbered, OK.

I know, uh, what we're trying to do is, ah, stay in a neutral position here. We're trying to not, ah, actively support either faction, ah--our whole role here is to protect life and property. And we're bound by the law, which sometimes, uh, doesn't let us do it in the most effecient way, if that makes sense to you, OK.

Fisherman #1: Well, ya know, I heard there was a couple of shots last night...its not what I call protecting life and property...scow...nobody gets hurt.

Lockman: Ya know pardner, I ya know, I uh, I don't want to disagree with you. I don't have the authority to do that, you know. I can tell boats not to shoot at em, too, but it doesn't do a lot of good. I have three troopers on Sal-Sea Belle still, you know, they're not, their function is to prevent anymore shooting, uh, there's really no

Lockman, continued: way they can do that, until somebody shoots. I'm just hoping it doesn't get to that, OK.

BREAK

Lockman: It's a tough situation, but, uh, I can't do 'er all at once here, uh, ya know, I'd just be satisfied if, huh, if we don't have a more serious problem right here. Well, we're getting...they want us in the Nusigak, they want us in Egegik and they want us here and they want us outside in the anchorage...its just that time of year for us, I guess, OK.

SB

356

Alaska State Legislature

JUNEAU, ALASKA

BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT
Pouch AG/Mail Stop 0123
Juneau, Alaska 99811
(907) 465-4442

Senator Bill Ray
Chairman

MEMORANDUM

March 27, 1981

TO: Senator Bill Ray, Chairman

FROM: Teresa B. Cramer TBC
Administrative Assistant

SUBJECT: Marianne Sheridan -- Retirement Credit for Temporary Service

I talked with Marianne Sheridan concerning her retirement situation. She is a retired state employee with some years of temporary employment in addition to her permanent employment. She applied for credit for the periods of temporary employment and has been informed by the Division of Retirement and Benefits that it would cost her more to pay for credit for her temporary time than she would gain in increased benefits for that time. This happens because the law requires that in order to receive credit for temporary service, the employee must pay the full actuarial cost to the system for the benefits. Employees of the Division of Retirement & Benefits have advised me that their experience indicates that Ms. Sheridan's case is typical of what is happening to almost all retired state employees who have applied for credit for temporary employment.

The law provides in AS 39.35.345(a) that:

> A vested employee is entitled to credited service for periods in which he regularly rendered full-time personal service to an employer but was not qualified to participate in the system because of the exclusion of temporary workers as described in AS 39.35.680(21)(C)(iii). Benefits are not payable on this credited service unless the employee makes retroactive contributions to the system for the period of time that credited service is claimed. The retroactive contribution is the full actuarial cost of providing benefits for the credited service claimed.

I spoke with Chuck Elrod from the Division of Retirement. He pointed out that this is one of only two programs which require that the employee pay the full actuarial cost of the benefit in order to be

eligible for credit for the service. The other program is for teachers who want credit for years of employment in the Lower 48. For receiving credit for prior military service, for credit for temporary legislative service, for credit for employment as a permanent employee of the Territory or for the various peace officer or correctional officer service periods, employees are required to pay less than the full actuarial cost.

Ms. Sheridan is concerned about why the legislature amended the law to apparently provide benefits for temporary service when, in fact, it is no benefit at all to presently retired Alaskans.

TBC:lmk

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

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill 356
Title An Act relating to temporary service credit with the PERS
Requested by Senator Vic Fischer Date

II. FISCAL DETAIL
Agency Affected Administration - Division of Retirement and Benefits
Program Category Affected Labor Services
BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 (PERS)
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		28.3	30.0	31.8	33.8	35.8
200 TRAVEL						
300 CONTRACTUAL		22.7				
400 COMMODITIES		0.2	0.2	0.2	0.2	0.2
500 EQUIPMENT		1.8				
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS		145.6	160.2	176.2	193.8	213.2
TOTAL		198.6	190.4	208.2	227.8	249.2

FUNDING (Thousands of Dollars)

GENERAL FUND		119.2	131.2	144.3	158.7	174.6
FEDERAL FUNDS		6.7	7.4	8.1	8.9	9.8
VETERAN'S FUND		0.3	.3	.3	.4	.4
FISH & GAME FUND		0.9	1.0	1.1	1.2	1.3
HIGHWAY FUND		1.9	2.1	2.3	2.5	2.8
AIRPORT FUND		4.2	4.6	5.1	5.6	6.2
CAPITAL FUND		12.4	13.6	15.0	16.5	18.1
PERS						
TRS						

POSITIONS

FULL TIME		1	1	1		
PART TIME						
TEMPORARY						

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

1. Estimate FY 82 state covered payroll to be $296,614,000; increasing 10% annually.
2. Increase in state contribution rate would be .0491% of covered payroll.
3. Estimate personnel services to increase at 6% per year.
4. Estimate approximately 5000 affected members.
5. Estimate the average service per affected member to be approximately three months.
6. The cost to political subdivisions is estimated to be $125,000 in FY 82 increasing at 10% each year thereafter.

IV. DATE 4-9-81 PREPARED BY Paul B. Arnold* Director
Ken Humphreys, for
AGENCY Division of Retirement & Benefits
PHONE 465-4460

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named) Senator Bill Ray
Office of the Governor (Keith Brockway)

	POSITION TITLE			RANGE/STEP	BARG. UNIT.	LOCATION		APPROV.	DISAPP.
1	Retirement & Benefits Technician			12/B	G	Juneau	GOV.		
	TYPE OF POSITION	STAFF MONTHS	HP No. / PCN No.	PRIORITY		FORM 12 PAGE/LINE			
2	PFT	12					LEG.		

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
4	PERSONAL SERVICES: SALARY $1,814/month		$21,768	
5	BENEFITS		3,437	
6	FICA		1,334	
7	HEALTH INS		1,800	
8	TOTAL PERSONAL SERVICES			$28,339
9	TRAVEL			
10	CONTRACTUAL			2,700
11	COMMODITIES			200
12	EQUIPMENT			1,800
13	OTHER			
14	TOTAL COST			$33,039

	CODE	FUNDING SOURCE	
15		FED RCPTS	
16		GF MATCH	
17		GEN. FUND	
18		I-A RCPTS	
19		PGM RCPTS	
20		OTHER	$33,039
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

This person will be responsible for verifying and recording the additional credited service granted for past temporary membership employment, for calculating the additional benefit, and for handling correspondence.

AGENCY ADMINISTRATION PROGRAM LABOR SERVICES

BRU RETIREMENT & BENEFITS

COMPONENT PERS

13 REQUEST FOR NEW POSITION.

REVISED DATE _____

FY 82

N

Alaska State Legislature

Senate

Office of the President

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO : SENATOR FISCHER,
CHAIRMAN OF STATE AFFAIRS COMMITTEE

FROM : SENATOR KERTTULA

DATE : MARCH 11, 1982

SUBJECT: RETIREMENT BENEFITS

I have received a call from a constituent of mine, Ed Burgholzer of Wasilla (376-2945), who is a DOT employee. He has a retirement problem which I would like to bring to your attention in connection with SB 356.

Mr. Burgholzer worked as a temporary state employee for 27 months before he was hired on as a permanent employee. He has been informed by the Division of Retirement that his contribution will be $16,000 to buy back the 27 months. As you can imagine, Mr. Burgholzer finds the cost of the program prohibitive. Mr. Burgholzer mentioned that he knows a number of other state employees in the same situation.

Although the State has created a program by which temporary time can be credited, it has placed the cost so high that few people can take advantage of it.

I hope that you will give this problem your serious consideration when considering SB 356. I have also enclosed a message from Wayne Fleek on the same subject.

?

should be able to pay it out over some yrs. No further int.?

JK/mv/cp

enc

cc: Ed Burgholzer

MSG 82-00012703 PRTY 1 03/09/82 18:12:47 ORIG: LA02 IN= 0002 OUT= 0137
FROM: MARCIE, ANC INFO TO: POM, JUNEAU INFO
TARGET: LJH2 SUBJ: P O M PAGE 0004

TO: SENATORS COLLETTA, AND KERTTULA

REPRESENTATIVES BYLSMA, HAYES, METCALFE

FROM: WAYNE FLEEK, BOX 6788 ANNEX, ANC 99502 (WK 249-5541)

I URGE YOU TO SUPPORT SENATE BILL 356. IT SEEMS RIDICULOUS TO HAVE TO PAY MORE FOR THE RETIREMENT BENEFIT THAN THE GROSS MONTHLY SALARY WAS AT TIME OF EMPLOYMENT. ALSO, PLEASE ACT ON HB 685 SOON. THE STATE EMPLOYEES AND THE ADMINISTRATION BARGAINED IN GOOD FAITH FOR ALL CONCERNED. YOU ARE MORALLY OBLIGATED TO NOW ACT FAVORABLY ON THAT AGREEMENT AND PASS THIS BILL.

356

685

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C
JUNEAU, ALASKA 99811
(907) 465-2200

March 8, 1982

Ms. Carol Burnside
Researcher
Senator Colletta's Office
Pouch V
Juneau, AK 99811

Dear Ms. Burnside:

This is in response to your inquiry of February 26, 1982 to Director Arnoldt, regarding a letter received by Senator Colletta from Mr. R. Russell Redick.

Mr. Redick asks that an "obvious inequity" be corrected. What he wants is to have the PERS law amended so that he will not have to pay the full actuarial cost of purchasing his temporary service credit. He wants to pay the "normal contributions" which means that the state would have to pay the difference.

We were opposed to the purchase of temporary service credit when it was introduced in the Eleventh Legislature. Temporary employees should not be afforded retirement coverage--the very nature of the employment supports this viewpoint. Such employees will not be with the PERS long enough to retire; if they are, then they should not be classified as temporary employees. Passage of the bill granting temporary service credit was made somewhat more palatable because those receiving the credit are required to pay the full actuarial cost. Now that the temporary service credit provision is on the books, we are being asked to reduce the cost to the employee for purchasing the service; to do so would serve no public purpose and it would be an unwarranted retroactive increase in employee benefits which would cost the state approximately $2.1 million.

If you have additional questions on this matter, please let me know.

Respectfully,

W.R. Hudson
Commissioner

PBA/jb

cc: All Legislators

Paul B. Arnoldt, Director
Division of Retirement & Benefits

82-89LH

February 22, 1982

The Honorable Victor Fischer
Chairman, State Affairs Comm.
Pouch V, State Capitol Building
Juneau, Alaska 99811

Dear Senator Fischer:

I recently wrote you (and all other members of the House and Senate) requesting further consideration of Section 32 of HB 121.

My concern was (and is) that if a state employee claims his temporary time the computed indebtedness to the state retirement system is so large as to far exceed any benefits. In my case, to claim 1.928 years of temporary time would cost $20,500 plus monthly interest until retirement.

I have been advised by Representative Hayes that a bill already exists which would solve this problem. That bill is SB 356. The language of SB 356, which I am told is now in the Senate State Affairs Committee, was included in HB 121 as Section 32.

Now that HB 121 has failed, I urge you to consider SB 356.

As I indicated earlier, numerous employees while working for the state were denied access to the retirement system. Also, the existing legislation required employees to claim their temporary time before July 1, 1981. I know numerous employees who simply did not bother to claim their time before that deadline due to the extreme cost. SB 356 would also extend this filing deadline to July 1, 1982.

Your cooperation and support in this matter would be greatly appreciated.

Sincerely,

R Russell Redick

R. Russell Redick
Box 199H SRA
Anchorage, Alaska 99502

March 12, 1982

The Honorable Victor Fischer
Chairman, Senate State Affairs Committee
Pouch V, State Capitol
Juneau, AK 99811

Dear Senator Fischer:

The following persons strongly urge your committee to pass out Senate Bill 356 with a strong do pass recommendation. (List attached)

R. Russell Redick
SRA Box 199H
Anchorage, AK 99502

David Watsjold
SRA Box 764
Anchorage, AK. 99502

Kenneth Alt
Box 10104
Fairbanks, AK. 99701

Mike Kramer
SR Box 30676
Fairbanks, AK. 99701

Gary Pearce
1700 Tamarack Street
Fairbanks, AK. 99701

Wilson Potterville
Box 231
Glennallen, AK. 99588

Gary Sanders
9167 Riverwood
Juneau, AK. 99801

Paul Kissner
2343 Kevin Ct.
Juneau, AK. 99801

Gregory Thomason
P.O. Box 201
Auke Bay, AK. 99821

Frank Van Hulle
2301 Meadow Lane
Juneau, AK. 99801

Larry Engel
Box 197
Palmer, AK. 99645

Al Havens
Box 2282
Palmer, AK. 99645

Larry L. Larson
Box 55
Sterling, AK. 99672

Stephen Hammarstrom
Box 471
Soldotna, AK. 99669

Sid Logan
Box 2589
Soldotna, AK. 99669

David Waltemyer
Box 2617
Soldotna, AK. 99669

Dennis Hubartt
Box 2996
Juneau, AK. 99803

Mark Schwan
8863 Birch Lane
Juneau, AK. 99801

Doug Jones
9360 Minor Dr.
Juneau, AK. 99801

Larry Edfelt
P.O. Box 457
Juneau, AK. 99802

Sue Howell
Box 3151
Kenai, AK. 99611

David C. Nelson
Box 143
Soldotna, AK. 99669

Ted McHenry
Box 1333
Seward, AK. 99664

Pete Murray
Box 2181
Kodiak, AK. 99615

Bruce King
Box 1662
Soldotna, AK. 99669

Paul Ruesch
Box 4095
Soldotna, AK. 99669

Gary Kyle
Box 2527
Soldotna, AK. 99669

Don Seagren
Box 2498
Soldotna, AK. 99669

William E. Altland
Box 4431
Soldotna, AK. 99669

Jim Edmunson
Box 3155
Soldotna, AK. 99669

Sandra Seagren
Box 2498
Soldotna, AK. 99669

March 12, 1982

The Honorable Victor Fischer
Alaska State Senate
Pouch V, State Capitol
Juneau, AK. 99811

Dear Senator Fischer,

I am writing to you regarding Senate Bill 356 which addresses temporary service credit for public employees. You may be aware that House Bill 121 contained wording which would allow public employees to retroactively contribute to the retirement system for past temporary service credit. This bill did not pass and has been replaced by various other bills none of which address temporary service credit.

Senate Bill 356 does address this issue and I urge your support for passage of this bill.

I am one of the few State employees that were barred from the state retirement system when I was a temporary/seasonal employee. Seasonal employees are now included in the system. Although I am now allowed to purchase the temporary service through retroactive payments, the debt amount is extremely high as it is based upon current salaries and not on actual wages earned back during the period of actual service. This service also is not allowed to count toward normal retirement and the service rendered by present day seasonal employees does.

Sincerely,

David Wolfgold
SRA Box 764
Anchorage, AK 99507

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

- Fred Miller - provide credit in system for temp. employees;
- Retirement system - afraid full time people,
stay in employ
- this won't enhance system
+ desire — now: employee has to pay full actuarial cost

Introduced: 3/3_/81
Referred: State Affairs and Finance

IN THE SENATE BY RAY

SENATE BILL NO. 356

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to temporary service credit with the public employees' retirement system; and providing for an effective date."

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

* Section 1. AS 39.35.345 is amended to read:

Sec. 39.35.345. TEMPORARY SERVICE CREDIT. (a) A vested employee is entitled to credited service for periods in which he regularly rendered full-time personal service to an employer but was not qualified to participate in the system because of the exclusion of temporary workers as described in AS 39.35.680(21)(C)(iii). If an employee claims retroactive credited service under this section, he becomes indebted to the system. The amount of indebtedness is equal to the contributions the employee would have made during the periods of employment for which the credited service is claimed if he had been a member of the system during those periods. Benefits are not payable on [THIS] credited service claimed under this section unless the employee makes retroactive contributions to the system to discharge his indebtedness for the period of time that credited service is claimed. [THE RETROACTIVE CONTRIBUTION IS THE FULL ACTUARIAL COST OF PROVIDING BENEFITS FOR THE CREDITED SERVICE CLAIMED.]

(b) To obtain credited service under this section, an employee must elect to do so and must verify his period of temporary service before July 1, 1982 [1981], or within one year following the date when the employee first becomes vested under this chapter, if later. When

eligibility for temporary service credit has been established, an indebtedness shall be determined as provided in (a) of this section. Interest as prescribed by regulation accrues on that indebtedness beginning July 1, 1982 [1981], or one year following the date an employee first becomes vested, whichever is later. Any outstanding indebtedness existing at the time an employee retires will require an actuarial adjustment to the benefits payable based on the temporary service.

(c) A deferred vested employee on July 1, 1981 [1980], is eligible to claim credited service under (a) of this section. To obtain credited service under this section, a deferred vested employee must elect to do so and must verify his period of temporary service before July 1, 1982 [1981]. When eligibility for temporary service credit has been established, an indebtedness shall be determined as provided in (a) of this section. Interest as prescribed by regulation accrues on that indebtedness beginning July 1, 1982 [1981]. Any outstanding indebtedness existing at the time a deferred vested employee retires will require an actuarial adjustment to the benefits payable based on the temporary service.

(d) The credited service granted under this section may [NOT] be used to satisfy the credited service requirements for normal or early retirement.

* Sec. 2. This Act takes effect June 30, 1981.

SB

360

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S
JUNEAU, ALASKA 99811

April 7, 1981

The Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Room 205 - Behrends Building
Juneau, Alaska

Dear Senator Fischer:

Re: Senate Bill No. 360 and Senate Bill No. 361

Senate Bill No. 360, an Act relating to the investment of the public employees' and teachers' retirement funds, was introduced in the Senate on March 31, 1981 and was referred to the Senate State Affairs and Finance Committees.

Senate Bill No. 361, an Act making a special appropriation to the Department of Administration for payment of liablilities of the public employees' and teachers' retirement funds, was introduced in the Senate on March 31, 1981 and was referred to the Senate Community and Regional Affairs; State Affairs and Finance Committees.

For the consideration of the Senate State Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. Anselm Staack, Treasury Comptroller, Department of Revenue concerning both bills.

Sincerely,

R. D. Stevenson
Special Assistant

RDS/rdh

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

The Honorable Donald E. Gilman
Chairman
Senate Community and Regional Affairs Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Anselm Staack
Treasury Comptroller
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

SB 360, 361

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE BILL NO. 360 & ~~362~~ 361

Title Relating to investment of the public employees' and teachers' retirement funds

Requested by and making a special appropriation for payment of Date 3/31/81
accrued liabilities of both funds

Requested by Senate State Affairs & Community & Regional Affairs Committees

II. FISCAL DETAIL.

Agency Affected Department of Revenue, Department of Administration

Program Category Affected General Fund

BRU, Program, or Subprogram(s) Affected

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

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

SB 361 appropriates $136.4 million to the Public Employees' Retirement System and $154.3 million to the Teachers' Retirement System to pay the unfunded liabilities of both systems accrued to 1/1/80 and 6/30/80 respectively.

SB 360 adds language to the investment authority of both systems directing that the funds appropriated by SB 361 be used to buy Alaska Housing Finance Corp. bonds and bond anticipation notes at competitive market rates of interest of taxable securities.

No additional administrative costs appear necessary.

Anselm C. Staack

IV. DATE April 6, 1981 PREPARED BY Anselm C. Staack, Treasury Comptroller

AGENCY Dept. of Revenue/Treasury Division

PHONE 465-2351

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

38-001 (Rev. 12/80)

4-7-81

Dave Rose ++
Tom Williams -+

Fred Muller

[redacted]
(investment of)

SENATE BILL NO. 360, by Senators Stimson, Sturgulewski, Gilman and Hohman. Amends AS 39.35.110 (Public Employees' Retirement System. Investments) and AS 14.25.180 (Teachers' Retirement. Custody and Investments) by addition of new subsections [redacted] Investments to be made in bonds and bond anticipation notes of the Alaska Housing Finance Corporation. Such investments may be made only at competitive market rates of interest for taxable securities. Provides Act takes effect July 1, 1981.

?

in lieu

Introduced March 31 and referred to State Affairs, then to Finance.

Appropriation (special) (public employees' and teachers' retirement funds)

SENATE BILL NO. 361, by Senators Stimsom, Sturgulewski, Gilman and Hohman. Makes a [redacted] the Department [redacted] fund for payment to the pension fund for unfunded benefit liabilities of the public employees' retirement system accrued to January 1, 1980. Appropriates $154,300,000 from the general fund for payment to the retirement fund for unfunded benefit liabilities of the teachers' retirement system accrued to June 30, 1980. Provides Act takes effect on the effective date of SB 360.

?

Introduced March 31 and referred to Community and Regional Affairs, State Affairs, then to Finance. 4/2, C&RA waived.

- strengthens state credit
- "unfunded liabilities", ie, like long term bonded debt.
almost $300 mm
- would also reduce employer pmts.

X Merritt Olson — not favor in investment in a particular portfolio
TRS Board, NEA

APEA — supports concept, but not priority

Introduced: 3/31/81
Referred: State Affairs and Finance

BY STIMSON, STURGULEWSKI, GILMAN AND HOHMAN

IN THE SENATE

SENATE BILL NO. 360

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the investment of the public employees' and teachers' retirement funds; and providing for an effective date."

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

* Section 1. AS 39.35.110 is amended by adding a new subsection to read:

(k) Notwithstanding (a) of this section, if the legislature appropriates money to the pension fund for the unfunded benefit liabilities of the system, the commissioner of revenue ~~shall~~ may invest an amount of the pension fund equal to the amount appropriated, or so much of that amount as the commissioner of administration considers proper, in bonds and bond anticipation notes of the Alaska Housing Finance Corporation. An investment under this subsection may be made only at competitive market rates of interest for taxable securities.

— Tim

? or

* Sec. 2. AS 14.25.180 is amended by adding a new subsection to read:

(j) Notwithstanding (b) of this section, if the legislature appropriates money to the retirement fund for the unfunded benefit liabilities of the system, the commissioner of revenue ~~shall~~ may invest an amount of the retirement fund equal to the amount appropriated or so much of that amount as the commissioner of administration ? considers proper, in bonds and bond anticipation notes of the Alaska Housing Finance Corporation. An investment under this subsection may be made only at competitive market rates of interest for taxable securities.

— Tom Williams

* Sec. 3. This Act takes effect July 1, 1981.

Introduced: 3/31/81
Referred: State Affairs and Finance

IN THE SENATE

BY STIMSON, STURGULEWSKI, GILMAN AND HOHMAN

SENATE BILL NO. 360

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the investment of the public employees' and teachers' retirement funds; and providing for an effective date."

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* Sec. 2. AS 14.25.180 is amended by adding a new subsection to read:

(j) Notwithstanding (b) of this section, if the legislature appropriates money to the retirement fund for the unfunded benefit liabilities of the system, the commissioner of revenue shall invest an amount of the retirement fund equal to the amount appropriated or so much of that amount as the commissioner of administration considers proper, in bonds and bond anticipation notes of the Alaska Housing Finance Corporation. An investment under this subsection may be made only at competitive market rates of interest for taxable securities.

* Sec. 3. This Act takes effect July 1, 1981.

PERS/TRS ACTUARIAL

		ACCRUED LIABILITY	ADJUSTED ASSETS	UNFUNDED LIABILITY	ANNUAL EARNINGS	CONSOL. RATE	PAST SRV RATE	TOTAL RATE	RATE GROUP
1	STATE OF ALASKA	203736116.	123383069.	80353047.	233462893.	11.46	2.54	14.00	
2	SOUTH WEST REGION SCHOOL DISTRICT	162831.	259069.	-96239.	1389196.	11.46	-0.51	10.95	
3	ANNETTE ISLAND SCHOOL DISTRICT	77627.	122262.	-44636.	248195.	11.46	-1.33	10.13	
4	BERING STRAITS SCHOOL DISTRICT	273445.	214854.	58591.	671183.	11.46	0.64	12.10	
5	CHATHAM SCHOOL DISTRICT	27275.	46956.	-19681.	83991.	11.46	-1.73	9.73	
6	ALASKA MUNICIPAL LEAGUE	59644.	-69166.	127810.	58679.	11.46	16.07	27.53	
7	VALDEZ, CITY OF	623022.	673367.	-50345.	1803484.	11.46	-0.21	11.25	
8	JUNEAU BOROUGH SCHOOL DISTRICT	1570078.	608791.	961287.	2901289.	11.46	2.45	13.91	
9	MATANUSKA-SUSITNA BOROUGH	896842.	1142070.	-245228.	1789767.	11.46	1.50	12.96	1
10	MATANUSKA-SUSITNA SCHOOL	1703361.	522959.	1180402.	2812745.	11.46	1.50	12.96	1
11	ANCHORAGE BOROUGH SCHOOL	23903095.	10570129.	13332965.	34277061.	11.46	2.87	14.33	
12	COPPER RIVER SCHOOL DISTRICT	141666.	209582.	-67915.	546561.	11.46	-0.92	10.54	
13	UNIVERSITY OF ALASKA	14341436.	13402405.	939031.	23375479.	11.46	0.32	11.78	3
14	HAINES, CITY OF	178145.	172908.	5237.	276748.	11.46	0.14	11.60	
15	KENAI, CITY OF	785725.	1080274.	-294549.	1509530.	11.46	-1.44	10.02	
16	NORTH STAR BOROUGH	1866065.	2358119.	-492054.	4522041.	11.46	0.50	11.96	4
17	NORTH STAR BOROUGH SCHOOL DISTRICT	4990508.	3525197.	1465311.	9968966.	11.46	0.50	11.96	4
18	RAILBELT SCHOOL DISTRICT	94850.	120470.	-25621.	548712.	11.46	-0.34	11.12	
19	UNIVERSITY OF ALASKA - GEO.	1773002.	1597783.	175219.	2160706.	11.46	0.32	11.78	3
20	CITY AND BOROUGH OF SITKA	2196413.	588738.	1607676.	2138873.	11.46	4.51	15.97	5
21	CHUGACH REGIONAL SCHOOL DISTRICT	7413.	39493.	-32080.	31171.	11.46	-7.60	3.86	
22	GATEWAY BOROUGH	490860.	409705.	81154.	818994.	11.46	0.73	12.19	
23	SOLDOTNA, CITY OF	118744.	138236.	-19491.	388152.	11.46	-0.37	11.09	
24	IDITAROD AREA SCHOOL DISTRICT	69773.	123397.	-53624.	438449.	11.46	-0.90	10.56	
25	KUSPUK SCHOOL DISTRICT	95483.	154016.	-58533.	443430.	11.46	-0.97	10.49	

BASED UPON A 25-YEAR AMORTIZATION OF THE UNFUNDED LIABILITY

	ACCRUED LIABILITY	ADJUSTED ASSETS	UNFUNDED LIABILITY	ANNUAL EARNINGS	CONSOL. RATE	PAST SRV RATE	TOTAL RATE	RATE GROUP
26 CITY AND BOROUGH OF JUNEAU	6644933.	7292067.	-647134.	8059958.	11.46	-0.59	10.87	
28 KODIAK, CITY OF	1843632.	1106262.	737370.	1943304.	11.46	2.80	14.26	
29 FAIRBANKS, CITY OF	8517537.	3296581.	5220956.	7468008.	11.46	5.43	16.89	6
30 FAIRBANKS PUBLIC UTILITIES	2882333.	458870.	2423464.	2922412.	11.46	5.43	16.89	6
32 SKAGWAY, CITY OF	133296.	123127.	10169.	197972.	11.46	0.38	11.84	
33 SITKA, BOROUGH SCHOOLS	902651.	479605.	423046.	1181904.	11.46	4.51	15.97	5
35 WRANGELL, CITY OF	634219.	387892.	246327.	806237.	11.46	2.25	13.71	
36 BETHEL, CITY OF	65544.	57406.	8138.	91148.	11.46	0.66	12.12	
37 VALDEZ CITY SCHOOLS	288144.	309134.	-20990.	998264.	11.46	-0.16	11.30	
38 HOONAH CITY SCHOOLS	397931.	183089.	214842.	587198.	11.46	2.70	14.16	
39 NOME, CITY OF	324600.	171885.	152716.	474820.	11.46	2.37	13.83	
40 KOTZEBUE, CITY OF	88922.	161878.	-72956.	262901.	11.46	-2.05	9.41	
41 GALENA CITY SCHOOLS	40821.	52269.	-11448.	146663.	11.46	-0.58	10.88	
42 KING COVE CITY SCHOOL DISTRICT	35355.	12925.	22430.	146603.	11.46	1.13	12.59	
43 PETERSBURG, CITY OF	1130610.	328728.	801882.	1603985.	11.46	3.69	15.15	
44 BRISTOL BAY BOROUGH	167391.	150460.	16931.	288644.	11.46	0.43	11.89	
45 NORTH SLOPE BOROUGH	1317540.	2194906.	-877365.	7178111.	11.46	-0.90	10.56	
46 WRANGELL SCHOOLS	79880.	-76121.	156001.	143499.	11.46	8.02	19.48	
47 ALASKA UNORGANIZED BOROUGH SCHOOL DIST.	410006.	729178.	-319172.	420000.	11.46	-5.61	5.85	
48 CORDOVA, CITY OF	597965.	263206.	334759.	641132.	11.46	3.85	15.31	
49 NOME CITY SCHOOLS	406791.	57803.	348988.	930518.	11.46	2.77	14.23	
51 KING COVE, CITY OF	18638.	43449.	-24812.	87534.	11.46	-2.09	9.37	
52 ALASKA HOUSING FINANCE CORPORATION	143512.	61678.	81834.	734220.	11.46	1.81	13.27	
53 LOWER YUKON SCHOOL DISTRICT	384443.	329094.	55349.	2127447.	11.46	0.19	11.65	
54 NORTHWEST ARCTIC SCHOOL DISTRICT	814239.	868430.	-54191.	3462180.	11.46	-0.12	11.34	

		ACCRUED LIABILITY	ADJUSTED ASSETS	UNFUNDED LIABILITY	ANNUAL EARNINGS	CONSOL. RATE	PAST SRV RATE	TOTAL RATE	RATE GROUP
55	SOUTHEAST ISLANDS SCHOOL DISTRICT	32551.	57549.	-24998.	172406.	11.46	-1.07	10.39	
56	PRIBILOF REGION SCHOOL DISTRICT	41905.	56766.	-14860.	258219.	11.46	-0.42	11.04	
57	LOWER KUSKOKWIM SCHOOL DISTRICT	505098.	706266.	-201168.	2253833.	11.46	-0.66	10.80	
58	KODIAK ISLAND BOROUGH SCHOOL DISTRICT	752559.	102917.	649641.	2063783.	11.46	2.32	13.78	
59	YUKON FLATS SCHOOL DISTRICT	165032.	222146.	-57114.	1077159.	11.46	-0.39	11.07	
60	YUKON-KOYUKOK SCHOOL DISTRICT	185155.	228444.	-43289.	1145299.	11.46	-0.28	11.18	
61	NORTH SLOPE BOROUGH SCHOOL DISTRICT	650218.	1066297.	-416078.	2431035.	11.46	-1.26	10.20	
62	ALEUTIAN REGION SCHOOL DISTRICT	56684.	82147.	-25464.	209338.	11.46	-0.90	10.56	
63	CORDOVA COMMUNITY HOSPITAL	152684.	212815.	-60132.	426868.	11.46	-1.04	10.42	
64	LAKE AND PENINSULA SCHOOL DISTRICT	110591.	128453.	-17862.	594911.	11.46	-0.22	11.24	
65	SITKA COMMUNITY HOSPITAL	145948.	195064.	-49116.	739211.	11.46	-0.49	10.97	
66	SOUTH CENTRAL REGIONAL RESOURCE CENTER	49648.	54536.	-4888.	532706.	11.46	-0.07	11.39	
67	SOUTH EAST REGIONAL RESOURCE CENTER	4054.	16250.	-12196.	30452.	11.46	-2.96	8.50	
68	BRISTOL BAY REGIONAL RESOURCE CENTER	10224.	18358.	-8134.	113390.	11.46	-0.53	10.93	
69	NORTHWEST REGIONAL RESOURCE CENTER	2518.	9188.	-6671.	27233.	11.46	-1.81	9.65	
70	NORTH PACIFIC FISHERY MANAGEMENT COUNCIL	67254.	64793.	2461.	253717.	11.46	0.07	11.53	
71	WESTERN REGIONAL RESOURCE CENTER	2721.	9657.	-6936.	100570.	11.46	-0.51	10.95	
72	ST. PAUL, CITY OF	28038.	34237.	-6199.	101012.	11.46	-0.45	11.01	
73	ANCHORAGE, MUNICIPALITY OF	35837977.	16477000.	19360977.	44423310.	11.46	3.22	14.68	
74	KODIAK ISLAND BOROUGH	139095.	92231.	46863.	320225.	11.46	1.08	12.54	
75	NOME JOINT UTILITIES	59219.	158476.	-99257.	250697.	11.46	-2.92	8.54	
76	SAND POINT, CITY OF	41262.	37205.	4058.	149866.	11.46	0.20	11.66	
77	KETCHIKAN GATEWAY BORO SCHOOL DISTRICT	56268.	31861.	24407.	245355.	11.46	0.73	12.19	
78	DILLINGHAM, CITY OF	43863.	56056.	-12193.	248490.	11.46	-0.36	11.10	
79	UNALASKA, CITY OF	78589.	99241.	-20651.	580298.	11.46	-0.26	11.20	

	ACCRUED LIABILITY	ADJUSTED ASSETS	UNFUNDED LIABILITY	ANNUAL EARNINGS	CONSOL. RATE	PAST SRV RATE	TOTAL RATE	RATE GROUP
80 KENAI PENINSULA BOROUGH	1833990.	747868.	1086122.	2537173.	11.46	3.16	14.62	
81 KETCHIKAN, CITY OF	2676582.	380666.	2295917.	2137896.	11.46	7.93	19.39	
82 SEWARD, CITY OF	492079.	151665.	340414.	889473.	11.46	2.82	14.28	
83 FORT YUKON, CITY OF	12592.	5422.	7169.	102308.	11.46	0.52	11.98	
84 BRISTOL BAY BOROUGH SCHOOL DISTRICT	93858.	13497.	80360.	168329.	11.46	3.52	14.98	
85 CORDOVA PUBLIC SCHOOLS	88227.	13980.	74248.	77328.	11.46	7.09	18.55	
86 CRAIG, CITY OF	13087.	4181.	8907.	30624.	11.46	2.15	13.61	
88 SAND POINT CITY SCHOOL DISTRICT	1247.	0.	1247.	21949.	11.46	0.42	11.88	
90 KENAI PENINSULA SCHOOL DISTRICT	0.	0.	0.	0.	11.46	3.13	14.59	
** STATE & POLITICAL SUBDIVISION TOTALS	338364328.	201973717.	136390611.	433900420.	11.46	2.32	13.78	

SUBJECT- ELIMINATION OF PERS AND TRS LIABILITIES

FACT:

1. The Public Employees' Retirement System (PERS) is a joint contributory system with defined contributions and benefits. PERS covers all full-time State employees as well as political subdivisions which have elected coverage for their employees. Retirement benefits are based on an employee's high three-year average salary, years of service and age at retirement.

2. Employees contribute 4.25% of their gross pay (9% for peace officers and firemen) and employer contributions are based on periodic actuarial valuations that take into account estimated benefit payments including amortization of past service costs over a 30 year period (over a 40-year period prior to July 1, 1978). During fiscal 1979 the Public Employees' Retirement System Board directed that a further decrease be made in the accrued benefit amortization period from 30 years to 25 years.

3. The current State contribution rate to PERS is 12.58%. During fiscal 1980 the cost to the State for contributions to PERS was $32.5 million.

4. The excess of the computed value of vested benefits over the total of PERS assets was estimated by the consulting actuary to be $128.4 million as of January 1, 1979. This estimate was based on amortizing the unfunded liability over a 30-year period and funding post-retirement medical insurance on a pay-as-you-go basis.

5. The excess of the computed value of vested benefits over the total of PERS assets was estimated by the consulting actuary to be $136.4 million as of January 1, 1980. This estimate was based on amortizing the unfunded liability over a 25-year period and prefunding medical insurance with the same method as other retirement benefits.

6. The Teachers' Retirement System (TRS) is a joint contributory system with defined contributions and benefits. TRS covers all teachers in the public school system. Retirement benefits are based on a teacher's high three-year average salary, years of service and age at retirement.

7. Teachers contribute 7% of their gross pay. The employer and the State each contribute 7.06% of a teacher's salary. During fiscal 1980 the State contributed $15.2 million to TRS.

8. The excess of computed value of vested benefits over the total of TRS assets was estimated by the consulting actuary to be $104.1 million as of June 30, 1979. This estimate was based on amortizing the unfunded liability over a 30-year period and funding post retirement medical insurance on a pay-as-you-go basis, merely providing enough assets to pay for the premiums due in the coming year.

9. The excess of the computed value of vested benefits over the total of TRS assets was estimated by the consulting actuary to be $154.2 million as of June 30, 1980. The estimate was based on amortizing the unfunded liability over a 30-year period and prefunding medical insurance using the same method as other retirement benefits.

10. Both PERS and TRS invest a substantial amount of their assets in Alaska at current market yields. The funds do not invest at "social" or "subsidy" yields.

11. The Alaska Housing Finance Corporation (AHFC), due to recent Federal legislation, will no longer be able to import tax-exempt funds from the national bond market. It must secure at least $500 to $700 million through the issue of taxable debt during FY 82. The market and market rate for this debt is not known at this time.

PROBLEMS

1. The above facts (1-9) are set forth in notes to State financial statements to disclose the existence of a large $290.7 million contingent liability. They also indicate that the deficits are growing larger (PERS up from $123.4 million to $136.4 million and TRS up from $104.1 million to $154.2 million). The amount of the liability and the adverse direction of trend do not reflect credibly on State finances and thus must be disclosed as part of the financials.

2. The State contribution (as employer) to PERS and TRS amounted to $47.7 million in FY 80. The contribution in FY 82 will exceed that amount and appears as an operating budget item. Employer contributions to keep the fund actuarially sound are enormous and swell the operating budget in what appears to be (but is not) a non-discretionary, "not-controllable" item.

3. PERS and TRS are major in-State investors. These funds do not have enough assets to continue to meet the needs of the business and housing debt community.

ASSUMPTION

The legislature wishes to improve the internal State financial condition, reduce the operating budget and provide funds for in-State investment through a single, multi-benefit legislative action.

DISCUSSION

1. A one-time supplemental appropriation in the amount of $300 million will eliminate the liability of both funds; thus presenting a "cleaner" financial statement demonstrating to the financial world that we have the interest and ability to attend to important internal financial matters.

2. The above action will trigger an actuarial study which will result in a recomputation of employer (State) contributions. Thus, in turn, will trigger a substantial reduction in the operating budget.

3. If the one-time supplemental appropriation is made with the caveat that these funds dedicated to the respective retirement systems must be invested in securities issued by AHFC, an immediate market is guaranteed for roughly half of the bonds AHFC will issue in FY 82.

4. The purchase of AHFC negotiable securities at taxable market rates insures that: 1) investment is in securities which can be reoffered (sold) by the retirement funds if desired; 2) if interest rates fall, reoffering of the securities can occur at a premium sale creating substantial profit to the funds; 3) if held to maturity, the securities--because they represent a large corpus of the fund--skew the investment yield to the highest in the history of the retirement funds and probably will make them the highest yielding funds of any state in the nation; 4) the abnormally high yield-- if permitted to be considered by the actuary--will keep employer contributions and thus operating budget costs in this area very low for many years in the future.

ALTERNATE SOLUTIONS TO THE PROBLEMS

Fund less than $300 million making same inroads on the problem but not achieving all that is possible.

RECOMMENDATION

1. Appropriate $300 million in the form of a supplemental with the requirement that the money be used to purchase AHFC securities when issued.

2. Compute affect on FY 82 operating budget and reduce same.

Tom Wms

- both have over 30% in AK investments

85% in hsg (Auch)

- ~~[illegible]~~

- need more diversification

vs. (Gade) bond defeasance

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

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH S
JUNEAU, ALASKA 99811

April 7, 1981

The Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Room 205 - Behrends Building
Juneau, Alaska

Dear Senator Fischer:

Re: Senate Bill No. 360 and Senate Bill No. 361

Senate Bill No. 360, an Act relating to the investment of the public employees' and teachers' retirement funds, was introduced in the Senate on March 31, 1981 and was referred to the Senate State Affairs and Finance Committees.

Senate Bill No. 361, an Act making a special appropriation to the Department of Administration for payment of liablilities of the public employees' and teachers' retirement funds, was introduced in the Senate on March 31, 1981 and was referred to the Senate Community and Regional Affairs; State Affairs and Finance Committees.

For the consideration of the Senate State Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. Anselm Staack, Treasury Comptroller, Department of Revenue concerning both bills.

Sincerely,

R. D. Stevenson
Special Assistant

RDS/rdh

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

The Honorable Donald E. Gilman
Chairman
Senate Community and Regional
Affairs Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Anselm Staack
Treasury Comptroller
Department of Revenue

04-02LH

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

SB 360, 361

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE BILL NO. 360 & ~~362~~ 361

Title Relating to investment of the public employees' and teachers' retirement funds

~~Reserved~~; and making a special appropriation for payment of accrued liabilities of both funds Date 3/31/81

Requested by Senate State Affairs & Community & Regional Affairs Committees

II. FISCAL DETAIL

Agency Affected Department of Revenue, Department of Administration

Program: Category Affected General Fund

BRU, Program, or Subprogram(s) Affected

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

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

SB 361 appropriates $136.4 million to the Public Employees' Retirement System and $154.3 million to the Teachers' Retirement System to pay the unfunded liabilities of both systems accrued to 1/1/80 and 6/30/80 respectively.

SB 360 adds language to the investment authority of both systems directing that the funds appropriated by SB 361 be used to buy Alaska Housing Finance Corp. bonds and bond anticipation notes at competitive market rates of interest of taxable securities.

No additional administrative costs appear necessary.

Anselm C. Staack

IV. DATE April 6, 1981 PREPARED BY Anselm C. Staack, Treasury Comptroller

AGENCY Dept. of Revenue/Treasury Division

PHONE 465-2351

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

[illegible] (Rev. 10/80)

TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 361

Title An Act Making a Special Appropriation to the Department of Administration

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits

Program Category Affected Labor Services

BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 (PERS)

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
100 APPROPRIATION (SB 361)		136,400.0				
100 BENEFITS OPERATING BUDGET		(7,534.0)	(7,534.0)	(7,534.0)	(7,534.0)	(7,534.0)
TOTAL	-0-	128,866.0	(7,534.0)	(7,534.0)	(7,534.0)	(7,534.0)

FUNDING (Thousands of Dollars)

GENERAL FUND		130,299.7	(6170.3)	(6170.3)	(6170.3)	(6170.3
FEDERAL FUNDS		(346.6)	(346.6)	(346.6)	(346.6)	(346.6
VETERAN'S FUND		(15.1)	(15.1)	(15.1)	(15.1)	(15.1
FISH & GAME FUND		(45.2)	(45.2)	(45.2)	(45.2)	(45.2
HIGHWAY FUND		(97.9)	(97.9)	(97.9)	(97.9)	(97.9
AIRPORT FUND		(218.5)	(218.5)	(218.5)	(218.5)	(218.5
CAPITAL FUND		(640.4)	(640.4)	(640.4)	(640.4)	(640.4
PERS						
TRS						

POSITIONS

	NONE					
FULL TIME						
PART TIME						
TEMPORARY						

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

1. The unfunded State Benefit Liability Rate is 2.54% of covered payroll ($7,534.0 in FY 82).

2. The average unfunded Political Subdivision Liability Rate is 2.32% of covered payroll ($5,887.2 in FY 82).

3. The appropriation under this bill will reduce the unfunded liability of the PERS approximately as follows:

State: $80,353.0
Political Subs: $56,047.0

Paul B. Arnoldt 9c

IV. DATE 5/01/81 PREPARED BY Paul B. Arnoldt, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management
Prime Sponsor (First Legislator Named) Senator Stimson
Office of the Governor (Keith Siecking)

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 361

Title An Act making a special appropriation to the Department of Administration

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits

Program Category Affected Labor Services and Elementary & Secondary Education

BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-02 (TRS) 02-11-8-02-01-00 (TRS MATCH)

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

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
100	APPROPRIATIONS (SB 361)		159300.0				
700	STATE TRS MATCHING		(6400.4)	(6400.4)	(6400.4)	(6400.4)	(6400.4)
100	BENEFITS OPERATING BUDGET		(1157.2)	(1157.2)	(1157.2)	(1157.2)	(1157.2)
	TOTAL	-0-	146742.4	(7557.6)	(7557.6)	(7557.6)	(7557.6)

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	146742.4	(7557.6)	(7557.6)	(7557.6)	(7557.6)
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

The unfunded TRS benefit liability rate is 4.09% of covered payroll (The TRS contribution rate is split 50/50 between the state matching contribution and the school district contribution).

Paul B. Arnoldt 9c

IV. DATE 5/01/81 PREPARED BY Paul B. Arnoldt, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Senator Stimson

Office of the Governor (Keith Specking)

ATTACHMENT

Bill/Resolution No. SB 361

ASSUMPTIONS:

1. Estimated FY82 Payroll (Total System) = $261,775,000
2. State Contribution Rate to Fund Bill = 2.445%
3. State TRS Matching Rate to Fund Bill = 2.445%
4. School District Rate to Fund Bill = 2.445%

COST ANALYSIS:

	Employer	Payroll		Rate	Cost Reduction	Appropriation
1.	Department of Education	$ 4,712,000	X	2.445%	$ 115.2	To Their Budget
2.	University of Alaska	$ 42,617,000	X	2.445%	$1,042.0	To Their Budget
					$1,157.2	
3.	State TRS Matching	$ 261,775,000	X	2.445	$6,400.4	To TRS Match
4.	State TRS Regular Budget:					
	Personal Services				$ -0-	To Personal
	Travel				$ -0-	To Travel
	Contractual				$ -0-	To Contractual
	Commodities				$ -0-	To Commodities
	Equipment				$ -0-	To Equipment
	COST REDUCTION TO STATE IN FY82				$7,557.6	
5.	All School Districts	$ 214,446,000	X	2.445%	$5,243.2	
	TOTAL COST REDUCTION IN FY82				$12,800.8	

REMARKS:

SBS/D1/32

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

SB

361

+ Merritt Olson - retire any financial obligations during point of present - liabilities incurred by Legis. allowing people to enter systems, post-retirement adjustment type priority

Introduced: 3/31/87
Referred: Community & Regional Affairs, State Affairs and Finance

Funding Information
General Fund $290,700,000
Other Funds 0

TRS BOARD

IN THE SENATE

BY STIMSON, STURGULEWSKI, GILMAN AND HOHMAN

SENATE BILL NO. 361

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Department of Administration for payment of liabilities of the public employees' and teachers' retirement funds; and providing for an effective date."

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

* Section 1. The sum of $136,400,000 is appropriated from the general fund to the Department of Administration for payment to the pension fund for unfunded benefit liabilities of the [redacted] retirement system (AS 39.35) accrued to January 1, 1980.

* Sec. 2. The sum of $154,300,000 is appropriated from the general fund to the Department of Administration for payment to the retirement fund for unfunded benefit liabilities of the [redacted] system (AS 14.25) accrued to June 30, 1980.

* Sec. 3. This Act takes effect on the effective date of an Act entitled "An Act relating to the investment of the public employees' and teachers' retirement funds; and providing for an effective date."

		ACCRUED LIABILITY	ADJUSTED ASSETS	UNFUNDED LIABILITY	ANNUAL EARNINGS	CONSOL. RATE	PAST SRV RATE	TOTAL RATE	RATE GROUP
1	STATE OF ALASKA	203736116.	123383069.	80353047.	233462893.	11.46	2.54	14.00	
2	SOUTH WEST REGION SCHOOL DISTRICT	162831.	259069.	-96239.	1389196.	11.46	-0.51	10.95	
3	ANNETTE ISLAND SCHOOL DISTRICT	77627.	122262.	-44636.	248195.	11.46	-1.33	10.13	
4	BERING STRAITS SCHOOL DISTRICT	273445.	214854.	58591.	671183.	11.46	0.64	12.10	
5	CHATHAM SCHOOL DISTRICT	27275.	46956.	-19681.	83991.	11.46	-1.73	9.73	
6	ALASKA MUNICIPAL LEAGUE	58644.	-69166.	127810.	58679.	11.46	16.07	27.53	
7	VALDEZ, CITY OF	623022.	673367.	-50345.	1803484.	11.46	-0.21	11.25	
8	JUNEAU BOROUGH SCHOOL DISTRICT	1570078.	608791.	961287.	2901289.	11.46	2.45	13.91	
9	MATANUSKA-SUSITNA BOROUGH	896842.	1142070.	-245228.	1789767.	11.46	1.50	12.96	1
10	MATANUSKA-SUSITNA SCHOOL	1703361.	522959.	1180402.	2812745.	11.46	1.50	12.96	1
11	ANCHORAGE BOROUGH SCHOOL	23903095.	10570129.	13332966.	34277061.	11.46	2.87	14.33	
12	COPPER RIVER SCHOOL DISTRICT	141666.	209582.	-67915.	546561.	11.46	-0.92	10.54	
13	UNIVERSITY OF ALASKA	14341436.	13402405.	939031.	23375479.	11.46	0.32	11.78	3
14	HAINES, CITY OF	178145.	172908.	5237.	276748.	11.46	0.14	11.60	
15	KENAI, CITY OF	785725.	1080274.	-294549.	1509530.	11.46	-1.44	10.02	
16	NORTH STAR BOROUGH	1866065.	2358119.	-492054.	4522041.	11.46	0.50	11.96	4
17	NORTH STAR BOROUGH SCHOOL DISTRICT	4990508.	3525197.	1465311.	9968966.	11.46	0.50	11.96	4
18	RAILBELT SCHOOL DISTRICT	94850.	120470.	-25621.	548712.	11.46	-0.34	11.12	
19	UNIVERSITY OF ALASKA - GEO.	1773002.	1597783.	175219.	2160706.	11.46	0.32	11.78	3
20	CITY AND BOROUGH OF SITKA	2196413.	588738.	1607676.	2138873.	11.46	4.51	15.97	5
21	CHUGACH REGIONAL SCHOOL DISTRICT	7413.	39493.	-32080.	31171.	11.46	-7.60	3.86	
22	GATEWAY BOROUGH	490860.	409705.	81154.	811 94.	11.46	0.73	12.19	
23	SOLDOTNA, CITY OF	118744.	138236.	-19491.	388152.	11.46	-0.37	11.09	
24	IDITAROD AREA SCHOOL DISTRICT	69773.	123397.	-53624.	438449.	11.46	-0.90	10.56	
25	KUSPUK SCHOOL DISTRICT	95483.	154016.	-58533.	443430.	11.46	-0.97	10.49	

BASED UPON A 25-YEAR AMORTIZATION OF THE UNFUNDED LIABILITY

	ACCRUED LIABILITY	ADJUSTED ASSETS	UNFUNDED LIABILITY	ANNUAL EARNINGS	CONSOL. RATE	PAST SRV RATE	TOTAL RATE	RATE GROUP
26 CITY AND BOROUGH OF JUNEAU	6644933.	7292067.	-647134.	8069958.	11.46	-0.59	10.87	
28 KODIAK, CITY OF	1843632.	1106262.	737370.	1943304.	11.46	2.80	14.26	
29 FAIRBANKS, CITY OF	8517537.	3296581.	5220956.	7468008.	11.46	5.43	16.89	6
30 FAIRBANKS PUBLIC UTILITIES	2882333.	458870.	2423464.	2922412.	11.46	5.43	16.89	6
32 SKAGWAY, CITY OF	133296.	123127.	10169.	197972.	11.46	0.38	11.84	
33 SITKA, BOROUGH SCHOOLS	902651.	479605.	423046.	1181904.	11.46	4.51	15.97	5
35 WRANGELL, CITY OF	634219.	387892.	246327.	806237.	11.46	2.25	13.71	
36 BETHEL, CITY OF	65544.	57406.	8138.	91148.	11.46	0.66	12.12	
37 VALDEZ CITY SCHOOLS	288144.	309134.	-20990.	998264.	11.46	-0.16	11.30	
38 HOONAH CITY SCHOOLS	397931.	183089.	214842.	587198.	11.46	2.70	14.16	
39 NOME, CITY OF	324600.	171885.	152716.	474820.	11.46	2.37	13.83	
40 KOTZEBUE, CITY OF	88922.	161878.	-72956.	262901.	11.46	-2.05	9.41	
41 GALENA CITY SCHOOLS	40821.	52269.	-11448.	146663.	11.46	-0.58	10.88	
42 KING COVE CITY SCHOOL DISTRICT	35355.	12925.	22430.	146603.	11.46	1.13	12.59	
43 PETERSBURG, CITY OF	1130610.	328728.	801882.	1603985.	11.46	3.69	15.15	
44 BRISTOL BAY BOROUGH	167391.	150460.	16931.	288644.	11.46	0.43	11.89	
45 NORTH SLOPE BOROUGH	1317540.	2194906.	-877365.	7178111.	11.46	-0.90	10.56	
46 WRANGELL SCHOOLS	79880.	-76121.	156001.	143499.	11.46	8.02	19.48	
47 ALASKA UNORGANIZED BOROUGH SCHOOL DIST.	410006.	729178.	-319172.	420000.	11.46	-5.61	5.85	
48 CORDOVA, CITY OF	597965.	263206.	334759.	641132.	11.46	3.85	15.31	
49 NOME CITY SCHOOLS	406791.	57803.	348988.	930518.	11.46	2.77	14.23	
51 KING COVE, CITY OF	18638.	43449.	-24812.	87534.	11.46	-2.09	9.37	
52 ALASKA HOUSING FINANCE CORPORATION	143512.	61678.	81834.	334220.	11.46	1.81	13.27	
53 LOWER YUKON SCHOOL DISTRICT	384443.	329094.	55349.	2127447.	11.46	0.19	11.65	
54 NORTHWEST ARCTIC SCHOOL DISTRICT	814239.	868430.	-54191.	3462180.	11.46	-0.12	11.34	

	ACCRUED LIABILITY	ADJUSTED ASSETS	UNFUNDED LIABILITY	ANNUAL EARNINGS	CONSOL. RATE	PAST SRV RATE	TOTAL RATE	RATE GROUP
55 SOUTHEAST ISLANDS SCHOOL DISTRICT	32551.	57549.	-24998.	172406.	11.46	-1.07	10.39	
56 PRIBILOF REGION SCHOOL DISTRICT	41905.	56766.	-14860.	258219.	11.46	-0.42	11.04	
57 LOWER KUSKOKWIM SCHOOL DISTRICT	505098.	706266.	-201168.	2253833.	11.46	-0.66	10.80	
58 KODIAK ISLAND BOROUGH SCHOOL DISTRICT	752559.	102917.	649641.	2063783.	11.46	2.32	13.78	
59 YUKON FLATS SCHOOL DISTRICT	165032.	222146.	-57114.	1077159.	11.46	-0.39	11.07	
60 YUKON-KOYUKOK SCHOOL DISTRICT	185155.	228444.	-43289.	1145299.	11.46	-0.28	11.18	
61 NORTH SLOPE BOROUGH SCHOOL DISTRICT	650218.	1066297.	-416078.	2431035.	11.46	-1.26	10.20	
62 ALEUTIAN REGION SCHOOL DISTRICT	56684.	82147.	-25464.	209338.	11.46	-0.90	10.56	
63 CORDOVA COMMUNITY HOSPITAL	152684.	212815.	-60132.	426868.	11.46	-1.04	10.42	
64 LAKE AND PENINSULA SCHOOL DISTRICT	110591.	128453.	-17862.	594911.	11.46	-0.22	11.24	
65 SITKA COMMUNITY HOSPITAL	145948.	195064.	-49116.	739211.	11.46	-0.49	10.97	
66 SOUTH CENTRAL REGIONAL RESOURCE CENTER	49648.	54536.	-4888.	532706.	11.46	-0.07	11.39	
67 SOUTH EAST REGIONAL RESOURCE CENTER	4054.	16250.	-12196.	30452.	11.46	-2.96	8.50	
68 BRISTOL BAY REGIONAL RESOURCE CENTER	10224.	18358.	-8134.	113390.	11.46	-0.53	10.93	
69 NORTHWEST REGIONAL RESOURCE CENTER	2518.	9188.	-6671.	27233.	11.46	-1.81	9.65	
70 NORTH PACIFIC FISHERY MANAGEMENT COUNCIL	67254.	64793.	2461.	253717.	11.46	0.07	11.53	
71 WESTERN REGIONAL RESOURCE CENTER	2721.	9657.	-6936.	100570.	11.46	-0.51	10.95	
72 ST. PAUL, CITY OF	28038.	34237.	-6199.	101012.	11.46	-0.45	11.01	
73 ANCHORAGE, MUNICIPALITY OF	35837977.	16477000.	19360977.	44428310.	11.46	3.22	14.68	
74 KODIAK ISLAND BOROUGH	139095.	92231.	46863.	320225.	11.46	1.08	12.54	
75 NOME JOINT UTILITIES	59219.	158476.	-99257.	250697.	11.46	-2.92	8.54	
76 SAND POINT, CITY OF	41262.	37205.	4058.	149866.	11.46	0.20	11.66	
77 KETCHIKAN GATEWAY BORO SCHOOL DISTRICT	56768.	31861.	24907.	245355.	11.46	0.73	12.19	
78 DILLINGHAM, CITY OF	43863.	56056.	-12193.	248490.	11.46	-0.36	11.10	
79 UNALASKA, CITY OF	78589.	99241.	-20651.	580298.	11.46	-0.26	11.20	

	ACCRUED LIABILITY	ADJUSTED ASSETS	UNFUNDED LIABILITY	ANNUAL EARNINGS	CONSOL. RATE	PAST SRV RATE	TOTAL RATE	RATE GROUP
80 KENAI PENINSULA BOROUGH	1833990.	747868.	1086122.	2537173.	11.46	3.16	14.62	
81 KETCHIKAN, CITY OF	2676582.	380666.	2295917.	2137896.	11.46	7.93	19.39	
82 SEWARD, CITY OF	492079.	151665.	340414.	889473.	11.46	2.82	14.28	
83 FORT YUKON, CITY OF	12592.	5422.	7169.	102308.	11.46	0.52	11.98	
84 BRISTOL BAY BOROUGH SCHOOL DISTRICT	93858.	13497.	80360.	168329.	11.46	3.52	14.98	
85 CORDOVA PUBLIC SCHOOLS	88227.	13980.	74248.	77328.	11.46	7.09	18.55	
86 CRAIG, CITY OF	13087.	4181.	8907.	30624.	11.46	2.15	13.61	
88 SAND POINT CITY SCHOOL DISTRICT	1247.	0.	1247.	21949.	11.46	0.42	11.88	
90 KENAI PENINSULA SCHOOL DISTRICT	0.	0.	0.	0.	11.46	3.13	14.59	
** STATE & POLITICAL SUBDIVISION TOTALS	338364328.	201973717.	136390611.	433900420.	11.46	2.32	13.78	

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 361

Title An Act Making a Special Appropriation to the Department of Administration

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits

Program Category Affected Labor Services

BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 (PERS)

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

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
100	APPROPRIATION (SB 361)		136,400.0				
100	BENEFITS OPERATING BUDGET		(7,534.0)	(7,534.0)	(7,534.0)	(7,534.0)	(7,534.0)
	TOTAL	-0-	128,866.0	(7,534.0)	(7,534.0)	(7,534.0)	(7,534.0)

FUNDING (Thousands of Dollars)

GENERAL FUND		130,299.7	(6170.3)	(6170.3)	(6170.3)	(6170.3
FEDERAL FUNDS		(346.6)	(346.6)	(346.6)	(346.6)	(346.6
VETERAN'S FUND		(15.1)	(15.1)	(15.1)	(15.1)	(15.1
FISH & GAME FUND		(45.2)	(45.2)	(45.2)	(45.2)	(45.2
HIGHWAY FUND		(97.9)	(97.9)	(97.9)	(97.9)	(97.9
AIRPORT FUND		(218.5)	(218.5)	(218.5)	(218.5)	(218.5
CAPITAL FUND		(640.4)	(640.4)	(640.4)	(640.4)	(640.4
PERS						
TRS						

POSITIONS

	NONE					
FULL TIME						
PART TIME						
TEMPORARY						

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

1. The unfunded State Benefit Liability Rate is 2.54% of covered payroll ($7,534.0 in FY 82).

2. The average unfunded Political Subdivision Liability Rate is 2.32% of covered payroll ($5,887.2 in FY 82).

3. The appropriation under this Bill will reduce the unfunded liability of the PERS approximately as follows:

   State: $80,353.0
   Political Subs: $56,047.0

Paul B. Arnoldt qc

IV. DATE 5/01/81 PREPARED BY Paul B. Arnoldt, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management
Prime Sponsor (First Legislator Named): Senator Stimson
Office of the Governor (Keith Sreckinq)

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 361

Title An Act making a special appropriation to the Department of Administration

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits

Program Category Affected Labor Services and Elementary & Secondary Education

BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-02 (TRS) 02-11-8-02-01-00 (TRS MATCH)

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

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
100	APPROPRIATIONS (SB 361)		154300.0				
700	STATE TRS MATCHING		(6400.4)	(6400.4)	(6400.4)	(6400.4)	(6400.4)
100	BENEFITS OPERATING BUDGET		(1157.2)	(1157.2)	(1157.2)	(1157.2)	(1157.2)
	TOTAL	-0-	146742.4	(7557.6)	(7557.6)	(7557.6)	(7557.6)

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	146742.4	(7557.6)	(7557.6)	(7557.6)	(7557.6)
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

The unfunded TRS benefit liability rate is 4.09% of covered payroll (The TRS contribution rate is split 50/50 between the state matching contribution and the school district contribution).

Paul B. Arnoldt 9C

IV. DATE 5/01/81 PREPARED BY Paul B. Arnoldt, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Senator Stimson

Office of the Governor (Keith Specking)

ATTACHMENT

Bill/Resolution No. SB 361

ASSUMPTIONS:

1. Estimated FY82 Payroll (Total System) = $261,775,000
2. State Contribution Rate to Fund Bill = 2.445%
3. State TRS Matching Rate to Fund Bill = 2.445%
4. School District Rate to Fund Bill = 2.445%

COST ANALYSIS:

	Employer	Payroll		Rate	Cost Reduction	Appropriation
1.	Department of Education	$ 4,712,000	X	2.445%	$ 115.2	To Their Budget
2.	University of Alaska	$ 42,617,000	X	2.445%	$1,042.0	To Their Budget
					$1,157.2	
3.	State TRS Matching	$ 261,775,000	X	2.445	$6,400.4	To TRS Match
4.	State TRS Regular Budget:					
	Personal Services				$ -0-	To Personal
	Travel				$ -0-	To Travel
	Contractual				$ -0-	To Contractual
	Commodities				$ -0-	To Commodities
	Equipment				$ -0-	To Equipment
	COST REDUCTION TO STATE IN FY82				$7,557.6	
5.	All School Districts	$ 214,446,000	X	2.445%	$5,243.2	
	TOTAL COST REDUCTION IN FY82				$12,800.8	

REMARKS:

SBS/D1/32

SB

362

MEMORANDUM State of Alaska

TO: Rod Mourant
Administrative Assistant
Office of the Governor

DATE: January 28, 1981

FILE NO:

TELEPHONE NO:

FROM: Alaska State Commission for Human Rights

SUBJECT: Request for FY81 Supplemental Appropriation

CONTACT PERSONS:

Diana Snowden, Chairperson	Anchorage	264-7737
Arlene Dilts, Fiscal Commissioner	Juneau	586-1432
Niel Thomas, Executive Director	Anchorage	276-7474

For the first time since 1975 the Commission is requesting a supplemental appropriation to its budget. There are two significant areas to this request as follows:

$57.2 2. Rent Increase Adjustment: The Anchorage Commission offices were forced to move on an emergency basis to another location during FY81 due to untenantable conditions (i.e. ceiling falling down, roof leaks, uncontrollable heating and ventiliation, obnoxious odors). Additional space required for the new (FY81 authorized) positions was negotiated into the new lease.

$35.9 2. Reduction of Federal Receipts: The Commission receives federal contracts for reimbursement of case processing costs. The Commission, due to cuts in the FY80 budget, was unable to meet its FY80 federal contract and current contracts have been drastically reduced as a result. The Commission is requesting this additional amount in order to prevent a chain reaction of state underfunding followed by reduction in federal receipts and so on. The supplemental ensures full case production and therefore full realization of federal funds.

Background

The Commission has the responsibility to ensure that the irrelevant factors of race, sex, color, age, religion, national origin, marital status, changes in marital status, pregnancy and parenthood are not factors in employment, housing, public accommodations, credit and government services. The staff is answerable to a seven-member unsalaried Commission which sets overall policy and decides cases brought before them by the

staff at hearings. Legal advice is by the Department of Law. The Commission teaches people their rights under the law and shows people how to avoid complaints by complying with the law.

The Commission screens potential complaints to eliminate those which do not meet filing standards. Complaints accepted are investigated impartially: 85% are dismissed or settled to the satisfaction of the parties. Unresolved Complaints, supported by substantial evidence, are brought before Commissioners by the staff at public due process hearings. Orders issued after hearings may be reviewed in Superior Court.

In the past six years the Commission has processed 3748 cases with 467 of these remaining open on 10/1/80. The total dollar value of benefits received by Complainants during this period is $4,018,010. The Commission has issued 25 opinions after public hearings. There have been 23 court opinions construing the Human Rights Law. No position of consequence the Commission has taken in court has been rejected by Alaska's Supreme Court or the U.S. Supreme Court.

Complaint Patterns and Projections

Table 1 shows complaint levels at the Commission since 1975. Included are projections based upon the FY82 budget submission. The bulge attributable to Alyeska pipeline impact is evident, as is the gradual reduction in this inventory following a budget increase in FY76. The effect of the FY80 budget reduction appears currently in the form of a more gradual reduction in the case inventory.

Table 1 assumes a continued annual filing rate of 216 cases, based upon the experience of the first nine months of calendar year 1980. (In 1979 the rate was 304; in 1978 it was 406. The projected rate of 216 cases is a conservative figure, reflecting the downward trend in new filings, current strict filing standards and the general population decline.)

Table 2 projects the complete elimination in the field offices of the 10/1/80 backlog of 434 cases. This table reflects: a) anticipated funding under a Backlog Elimination Project requested in the FY82 budget with a supplemental for FY81 b) funding with FY82 project and no FY81 supplemental funding and c) no supplemental or FY82 project funding.

Table 3 shows activity in cases at the hearing stage. (These cases are not included in the field office totals of Table 2: the total 10/1/80 inventory of 467 on Table 1 equals the 434 field office cases shown on Table 2 plus the 33 hearing cases shown on Table 3.)

Table 3 tracks separately the activity of backlog hearing cases (filed before 10/1/80) and "front log" cases (filed after 10/1/80). It assumes, based upon recent patterns, that 15% of cases processed through the field offices reach the hearing stage. The hearing caseload will grow slowly, but will grow indefinitely without the FY82 budget requested. The Equal Employment Opportunity Commission (EEOC), the federal counterpart, averages nine cases for an attorney caseload. The combined effect of the supplemental and the FY82 project budget would make the hearing caseload for the attorney consistent with the federal practices.

The bulge in hearing cases to a peak of 82 on 6/30/82 is caused by the heavy production of the field office backlog team plus normal input from current cases. At that time additional support is transferred to this unit to reduce the caseload.

RENT INCREASE ADJUSTMENT

This supplemental appropriation request provides funds for the Commission's Anchorage offices move due to untenantable conditions. The net increase in rent is 47.4. No money was budgeted in the current FY81 budget for the ASHA payment for the Fairbanks regional office 10.1. Without the supplemental the Commission will be forced to pay these costs by transfers from other program budget lines. The total requested supplemental amount for rent and lease increases is: 57.5.

REDUCTION OF FEDERAL RECEIPTS

In the past the Commission, fully staffed, was always able to meet or exceed its federal contracts for processing cases. During FY80 the Commission's budget was cut. The resulting personal services underfunding prevented filling vacant positions. This directly impacted upon the production of the agency in case processing. The agency was unable to meet its federal contract for FY80 and was required to take a downward contract modification of $26,950 or 23%. This left very little funding for the first quarter of FY81. (See table 4). Additionally, the federal FY81 contracts were reduced drastically, based upon performance under the federal FY80 contract. Instead of the 106.0 originally estimated in federal receipts, in the state FY81 budget, only 70.1 will be realized during state FY81. The Commission is, therefore, requesting an additional $35.9 to raise production back to the pre-FY80 level and realize the 115.0 projected in the state FY82 budget.

SUMMARY

Funding shortfalls are creating unacceptable delays for Complainants and Respondents. These delays cost Respondents more in backpay and attorney fees. Complainants withdraw legitimate complaints. These closures do not serve justice.

Without a supplemental, the Commission will cut services. The Commission' budget is over 77% personal services, including the Department of Law attorney contract. Short of layoffs there is no budget line to cut by $93.1. Re-staffing and re-training in July after layoffs would compound the problem by slowing services until the staff is fully productive.

Table 4

EEOC CONTRACT PERFORMANCE[a]

	FY77	FY78	FY79	FY80	FY81
Federal receipt per contract	50,830	121,230	117,250	[b] 125,000/98,050	66,938
# cases contracted	109	335	335	[b] 335/258	170
# cases completed	337	343	338	228	[c] 32

(a) EEOC contracts are by federal fiscal year, October - September.
(b) Left figure is original contract amount/right figure is modified contract amount.
(c) Cases completed through 12/31/80, one quarter contract production.

Table 2

HUMAN RIGHTS COMMISSION
"BACKLOG" ELIMINATION
PROJECTIONS
FY81 - 82

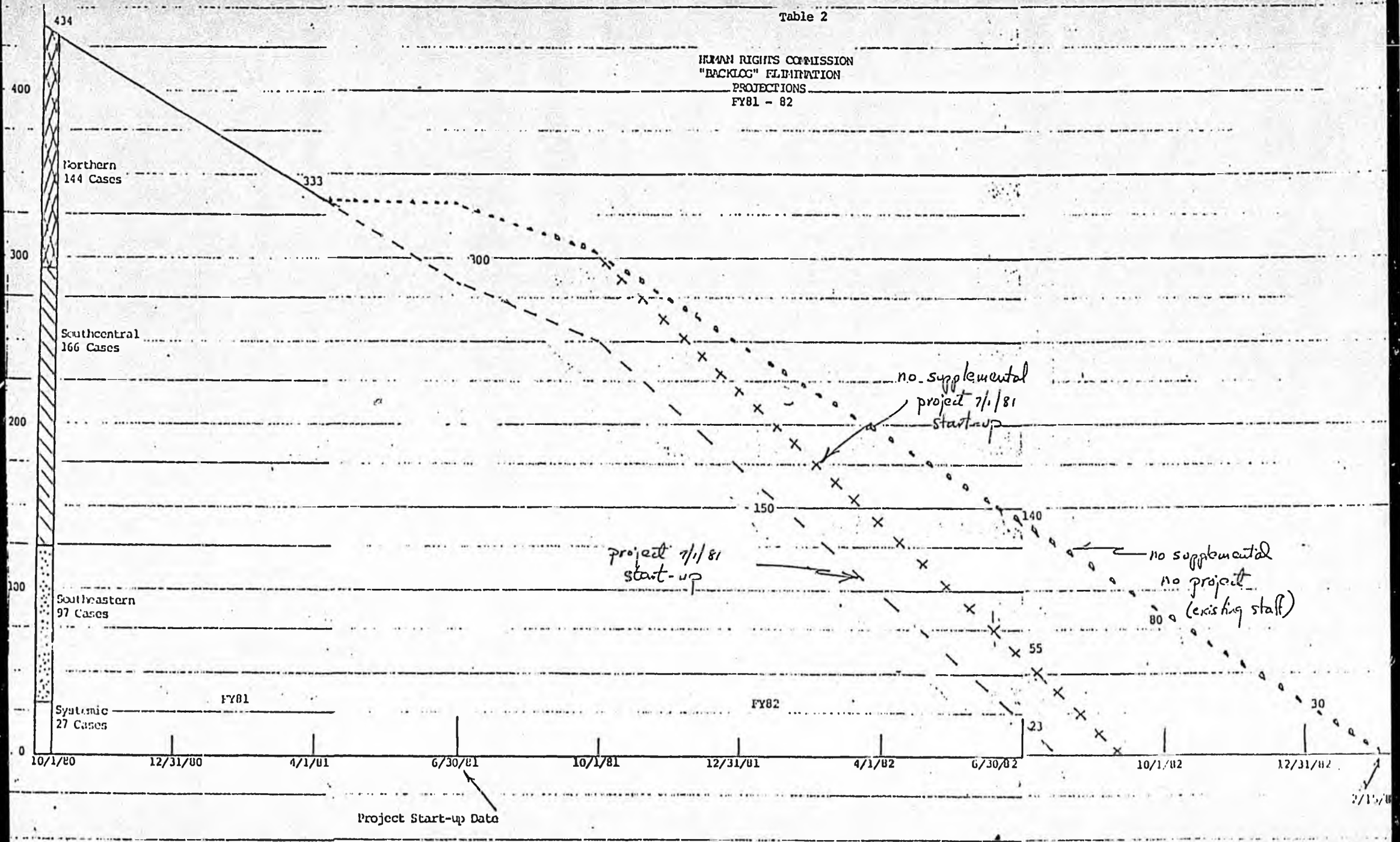
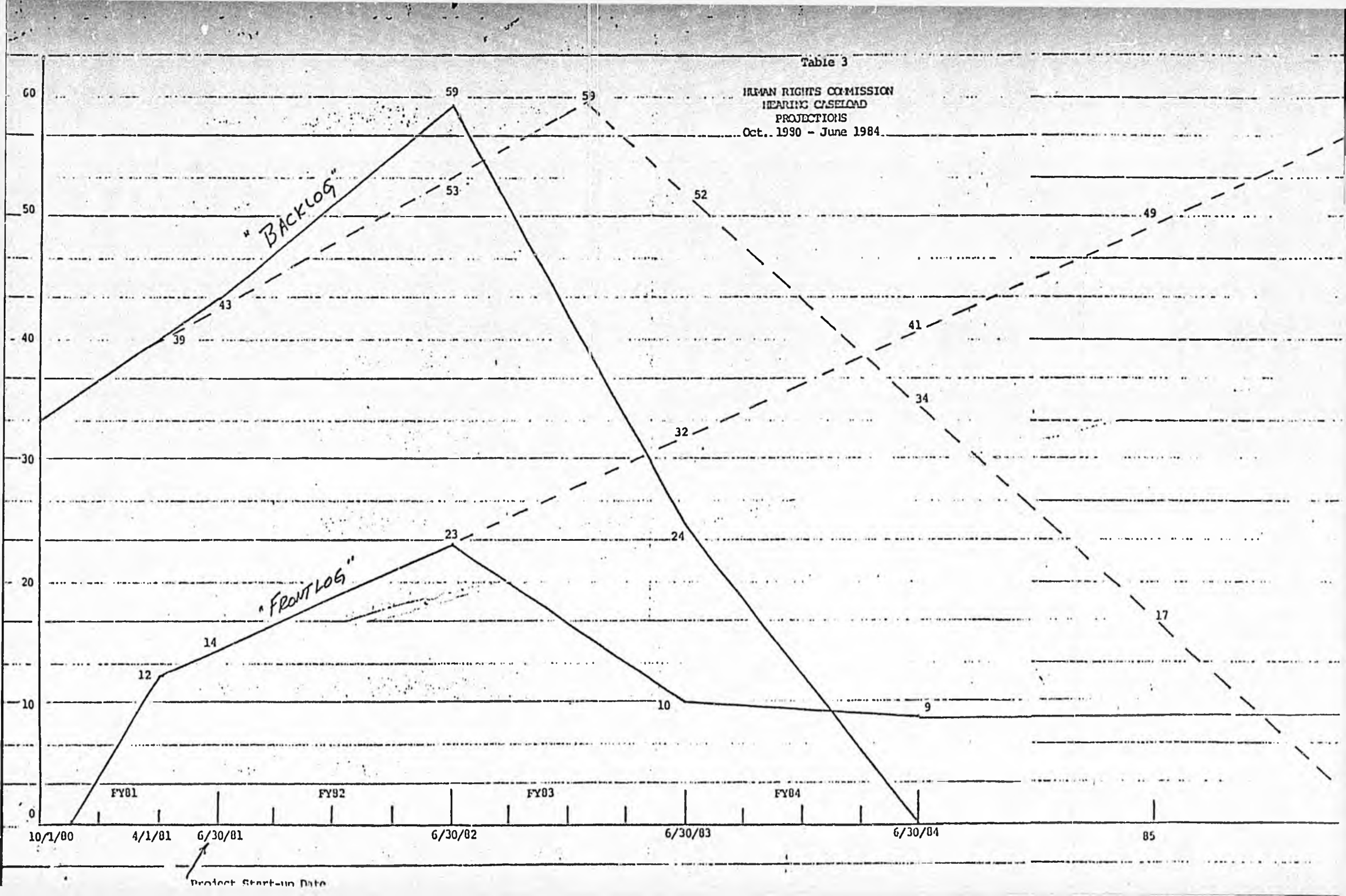


Table 3

HUMAN RIGHTS COMMISSION
HEARING CASELOAD
PROJECTIONS
Oct. 1980 - June 1984



SB

375

JAY S. HAMMOND
GOVERNOR

TERRY MILLER
LIEUTENANT GOVERNOR

STATE OF ALASKA
LIEUTENANT GOVERNOR
JUNEAU

May 7, 1981

The Honorable Brad Bradley
State Senator
Pouch V
Juneau, Alaska 99811

Dear Brad:

This is to express my support for SSSB 375, an act authorizing commissioned officers and commanders of units of the armed forces of the United States to perform the functions of a notary public in the State of Alaska. The passage of this bill will provide a needed service for the military personnel stationed in Alaska and will make the daily conduct of business more convenient for them.

Sincerely yours,

Terry Miller
Lieutenant Governor

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Sponsor Substitute for Senate Bill No. 375
Title Authorizing commissioned officers of the armed forces to (cont.)
Requested by Senate State Affairs Committee Date May 6, 1981

TITLE (cont.) perform the functions of a notary public.

II. FISCAL DETAIL
Agency Affected Office of the Lieutenant Governor
Program Category Affected Office of the Lieutenant Governor
BRU, Program, or Subprogram(s) Affected Office of the Lieutenant Governor
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	0	0	0			
200 TRAVEL	0	0	0			
300 CONTRACTUAL	0	0	0			
400 COMMODITIES	0	0	0			
500 EQUIPMENT	0	0	0			
600 LAND & STRUCTURES	0	0	0			
700 GRANTS, CLAIMS, ETC.	0	0	0			
TOTAL	0	0	0			

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	0			
FEDERAL FUNDS	0	0	0			
OTHER (Specify Fund Source)	0	0	0			

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

No fiscal impact.

IV. DATE May 6, 1981 PREPARED BY Deborah B. Baley
AGENCY Office of the Lieutenant Governor
PHONE 465-3520

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

08-001 (Rev 12/80

SB

394

Alaska Court System

State of Alaska

FRANK RAYE
Personnel Director

OFFICE OF ADMINISTRATIVE DIRECTOR

303 K Street
Anchorage, Alaska 99501

October 12, 1981

The Honorable Victor Fischer, Chair
Senate Affairs Committee
Pouch V
Juneau, AK 99811

Dear Senator Fischer:

In response to your memorandum of September 29, 1981, I have read the 16 bills concerning retirement now being considered by your committee.

The main reason I am commenting on these proposals is to urge re-writing of Chapter 35 of Title 39 to eliminate present discriminatory provisions. I also wish to speak against discriminatory provisions contained in SB 557, 143, 402 and 394 as well as supporting SB 196.

SB 557:

First I would like to point out that SB 557 is an effort to make some housekeeping corrections to ease administrative oversights. In that effort, the bill has some merit. The problem is that all of Chapter 35 of Title 39 needs to be re-written to comply with the state constitution and with Title 18 protections against discrimination on the basis of sex, marital status, and parenthood.

SB 557 proposes on page 15 to re-write AS 39.35.535 to give medical benefits only to retired employees, their spouses or children. Single retired persons are thereby precluded from naming a beneficiary of their own. Yet single employees pay into the retirement system at the same rate as married employees.

At this time, AS 39.35 provides married state employees and their spouses an opportunity to choose a type of financial security called a joint survivor option. However, single employees and their beneficiaries do not have this choice. Under AS 39.35.420 and 440, married employees may choose the joint survivor option once they have been employed for five years and have thereby "vested". However, single employees with five years of service are denied that choice.

Specifically, a single employee is not permitted to have his or her beneficiary receive that employee's retirement money through a joint survivor option. Only married employees have that choice under AS 39.35.420 and 440. However, AS 39.35.450 allows "a dependent approved by the administrator" to also be a beneficiary. Such restrictions are based on a false assumption that only spouses and dependent children can develop an economically dependent relationship. Yet both single and married employees pay into the retirement system at the same rate and do not have the same benefits. It is my position that denying single employees an option granted only to married employees is a form of discrimination violating AS 18.80.220 which states in part:

> "It is unlawful for an employer to refuse employment to a person or to . . . discriminate against him in compensation or in a term, condition, or privilege of employment because of his . . . sex, marital status . . . or parenthood;"

Since retirement is a compensation, term, condition and privilege of employment, the retirement statutes as now constituted are, in my opinion, illegal.

Furthermore, the Division of Retirement and Benefits' procedures used to determine the amount of money given to employees' spouses under the joint survivor option, are based on outdated, separate male and female mortality tables which have been held illegally discriminatory in many recent court cases. See, for example, City of Los Angeles v. Manhart, 435 US 702 (1978). This discrimination on the basis of sex, in my opinion, is also a violation of Title 18 as quoted above.

Also under SB 557, a new section, AS 39.30.095, is proposed which gives the commissioner of administration complete power and authority over a newly established fund for health and life insurance benefits. Why is it necessary to establish this fund and why is there no check on the commissioner's control over this fund? Why is there no provision for input from affected persons?

SB 143:

SB 143 proposes to grant some state employees credit for unused sick leave upon retirement. On the face of it, there appears

to be nothing wrong with this amendment to AS 39.35.315. The problem is that all state employees would not benefit from this proposed change. Several years ago AS 39.20.310 established a separate group of state employees who no longer have leave. Under Chapter 20, sick and annual leave were done away with and combined into personal leave with a "sick leave bank" established for emergency illnesses. SB 143 fails to speak to those employees, their personal leave and their sick leave bank. Therefore, passage of SB 143 in its present form would discriminate against about 3,000 of the 9,000 state employees who no longer have sick leave. In other words, this bill affects only about two thirds of permanent state employees and leaves the other one third without comparable benefits.

In order to avoid this discrimination, SB 143 should either not be passed out of committee or should be re-written to include employees who have personal leave and a sick leave bank.

SB 402:

Presently state employees who are veterans may buy back up to five years of their military service as credited time for state retirement. However, under present law this buy back cannot take place until the employee is vested or has worked for the state at least five years. SB 402 proposes to eliminate the requirement that an employee must work five years for the state (or be vested) before buying back the military time.

I oppose this bill because it would allow new employees who are veterans to vest their retirement immediately after being employed in state service. All other employees cannot vest until they have had five years of state service.

Furthermore, the formula which establishes the cost of buying back five years of military time amounts to about one third of the employee's annual salary at the time of his or her eligiblity to buy back. That means that those veterans who have already bought back their time under this law, after having worked five years for the state, have paid more than a new employee would pay under this proposed law. The reason for this discrepancy is that a five year employee will earn more than a new employee because of annual step pay increases, and the greater probability of promotion.

SB 394

SB 394 proposes to give retirement credit to teachers only who have served in the peace corps. The philosophical base to this proposal is arguable when compared to preference for veterans

who have risked their lives for their country. What is not arguable is the gross inequitability of the proposition to give retirement credit to one group of state employees (here teachers) and not to other state employees. This clearly discriminatory bill should not be passed out of committee.

SB 196:

I support SB 196 to mandate that at least one member of the retirement board be a retired person. It is a logical and equitable proposal since the greatest impact of decisions made by the board will be with regard to retired persons.

If you have any questions on the points raised in this letter, I'll be glad to answer them. Thank you for taking the time to consider these issues.

Sincerely,

Frank Raye

Frank Raye
Personnel Director

FR/jb

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 394

Title An Act Allowing Service Credit Under TRS for Service in the Peace Corps

Requested by Senator Fischer Date

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits

Program Category Affected Labor Services and Elementary & Secondary Education

BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-02 (TRS) 02-11-8-02-01-00 (TRS MATCH)

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

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	STATE TRS MATCHING		52.3	52.3	52.3	52.3	52.3
100	BENEFITS		9.4	9.4	9.4	9.4	9.4
	TOTAL	Ø	61.7	61.7	61.7	61.7	61.7

FUNDING (Thousands of Dollars)

GENERAL FUND	Ø	61.7	61.7	61.7	61.7	61.7
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. The cost of this bill would be level as teachers hired on or after July 1, 1978 would pay the full actuarial cost of the service credit.

2. Estimate that approximately 100 current teachers have some Peace Corps service.

3. Estimate that of those 100 teachers, they each have approximately 3 years Peace Corps service.

4. To fund this bill, the TRS contribution rate must be increased by .04% of covered payroll in FY82.

5. Estimate FY82 TRS covered payroll to be $261,775,000.

Paul B. Arnoldt

IV. DATE April 21, 1981 PREPARED BY Paul B. Arnoldt, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Senator Stimson

Office of the Governor (Keith Snecking)

ATTACHMENT

Bill/Resolution No. SB 394

ASSUMPTIONS:

1. Estimated FY82 Payroll (Total System) = $261,775,000
2. State Contribution Rate to Fund Bill = .02%
3. State TRS Matching Rate to Fund Bill = .02%
4. School District Rate to Fund Bill = .02%

COST ANALYSIS:

	Employer	Payroll		Rate	Cost	Appropriation
1.	Department of Education	$ 4,712,000	X	.02%	$ .9	To Their Budget
2.	University of Alaska	$ 42,617,000	X	.02%	$8.5	To Their Budget
					$9.4	
3.	State TRS Matching	$261,775,000	X	.02%	$52.3	To TRS Match
4.	State TRS Regular Budget:					
	Personal Services				$ -0-	To Personal
	Travel				$ -0-	To Travel
	Contractual				$ -0-	To Contractual
	Commodities				$ -0-	To Commodities
	Equipment				$ -0-	To Equipment
	COST TO STATE IN FY82				$ 61.7	
5.	All School Districts	$214,446,000	X	.02%	$ 42.9	
	TOTAL COST IN FY82				$104.6	

REMARKS:

ts

Fred Muller — beneficial to state?

+ AFBA

Introduced: 4/7/81
Referred: State Affairs and Finance

IN THE SENATE BY STIMSON AND RODEY

SENATE BILL NO. 394

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act allowing service credit under the teachers' retirement system for service in the Peace Corps."

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

* Section 1. AS 14.25 is amended by adding a new section to read:

Sec. 14.25.102. CREDIT FOR SERVICE IN THE PEACE CORPS. A member who served as a member of the United States Peace Corps may receive creditable service for that service under this system up to a maximum of five years. Each 12 months of Peace Corps service equals one school year, and lesser periods of service in the Peace Corps will be determined for credit purposes in a proportionate ratio to a year. Credit for service in the Peace Corps shall be granted only if the member makes contributions for the service in the same manner as required for outside service under AS 14.25.060. Service in the Peace Corps credited under this section shall be included in the 10-year limitation of outside service as specified in AS 14.25.060, except that if entry into the Peace Corps is immediately preceded by Alaska membership service and termination from the Peace Corps is followed by Alaska membership service within one year, the service in the Peace Corps may not be included in the 10-year limitation on outside service.

VISTA + teachers

SB

4 00

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

Arnoldt

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C
JUNEAU, ALASKA 99811
Ph: 465-2200

June 2, 1981

Honorable Mike Miller
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Miller:

We have continued our review of CS HB 121 (SA). In the event the bill passes, we would like to suggest the enclosed technical amendments.

We have previously provided you with copies of all but the last five and amendment number seven, which have only recently come to light. The inclusion of EPORS benefit recipients (amendment number seven) completes the group of benefit recipients entitled to group insurance coverage. Increasing the amount of the contributions for service not actually performed within the system (amendments 11 through 13) is consistent with those sections of the bill which increase the amount of the contributions for service which is actually performed within the system. Amendments 14 and 15 would afford the benefits of the increased multiplier and higher salaries in later years to people receiving a conditional service benefit under TRS or PERS.

We appreciate your efforts on this matter. If you require additional information or assistance, please let me know.

Respectfully,

Frederick B. Muller, for

W.R. Hudson
Commissioner

WRH/el
Enclosure
cc: Representative Sam Cotten
w/enclosure
Paul B. Arnoldt
Keith Specking
Judy Crondahl

02-89LH

Suggested Amendments To CSHB 121 (State Affairs)

1. Page 4, line 17: after "consumer price index", insert "for Urban Wage Earners and Clerical Workers".

2. Page 7, line 20: after "allocated", insert ", in proportion to the balances of assets,".

3. Page 8, line 3: replace "person" with "judge or justice".

4. Page 8, line 5: replace "person" with "judge or justice".

5. Page 8, line 16: replace "person" with "judge or justice".

6. Page 8, line 17: replace "person" with "judge or justice".

7. Page 9, line 28: after "AS 22.25.090", replace "or" with "," ; after "AS 39.35.535", insert "or AS 39.37.145".

8. Page 14, line 20: after "AS", insert "39.35.420(b),"

9. Page 18, line 25: after "consumer price index", insert "for Urban Wage Earners and Clerical Workers".

10. Page 23, line 1: replace "1982" with "1981".

11. Add a new section to the bill as follows:

AS 14.20.345(d) is amended to read:

(d) The governing body of the district may agree to continue the teacher's retirement contributions if the teacher agrees to pay the required <u>percentage required under AS 14.25.050</u> [REQUIRED SEVEN PERCENT] of the salary he would have received during his leave of absence and reimburse the district for the district's required retirement contribution. Each year of leave of absence then would count as a year of retirement service.

12. Add a new section to the bill as follows:

AS 14.25.060(a) is repealed and reenacted to read:

(a) If a member has military service or Alaska Bureau of Indian Affairs (BIA) service, or if a member joined the system before July 1, 1978, and has creditable outside service, the member is indebted to the retirement fund as follows:

1. For a member first hired before July 1, 1978, the arrearage indebtedness for creditable outside service is seven percent of the base salary multiplied by the

total number of years of creditable outside service. Compound interest at the rate prescribed by regulation shall be added to the arrearage indebtedness beginning July 1, 1963, or at the time of first becoming employed as a member, whichever is later, to the date of payment or the date of retirement, whichever occurs first.

2. For a member first hired before July 1, 1981, the arrearage indebtedness for creditable military and Alaska BIA service is seven percent of the base salary multiplied by the total number of years of military and Alaska BIA service. For a member first hired on or after July 1, 1981, the arrearage indebtedness for military and Alaska BIA service is nine percent of the base salary multiplied by the total number of years of creditable military and Alaska BIA service. Compound interest at the rate prescribed by regulation shall be added to the arrearage indebtedness beginning July 1, 1963, or at the time of first becoming employed as a member, whichever is later, to the date of payment or the date of retirement, whichever occurs first.

3. If a member terminates from the system and is subsequently reemployed as a member before July 1, 1981, the arrearage indebtedness to the retirement fund for outside, military, or Alaska BIA service accumulated in

the interim is seven percent of the base salary upon reentering membership service, multiplied by the number of years of interim outside, military, and Alaska BIA service. If a member terminates from the system and is subsequently reemployed as a member on or after July 1, 1981, the arrearage indebtedness to the retirement fund for outside, military, or Alaska BIA service accumulated in the interim is nine percent of the base salary upon reentering membership service, multiplied by the number of years of interim outside, military, and Alaska BIA service. Compound interest at the rate prescribed by regulation shall be added to the arrearage indebtedness beginning July 1, 1963, or the date of reemployment as a member, whichever is later, to the date of payment or the date of retirement, whichever occurs first.

13. Add a new section to the bill as follows:

AS 39.35.340(b) is amended to read:

(b) In order to obtain credited service under this section, an employee shall make an election to do so and shall verify his period of military service. When eligibility for credited service for military service has been established, an indebtedness shall be determined as follows: (1) the employee's actual compensation, or the calculated

annual compensation for those employees working less than 12 months, during the calendar year 1976 or the year in which an employee first becomes vested under this chapter, whichever is later, multiplied by (2) [SIX PERCENT, THIS PRODUCT MULTIPLIED BY (3)] the number of years of military service credited under this section, this product multiplied by (3) six percent for members who are first eligible to claim this service before July 1, 1981, or eight percent for members who are first eligible to claim this service on or after July 1, 1981. Interest as prescribed by regulation accrues on this indebtedness commencing on July 1, 1977, or one year following the date a person first becomes vested, whichever is later. Any outstanding indebtedness which exists at the time a person is appointed to retirement will necessitate an actuarial adjustment to the benefits payable based upon that military service.

14. Change section 7 of the bill to read as follows:

AS 14.25.125(d) is repealed and reenacted to read:

(d) The monthly amount of a conditional service retirement benefit shall be calculated on the years of fully paid membership service only, in accordance with section 110(d) of this chapter, except that 1) the member may irrevocably elect to substitute "average monthly compensation" as defined in AS 39.35.680(4) in place of the member's average base

salary, divided by 12 and 2) in determining the percentage multiplier for each year of service under section 110(d) of this chapter, the years of credited service under AS 39.35 shall also be considered.

15. Change section 28 of the bill to read as follows:

Sec. 28. AS 39.35.395(d) is repealed and reenacted to Read:

(d) The monthly amount of a conditional service retirement benefit shall be calculated in accordance with section 370(c) of this chapter, except that 1) the member may irrevocably elect to substitute one twelfth of his "average base salary" as defined in AS 14.25.220(5) in place of average monthly compensation and 2) in determining the percentage multiplier for each year of service under section 370(c) of this chapter, the years of credited service under AS 14.25. shall also be considered.

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

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 400

Title An Act relating to the Public Employees' Retirement System

Requested by Senator Fischer Date

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits

Program Category Affected Labor Services

BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 (PERS)

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS		6.2	6.2	6.2	6.2	6.2
TOTAL	-0-	6.2	6.2	6.2	6.2	6.2

FUNDING (Thousands of Dollars)

GENERAL FUND		5.0	5.0	5.0	5.0	5.0
FEDERAL FUNDS		.3	.3	.3	.3	.3
VETERAN'S FUND		.1	.1	.1	.1	.1
FISH & GAME FUND		.1	.1	.1	.1	.1
HIGHWAY FUND		.1	.1	.1	.1	.1
AIRPORT FUND		.1	.1	.1	.1	.1
CAPITAL FUND		.5	.5	.5	.5	.5
PERS						
TRS						

POSITIONS

NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. The costs are predicated on the assumption that only one person would qualify under the bill.
2. The State will bear the full cost of increased benefits as a result of the service credit.
3. Approximately 7 years service would be credited in PERS for that person.

IV. DATE 4-14-81 PREPARED BY Paul B. Arnold, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Senator Ray

Office of the Governor (Keith Specking)

SB 400

The attached "Statement of Facts" covers the events that led up to the hiring into classified service of the present Port Captain of the Alaska Marine Highway system, Herbert Stetson. It appears that Mr. Stetson was given some assurance by the Director of the Division of Marine Transportation, now Commissioner of Administration, William Hudson, that his retirement credits in the Northwest Marine Retirement Trust would continue even though he was working in the classified service. This was determined at a later date to be unfeasible and, in fact, illegal.

The proposed legislation would permit and greatly enhance the possiblities and opportunity of vessel employees to move into shore-side management related positions in the classified service. It would do so by protecting the non-vested employees from loss of past service pension credits in their own private plans by offering past service credits in the public employees retirement system.

In short, the legislation corrects a great inequity in the present system with respect to vessel employees working in the classified service.

S Bill Ray

STATEMENT OF FACTS

On March 7, 1976 the M. V. TUSTUMENA called at Juneau, Alaska en route from Seward to Seattle for annual drydocking and overhaul. I was sailing as Second Mate at the time.

While vessel was lying at Juneau I was approached by Mr. William Hudson, Director, Alaska Marine Highway System and Captain Wm. Bendixen, Marine Superintendent, as to whether I could be interested in filling the vacant Port Captain position.

During the course of discussions of wages and benefits of the Port Captain's job I was advised that the State of Alaska would continue to make contributions, on my behalf, to the Northwest Marine Retirement Trust. I was told that this procedure had been established during the shoreside employment of Port Engineer Mr. Bert Bennet and was accomplished by a "paper transfer" of the individual back to the vessel to which last assigned. The person involved would not actually leave the Juneau Capital Office.

Although I suffered a reduction in wages and loss of other fringe benefits I agreed to take the job as Port Captain and reported to Juneau Central Office on July 15, 1976.

We purchased a home in Juneau, placed our Seward residence up for sale and in September, 1976, my family joined me here.

On December 15, 1976 pay period my vacation and "A" day account, which was being paid off bi-monthly, was exhaused.

In January, 1977 I enquired as to when the agreed "paper transfer" would be accomplished. Sometime later was informed that this procedure now determined to be illegal and no contributions would be made to my retirement account in the Northwest Marine Retirement Trust. As a result of this determination I was deprived of the employer contributions necessary to meet the ten year vesting required by NWMRT.

My family and I have suffered very serious financial damages and look to the State of Alaska for compensation or otherwise being made whole.

Mueller Affects one person only?

Introduced: 4/8/81
Referred: State Affairs and Finance

IN THE SENATE BY RAY

SENATE BILL NO. 400

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the public employees' retirement system."

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

* Section 1. AS 39.35 is amended by adding a new section to read:

Sec. 39.35.305. CREDITED SERVICE FOR EMPLOYMENT WITH THE DIVISION OF MARINE TRANSPORTATION. (a) Except as provided in (b) of this section a person is entitled, at the time he becomes an active employee, to credited service in the public employees' retirement system for periods of employment with the division of marine transportation for which he has been credited with service under a marine retirement trust

(b) If a person receives a refund of contributions he has made to a marine retirement trust for employment with the division of marine transportation, he is not entitled to credited service in the public employees' retirement system for the period of employment for which the refund is made unless the amount of the refund is paid to the public employees' retirement system.

* Sec. 2. AS 39.35.370 is amended by adding a new subsection to read:

(g) A member may not receive retirement benefits under this section based on a period of employment for which the member received credited service under AS 39.35.305 if he is receiving retirement benefits from a marine retirement trust based on the same period of employment.

6-8-81

SENATE STATE AFFAIRS COMMITTEE SCHEDULE

June 8---June 12

TUESDAY June 9
1:30 p.m.

RELOCATION OF THE CAPITAL SB 585, 586, etc.

CONSIDERATION OF CONFIRMATION

HEARINGS WILL BE CONDUCTED IN THE FIRST FLOOR OF THE BEHRENDS BUILDING. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SENATOR FISCHER'S OFFICE (465-4954). THANK YOU.

Alaska State Legislature

Senate

Office of the Secretary

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

DATE: June 5, 1981

TO: Senator Fischer,
Chairman
State Affairs Committee

FROM: Peggy Mulligan
Secretary of the Senate

The President has referred the following Governor's appointee to your committee for recommendation in accordance with AS 39.05.080:

STATE BOARD OF REGISTRATION FOR ARCHITECTS, ENGINEERS AND LAND SURVEYORS

*Gordon Unwin, Anchorage, term expiring 7/1/86

A resume is enclosed.

USKH

GORDON D. UNWIN, P.E.

BORN
Anchorage, Alaska; October 22, 1943.

EDUCATION
Bachelor of Science in Civil Engineering, 1965, Lehigh University.
Graduate Studies at University of Alaska.

REGISTRATION
Professional Engineer, Alaska No. 1958-E; Washington No. 15955.
Registered Land Surveyor, Alaska No. 3192-S.

PROFESSIONAL AFFILIATIONS
National Society of Professional Engineers.
Alaska Society of Professional Engineers.
American Society of Civil Engineers.
Alaska Professional Design Council, Director.
Professional Engineers in Private Practice, Past State Chairman.
Alaska Society of Professional Land Surveyors.

EXPERIENCE
State of Alaska, Department of Highways, Construction Surveyor.

State of Alaska, Division of Aviation, Airport Engineer in charge of the design and construction of airport projects. Planning Engineer dealing with Airport Master Plans and economic feasibility studies.

Greater Anchorage Area Borough, Department of Public Works, Engineer in charge of the design and construction of sewer projects.

Dickinson-Oswald & Partners, Consulting Engineers, Design Engineer and Project Manager for the design and construction of subdivisions, utility systems, highways and airports.

UNWIN SCHEBEN KORYNTA HUETTL, Principal in charge of the design of public works and structural projects. Project Manager for Engineering studies and reports. Project Manager and Engineer on Airport Master Plans and facilities design.

ADDITIONAL FACTS
Member Task Group for the assessment of flood damages to Fairbanks.
Aviation Assistant to the Commissioner, Alaska Department of Public Works.
Member Citizens Advisory Board for the Greater Anchorage Area Borough Comprehensive Plan.
Secretary of the Alaska Board of Registration for Architects, Engineers & Land Surveyors.
Member American Arbitration Association.
Member Municipality of Anchorage Geotechnical Commission.
Member General Services Administration Public Advisory Board, Region 10.
Member Aircraft Owner's & Pilots Association.

PUBLICATIONS & SPEECHES
1968 Annual Alaska Division of Aviation Report to the Governor.
4th Annual Environmental Quality Seminar, Lecture "Country Lane Concept for Subdivision Streets" 1973.

DATE: 6-9-81

SENATE STATE AFFAIRS COMMITTEE -- HEARING SIGN-IN SHEET LOCATION:

AGENDA: SB 400

NAME	AFFILIATION/POSITION	ADDRESS/PHONE	TESTIFYING ON:
Cherie Shelley	APEA	586-2334	SB 400
Bob Cooksey	NEA-Alaska	6-3090	SB 400
FRED MULLER	DOA	465-2200	SB 400
Ken Humphreys	"	465-4460	"
Carolyn Burg	Private citizen	Po Box 5, Juneau Alaska 99802 586-2747	SB 585-586

I. REQUEST

Bill/Resolution No. CS for Senate Bill No. 400 (State Affairs)

Title An Act Relating to PERS, TRS, JRS, and National Guard Benefits

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits

Program Category Affected Labor Services

BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 (PERS)

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

EXPENDITURES (Thousands of Dollars)

		FY 81	FY82	FY 83	FY 84	FY 85	FY86
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL		23.6				
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	STATE TRS MATCHING						
100	BENEFITS		180.7	54,230.6	59,653.4	65,618.5	72,180.1
	TOTAL	0	204.3	54,230.6	59,653.4	65,618.5	72,180.1

FUNDING (Thousands of Dollars)

GENERAL FUND		148.0	44,414.9	48,856.1	53,741.6	59,115.5
FEDERAL FUNDS		8.3	2,494.6	2,744.1	3,018.5	3,320.3
VETERAN'S FUND		.4	108.4	119.3	131.2	144.4
FISH & GAME FUND		1.1	325.4	357.9	393.7	433.1
HIGHWAY FUND		2.3	705.0	775.5	853.0	938.3
AIRPORT FUND		5.2	1,572.7	1,729.9	1,902.9	2,093.2
CAPITAL FUND		15.4	4,609.6	5,070.6	5,577.6	6,135.3
PERS		23.6				
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. Estimate FY 82 covered State PERS payroll to by $296,614,000.
2. Increase in State contribution rate would be .06% of State PERS payroll in FY 82.
3. Increase in State contribution rate would be 16.62% of State PERS payroll in FY 83.
4. Estimate long term inflation rate of 7.5%.
5. The cost to political subdivisions is estimated to be $152,800 in FY 82.
6. The cost to political subdivisions is estimated to be $46.5 million in FY 83.

IV. DATE 6/11/81 PREPARED BY Paul F. Arnoldt, Director

J. K. Humphreys, for

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Senator Ray

Office of the Governor (Keith Specking)

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for Senate Bill No. 400 (State Affairs)

Title An Act Relating to PERS, TRS, JRS and National Guard Benefits

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits

Program Category Affected Labor Services and Elementary & Secondary Education

BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-02 (TRS) 02-11-S-02-01-00 (TRS MATCH)

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

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL		23.6				
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	STATE TRS MATCHING		143.9	32,351.8	35,587.0	39,145.7	43,060.3
100	BENEFITS		26.0	5,855.6	6,441.2	7,085.3	7,793.8
	TOTAL	0	193.5	38,207.4	42,028.2	46,231.0	50,854.1

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS		23.6				

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. To fund this bill, the TRS contribution rate must be increased by .11% of payroll in FY 82 and by 22.47% in FY 83 (the TRS contribution rate is split 50/50 between the State matching contribution and the District contribution).

2. Estimate FY 82 TRS covered payroll at $261,775,000.

3. Estimate long-term inflation rate of 7.5%.

IV. DATE 06-11-81 PREPARED BY J. K. Humphreys, for Paul S. Arnoldt, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Senator Ray

Office of the Governor (Keith Specking)

ATTACHMENT

Bill/Resolution No. CS SB400(SA)

ASSUMPTIONS:

1. Estimated FY82 Payroll (Total System) = $261,775,000
2. State Contribution Rate to Fund Bill = .055%
3. State TRS Matching Rate to Fund Bill = .055%
4. School District Rate to Fund Bill = .055%

COST ANALYSIS:

	Employer	Payroll		Rate	Cost	Appropriation
1.	Department of Education	$ 4,712,000	X	.055%	$ 2.6	To Their Budget
2.	University of Alaska	$ 42,617,000	X	.055%	$ 23.4	To Their Budget
					$ 26.0	
3.	State TRS Matching	$261,775,000	X	.055%	$ 143.9	To TRS Match
4.	State TRS Regular Budget:					
	Personal Services				$ -0-	To Personal
	Travel				$ -0-	To Travel
	Contractual				$ 23.6	To Contractual
	Commodities				$ -0-	To Commodities
	Equipment				$ -0-	To Equipment
	COST TO STATE IN FY82				$193.5	
5.	All School Districts	$214,446,000	X	.055%	$117.9	
	TOTAL COST IN FY82				$311.4	

REMARKS:

SBS32/E8

SECTIONAL ANALYSIS OF CS HB 121 (State Affairs)

Sections 1-3 would amend AS 14.25.020, 14.25.022, and 14.25.035 to state clearly the role of the Teachers' Retirement Board in the adoption and promulgation of regulations. The change makes the role of the TRS Board in this area identical to that of the Public Employees' Retirement Board. Under the existing language, the system administrator performs this task without any clear mandate that he consult the Board.

Section 4 would increase the mandatory contribution rate for TRS employees from seven to nine percent; the increase represents the employee's share of the cost of the automatic PRPA in Section 9 of this bill.

Section 5 makes the multiplier in the benefit formula dependent on the number of years of credited service and provides an incentive to remain in service in accordance with the purpose of the TRS (AS 14.25.012).

Section 6 merely corrects statutory references. These references should have been changed at the time the TRS statutes were amended by Chapter 13, SLA 1980.

Section 7 would bring AS 14.25.125 (d) into conformity with the changes in AS 14.25.110 (d) contained in Section 5 of this bill.

Section 8 would amend AS 14.25.130 (a) to streamline the disability retirement application procedure. It provides a definite starting point in the procedure by setting as the first step the termination of employment due to the disability.

Section 9 would create a mechanism for granting automatic, funded annual PRPA's to benefit recipients in the TRS; the amount of the increases would depend on the cost of living and the benefit recipient's age.

Sections 10, 16 and 38 would conform the statutes to the current practice of providing major medical insurance coverage to spouses and dependent children of retirees, as well as retirees themselves in the TRS, the PERS and the judicial retirement systems.

Sections 11 and 40 would clarify what is and is not included in "compensation" for purposes of retirement in TRS and PERS. This language is consistent with longstanding practice and does not constitute a change.

Section 12 expands the definition of "credited service" to include "territorial employment" as provided under AS 14.25.105. This should have been done in 1980 when AS 14.25.105 was passed.

Section 13 defines "territorial employment" as it is used in Section 12.

Sections 14-15 and 17-18 would add new sections to AS 22.25 and AS 26.05. The sections set up accounting systems for the Judicial Retirement System and the Alaska National Guard Retirement System which are now on a funded basis. The sections are modeled after the one in place in the PERS, AS 39.35.100. The money in the funds may be invested in the same manner as money in the PERS, AS 39.35.110.

Section 19 would clarify the direction in AS 39.30 to the Department of Administration to include retired persons in the group insurance program. Also clarifies AS 39.30.090 (9) in two respects: first, it deletes the provision for major medical insurance coverage for retirees since such coverage is now provided elsewhere; second, it provides that retirees under age 65 may continue the life insurance they have in force at the time of termination of their employment.

Section 20 would create a group insurance fund. It is included at the urging of the State's benefit consultants. The existence of a fund will provide the flexibility needed to negotiate for and procure more favorable benefit terms from insurance companies. Our consultants inform us that such added flexibility has led to substantial savings in other systems. Any surplus in the fund may be invested by the Commissioner of Revenue under AS 39.35.110.

Sections 21 and 22 would make minor changes in AS 39.35.100. The first change recognizes that actuarial calculations and transfers from individual retirement accounts to the retirement reserve account can be accomplished more effectively on an aggregate, annual basis. This will not delay the actual payment of benefits to retirees. The second change allocates a portion of the investment income to the reserve account. This is considered appropriate since a substantial portion of the principal invested derives from the reserve account.

Section 23 would increase the mandatory contribution rate for PERS peace officers/firemen from five to seven percent, and for all others from four and one-quarter to six and one-quarter percent; the increase represents the employee's share of the cost of the automatic PRPA in Section 34 of this bill.

Section 24 would amend AS 39.35.200 (b) to eliminate a "catch 22" situation. Currently, persons who terminate their employment having less than 5 years credited service and less than $1,000 in their employee account must be given a refund of retirement contributions even if they intend to retire later; when they do retire at a later date, they must repay the refunded contributions with interest. This proposed change would allow the employee the option of leaving the employee contributions in the individual account.

Section 25 would entitle an additional group of surviving spouses to an increased benefit based on the deceased spouse's military service. Currently, surviving spouses receiving a monthly benefit from the

system under AS 39.35.440 or 39.35.450 are entitled to this additional benefit. However, surviving spouses of members who die as a proximate result of an injury sustained or a hazard undergone while on the job (AS 39.35.430) are not. This section would correct this oversight and extend the additional benefit to this group of surviving spouses.

Section 26 clarifies AS 39.35.360 (b) to ensure that pre-1961 service credit is granted free of charge only to those employees who qualify under AS 39.35.360 (a). This is consistent with current practice.

Section 27 makes the multiplier in the benefit formula dependent on the number of years of credited service and provides an incentive to remain in service in accordance with the purpose of the PERS (AS 39.35.010).

Section 28 would bring AS 39.35.385 (d) into conformity with the changes in AS 39.35.370 (c) under Section 27 of this bill.

Section 29 clarifies AS 39.35.385 to ensure that the provision allowing reinstatement without reemployment applies only to paragraphs (a) and (b) and not to, for example, paragraph (f) which was added after the fact. This is not viewed as a change in the law.

Section 30 would change the benefit reference in AS 39.35.420 (b) because the description of the benefit is now found in subsection (c) of the section instead of in subsection (a). The amount of the benefit is not changed.

Sections 31 and 32 would clarify the entitlement to death benefits when there is no surviving spouse. It would provide that, in the event of the death of a vested member who has no surviving spouse, a benefit shall be paid to the deceased member's designated beneficiary.

Section 33 would conform AS 39.35.440 (b) to division practice. As the current law reads, a surviving spouse of a deceased, disabled employee is entitled to a benefit equal to 40 percent of the decedent's monthly compensation. It was not anyone's intent that the surviving spouse receive 40 percent of the relatively low disability benefit; it was intended that the surviving spouse receive 40 percent of the decedent's compensation before the disability. The amendment clarifies this. Section 33 would also provide for the disposition of death benefits in the event that a deceased member has no surviving spouse or dependent children, in which case a death benefit is paid to the designated beneficiary.

Section 34 would create a mechanism for granting automatic, funded annual PRPA's to benefit recipients in the PERS; the amount of the increases would depend on the cost of living and the benefit recipient's age.

Section 35 would clarify the administration of the level income option under AS 39.35.460. In practice, it is not possible to predict exactly the amount of the eventual social security benefit or to make the income precisely level.

Section 36 would allow peace officers/firemen the option to relinquish their coverage as "peace officers/firemen" and instead receive coverage as "all other" members; this option was added in light of Section 27 which would increase the multiplier in the benefit formula for "all other" members.

Section 37 removes outdated statutory references from AS 39.35.485 (a) and adds appropriate statutory references to bring the law into conformity with current practice. This is not viewed as a change in the law.

Section 39 would delete from AS 39.35.560 a definitional reference to "public organization". That term is now defined in Section 44 of this bill, AS 39.35.680 (39).

Section 41 clarifies the definition of "early retirement" and includes the appropriate statutory references.

Section 42 clarifies the definition of "normal retirement" and includes the appropriate statutory references.

Sections 43, 45 and 46 would amend AS 39.35.680 (27) to exclude "qualified employees of the Department of Fish and Game" from peace officer/fireman coverage; allows employees currently classified as "qualified employees of the Department of Fish and Game" to continue their peace officer/fireman coverage.

Section 44 defines "public organization."

Section 47 applies the automatic annual PRPA formula contained in Sections 9 and 34 of this bill to current benefit recipients, effective the date the benefit recipient first began receiving a benefit. However, the recalculated benefit would not take effect until July 1, 1981. There is an error in line 1 on page 23; the date should be July 1, 1981.

Sections 48 and 49 provide effective dates; the increases in benefit formulas do not take effect until July 1, 1982.

7/CII/S

M E M O R A N D U M

TO: File on CSSB 400 entitled "An Act relating to the public employees, teachers, judicial, and National Guard benefits; and providing for an effective date."

FROM: Laura Fleming
Staffperson, Senate State Affairs

DATE: June 15, 1981

Please note the following change to be made in CSSB 400. This change was "signed off" on by Senate State Affairs Committee members, as it was approved at the committee meeting of 6-9, when the bill was passed out of committee.

The change did not appear in the final version of the bill although it was intended to appear in the version reported out of committee. With any luck, the Senate Finance Committee will be able to clean this up when they take CSSB 400 under consideration.

Page 16, line 21 (Sec. 39.35.305 entitled "Credited Service for Employment with the Division of Marine Transportation") subsection (a): after "trust." add "The credited service allowed may not exceed an aggregate period of five years. Benefits are not payable on service credited under this section unless the employee makes retroactive contributions to the system for the period of time that service credit is claimed."

SB

402

Alaska Court System

State of Alaska

FRANK RAYE
Personnel Director

OFFICE OF ADMINISTRATIVE DIRECTOR

303 K Street
Anchorage, Alaska 99501

October 12, 1981

The Honorable Victor Fischer, Chair
Senate Affairs Committee
Pouch V
Juneau, AK 99811

Dear Senator Fischer:

In response to your memorandum of September 29, 1981, I have read the 16 bills concerning retirement now being considered by your committee.

The main reason I am commenting on these proposals is to urge re-writing of Chapter 35 of Title 39 to eliminate present discriminatory provisions. I also wish to speak against discriminatory provisions contained in SB 557, 143, 402 and 394 as well as supporting SB 196.

SB 557:

First I would like to point out that SB 557 is an effort to make some housekeeping corrections to ease administrative oversights. In that effort, the bill has some merit. The problem is that all of Chapter 35 of Title 39 needs to be re-written to comply with the state constitution and with Title 18 protections against discrimination on the basis of sex, marital status, and parenthood.

SB 557 proposes on page 15 to re-write AS 39.35.535 to give medical benefits only to retired employees, their spouses or children. Single retired persons are thereby precluded from naming a beneficiary of their own. Yet single employees pay into the retirement system at the same rate as married employees.

At this time, AS 39.35 provides married state employees and their spouses an opportunity to choose a type of financial security called a joint survivor option. However, single employees and their beneficiaries do not have this choice. Under AS 39.35.420 and 440, married employees may choose the joint survivor option once they have been employed for five years and have thereby "vested". However, single employees with five years of service are denied that choice.

Specifically, a single employee is not permitted to have his or her beneficiary receive that employee's retirement money through a joint survivor option. Only married employees have that choice under AS 39.35.420 and 440. However, AS 39.35.450 allows "a dependent approved by the administrator" to also be a beneficiary. Such restrictions are based on a false assumption that only spouses and dependent children can develop an economically dependent relationship. Yet both single and married employees pay into the retirement system at the same rate and do not have the same benefits. It is my position that denying single employees an option granted only to married employees is a form of discrimination violating AS 18.80.220 which states in part:

> "It is unlawful for an employer to refuse employment to a person or to . . . discriminate against him in compensation or in a term, condition, or privilege of employment because of his . . . sex, marital status . . . or parenthood;"

Since retirement is a compensation, term, condition and privilege of employment, the retirement statutes as now constituted are, in my opinion, illegal.

Furthermore, the Division of Retirement and Benefits' procedures used to determine the amount of money given to employees' spouses under the joint survivor option, are based on outdated, separate male and female mortality tables which have been held illegally discriminatory in many recent court cases. See, for example, City of Los Angeles v. Manhart, 435 US 702 (1978). This discrimination on the basis of sex, in my opinion, is also a violation of Title 18 as quoted above.

Also under SB 557, a new section, AS 39.30.095, is proposed which gives the commissioner of administration complete power and authority over a newly established fund for health and life insurance benefits. Why is it necessary to establish this fund and why is there no check on the commissioner's control over this fund? Why is there no provision for input from affected persons?

SB 143:

SB 143 proposes to grant some state employees credit for unused sick leave upon retirement. On the face of it, there appears

to be nothing wrong with this amendment to AS 39.35.315. The problem is that all state employees would not benefit from this proposed change. Several years ago AS 39.20.310 established a separate group of state employees who no longer have leave. Under Chapter 20, sick and annual leave were done away with and combined into personal leave with a "sick leave bank" established for emergency illnesses. SB 143 fails to speak to those employees, their personal leave and their sick leave bank. Therefore, passage of SB 143 in its present form would discriminate against about 3,000 of the 9,000 state employees who no longer have sick leave. In other words, this bill affects only about two thirds of permanent state employees and leaves the other one third without comparable benefits.

In order to avoid this discrimination, SB 143 should either not be passed out of committee or should be re-written to include employees who have personal leave and a sick leave bank.

SB 402:

Presently state employees who are veterans may buy back up to five years of their military service as credited time for state retirement. However, under present law this buy back cannot take place until the employee is vested or has worked for the state at least five years. SB 402 proposes to eliminate the requirement that an employee must work five years for the state (or be vested) before buying back the military time.

I oppose this bill because it would allow new employees who are veterans to vest their retirement immediately after being employed in state service. All other employees cannot vest until they have had five years of state service.

Furthermore, the formula which establishes the cost of buying back five years of military time amounts to about one third of the employee's annual salary at the time of his or her eligibility to buy back. That means that those veterans who have already bought back their time under this law, after having worked five years for the state, have paid more than a new employee would pay under this proposed law. The reason for this discrepancy is that a five year employee will earn more than a new employee because of annual step pay increases, and the greater probability of promotion.

SB 394

SB 394 proposes to give retirement credit to teachers only who have served in the peace corps. The philosophical base to this proposal is arguable when compared to preference for veterans

who have risked their lives for their country. What is not arguable is the gross inequitability of the proposition to give retirement credit to one group of state employees (here teachers) and not to other state employees. This clearly discriminatory bill should not be passed out of committee.

SB 196:

I support SB 196 to mandate that at least one member of the retirement board be a retired person. It is a logical and equitable proposal since the greatest impact of decisions made by the board will be with regard to retired persons.

If you have any questions on the points raised in this letter, I'll be glad to answer them. Thank you for taking the time to consider these issues.

Sincerely,

Frank Raye
Personnel Director

FR/jb

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C
JUNEAU, ALASKA 99811
Ph: 465-2200

April 24, 1981

Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Fischer:

Senate Bill 402, in its present form, would allow employees to use their military service to vest in the PERS. The cost to the system would be 9.003% of payroll, or $26.8 million in FY 82. Costs aside, it would serve no useful public purpose to allow the use of military service to vest in the system. Therefore, I suggest the bill be amended by adding the following language at the end of section 340 (a): "service credited under this section may not be used to satisfy the vesting requirements for retirement." If the bill was amended in this manner, the cost to the system in FY 82 would be reduced to $243,000.

Additionally, the bill now covers all employees, including those who have already claimed their military service. You asked for the cost of the bill if it covered only those who have not yet claimed their military service. If the bill were amended to cover only future claimants, the cost to the system would be further reduced to $188,350 in FY 82; however, for the purposes of equity, I suggest that it apply to all employees.

Please let me know if you need additional information.

Respectfully,

Bill

W. R. Hudson
Commissioner

WRH/cm
cc: Paul B. Arnoldt
Director
Division of Retirement & Benefits
Keith Specking

02-89LH

SB

405

FY 81 Ak. State Council on the Arts



PERFORMING ARTS

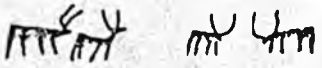
Of the 43 applications within the category of performing arts, 30 were funded. One line item request was also funded.

Applicant/Project	Request	Funding
Alaska Community Theatre Assn./ 1981 Festival	$ 58,176	$ 50,908
Juneau International Folkdancers/ 1980 Festival	1,425	1,433
Central Peninsula Concert Assn./ Brubeck Quartet	1,700	1,700
Skagway Arts Council/concert series	502	500
Sheldon Jackson College/puppetry workshops	2,500	1,275
Arts Alaska, Inc./program service	120,000	120,000
Anchorage Concert Assn./Pacific Northwest Ballet	15,000	10,000
ACT - Dance Ensemble/African tales & dance	4,050	3,375
Valley Performing Arts Center/ multiple projects	14,100	9,625
Fairbanks Drama Assn./Gerber residency	5,000	4,875
Kenai Arts Council/Peninsula Dancers: tour	2,365	2,240
Anchorage Civic Opera/general support	30,000	21,670
Basically Bach Festival/1981 festival	15,000	4,390
Greater Juneau Arts Council/ audience development	8,300	7,000
Greater Juneau Arts Council/ chamber music symposium	11,655	10,361
Greater Juneau Arts Council/ organ recording & brochure	3,500	2,596
Greater Juneau Arts Council/ assistance to performing arts	5,000	3,000
Greater Juneau Arts Council/ woodwind symposium	1,500	620
Alaska Repertory Theatre/ capital, general administration	line item request	500,000
Anchorage Civic Ballet/master classes	1,500	1,500
Alaska Association for the Arts/ Karen Attix workshops	1,325	1,322
Theatre Guild, Inc./technical director	5,000	5,000
Theatre Guild, Inc./audience development	10,000	10,000
Anchorage Symphony/administrative support	20,630	12,525
Anchorage Symphony/master classes	10,292	10,000
Port City Players/"Arsenic and Old Lace"	4,625	2,563
Juneau Oratorio Choir/music workshop	3,450	3,000
Perseverance Theatre/general operating support	35,820	5,756
University-Fairbanks Symphony Assn./concerto marathon	11,130	8,000
University-Fairbanks Symphony Assn./workshops	7,610	5,000
Center for Cultural Development/ piano competition	4,220	2,670
	$415,375	$822,904

VISUAL ARTS

There were 20 grant applications in the visual arts. The Council awarded funding to 14 of these and to two line item requests.

Applicant/Project	Request	Funding
Alaska Artists Guild, Inc./Betts workshop	$ 3,923	$ 3,000
Resurrection Bay Art Guild/ painting exhibition	3,125	3,134
Kenai Arts Council/painting workshop	5,205	800
Sheldon Jackson College/Betts workshop	1,290	1,290
Pratt Museum/visual arts exhibits	835	835
Alaska State Museum/coordinated exhibitions	8,990	8,990
Arts Alaska, Inc./Photography Guild workshop	2,204	1,959
Alaska Association for the Arts/ University of Alaska, Fairbanks, workshops	9,727	9,646
Visual Arts Center/"Flight" Competition	8,415	8,424
Visual Arts Center/general operating	line item request	231,500
Visual Arts Center/summer workshop	19,970	19,973
Ketchikan Arts Council/arts workshops	2,018	1,428
Ketchikan Weavers Guild/ethnic weaving workshop	704	1,241
Anchorage Historical and Fine Arts Museum/juried exhibits; summer program	16,360	16,320



Bethel Arts Council/ Yugtarvik Museum	line item request	5,000
	$ 82,766	$313,540

LITERATURE

Each of the four literature applications was funded for FY 81.

Applicant/Project	Request	Funding
Raven, Inc./Alaska literature anthology	$ 5,000	$ 4,666
Envoy: Alaska Association for the Arts/ newsletter publication	4,527	3,333
Permafrost/publication	4,500	5,222
University of Alaska, Fairbanks, English Dept./Midnight Sun Writers' conference	24,196	19,111
	$38,223	$32,332

MEDIA

Last year, none of the media applications was funded. This year, all four applications were funded by the Council.

Applicant/Project	Request	Funding
Lynn Canal Community Broadcasting/ sound studio	$ 5,400	$ 555
Greater Juneau Arts Council/KTOO presents	10,095	5,333
Alaska Pacific University/art films	2,880	2,880
Alaska Association for the Arts/video tapes	2,980	2,980
	$21,355	$11,748

COMMUNITY ARTS/MULTI-DISCIPLINE

There were 17 applications in this category. Fifteen of these applications received grant awards, as did two line item requests.

Applicant/Project	Request	Funding
Skagway Arts Council/art enrichment	$ 446	$ 446
Arts Alaska, Inc./general support	65,397	29,153
Anchorage Arts Council/multiple projects	52,300	17,000
Anchorage Arts Council/community arts program	line item request	157,000
Fairbanks Native Association/youth arts program	3,360	3,375
Homer Arts Council/spring arts festival	2,710	1,590
Greater Juneau Arts Council/1981 SEASAW	11,080	2,500
Alaska Association for the Arts/ newsletter	1,890	1,880
Southeast Alaska Regional Arts Council/general support	68,723	68,723
Alaska Association for the Arts/ staff salaries	20,000	20,000
Alaska Scottish Club/piping, dancing competition	2,150	2,075
Alaska Association for the Arts/Red Hackle Pipe Band workshop	3,145	3,145
Tustemena Community Services/arts workshops	1,260	1,286
Ketchikan Arts Council/arts outreach	2,515	1,555
Dillingham Arts Council/multiple projects	1,635	1,642
Juneau Arts Council/general operating support	line item request	16,000
	$236,611	$327,370

FOLK/NATIVE ARTS

Six of the nine applications in this category were funded by the Council, as was one line item request.

Applicant/Project	Request	Funding
Chilkoot Indian Association/ Chilkoot film	$10,637	$10,566
Sheldon Jackson College/reproductions	2,300	2,800
Sitka Community Association/Native arts videotape	9,795	5,000
Alaska Indian Arts/salary support	line item request	55,500
Totem Heritage Center/arts workshops	16,360	8,382
Kawerak, Inc./elders' conference	28,320	11,777
Alaska Association for the Arts/ Alaskameut	3,100	4,600
	$70,512	$98,625

ANCHORAGE ARTS COUNCIL

FISCAL YEAR 1981 BUDGET
EXPENDITURES BY PROGRAM

EXHIBIT C

SECOND ESTIMATE 3/31/81

EXPENSES	GENERAL ADMINISTRATION	ART-REACH	SERVICES	PROMOTION	SPECIAL PROJECTS	ADVOCACY	TOTAL
Admin. Salaries & Benefits	69,979	23,026	24,460	21,489	12,042	16,706	167,702
CETA Salaries & Benefits		2,549	9,500				12,049
Other Artist Fees	100	17,600	8,275		12,000	600	38,575
Artist Travel Per-Diem		2,550	11,050		2,365		15,965
Staff Travel/Per-Diem	500	950	500	500		6,095	8,545
Printing	1,000			18,850		1,400	21,250
Advertising			40,000	900			40,900
Facilities Rental	4,500		1,300	600			6,400
Supplies	3,600	3,650	1,050	960	2,000		11,260
Special Services	3,500	1,000	4,900	13,500	4,500	18,000	45,400
Equipment Purchase/Rental/Maint.	4,125	4,000					8,125
TOTAL DIRECT EXPENSES	87,304	55,325	101,[illegible]	56,799	32,907	42,801	376,171
Office Rental	4,058	4,058	4,058	4,058	4,058	4,058	24,348
Janitorial/Maintenance	289	289	289	289	289	289	1,734
Telephone	810	610	760	910	560	660	4,310
Xerox	780	580	580	1,380	530	530	4,380
Postage	1,050	20	70	2,832	220	60	4,252
Insurance	1,100	150	250	150	150	150	1,950
Hospitality	800		600	500	200	1,159	3,259
Publication/Membership	125	125	125	125	125	1,125	1,750
Conference Fees	100	100	100	100	100	100	600
Miscellaneous	1,000				6,000		7,000
TOTAL INDIRECT EXPENSES	10,112	5,932	6,832	10,344	12,232	8,131	53,583
TOTAL EXPENDITURES	$97,416	$61,257	$107,867	$67,143	$45,139	$50,932	$429,754

ANCHORAGE ARTS COUNCIL

FISCAL YEAR 1981 BUDGET
REVENUES BY PROGRAM

EXHIBIT D
Second Estimate - 3/31/81

REVENUE SOURCE	GENERAL ADMINISTRATION	ART-REACH	SERVICES	PROMOTION	SPECIAL PROJECTS	ADVOCACY	TOTAL
Contributions	13,000[1]	3,000	7,500	3,000	8,000		34,500
Foundation Grants	5,000[2]	3,800					8,800
Federal Grants		2,549[3]	11,500[4]		1,250[5]		15,299
State Grants	165,250[6]	6,700[7]	9,000[8]	1,400[9]	4,100[10]	35,000[11]	221,450
Municipal Grants	19,000	9,300	14,900	4,000	5,000	18,000	70,200[12]
Fees Sales	4,500[13]		3,106[14]	12,850[15]	23,000[16]		43,456
Reimburesments		600	44,000			1,000	45,600
TOTAL REVENUES	206,750	25,949	90,006	21,250	41,350	54,000	439,305

ANCHORAGE ARTS COUNCIL

FISCAL YEAR 1981 BUDGET
REVENUES BY PROGRAM

EXHIBIT

1) Annual Special Event Fundraiser - 10,000
2) Atlantic-Richfield Foundation - 5,000
3) CETA through Municipality of Anchorage for PSE Artists - 2,549
4) CETA through Municipality of Anchorage for Consortia Employees - 9,500; C-PAC for Writers Conference - 2,000 *
5) National Committee Arts for the Handicapped for Handicap Roundtable Conference
6) Alaska State Council on the Arts FY 81 General Appropriation - 78,500*; ASCA for General Appropriation FY 82 86,750
7) ASCA for FY 81 Childrens's Festival (VSAF) - 5,500*; ASCA for Moving Company North - 1,200*
8) ASCA for FY 81 Business of the Arts Series - 4,000*; FY 81 Poetry Readings - 2,000*
9) ASCA for FY 81 SPRUCETOP Publication - 1,400
10) ASCA for FY 81 Handicap Roundtable Conference - 2,100*; ASCA for FY 81 Floating Poetry Gallery Project - 2,000*
11) ASCA for FY 81 General Appropriation - 35,000
12) Municipality of Anchorage General Arts Appropriation for FY 81 - 70,200
13) Revenue from Anchorage Arts Council Beer Booth at Open Aire Pleasure Faire
14) Revenue from fees for ArtsWeek banquet - 350; Advertising Co-Op user fees - 1,356; Computer Mail List user fees - 400; admission fees for Business of the Arts Series - 1,000
15) Revenue from subscription fees for ANCHORAGE ARTS - 10,000; advertising fees in SPRUCETOP - 600; concert admission and workshop fees for SPRUCETOP - 2,250
16) Fees charged for Open Aire Pleasure Faire - 20,000
17) Reimbursement from National Committee Arts for the Handicapped for Site Coordinator's trip to Phoenix
18) Reimburesment from users of the Advertising Co-Op and Computer Mail List

* Revenues which are secured

ALASKA STATE
COUNCIL ON THE ARTS

3/31/81

Grants Policies for FY82
Major Grantees

At the meeting of the Alaska State Council on the Arts in Juneau, March 20-21, 1981, the Council adopted the following policies regarding grants to larger arts organizations during FY82. These policies will be reviewed as the processes they outline unfold, and upon evaluation, revised as necessary in the coming years.

The first priority of the Alaska State Council on the Arts is to foster artistic quality and growth. The Council follows the first principle of law, ("innocent until proven guilty") with regard to quality: artists and arts organizations are assumed to be committed to artistic quality until it becomes clear they are not. Reports and evaluations which are a part of this policy will be used by the State Arts Council to determine the commitment to artistic quality.

I. The Alaska State Council on the Arts is committed to the fulfillment of its mandate, "to join with private patrons and with institutions and professional organizations concerned with the arts to insure that the role of the arts in the life of our communities will continue to grow and will play an ever more significant part in the welfare and educational experience of our citizens."

In order to do this, the Council will continue to provide certain direct services to the citizens of this state, and the Council will provide grants to "institutions and professional organizations concerned with the arts."

A. It is the policy of the Alaska State Council on the Arts, based on an analysis of funding patterns over the life of the Council, to provide up to 75% of the General Grants category of its funding programs to major cultural organizations during FY82. To qualify as a major cultural organization, criteria described below must be met.

1. Organization must provide the Council with a professional audit by an independent Certified Public Accountant for the previous fiscal year.

2. Organization must show a minimum annual budget of $150,000 in cash for previous fiscal year; (in-kind contributions are not allowed in meeting this criteria nor are funds for capital building purposes; this minimum cash budget may be adjusted by the Council as required to ensure participation by at least ten cultural organizations).

3. A minimum of one (1) full-time administrative staff member must be employed by the organization.

4. Organization must show examples of arts service beyond the boundaries of local home community, i.e., touring programs, cooperative programming, shared resources, etc.

5. Organization must be a not-for-profit institution, with IRS 501 (C) (3) or other appropriate IRS status

6. Organization must be judged by the Council to be providing a quality cultural service to citizens of the state.

B. Decisions regarding the distribution of the funds in this category of the General Grants program will be reached in the following way:

1. A professional staff member and a member of the board of directors from each of the institutions meeting the above criteria, chosen by the institution itself, shall be asked to serve on the Major Grantees Advisory Panel by the Council.

2. The Advisory Panel so created shall meet to determine the process by which it will develop recommendations to the Council on the distribution of available funds.

3. Once the funds available have been established by the State of Alaska, the Advisory Panel will meet again and submit to the Council recommendations regarding the amounts to be granted to each participating institution.

4. The Council shall meet to consider the recommendations of the Advisory Panel, make final determinations and grant funds.

C. At that time when the Council meets to consider the recommendations of the Advisory Panel, the following items, appropriate to the participating arts organization, must be available to the Council:

1. Outside audit by independent CPA of previous year's income and expenditures.

2. Reports on the following items with documentation as appropriate:
   a. Educational Programs
   b. Examples of cooperation with other cultural, and/or civic, tourist or similar groups
   c. Audience development plan
   d. Self-evaluation and progress report regarding handicapped individuals access to programs and space
   e. Touring Programs, where appropriate, with expenditures for previous year and projections for current year
   f. Examples of publicity in Alaska and elsewhere
   g. Evidence of short- and long-term planning effort

D. Arts organizations receiving grants from this category shall not be eligible to receive funds from any other Council grants category.

E. The Council may request an outside professional program evaluation of any participating arts organization at Council's expense.

3/31/81

ALASKA STATE
COUNCIL ON THE ARTS

Policies Relating to ASCA and
Arts Organizations other than Major Grantees

The Alaska State Council on the Arts was established to "ensure that the role of the arts in the life of our communities will continue to grow and will play an ever more significant part in the welfare and educational experience of our citizens."

In order to carry out this mandate, the Council provides direct services, (Traditional Native Arts Program, technical assistance on grants and grants management, communications, short- and long-range planning assistance, and so on), indirect services through contractual agreements, (Performing Arts Touring Programs, Piano Maintenance, Sponsor Development, and so on), and grants-in-aid to individual artists, arts organizations and non-arts organizations doing cultural programming.

During FY82, (July 1, 1981 to June 30, 1982), the State Arts Council is implementing new grants policies and procedures. Arts organizations providing high quality cultural programming, employing staff, serving beyond their local neighborhoods and using funds amounting to $150,000 in cash, as shown by an independent audit by a Certified Public Accountant, will receive up to 75% of the Council's General Grants category of funding. In order to receive the funds, each such organization will have to report to the Council on its educational programs, audience development plans, self-evaluation regarding handicapped individuals' access to physical space and program along with a progress report, evidence of short- and long-range planning, examples of cooperation with other cultural/civic/educational organizations, services to the public and publicity within and outside of the state of Alaska.

Arts organizations not meeting criteria for major grantees will be eligible for at least 20% of the General Grants category of funding, and non-arts organizations doing cultural programming will be eligible for at least 5% of the General Grants category of funding, i.e., university-sponsored cultural programming for the general public and other such cultural activity deemed worthy of State Arts Council support but not necessarily being administered by an arts organization.

Therefore, and to this end, the Council has approved the following policies as they relate to arts organizations which are not major grantees, and non-arts organizations doing cultural programming:

1. It is the policy of the Alaska State Council on the Arts, based on an analysis of funding patterns over the life of the Council, to provide at least twenty percent (20%) of the General Grants category to cultural groups and organizations meeting the following criteria during FY82:

    A) Organization accepted by ASCA to be providing a quality cultural service to the community it serves.

B) A not-for-profit IRS designated 501 (C) (3) organization (or otherwise appropriate IRS designation) whose primary purpose is to provide cultural services to the public.

C) An arts organization which has been carrying out such services for at least one year at the time of the proposed Council/State-assisted project's beginning.

D) Some record of achievement and/or success in the provision of cultural services as perceived by a person outside the organization itself.

II. Decisions regarding the distribution of the funds in this category of the Council's General Grants funding program will be reached in the following manner:

A) Unless funded through the "emergency grant process" (outlined in Addendum A, attached), applications received by published deadlines will be reviewed by ASCA staff for completeness, will then be reviewed by appropriate discipline panel when and where possible, and finally, will be reviewed by a committee of the board of ASCA.

B) The review committee will present its recommendations to the full board at a regular quarterly meeting of the board of directors of the Council, and the full board will take final action on each application for support.

III. Other Requirements:

A) While organizations requesting support from the Council may ask for and receive funds for the payment of staff, office expenses and other administrative overhead, such organizations are required to outline in detail the arts projects expected to be carried out during the time the support requested would be used.

B) While matching on a dollar for dollar basis is no longer a mandatory requirement, proposals showing support from other-than-State sources to as large a degree as possible, will be generally given a higher priority for funding than those showing no other support. In-kind and/or donated contributions of time, space, etc., should be made clear in all budget descriptions of the total project.

C) Projects should be completed within a calendar year from the time the project begins; extensions for projects not completed within one year must be requested in writing by the grantee and approved by the Council's executive director.

Addendum I:

A. Non-arts organizations carrying out cultural programming must meet essentially the same criteria as arts organizations to be eligible for State support through the State Arts Council, except that they clearly do not have to be organizations primarily involved in providing arts programming for the public. Such organizations may receive generally at least (in total for all applying) five percent (5%) of the total amount in the Council's General Grants funding program. Grant applications will be reviewed in the same manner as those received by the Council from arts organizations other than Major Grantees.

B. Emergency Grants

From time to time, opportunities arise for which there is little time to plan, but which may provide excellent arts services to the citizens of Alaska.

Therefore, it is the policy of the Alaska State Council on the Arts to allow emergency grant applications at any time during the year for amounts not to exceed $2,000 in State/Council support.

These emergency grant applications must be made on the standard application form used by the Council for grants-making purposes.

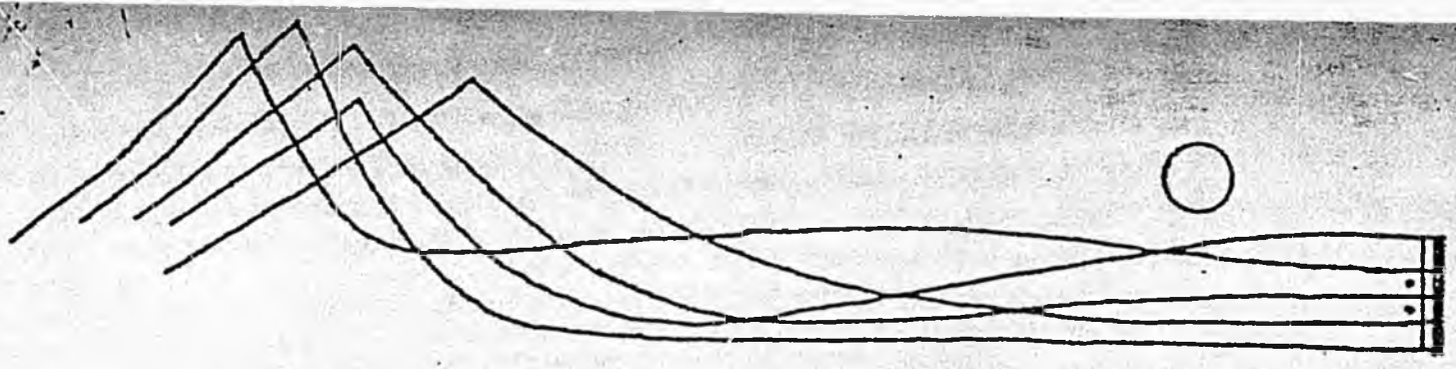
When possible, these requests will be reviewed by persons serving on the appropriate discipline panel of the Council. The requests must always be reviewed by at least three of the members of the board of the Council in addition to the Chairman and Executive Director.

Upon satisfactory review, the executive director of the Council may award the grant.

All such Emergency Grants will be presented to the board of directors at the nearest following regular Quarterly Meeting of the board, both those awarded and those not funded.

Emergency Grants are available only to organizations meeting the criteria established for arts organizations/non-arts organizations doing cultural programming, other than Major Grantees.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.



ANCHORAGE CIVIC OPERA
BOX 3316 • ANCHORAGE • ALASKA • 99510 • (907) 277-2742

March 11, 1981

MEMORANDUM

TO: Members of the Governmental Affairs Committee, Alaska Arts Alliance

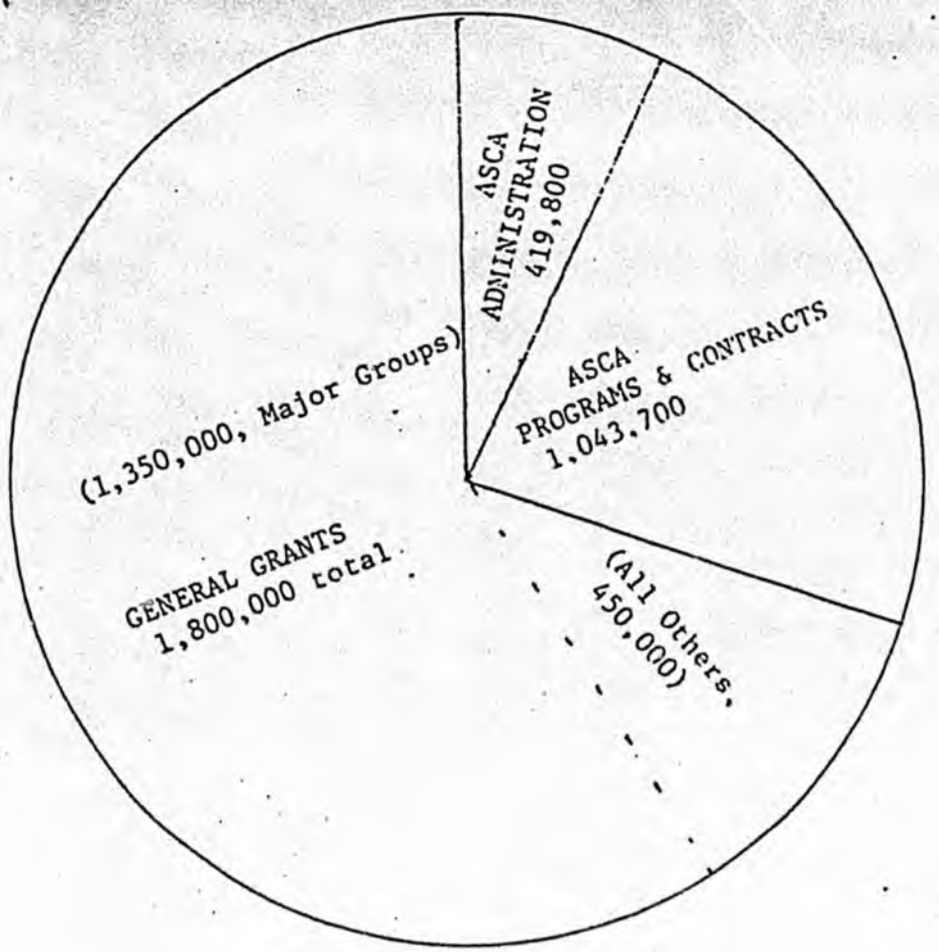
FROM: Michael More

RE: A.A.A. Group Funding Request FY 82 to the Legislature

The attachments outline by organization the specific amounts to be requested from the Alaska State Council on the Arts General Grants Category for FY 82, collected by the Governmental Affairs Committee. The Alaska State Council on the Arts has stated that 75% of the funds in General Grants will go to major organizations. The existing Governor's Budget allows for 1,800,000 in General Grants. For the major organizations represented here to receive funding at this level, the General Grants Category must be increased from 1,800,000 to 5,225,133. Seventy-five percent of 5,225,133 would total 3,918,850 and thus meet the funding needs of these major organizations. Based on the percentage formula policy stated by the Alaska State Council on the Arts, the Alaska Arts Alliance is seeking an increase in the ASCA General Grants Category in the amount of 3.425,133. This amount will cover the stated needs of the member organizations, within the distribution policy of the ASCA.

Arts, Alaska Inc.	$ 625,877*	
Anchorage Fine Arts Museum	25,000	
Juneau Arts Council	133,000	
University of Alaska Fairbanks Symphony	100,000	160 000
Anchorage Symphony	150,000	
Institute of Alaska Native Arts	250,000	
Alaska Heritage Review	100,000	
Anchorage Arts Council	213,500	
Southeast Alaska Regional Arts Council	127,000	
Alaska Indian Arts, Inc.	70,000	
Anchorage Concert Association	60,000	
Alaska Repertory Theatre	2,000,000	
Alaska Association for the Arts	65,350	100,000
Visual Arts Center	225,000	
Ketchikan Theatre Ballet	100,000	
Anchorage Civic Opera	300,000	
	$3,918,850	

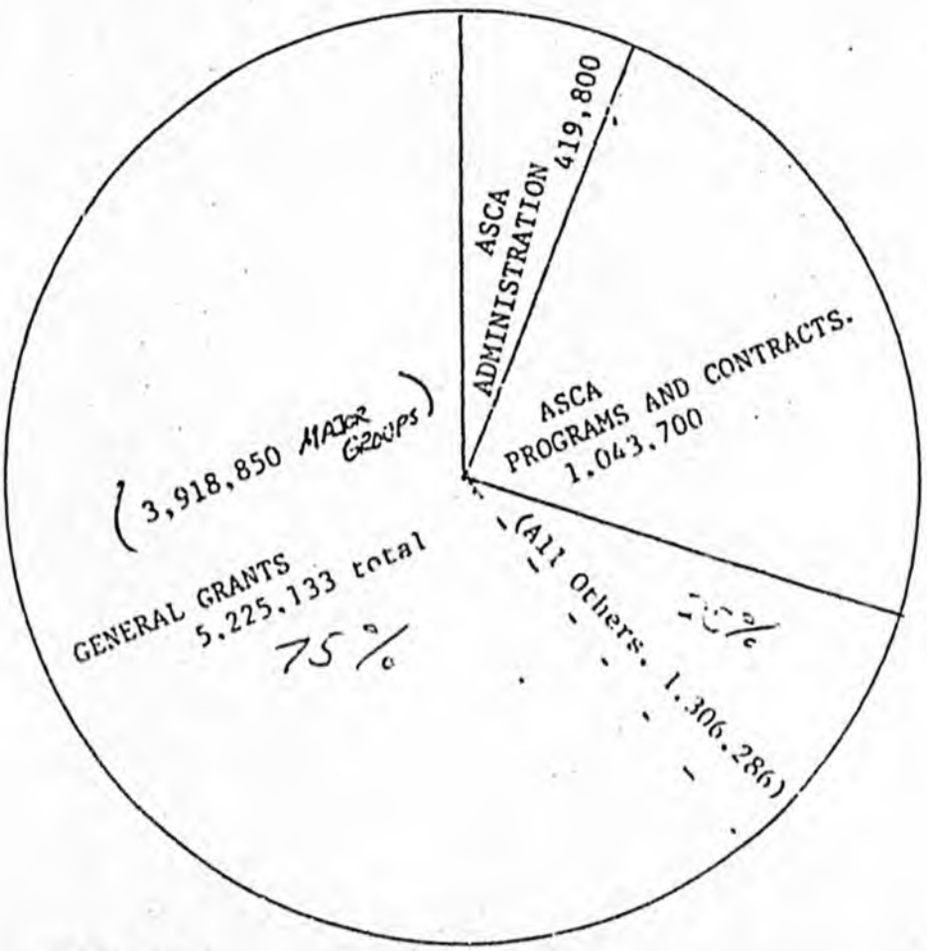
*Funded through ASCA programs and contracts



EXISTING GOVERNOR'S BUDGET FY 82

ALASKA STATE COUNCIL ON THE ARTS

Total: $ 3,263,500



AMENDED ASCA FY 82 BUDGET / WITH

ALASKA ARTS ALLIANCE REQUEST OF

$ 3,425,133

Total: $ 6.688,633

3/11/81:jn

REVISED

MAJOR GRANTEE FINANCIAL PROJECTIONS

AME OF ORGANIZATION: Arts Alaska, Inc.

lease give the information based on your organizational projections for FY1982.
f a FY82 budget has not been prepared to date, please estimate to the best of
our ability. Please see definitions attached.

ROJECTED EXPENDITURES

alaries, Artists Fees & Technicians	$ 605,207
oods and Services	$ 99,425
dvertising and Promotion	$ 5,000
ravel and Per Diem	$ 369,865
ent and Utilities	$ 26,400
cholarships and Commissions or Regrants	$ -0-
TOTAL EXPENDITURES (proj. '82)	$ 1,105,897

ROJECTED REVENUES

ees, Membership Dues, Ticket Sales, etc.	$ 286,000
ontributions, Gifts, Donations	$ 120,000
ederal Grants - Natl. Endowment for the Arts	$ 66,000
ederal Grants - other agencies	$ -0-
tate Grants - ASCA	$ 625,897
tate Grants - other agencies	$ -0-
unicipal Grants	$ -0-
iscellaneous	$ 8,000
TOTAL REVENUES (proj. '82)	$ 1,105,897

. Total FY1981 Budget 984,545
Total FY1980 Budget 946,793

. How many people does your organization employ? Fulltime 7
Parttime -0- Contractual (from time to time) 110 approximately

. How many people do you think your organization actually serves through its programs?

50-70,000

. What dollar amount do you anticipate needing in FY1982 for capital expenditures? (equipment, office machines, furniture -- not construction)

25,000

THIS INFORMATION IS TO BE KEPT CONFIDENTIAL

AME OF ORGANIZATION: Anchorage Historical and Fine Arts Museum

Please give the information based on your organizational projections for FY1982. If a FY82 budget has not been prepared to date, please estimate to the best of your ability. Please see definitions attached.

PROJECTED EXPENDITURES

Salaries, Artists Fees & Technicians	$ 441,000.
Goods and Services (Includes acquisitions to collections)	$ 356,000.
Advertising and Promotion	$ 17,000.
Travel and Per Diem	$ 2,000.
Rent and Utilities	$ 114,000.
Scholarships and Commissions or Regrants	$ 0.
TOTAL EXPENDITURES (proj. '82)	$ 930,000.

PROJECTED REVENUES

Fees, Membership Dues, Ticket Sales, etc.	$ 0.
Contributions, Gifts, Donations	$ 4,000.
Federal Grants - Natl. Endowment for the Arts	$ 0.
Federal Grants - other agencies	$ 0.
State Grants - ASCA	$ 25,000.
State Grants - other agencies	$ 0.
Municipal [redacted] Support	$ 884,000.
Miscellaneous	$ 17,000.
TOTAL REVENUES (proj. '82)	$ 930,000.

1. Total FY1981 Budget $861,000.
   Total FY1980 Budget $768,000.

2. How many people does your organization employ? Fulltime 12
   Parttime 1 Contractual (from time to time) 2

3. How many people do you think your organization actually serves through its programs?

   150,000

4. What dollar amount do you anticipate needing in FY1982 for capital expenditures? (equipment, office machines, furniture -- not construction)

   10,000

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MAJOR GRANTEE FINANCIAL PROJECTIONS

AME OF ORGANIZATION: Greater Juneau Arts & Humanities Council (JUNEAU ARTS COUNCIL)

lease give the information based on your organizational projections for FY1982. f a FY82 budget has not been prepared to date, please estimate to the best of our ability. Please see definitions attached.

ROJECTED EXPENDITURES

alaries, Artists Fees & Technicians	$ 115,000.00
oods and Services	$ 12,300.00
dvertising and Promotion	$ 9,500.00
ravel and Per Diem	$ 7,000.00
ent and Utilities	$ 9,600.00
cholarships and Commissions or Regrants	$ 128,000.00
TOTAL EXPENDITURES (proj. '82)	$ 281,400.00

ROJECTED REVENUES

ees, Membership Dues, Ticket Sales, etc.	$ 68,000.00
ontributions, Gifts, Donations	$ 20,400.00
ederal Grants - Natl. Endowment for the Arts	$
ederal Grants - other agencies	$
tate Grants - ASCA	$ 133,000.00
tate Grants - other agencies	$
unicipal Grants	$ 50,000.00
iscellaneous	$ 10,000.00
TOTAL REVENUES (proj. '82)	$ 281,400.00

Total FY1981 Budget 175,200
Total FY1980 Budget 100,000

How many people does your organization employ? Fulltime 1
Parttime 1 Contractual (from time to time) 2-3

How many people do you think your organization actually serves through its programs?

25-30,000

What dollar amount do you anticipate needing in FY1982 for capital expenditures? (equipment, office machines, furniture -- not construction)

$2,500.00

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MAJOR GRANTEE FINANCIAL PROJECTIONS

ORGANIZATION: University-Fairbanks Symphony Association

Please give the information based on your organizational projections for FY1982. If a FY82 budget has not been prepared to date, please estimate to the best of your ability. Please see definitions attached.

PROJECTED EXPENDITURES

Salaries, Artists Fees & Technicians	$ 108.000
Goods and Services	$ 38.000
Advertising and Promotion	$ 10.000
Travel and Per Diem	$ 155,000
Rent and Utilities	$ 8,000
Scholarships and Commissions or Regrants	$ 10,000
TOTAL EXPENDITURES (proj. '82)	$ 329,000

PROJECTED REVENUES

Fees, Membership Dues, Ticket Sales, etc.	$ 58,000
Contributions, Gifts, Donations	$ 20,000
Federal Grants - Natl. Endowment for the Arts	$ 8,000
Federal Grants - other agencies	$ 36,000
State Grants - ASCA	$ 30,000
State Grants - ~~other agencies~~ ASCA? Touring	$ 130,000
Municipal Grants	$ 16,000
Miscellaneous University: cond. salary/offices/concert hall	$ 31,000
TOTAL REVENUES (proj. '82)	$ 329,000

1. Total FY1981 Budget $329,000
   Total FY1980 Budget $248,000

2. How many people does your organization employ? Fulltime 4
   Parttime 2 Contractual (from time to time) 17

3. How many people do you think your organization actually serves through its programs?

   94,000 in-state

4. What dollar amount do you anticipate needing in FY1982 for capital expenditures? (equipment, office machines, furniture -- not construction)

   $3,000

MAJOR GRANTEE FINANCIAL PROJECTIONS

AME OF ORGANIZATION: ANCHORAGE SYMPHONY ORCHESTRA

lease give the information based on your organizational projections for FY1982. f a FY82 budget has not been prepared to date, please estimate to the best of our ability. Please see definitions attached.

ROJECTED EXPENDITURES

ılaries, Artists Fees & Technicians	$ 206,500
ıods and Services	$ 59,500
lvertising and Promotion	$ 40,000
avel and Per Diem	$ 12,000
nt and Utilities	$ 8,500
holarships and Commissions or Regrants	$ 1,000
TOTAL EXPENDITURES (proj. '82)	$ 327,500

OJECTED REVENUES

es, Membership Dues, Ticket Sales, etc.	$ 65,500
ntributions, Gifts, Donations	$ 60,000
deral Grants - Natl. Endowment for the Arts	$ 2,000
deral Grants - other agencies	$ 0
ate Grants - ASCA	$ 150,000
ate Grants - other agencies	$ 0
nicipal Grants	$ 50,000
scellaneous	$ 0
TOTAL REVENUES (proj. '82)	$ 327,500

Total FY1981 Budget $178,100
Total FY1980 Budget 172,400

How many people does your organization employ? Fulltime 1
Parttime 1 Contractual (from time to time) 80

How many people do you think your organization actually serves through its programs?
25,000

What dollar amount do you anticipate needing in FY1982 for capital expenditures? (equipment, office machines, furniture -- not construction)
$1,000

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MAJOR GRANTEE FINANCIAL PROJECTIONS

OF ORGANIZATION: Alaska Heritage Review

lease give the information based on your organizational projections for FY1982.
f a FY82 budget has not been prepared to date, please estimate to the best of
our ability. Please see definitions attached.

ROJECTED EXPENDITURES

alaries, Artists Fees & Technicians	$ 150,000.00
oods and Services	$ 127,500.00
dvertising and Promotion	$ 15,000.00
ravel and Per Diem	$ 75,000.00
ent and Utilities	$ 75,000.00
cholarships and Commissions or Regrants	$ 7,500.00
TOTAL EXPENDITURES (proj. '82)	$ 450,000.00

ROJECTED REVENUES

ees, Membership Dues, Ticket Sales, etc.	$ 150,000.00
ontributions, Gifts, Donations	$ 50,000.00
ederal Grants - Natl. Endowment for the Arts	$
ederal Grants - other agencies	$
tate Grants - ASCA	$ 100,000.00
tate Grants - other agencies	$ 100,000.00
unicipal Grants	$
iscellaneous	$ 50,000.00
TOTAL REVENUES (proj. '82)	$ 450,000.00

Total FY1981 Budget $266,250.00
Total FY1980 Budget ~~51,669.00~~

How many people does your organization employ? Fulltime 4
Parttime 5 Contractual (from time to time) 15

How many people do you think your organization actually serves through its programs?

250,000

What dollar amount do you anticipate needing in FY1982 for capital expenditures? (equipment, office machines, furniture -- not construction)

None

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MAJOR GRANTEE FINANCIAL PROJECTIONS

JF ORGANIZATION: ANCHORAGE ARTS COUNCIL, INC.

ase give the information based on your organizational projections for FY1982. a FY82 budget has not been prepared to date, please estimate to the best of our ability. Please see definitions attached.

ROJECTED EXPENDITURES

alaries, Artists Fees & Technicians	$ 275,000
oods and Services	$ 92,000
dvertising and Promotion	$ 45,000
ravel and Per Diem	$ 24,000
ent and Utilities	$ 32,000
cholarships and Commissions or Regrants	$ 23,000
TOTAL EXPENDITURES (proj. '82)	$ 491,000

ROJECTED REVENUES

ees, Membership Dues, Ticket Sales, etc.	$ 55,000
ontributions, Gifts, Donations	$ 39,000
ederal Grants - Natl. Endowment for the Arts	$ 20,000
ederal Grants - other agencies	$ 10,000
tate Grants - ASCA	$ 213,500
tate Grants - other agencies	$ 8,000
unicipal Grants	$ 90,000
iscellaneous	$ 55,500
TOTAL REVENUES (proj. '82)	$ 491,000

Total FY1981 Budget 471,000
Total FY1980 Budget 385,000

How many people does your organization employ? Fulltime 7
Parttime 5 Contractual (from time to time) approx 5

How many people do you think your organization actually serves through its programs?

200,000 urban area

What dollar amount do you anticipate needing in FY1982 for capital expenditures? (equipment, office machines, furniture -- not construction)

8,000

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ORGANIZATION QUESTIONNAIRE

Statewide Arts Advocacy Group

Organization Name: Southeast Alaska Regional Arts Council, Inc.

Proposed Budget for Fiscal Year 1982 (July 1, 1981 - June 30, 1982) $ 300,000

Amount of Proposed Budget to be requested from ASCA $ 127,000

Amount of Proposed Budget from other public sources. (NEA, municipal, other state, CETA, etc.) $ 75,000

Amount of Proposed Budget from self-generated and private sources. (gifts, donations, ticket sales, etc.) $ 100,000

Amount of Proposed Budget for capital expenditures: (equipment, facility, etc.) $ 10,000

How many people do you employ? Fulltime 7

Parttime 75+ Throughout year as contracts

How many basic programs do you offer? 10

What is the total audience directly involved in these programs? 5000+ media?

Please list three important facts about your organization not covered by the above.

1) SARAC's purpose is to serve the arts in Southeast Alaska through programs, service, advocacy, communications, and leadership, which has been achieved through increasing involvement in statewide programming, service, and advocacy.

2)

Prepared by (Mrs. Lee) A. Campbell Date February 15, 1981

MAJOR GRANTEE FINANCIAL PROJECTIONS

MARCH 9, 1981

ME OF ORGANIZATION: ALASKA INDIAN ARTS, INC.

ease give the information based on your organizational projections for FY1982. a FY82 budget has not been prepared to date, please estimate to the best of ur ability. Please see definitions attached.

OJECTED EXPENDITURES

laries, Artists Fees & Technicians	$ 115,000.00
ods and Services	$ 25,000.00
vertising and Promotion	$ 2,000.00
avel and Per Diem	$ 2,500.00
nt and Utilities	$ 75,000.00
holarships and Commissions or Regrants	$ 0
TOTAL EXPENDITURES (proj. '82)	$ 219,500.00

OJECTED REVENUES

es, Membership Dues, Ticket Sales, etc.	$ 60,000.00
ntributions, Gifts, Donations	$ 85,000.00
deral Grants - Natl. Endowment for the Arts	$ 0
deral Grants - other agencies	$ 0
ate Grants - ASCA	$ 70,000.00
ate Grants - other agencies	$ 3,000.00
nicipal Grants	$ 1,000.00
scellaneous	$ 500.00
TOTAL REVENUES (proj. '82)	$ 219,500.00

Total FY1981 Budget 208,600.00
Total FY1980 Budget 178,500.00

How many people does your organization employ? Fulltime 12
Parttime 6 Contractual (from time to time) 6

How many people do you think your organization actually serves through its programs?

5,000 plus

What dollar amount do you anticipate needing in FY1982 for capital expenditures? (equipment, office machines, furniture -- not construction)

8,000.00

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MAJOR GRANTEE FINANCIAL PROJECTIONS

ME OF ORGANIZATION: Anchorage Concert Association, Inc.

ease give the information based on your organizational projections for FY1982. a FY82 budget has not been prepared to date, please estimate to the best of ur ability. Please see definitions attached.

OJECTED EXPENDITURES

laries, Artists Fees & Technicians	$ 123,000
ods and Services	$ 27,950
lvertising and Promotion	$ 20,000
avel and Per Diem	$ 3,000
nt and Utilities	$ 5,400
holarships and Commissions or Regrants	$ 1,200
TOTAL EXPENDITURES (proj. '82)	$ 180,550

ROJECTED REVENUES

es, Membership Dues, Ticket Sales, etc.	$ 84,600
ntributions, Gifts, Donations	$ 8,000
deral Grants - Natl. Endowment for the Arts	$ -
deral Grants - other agencies	$ -
tate Grants - ASCA	$ 65,000
tate Grants - other agencies	$ -
unicipal Grants	$ 20,000
iscellaneous	$ 2,950
TOTAL REVENUES (proj. '82)	$ 180,550

. Total FY1981 Budget $ 101,670
Total FY1980 Budget $ 79,342

. How many people does your organization employ? Fulltime One (starting FY82)
Parttime 0 Contractual (from time to time) 150-200

. How many people do you think your organization actually serves through its programs?

16000 +

. What dollar amount do you anticipate needing in FY1982 for capital expenditures? (equipment, office machines, furniture -- not construction)

$ 2000

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MAJOR GRANTEE FINANCIAL PROJECTIONS

OF ORGANIZATION: ALASKA REPERTORY THEATRE

Please give the information based on your organizational projections for FY1982. If a FY82 budget has not been prepared to date, please estimate to the best of your ability. Please see definitions attached.

PROJECTED EXPENDITURES

Salaries, Artists Fees & Technicians	$ 1,731,000
Goods and Services	$ 1,221,000
Advertising and Promotion (including Box Office/House)	$ 303,000
Travel and Per Diem	$ 442,000
Rent and Utilities	$ 264,000
Scholarships and Commissions or Regrants	$ 31,000
TOTAL EXPENDITURES (proj. '82)	$ 3,992,000

PROJECTED REVENUES

Fees, Membership Dues, Ticket Sales, etc.	$ 1,248,000
Contributions, Gifts, Donations including In-Kind)	$ 327,000
Federal Grants - Natl. Endowment for the Arts	$ 65,000
Federal Grants - other agencies	$ -0-
State Grants - ASCA	$ 2,000,000
State Grants - other agencies	$ -0-
Municipal Grants	$ 220,000
Miscellaneous (In-Kind)	$ 132,000
TOTAL REVENUES (proj. '82)	$ 3,992,000

1. Total FY1981 Budget $ 1,886,175
   Total FY1980 Budget 2,233,445 (Permanent)
2. How many people does your organization employ? Fulltime 22
   Parttime 96 (or seasonal fulltime) Contractual (from time to time) 44 Jobbers
3. How many people do you think your organization actually serves through its programs?

   100,000

4. What dollar amount do you anticipate needing in FY1982 for capital expenditures? (equipment, office machines, furniture -- not construction)

   $ 1,000,000

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MAJOR GRANTEE FINANCIAL PROJECTIONS

AME OF ORGANIZATION: VISUAL ARTS CENTER OF ALASKA

lease give the information based on your organizational projections for FY1982.
f a FY82 budget has not been prepared to date, please estimate to the best of
our ability. Please see definitions attached.

ROJECTED EXPENDITURES

alaries, Artists Fees & Technicians	$ 105,000
oods and Services	$ 146,700
dvertising and Promotion	$ 12,650
ravel and Per Diem	$ 5,000
ent and Utilities	$ 30,650
cholarships and Commissions or Regrants	$ 5,000
TOTAL EXPENDITURES (proj. '82)	$ 305,000

ROJECTED REVENUES

ees, Membership Dues, Ticket Sales, etc.	$ 11,000
ontributions, Gifts, Donations	$ 22,000
ederal Grants - Natl. Endowment for the Arts	$ 5,000
ederal Grants - other agencies	$ -0-
tate Grants - ASCA	$ 225,000
tate Grants - other agencies	$ -0-
unicipal Grants	$ 42,000
iscellaneous	$
TOTAL REVENUES (proj. '82)	$ 305,000

. Total FY1981 Budget $331,400
Total FY1980 Budget $242,466

. How many people does your organization employ? Fulltime 7
Parttime 2 Contractual (from time to time) 10

. How many people do you think your organization actually serves through its programs?

10,000

. What dollar amount do you anticipate needing in FY1982 for capital expenditures? (equipment, office machines, furniture -- not construction)

$15,000

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MAJOR GRANTEE FINANCIAL PROJECTIONS

AME OF ORGANIZATION: ANCHORAGE CIVIC OPERA

lease give the information based on your organizational projections for FY1982.
f a FY82 budget has not been prepared to date, please estimate to the best of
our ability. Please see definitions attached.

ROJECTED EXPENDITURES

alaries, Artists Fees & Technicians	$ 306,525
oods and Services	$ 199,201
dvertising and Promotion	$ 24,500
ravel and Per Diem	$ 34,575
ent and Utilities	$ 37,800
cholarships and Commissions or Regrants	$
TOTAL EXPENDITURES (proj. '82)	$ 602,601

ROJECTED REVENUES

ees, Membership Dues, Ticket Sales, etc.	$ 95,000
ontributions, Gifts, Donations	$ 125,000
ederal Grants - Natl. Endowment for the Arts	$ 10,000
ederal Grants - other agencies	$
tate Grants - ASCA	$ 300,000
tate Grants - other agencies	$
unicipal Grants	$ 60,000
iscellaneous	$ 13,000
TOTAL REVENUES (proj. '82)	$ 603,000

. Total FY1981 Budget 416,950
Total FY1980 Budget 164,000

. How many people does your organization employ? Fulltime 8
Parttime 1 Contractual (from time to time) 200

. How many people do you think your organization actually serves through its programs?

300,000

. What dollar amount do you anticipate needing in FY1982 for capital expenditures? (equipment, office machines, furniture -- not construction)

50,000

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E OF ORGANIZATION: Ketchikan Theatre Ballet

ase give the information based on your organizational projections for FY1982.
a FY82 budget has not been prepared to date, please estimate to the best of
r ability. Please see definitions attached.

JECTED EXPENDITURES

aries, Artists Fees & Technicians	$ 109,490.
ıds and Services	$ 104,800.
ertising and Promotion	$ 7,000.
ıvel and Per Diem	$ 18,000.
ıt and Utilities	$ 19,170.
ıolarships and Commissions or Regrants	$ 8,500.
TOTAL EXPENDITURES (proj. '82)	$ 266,960.

)JECTED REVENUES

es, Membership Dues, Ticket Sales, etc.	$ 71,960.
ıtributions, Gifts, Donations	$ 10,000.
ieral Grants - Natl. Endowment for the Arts	$ -0-
ieral Grants - other agencies	$ -0-
ıte Grants - ASCA	$ 125,000.
ıte Grants - other agencies	$ 5,000.
nicipal Grants	$ 10,000.
scellaneous	$ -0-
TOTAL REVENUES (proj. '82)	$ 266,960.

Total FY1981 Budget $110,000.00
Total FY1980 Budget 31,210.

How many people does your organization employ? Fulltime 3
Parttime 2 Contractual (from time to time) 1

How many people do you think your organization actually serves through its programs?

15,000

What dollar amount do you anticipate needing in FY1982 for capital expenditures?
(equipment, office machines, furniture -- not construction)

41,550

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I. Statement of Purpose:

Since the inception of Alaska Indian Arts, Inc. in 1960, the purpose of the organization has been to perpetuate through preservation, education, reproduction and orginal design the traditional Northwest Coast art forms through various media. Wood carving silversmithing, graphics and the performing arts has been used successfully in this endeavor. We are a developing light handicraft and performing arts industry that designs, produces and markets authentic Northwest Coast art pieces throughout the U.S. and Alaska. We provide training and instruction to developing artists and our Chilkat Dancers perform 35 shows for the public each year.

I. Statement of Purpose: Alaska Heritage Review

The purpose of the corporation shall be to preserve and record the history and culture of Alaska through film, video tape, live presentations and any other available means. To encourage the study of Alaskan history and to promote the education of young Alaskans, especially in fields related to the various cultural backgrounds of Alaska.

I. Statement of Purpose:

The primary goal of the Visual Arts Center is to promote the growth and development of contemporary art in Alaska. This is accomplished by making available to qualified artists equipped studios in printmaking, sculpture, metals, and fiber; by conducting a series of workshops which bring qualified artists to teach a variety of techniques; and by maintaining a public gallery with a regular schedule of exhibits. Support programs include technical assistance to artists, a library, and sli

archive, and school and community tours and programs

I. Your organization's statement of purpose. Our lobbyist has to know precisely who you are, who you serve and for what purpose. Please limit this to a 4 or 5 sentance paragraph.

laska Repertory Theatre was founded in 1976 to provide top quality theatre performances, ervices, and cultural awareness to every Alaskan, from Barrow to Ketchikan. Mainstage easons in Anchorage and Fairbanks are complemented by statewide tours, such as DIAMOND UDS, and WILL ROGERS' U.S.A. Additional services provided by the Rep consist of tudent matinees, an internship program for college credit, and in-school workshops. n addition, a cultural enrichment program exists providing tickets to needy individuals ho could not afford to attend performances. Performances are also scheduled for the earing impaired and informational tapes are provided to the visually impaired. Equip- ent loans, consultations and access to a performing arts library are available to the ther Alaskan arts organizations and their members.

The University-Fairbanks Symphony Orchestra is a joint venture between the University of Alaska and the Fairbanks Symphony Association. The cooperative nature of the enterprise has allowed the community and the University to promote superior musical opportunities for musicians and audiences. The University provides conductor salary, offices and concert hall which accounts for approximately 10% of the Association's budget. Not only does the Symphony serve 94,000 listeners, but it is also an important performing outlet for community musicians. Association organizations provide orchestral and chamber music performing opportunities for all ages and competency levels. Members of the Orchestra serve the community musically in other ways, performing in accompanying ensembles for the Fairbanks Light Opera Theater, University Drama Workshop, University-Community Chorus and San Francisco's Western Opera. Chamber ensembles of the Orchestra provide recitals throughout the community.
While the Arctic Chamber Orchestra has become the State's number one touring organization, playing concerts in more than 50 communities, the full Fairbanks Symphony has given 3 concerts in Anchorage as well as performances in Delta Junction, Fort Yukon, Healy, Juneau and Eielson Air Force Base.

SARAC's purpose is to serve the arts in Southeast Alaska through programs, services, advocacy, communications, and leadership; which has been achieved through increasing involvement in statewide programming, services, and advocacy.

I. Statement of Purpose: Anchorage Historical & Fine Arts Museum

"To collect, preserve, exhibit and interpret materials illustrating the art, history and native cultures of Alaska and to supplement this with a wide variety of exhibitions and programs. To serve as a major cultural center for Alaska."

I. Statement of Purpose:

The Anchorage Arts Council shall serve the community as a leader and spokesman in all matters that affect the arts in order to ensure that the Anchorage community shall meet its cultural needs as it increases in size.

I. Statement of Purpose: The Anchorage Symphony Orchestra, comprised of 75 musicians, provides cultural, entertaining, and educational musical events for the community-at-large. Our season consists of 10 symphony concerts, 5 Young People's concerts, chamber symphony concerts, string quartet performances, special events, workshops, and community-outreach performances in non-traditional settings-- all designed to musically enrich the public. One of our goals is to develop future musicians and audiences through educational programming for young people. We believe it is our responsibility to provide the highest calibre of serious music in the State through concertizing, instruction, and special events.

I. Statement of Purpose:

The Greater Juneau Arts & Humanities Council is dedicated to providing educational programs, cultural experiences, and performances which involve participants and audiences of all ages in all of the arts and humanities. The Juneau Arts Council (GJAHC) is the officially recognized arts agency by the City and Borough of Juneau.

I. Statement of Purpose:

Arts Alaska, Inc. is a non-profit arts management organization dedicated to the development of Alaskan artists and arts audiences. Arts Alaska, Inc. specializes in the administration and delivery of specific statewide arts programs and management services. Currently the only such statewide service organization, Arts Alaska, Inc. serves a variety of clients including the Alaska State Council on the Arts, the Sitka Summer Music Festival, the Anchorage Concert Association, the Anchorage Civic Opera and scores of local arts councils, local concert presentors and public schools. Services are available on a contract basis and supported by contract fees, private (OVER)

II. Projected FY 82 Budget totals from Form II (Financial Projections)

** IMPORTANT NOTE: Unlike most major institutions, most, perhaps all of this request will be fore the execution of Alaska State Council on the Arts initiated Requests for Proposal. Funds will be provided to Arts Alaska in the form of contractual fees not grant awards.

I. Statement of Purpose: The Anchorage Concert Association is an organization of representatives of various civic, service, educational, cultural and other groups in the Anchorage area, plus numerous interested individuals dedicated to promoting musical activities and other activities of an educational and cultural nature. This is accomplished principally, but not solely, by presenting an annual series of eight to ten concerts by the greatest performers available to us from around the world. These include singers, instrumentalists, both solo and in groups, symphony orchestras, opera, and some of the world's greatest modern, ballet and folk dance companies.

Statement of Purpose

Ketchikan Theater Ballet: is a major dance resource in southeast Alaska. The company presents a concert series for the local community as well as lecture-demonstration workshops & school performances in the small communities to which it tours. It strives for excellence in its company and school. With an established school to train professional dancers as well as recreational enthusiasts the company is preparing for a professional company that will be the catalyst for all dance activities in the state.

ANCHORAGE CIVIC OPERA

I. Statement of Purpose :

Anchorage Civic Opera, reactivated in 1975, is dedicated to serve the State and community by providing the highest level of opera experience for our public within our means and to stimulate artistic improvement and growth through the involvement of local musicians and technicians with the inspiration generated by visiting professional artists.

II. FY 82 Budget $ 603,000.

III. Grant Request to Alaska State Council on the Arts, $ 300,000.

IV. Proposed Capital Expenditures, $ 50,000.

V. Statement of Intended Use of State Grant:

Related funding will support to some degree all aspects of Anchorage Civic Opera to include: 1) Mainstage Productions, 2) OPERALASKA (Statewide Educational and Touring and Community Outreach) 3) Portions of the expense for Administrative and Program Staff and necessary support facilities and equipment to accomplish # 1 and # 2 effectively and with high quality.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

ALASKA ARTS ALLIANCE

Organization Summary for Ketchikan Theatre Ballet

1) The purpose of the organization is to provide southeast Alaska with a major dance resource, through the establishment of a school to train professional dancers & the recreational enthusiasts in preparation to become a professional company that will serve as the catalyst for all dance activity in the State.

By providing the following programs a local community series & as part of an annual touring program provides lecture demonstrations, workshops and school performances to other Alaska communities.

To an audience of 15,000

2) Example of a specific activity A major tour of southeast and south central Alaska.

3) The geographic area served by programs and activities primary - Ketchikan, secondary - southeast Alaska, tertiary - statewide

4) The anticipated level of funding will provide funding to enable the Ketchikan Theatre Ballet School of Dance to broaden the base to include boarding students and create an outreach program to remote communities.

ALASKA ARTS ALLIANCE

Organization Summary for Arts Alaska, Inc.

1) The purpose of the organization is to assist the development of the visual, literary, and performing arts statewide by providing professional management and administrative services and consultation to existing or developing arts groups on request.

By providing the following programs Artists-In-School Program; program services for the statewide performing arts touring program; Community Presentor Training; publicity, management, and/or fund raising; financial accounting services; other statewide services and pubilciation of SPONSOR newsletter.
To an audience of 80,000

2) Example of a specific activity Program Service audience dramatically increased in those communities receiving Community Presentor Training. Increases of 60%-300% in one year.

3) The geographic area served by programs and activities statewide and programs have served more than 100 communities from Barrow to Ketchikan.

4) The anticipated level of funding will provide a new artists-in-education program serving 8 communities; one additional performing arts tour; ten more community audiences; twelve additional communities served by the Community Presentor Training program; one or two new publicity service contracts; extend financial accounting services; increase SPONSOR from 4 to 8 pages per issue undertake one new major statewide service program.

ALASKA ARTS ALLIANCE

Organization Summary for Southeast Alaska Regional Arts Council

1) The purpose of the organization is to provide the people of Southeast Alaska with quality education programs and services in the arts, and promote high standards of quality in the arts for the benefits of all Alaskans.

By providing the following programs Arts Southeast Radio Show; Folkdance/Folklore Festival; Arts Season Kickoff; SARAC Fine Arts Camp; technical services; community development; cultural facilities development; resource development

To an audience of 5,000

2) Example of a specific activity SARAC Fine Arts Camp which draws students from over 40 Alaskan communities in creative writing, dance, drama, music and visual arts.

3) The geographic area served by programs and activities Southeast Alaska

4) The anticipated level of funding will provide two professional and support staff to help carry out its present programs and to its successful pilot project: the Arts Southeast Radio nce/Folklore Festival to full program status .

ALASKA ARTS ALLIANCE

Organization Summary for Anchorage Arts Council

1) The purpose of the organization is to serve as the community leader and spokesman in all matters affecting the arts and to insure cultural needs are met.

By providing the following programs A) Art Reach-Community Outreach B) services to artists and organizations C) advocacy D) technical assistance

To an audience of 200,000

2) Example of a specific activity "Very Special Arts Fair" for handicapped and gifted children which attracted 1500 participants.

3) The geographic area served by programs and activities statewide through technical assistance; South Central through other programs & services.

4) The anticipated level of funding will provide maintenance & upgrade existing program; increase awareness of participation by 15%.

ALASKA ARTS ALLIANCE

Organization Summary for Alaska Indian Arts

1) The purpose of the organization is to perpetuate through preservation, education, reproduction and original design, the traditional northwest coast Indian art form.

By providing the following programs training and instruction in traditional performing and visual art forms.

To an audience of 5,000

2) Example of a specific activity Chilkat dancers gave 35 performances throughout the state.

3) The geographic area served by programs and activities statewide through performances and workshops; Southeast through other programs.

4) The anticipated level of funding will provide maintain and upgrade existing program and operate skill center, performing arts facility and Living Village Project.

ALASKA ARTS ALLIANCE

Organization Summary for Alaska Heritage Review

1) The purpose of the organization is to preserve and record the history and culture of Alaska.

By providing the following programs A) documentary films B) performance series C) school assemblies D) All Alaska Cultural Review.

To an audience of 250,000

2) Example of a specific activity "Alaska Pride" School assemblies for 150 school audiences

3) The geographic area served by programs and activities statewide through touring programs.

4) The anticipated level of funding will provide expand school tour program & maintain and upgrade existing programs.

ALASKA ARTS ALLIANCE

Organization Summary for Alaska Association for the Arts

1) The purpose of the organization is to present quality arts services & opportunities, provide educational services and advocacy for the arts.

By providing the following programs A) gallery exhibition B) concerts & performances C) student & teacher workshops D) literary publications E) technical services

To an audience of 50,000

2) Example of a specific activity Time out at noon - a weekly performing series for community during summer months.

3) The geographic area served by programs and activities statewide through competitions & exhibitions; North Star Borough through other programs

4) The anticipated level of funding will provide maintain & upgrade existing programs to serve total audience of 75,000.

ALASKA ARTS ALLIANCE

Organization Summary for Anchorage Civic Opera Association, Inc.

1) The purpose of the organization is to serve the community & state by providing the highest possible level of opera experience for the public, and stimulating artistic growth of resident artists & technicians enhanced by the participation of visiting artists.

By providing the following programs Main State Production - 3 full productions of opera, and Operalaska with educational program, touring to 9 Alaskan communities, community performances, and audience development.

To an audience of 51,500

2) Example of a specific activity Christopher Columbus production with Juneau Lyric Opera with 3 week residency and 2 full performances. Had an audience of 2,000 and 14 Special Programs in Juneau Schools.

3) The geographic area served by programs and activities statewide service: FY'81 focus on southcentral, southeastern, and western Alaska.

4) The anticipated level of funding will provide artistic increase of main stage productions; allow "Alaskan built" sets for full productions; expand & improve educational program & special pilot touring project with Ketchikan Theatre Ballet; and improve audience development program.

ALASKA ARTS ALLIANCE

Organization Summary for The Anchorage Symphony Orchestra

1) The purpose of the organization is to provide cultural, entertaining, and educational musical events for the community-at-large.

By providing the following programs full symphony concerts, chamber symphony concerts, Young People's Concerts, small ensemble performances, special events, workshops, & performances in non-traditional settings.

To an audience of 10,000

2) Example of a specific activity Young People's Concert which brings school children some appreciation for and some understanding of classical music. Each concert culminates with a ballet by the Steve Primis Dancers.

3) The geographic area served by programs and activities statewide through tours; south central through other programs.

4) The anticipated level of funding will provide for the first time next seaon, the Symphony will present an entire season of guest conductors. Each will spend three weeks in Anchorage.

ALASKA ARTS ALLIANCE

Organization Summary for The Juneau Arts Council

1) The purpose of the organization is to promote creative expression, stimulate understanding & appreciation of the arts & humanities through promotion of cultural opportunities including educational functions, performances, exhibitions, build community support, advise public bodies on cultural affairs. By providing the following programs re-grant agency serving 20 local arts agencies; The StatewideChamber Music Symposium; Juneau Concert Series; scholarship programs; Artists-in-Prisons program; Southeast Alaska Summer Arts Workshop; Woodwind Symposium; Visual Arts Program; Aid to Individual Artists; Humanities Program; Juneau Journal.

To an audience of 30,000

2) Example of a specific activity Philadelphia String Quartet two years ago had an audience of 230; audiences this year were 645. Participants last year for Chamber Music Symposium were 35; this year 43.

3) The geographic area served by programs and activities Juneau is the predominant service area. The Chamber Music Symposium is a statewide event with participants from as far away as Barrow.

4) The anticipated level of funding will provide local organizations to increase their programs to the community via the re-grant program; provide more arts management services ot local groups & businesses; additional professional artists to visit Juneau; more educational programs; and the addition of a secretary & bookkeeper to the existing position of director.

ALASKA ARTS ALLIANCE

Organization Summary for Anchorage Concert Association

1) The purpose of the organization is to present to Anchorage area citizens the highest quality performing artists from around the world.

By providing the following programs a concert season of 7 programs and educational services in Anchorage schools & to interested arts groups.

To an audience of 15,000

2) Example of a specific activity Presented and sold out two performances of 2,000 seats per performance to the Pacific Northwest Ballet this March. Ticket sales in general are up 80% over 2 years ago.

3) The geographic area served by programs and activities primary service area is the Anchorage bowl where more than 90% of its audience resides. Frequently schedules its visiting artists so that other communities, particularly Fairbanks, Juneau, Ketchikan & Kenai, may take advantage of the artists' presence.

4) The anticipated level of funding will provide the Association with its first professional staff who would be responsible for coordinating the increasingly complex work of finding and presenting artists. This person would also be responsible for developing the Concert Assoc.'s first major private fund raising drive.

ALASKA ARTS ALLIANCE

Organization Summary for Institute of Alaska Native Arts

1) The purpose of the organization is to provide advocacy & education about native arts & assist native artists in reaching their potential.

By providing the following programs A) financial support B) media outreach C) curriculum development D) worskhops & residencies E) technical assistance

To an audience of 3,000

2) Example of a specific activity Native Arts "Confabulation" on issues and concerns of native artists.

3) The geographic area served by programs and activities statewide through media & workshops; North Star Borough through other programs.

4) The anticipated level of funding will provide maintain existing programs and expand total audience to 5,000.

ALASKA ARTS ALLIANCE

Organization Summary for Anchorage Historical & Fine Arts Museum Assoc.

1) The purpose of the organization is to provide support to Anchorage Museum through fund raising, art acquisition, and volunteer program.

By providing the following programs library & archives, exhibitions, competitions, and educational programs.

To an audience of 150,000

2) Example of a specific activity Summer Childrens Art Program for 8,000 children.

3) The geographic area served by programs and activities statewide through competitions; South Central Region through other programs.

4) The anticipated level of funding will provide upgrade of exhibitions and competitions.

ALASKA ARTS ALLIANCE

Organization Summary for University of Fairbanks Symphony

1) The purpose of the organization is to provide superior musical opportunities for the audiences & musicians of the community & University.

By providing the following programs orchestral & chamber music performances.

To an audience of 94,000

2) Example of a specific activity tour of Arctic Chamber Orchestra to Delta Junction, Ft. Yukon, Healy, Juneau, & Eielson AFB.

3) The geographic area served by programs and activities statewide through touring program; interior Alaska through other performances.

4) The anticipated level of funding will provide maintain & upgrade existing program.

ALASKA ARTS ALLIANCE

Organization Summary for Visual Arts Center of Alaska

1) The purpose of the organization is to provide the growth and development of contemporary art in Alaska.

By providing the following programs A) gallery exhibition B) equipped studios C) workshops D) technical & marketing assistance

To an audience of 6,000

2) Example of a specific activity Cooperative Exhibition Program with Alaska State Museum & Alaska Assoc. for the Arts in Fairbanks.

3) The geographic area served by programs and activities statewide services to artists through competition, workshops, and traveling exhibitions. Other programs to Anchorage metropolitan area.

4) The anticipated level of funding will provide upgraded services to artists and public; increased marketing support; increase of 10% in total audience.

ALASKA ARTS ALLIANCE

Organization Summary for Alaska Repertory Theatre

1) The purpose of the organization is to provide theatre performances, services, and cultural enrichment programs to all Alaskans.

By providing the following programs A) mainstage season in Anchorage & Fairbanks B) Southeast Regional tour C) technical & support services D) special audience programs.

To an audience of 100,000

2) Example of a specific activity main stage performance "signed" by interpreter for hearing impaired.

3) The geographic area served by programs and activities statewide through touring program & technical services.

4) The anticipated level of funding will provide increased touring; initiate children's & experimental theatre; performances by national & international companies.

ALASKA REPERTORY THEATRE:

An Executive Summary of The Theatre in Alaska

March 15, 1981

This report made possible with a generous in-kind contribution from VISIONS and E. Gould, Graphic Design.

CONTENTS

INTRODUCTION TO EXECUTIVE SUMMARY. . . . . .Page 1

THE FACTS OF THE MATTER. . . . . .Page 2

TABLE I, TOTAL EMPLOYMENT. . . . . .Page 9

TABLE II, EMPLOYMENT BY CATEGORY . . . . . .Page 10

MAP OF COMMUNITIES SERVED. . . . . .Page 11

PUBLICITY INFORMATION. . . . . .Page 12

1981 THEATRE SEASON. . . . . .Page 14

The few pages found between these covers comprise a statistical and factual summary of the Alaska Repertory Theatre since it emerged from a pilot program of the Alaska State Council on the Arts to a nonprofit organization in July of 1976 through the present day. The theatre company has consistently demonstrated the Alaskan desire for quality entertainment and has attempted to satisfy this desire with constant growth and improvements on all fronts. Artistic advancements in both the technical and theatrical arenas have been made. Social enhancements to home communities have been offered. Cultural expressions have been and continue to be served to locations selected for touring and other mobile programs. In general, Alaska Repertory Theatre substantiates the fact that Alaska in 1981 is a very new and unique place in the world. No longer an isolated ethnic community or a remote governmental outpost, Alaska today is in the forefront of American resource development. And yet, with all its wealth, its people remain its most valuable resource. It is to the improvement of the quality of life for those individuals who are Alaska's most powerful resource that the goals and mandates of the Alaska Repertory Theatre are dedicated.

This book is a summary only. It is meant to be read in conjunction with the complete report of the theatre of this same date. Any comments or questions about the material contained herein should be directed to the Alaska Repertory Theatre business office at 705 West Sixth Avenue, Suite 201, Anchorage, Alaska 99501. All information contained herein is the property of the theatre and may not be reproduced without permission. For full narration on the material herein, the reader is referred to the complete accompanying report.

THE FACTS OF THE MATTER

Listed below is all the historical and current information on the Alaska Repertory Theatre. Future projections planned for later this season are indicated by an *.

The FY '81 season is a scaled down version of the previous year. Employment and production statistics are slightly reduced or remain the same. These reductions are a direct reflection of reductions in funding by the State, and, to a smaller extent, local subsidizers of the theatre. The company did receive a good start on its capital needs in the form of a substantial capital grant for FY '81. This grant was very much appreciated by Alaska Rep, as it had long been enduring limited capital resources with which to serve an ever-growing population. The operating budget, however, reflected major funding cuts. These losses resulted in immediate curtailment of production plans. An allocation of $600,000 to Alaska Rep for FY '81 operating expenses represented only 35% of the total amount requested for this year. More significantly, this amount demonstrates a 36% REDUCTION IN OPERATING EXPENSES OVER THE FY '80 BUDGET.

Concurrently, audience sizes and the amount of private fundraising have both been on the increase, thus increasing the demand for frequent, quality productions. There are those who would suggest that the theatre continue to offer the same

number of productions with less money. It is the professional assessment of the company, however, that to do more with less sacrifices qualitatively to the point of bringing unacceptable performance standards to the citizenry we serve. It was determined that during the current season qualitative considerations must return to the forefront. Hence, employment and production statistics for FY '81 are slightly reduced. Those statistics the relate to the very large impact of the DIAMOND STUDS tour on the FY '80 season have been separated out wherever possible.

COMMUNITIES SERVED, 1977 - 1981

With full productions in: Anchorage, Fairbanks, Juneau, Kenai, Seward, Glennallen, Valdez, Petersburg, Ketchikan, Kotzebue, Galena, Barrow, Sitka, Cordova and Bethel.

With small scale performances in: Many of the above plus Dillingham, Naknek, King Salmon, Kasigluk and Nunapitchuk.

TOTAL NO. OF PERFORMANCES, 1977 - 1981: 522*

Tour and mainstage productions in all locations have totaled 522* performances. This figure includes completion of the 1981 Theatre Season and averages out 100 performances per year since the Rep began.

SEASON TICKET HOLDERS

1977 - 2,176
1978 - 4,580
1979 - 5,544
1980 - 6,335
1981 - 7,698 (to date)

TOTAL 26,333 Season Ticket Holders

ATTENDANCE (Mainstage and Touring)

1977	-	19,890
1978	-	41,705
1979	-	61,000
1980	-	66,297
	-	31,218 (DIAMOND STUDS TOUR)
1981	-	70,500*
TOTAL		290,610

PRODUCTIONS STAGED (T/indicates Tour Selection)

1977 - SCAPINO; PRIVATE LIVES; CLARENCE DARROW
1978 - SHERLOCK HOLMES; THE FOURPOSTER; THE ECCENTRICITIES OF A NIGHTINGALE; DIAMOND STUDS
1979 - A CHRISTMAS CAROL; TERRA NOVA; THE TAMING OF THE SHREW; SLOW DANCE ON THE KILLING GROUND; DEATHTRAP; (T) THE FOURPOSTER
1980 - (T) DIAMOND STUDS; A CHRISTMAS CAROL; TALLEY'S FOLLY; SOMETHING'S AFOOT; SLY FOX; LOOSE ENDS; ST. MARK'S GOSPEL
1981 - (T) WILL ROGERS' U.S.A.; ON GOLDEN POND; THE ELEPHANT MAN; A MIDSUMMER NIGHT'S DREAM

SCHOOL PERFORMANCES (Home Cities)

1977 - CLARENCE DARROW
1978 - DIAMOND STUDS; THE FOURPOSTER (Fairbanks only)
1979 - THE TAMING OF THE SHREW (Anchorage only)
1980 - SOMETHING'S AFOOT (Anchorage only); A CHRISTMAS CAROL (Fairbanks only)
1981 - WILL ROGERS' U.S.A. (Anchorage only); A MIDSUMMER NIGHT'S DREAM

CHILDREN'S PERFORMANCES (Home Cities)

1978 - "The Fantasy Factory" (Anchorage only)
1979 - "Scenes From The Classics"

"SIGNED" PERFORMANCES FOR THE HEARING IMPAIRED (Home Cities)

1978 - A CHRISTMAS CAROL (Anchorage only)

1981 - WILL ROGERS' U.S.A., ON GOLDEN POND, THE ELEPHANT MAN (Anchorage only); A MIDSUMMER NIGHT'S DREAM

CULTURAL ENRICHMENT AUDIENCES

Cultural Enrichment is designed to reach out to audiences who otherwise might be unable to attend the theatre. It encompasses many groups in both home cities of the theatre. The groups listed below are those in the social services, mental and physical health fields who have been offered seats at special performances. This list includes some groups in Fairbanks who will be offered seats during this year's residency in May 1981. The list below is only a partial accounting of all the groups who have attended Cultural Enrichment performances since the Rep first began.

Abused Women's Aid in Crisis (AWAIC)
Akeela House
AL-ANON Family Groups
Alaska Children's Services
Alaska Crippled Children and Adults
Alaska Family House
Alaska Treatment Center
Alaska Women's Resource Center
Alcoholics Anonymous
American Cancer Society
Anchorage District Schools, Special Education Classes
Booth Memorial Home
Cabin Fever Clinic
Campfire Girls
Careage House
Careage North
Catholic Community Services
Catholic Youth
Crisis Line
Creative Adventures for Senior Citizens (Tanana Valley Community College)
Curtain Raisers
Diabetes Association
Elmendorf Hospital
E'neput Children's School
Fairbanks Community Hospital
Fairbanks Hospital Native Health Clinic
Fairbanks Jaycee-ettes
Fairbanks Literary Council
Fairbanks Native Association Youth Group
Fairbanks North Star Borough Handicapped Programs
Fairbanks North Star Borough Schools, Special Education Classes

Fairbanks Re-Entry Center
Fairbanks Rehabilitation Association
Fairbanks Rescue Mission
Family Connection
Golden Towers Residents
Gray Panthers
Hilltop Group Home
Hope Center
Hope Cottages
Hospitality House
Immaculate Conception Elementary School
Jesse Lee Home
McKinnell House
McLaughlin Youth Center
Mabel T. Caverly Center
Mary Johnson House
Municipality of Anchorage, Parks and Recreation, Handicapped Programs
Nakoiya Health Center
North Star Council on Aging
Older Persons Action Group
Open Door Clinic
Pioneers Homes
Providence Hospital, Cancer Unit
R.S.V.P.
Salvation Army
Save I and Save II
STAR
State of Alaska, Department of Vocational Rehabilitation
Studio Club
Suicide and Crisis Line
University of Alaska, Fairbanks, Student Orientation Services Program and Financial Assistance Students
VIC
VISTA Volunteers
Women in Crisis Counseling Association (WICCA)

PRIVATE FUNDRAISING

Private fundraising began in 1977. Between that year and 1980, the amount raised increased nearly tenfold. Current projections for the present fiscal year are for private contributions in excess of $340,000. The most significant rise occurred from 1978 to 1979 when contributions rose nearly 260%. Current contributions will bring the list of total contributors to approximately 1720 donors. This list implies a renewal percentage over FY '80 of 148%. It is compiled of both individual and corporate benefactors. Current major underwriters are listed in the 1981 Theatre Season pages to follow.

PUBLICITY PACKAGES

Alaska Repertory Theatre has engaged in joint promotional packages with the following organizations:

Alaska Airlines
The Cauldron
The Corsair
Downtown Deli
Elevation 92
Jasper's
Marx Brothers Cafe
Nordstrom's
Sheffield Hotels
Stallone's
VISIONS
Wien Air Alaska
Wolmetco-Lathrop Theatres

VENDOR IMPACT LIST

The businesses listed below received more that $1,500 worth of favorable impact because of the existence of Alaska Rep during FY '80. Many on this list received several thousand dollars during this time.

Advance Scaffold of Alaska, Inc. • Alaska Industrial Hardware • Alaska Piano and Organ • Alaska Sales and Service • Alaska SST • Alaska Stagecraft, Inc. • Alaska Theatrical Services • AMFAC Supply of Alaska • Anchorage Cold Storage • Anchorage Office Supply • Anchorage Printing • Avis Rent-A-Car • Baranof Hotel • Barrett's Office Supply • Big Three Lincoln • Blaines Art and Frame • Bowers Office Products • Breakwater Inn • Captain Cook Hotel • Commercial Stationers • Connections • Emery Air Freight • Flying Tigers • Global Travel (representing Alaska, Northwest, Western and Wien Airlines) • Globe Ticket Company • Harold's Rent-A-Truck • Hertz Rent-A-Car • IBM Corporation • Instant Printing • Jafco Specialty Advertising • Josephson, Trickey & Lorenson, Inc. • K & L Distributors • KIMO • KKLV • KHAR • KTVA (Northern Television) • Lavrakas Photography • Lombardo and Company, Inc. • McKay's Hardware • Massound Productions • Midnight Sun Broadcasting • Northern Printing • Oklahoma Lighting • Phototech • Pluto Screenprint • Polar Reproduction • Preservative Paints • Printmore Corporation • Quality Cleaners • Ridgeway's • S.C. Winter • Sea-Land Services, Inc. • Senco Alaska • Sheffield Hotels • Sight, Light and Sound • Spenard Builders Supply • Stolt Electric/Home Center • The Print Shop • Tom Hughes, Graphic Artist • TRS • Tradex/Lynden • Ugly Duckling Rent-A-Car • The Postal Service • University of Alaska, Anchorage and Fairbanks • The Valley Sun • Wedgewood Manor • Wien Air Alaska • Xerox Corporation • Yukon Office Supply.

THE PIECES OF THE PIES

The pies below demonstrate both the revenues and expenses of Alaska Repertory Theatre during the past year. The theatre is the largest performing arts organization in Alaska. While receiving substantial government grants (52%), Alaska Rep performed for approximately 73% of the total performing arts audience giving 78% of the total number of mainstage and touring productions of the major performing arts organizations for that year.

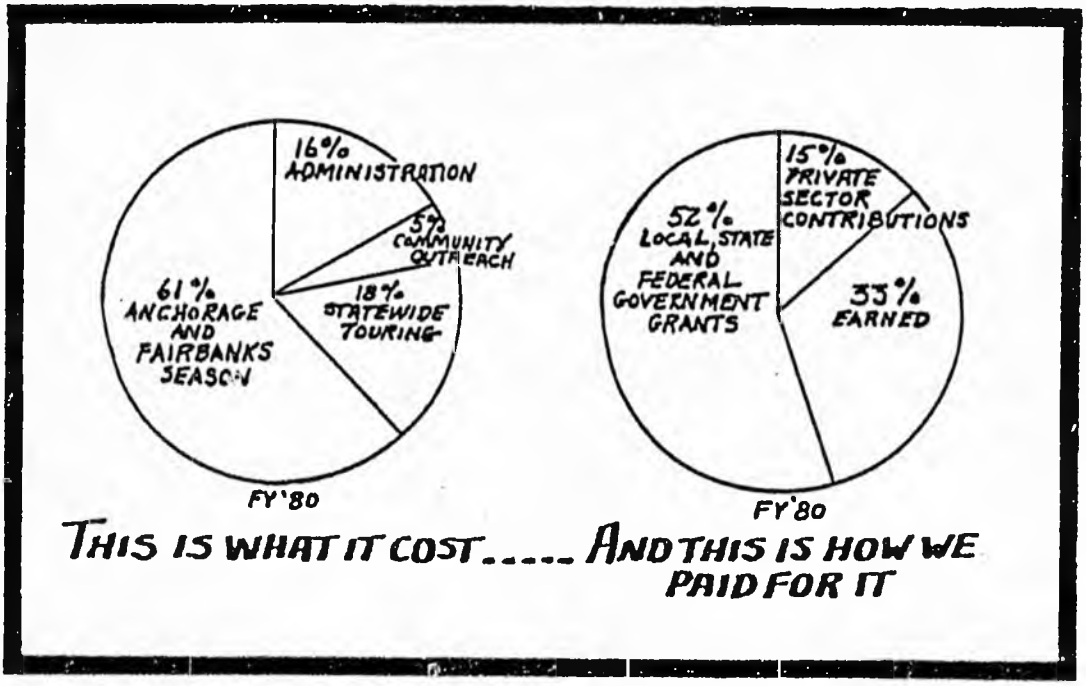


TABLE I
TOTAL EMPLOYMENT

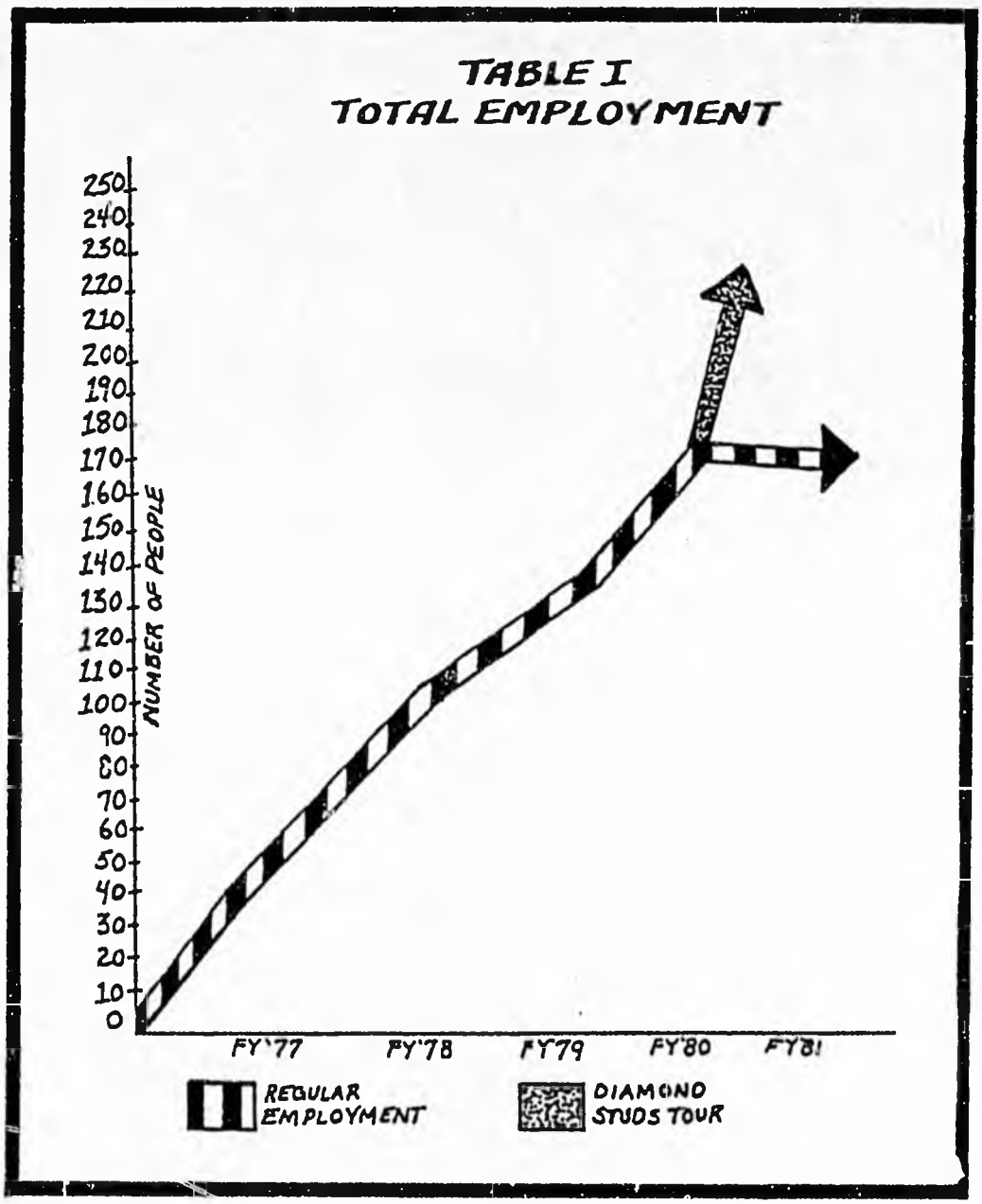
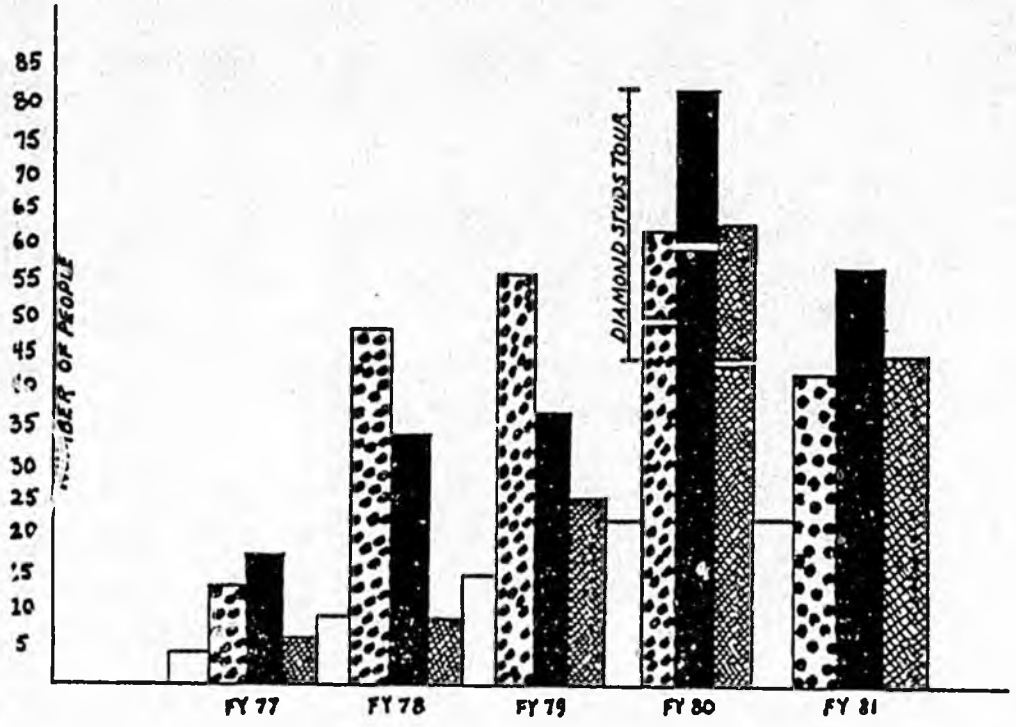
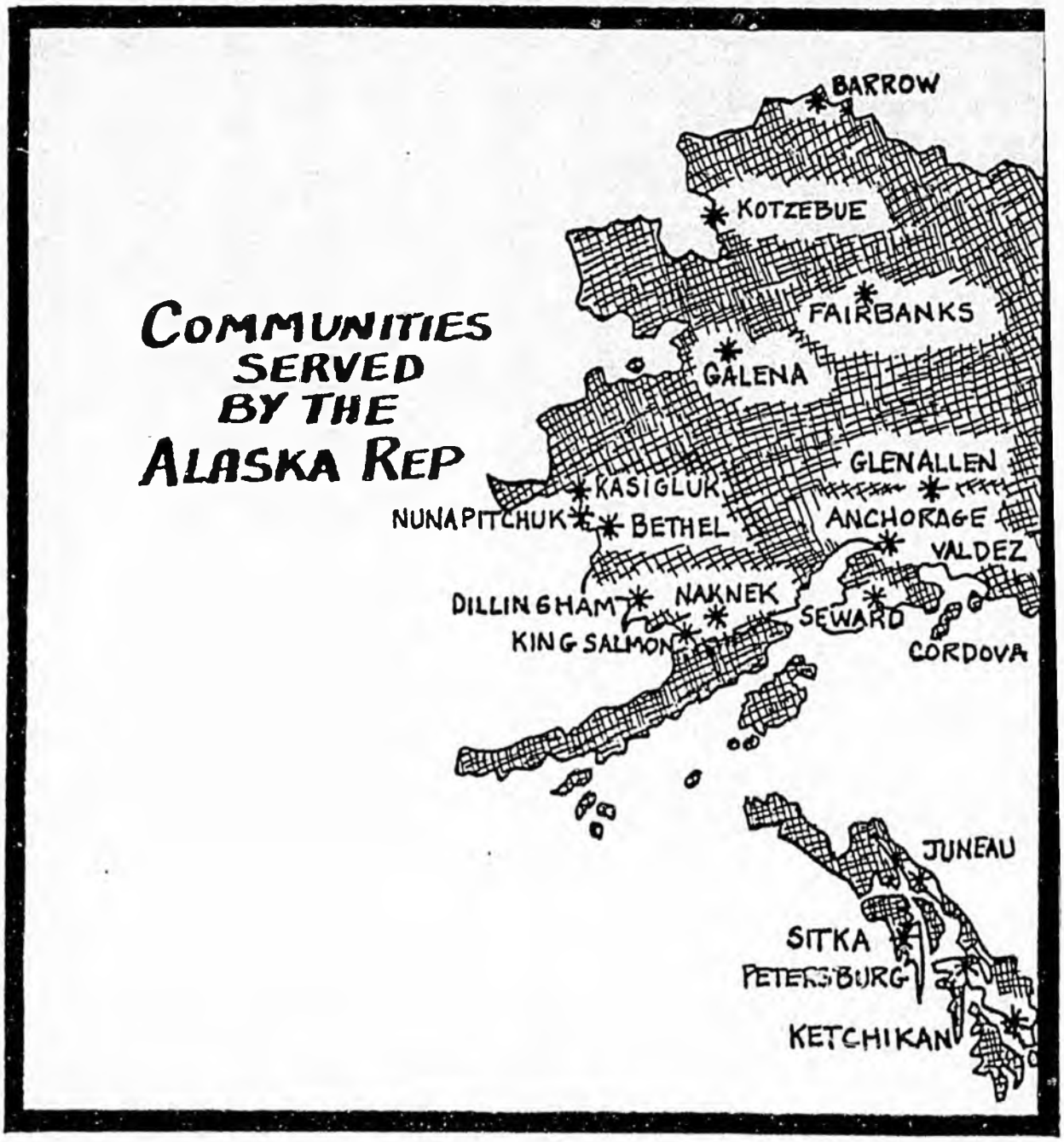


TABLE II



EMPLOYMENT BY CATEGORY

- FULL-TIME PERMANENT
- FULL-TIME SEASONAL
- ACTORS, MUSICIANS & DIRECTORS
- PART-TIME SEASONAL


COMMUNITIES SERVED BY THE ALASKA REP
BARROW
KOTZEBUE
FAIRBANKS
GALENA
GLENALLEN
KASIGLUK
NUNAPITCHUK
BETHEL
ANCHORAGE
VALDEZ
DILLINGHAM
NAKNEK
SEWARD
KING SALMON
CORDOVA
JUNEAU
SITKA
PETERSBURG
KETCHIKAN

NATIONAL PUBLICITY

Very positive national press coverage has followed the initiation of the theatre and its ever-increasing professional reputation. As more actors, directors, designers and technicians of national fame work with this statewide company, the reports of their successes reach national circulation levels in both print and broadcast. This publicity impacts not only the theatre but the State as well. Below is a partial listing of the national publicity the Rep has enjoyed in recent years.

1977		
February	The Denver Post	AP Interviews Bob Farley
March	The Washington Post	Opening of Alaska Repertory
	The Seattle Post-Intelligencer	" " " "
	The Seattle Times	" " " "
	Utica Daily News	" " " "
	Mexico City News	" " " "
1978		
February	Alaskafest Magazine	Statewide Theatre, A Dream Come True
April	The Washington Post	Season Ticket Success
	Variety	Box Office Reports, Rep Plays
1979		
February	Los Angeles Times	Terra Nova Review
	The Washington Post	" " "
	The Seattle Post-Intelligencer	" " "
March	Theatrecraft	Business Aspects Of The Rep
June	The New York Times	Diamond Studs For Tourists
	The Washington Post	" " " "
	Forbes Magazine	Economics Of The Rep and Touring
	Variety	Box Office Reports; Terra Nova
November	Alaskafest Magazine	More Curtain Calls For Rep
1980		
January	Alaskafest Magazine	Alaska Arts
	The Washington Post	Rep Composite Profile
April	The Seattle Post-Intelligenc	Loose Ends Review
August	The Seattle Times	Alaskans From Rep At Work in Seattle
	Seattle TV Shows	
September	National Public Radio	Rep As Statewide Theatre of Alaska

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

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Dawns for Alas

By WILLIAM [illegible]



Alaska Repe
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THE PRECEDING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

1981 THEATRE SEASON

Statistical Information

CURRENT NUMBER OF EMPLOYEES: 162

Permanent Staff Full-Time	22
Seasonal Staff Full-Time	41
Actors, Musicians, Directors, Designers	55
Seasonal Staff Part-Time	44

TOUR OF SOUTHEAST ALASKA

Juneau, Juneau-Douglas Little Theatre, 2/11-22/81
Petersburg, Petersburg High School Auditorium, 2/23/81
Ketchikan, Ketchikan High School Auditorium, 2/26/81
Sitka, Sitka Centennial Building, 3/1/81

FAIRBANKS RESIDENCY

University of Alaska, Fine Arts Theatre, 5/7-17/81

SCHOOL PERFORMANCES

Anchorage - 1/29, 2/5, 4/23, 4/28 & 4/30
Fairbanks - 5/13 & 5/15

SIGNED PERFORMANCES FOR THE HEARING IMPAIRED

Workshops. In Anchorage, 1/31, 2/2
In Fairbanks, TBA

Performances: In Anchorage, 2/3, 3/3, 3/31, 4/30
In Fairbanks, 5/7

CULTURAL ENRICHMENT PERFORMANCES

Anchorage - 1/20, 2/17, 3/17, 4/14
Fairbanks - 5/7

CULTURAL DRAMATIZATION PROGRAM

The traveling duet of Dana Hart and Nancy Krebs appear in a compilation of selected dramatic performances entitled TWO FOR THE ROAD. They additionally offer workshop training in the dramatic arts and are sponsored, in part, by local school districts or educational institutions. They appear in:

Sitka, Sheldon Jackson College, 2/9-13
Naknek and King Salmon, Bristol Bay Borough School District 2/15-20
Bethel, Kasigluk and Nunapitchuk, Lower Kuskokwim School District, 2/23-3/11
Dillingham, Dillingham City Schools, 3/16-4/1
Barrow, North Slope Borough School District, 4/6-22
Kotzebue, Northwest Arctic School District, 4/26-5/1

STATEWIDE SERVICES

Alaska Rep provides many other additional services on an "as-needed" basis. These include equipment loans, costume and prop loans, workshop demonstrations, technical advice and assistance and backstage tours. The newly opened Performing Arts Library will be included in these services in the future. The list below is comprised of the organizations requesting and receiving assistance from the Rep thus far in FY '81. Many of these have used these services repeatedly. In addition to these organizations, individual performers have also used the services of the Rep from time-to-time. These individuals are not listed here.

Anchorage

Alaska State Council on the Arts
Anchorage Arts Council
Anchorage Chamber of Commerce
Anchorage Civic Opera
Anchorage Community Theatre
Anchorage Concert Association
Anchorage Fire Department
Anchorage Symphony
Anchorage Women's Club
Arctic Moon Stage Company
Bay View Elementary School
Chugiak High School Drama Department
Diabetes Association
Family Connection
Fire Fighters Union
First Christian Church
Fur Rendezvous
KAKM, Channel 7
McLaughlin Youth Center
Rabbit Creek School
The Cabaret
Theatre Guild
Try Me Teen Club
University of Alaska
Visual Arts Center

Fairbanks

Alaska Association for the Arts
Fairbanks Drama Association
Fairbanks Light Opera Theatre
Institute of Native Arts

Other Locations

City of Palmer
EMPS, Juneau
First City Players, Ketchikan
Ft. Richardson
Juneau-Douglas Little Theatre
Juneau Arts Council
Rosco Labs, Portchester, NY
Seattle Repertory Theatre
Port City Players, Seward
Sitka Concert Association
Tacoma Actors Guild
Valley Performing Arts, Palmer

CURRENT SEASON TICKET SALES: 7,698

MAJOR UNDERWRITERS

The following groups or individuals have contributed $1,000 or more to the Alaska Repertory Theatre during FY '81 in cash or in kind.

Corporations/Foundations

ALASCOM
Atlantic Richfield Foundation
B. Dalton Bookseller
Carrs Quality Centers
Chevron U.S.A.
Duty Free Shoppers, Ltd.
Dynamic Realty
EXXON USA Foundation
First National Bank of Anchorage
William Randolph Hearst Foundation
Hotel Captain Cook in Anchorage
& The Travelers Inn in Fairbanks
Hughes, Thorsness, Grantz, Powell
& Brundin
The Loussac Foundation
NC Machinery Company
North Pole Refinery
The Rasmuson Foundation
Sea-Land Service Company
Sheffield Hotels
The Shubert Foundation, Inc.
SOHIO
Spenard Builders Supply
Tundra Tours, Inc.
VISIONS
Western Airlines
Wien Air Alaska

Individuals

Mr. and Mrs. Robert B. Atwood
Gary Capps
Frank Danner
Jim and Susie Hackett
Susan and Loren Lounsbury
Mr. and Mrs. William Pargeter
Suzanne and Sam Pestinger
Mr. and Mrs. Robert R. Richards
Charles and Pamela Towill

PRIVATE FUNDRAISING PROJECTIONS

730 private contributors are being sought to meet a goal for FY '81 in excess of $340,000. Approximately 2/3 of this goal has been met to date. The categories and number of contributors expected for each are as follows:

Founders ($5,000 and above)	8	Sponsors ($100-$249)	117
Benefactors ($1,000-$4,999)	26	Donors ($50-$99)	190
Sustainers ($500-$999)	27	Active ($25-$49)	242
Patrons ($250-$499)	41	In-Active ($1-$24)	79



alaska repertory theatre

FY 82 PROPOSED OPERATING BUDGET

Expense Summary

Live Performances	$ 1,460,320
Scenery, Props, Costumes, Wigs	517,725
Lighting, Sound, Audio & Video Performances	484,680
Administration	230,755
Space & Equipment: Rental & Maintenance	340,705
Statewide Programs & Services	999,080
TOTAL EXPENSE:	$ 4,033,265

705 W. 6th AVENUE, SUITE 201 • ANCHORAGE, ALASKA 99501 • (907) 276-2327
A NON-PROFIT CORPORATION FOR THE ADVANCEMENT OF THEATRE IN ALL ALASKA

INCOME SUMMARY

Earned Income:	
Ticket Sales	$ 606,460
Program Advertising	52,500
Concession	28,500
Merchandise	8,000
Interest	23,000
Anchorage Schools	10,000
Fairbanks Schools	5,000
Community Fees Touring/Bush Programs	30,000
Net Income - SLA Management	10,000
Subtotal Earned Income	$ 773,460
Government:	
National Endowment - General Support	$ 45,000
National Endowment - Tour Support	25,000
National Endowment - Dance Support	5,000
State of Alaska - General Support	2,003,090
State of Alaska - Portion of Capital Grant	547,015
Municipality of Anchorage	125,000
Fairbanks Local Government	50,000
Other Local Government	17,000
Subtotal Government	$2,817,105
Private:	$ 327,000
In-Kind:	$ 115,700
TOTAL INCOME	$4,033,265

Sponsor

A monthly newsletter for Performing Arts presentors, sponsors and artists.

Volume III, Issue 8
April 1981

Produced monthly by **Arts Alaska, Inc.**
430 W. 7th Avenue, Suite 2
Anchorage, Alaska 99501

ALASKA ARTS ALLIANCE FORMED TO SEEK SUPPORT FOR ALL THE ARTS

Representatives of arts organizations from around the state met in Juneau March 1st and formed the Alaska Arts Alliance (AAA), a non-profit organization with the purpose of furthering the development of the arts in Alaska through a wide range of activities. While the purpose of the new organization is broad, its members' most immediate goal is to convince the Alaska State Legislature to increase overall support for the arts via an increase in the budget of the Alaska State Council on the Arts.

The Alaska Arts Alliance preliminary estimates of state funding needs for operating costs of Alaska's artists, arts groups and other institutions involved in cultural programming for Fiscal Year 1982 approaches $7 million. The Governor has asked the State Legislature to approve a budget of $3,263,500 for the Alaska State Council on the Arts, of which $770,000 is ear-marked to come from the National Endowment for the Arts. The NEA, however, has been slated for a 50% budget cut by the Reagan administration and may not be able to fully fund Alaska's budget requests.

Anticipating a very substantial shortfall in funding available for grant support to cultural efforts and for such State Arts Council programs as Artists-in-Schools, Program Services, Shows-to-Go, the Contemporary Art Bank and Mini-Workshops, the Alaska Arts Alliance has been instrumental in the introduction of HB414, an appropriation bill that would increase funding to the Alaska State Council on the Arts by $3,425,000. Prime sponsor of the bill is House Speaker, Representative Jim Duncan (D-Juneau). Co-sponsors are Rep. Sally Smith (D-Fairbanks), Rep. Fred Brown (D-Fairbanks), Rep. Terry Gardiner (D-Ketchikan) and Rep. Joe Hayes (R-Anchorage).

Membership in the Alaska Arts Alliance is open to all Alaskan artists, arts groups and other arts interested groups and individuals. For more information on the Alaska Arts Alliance, its activities and membership, contact its president, Carol Derfner, in care of the Anchorage Arts Council, 402 West 3rd Avenue, #7, Anchorage, Alaska 99501, 272-8161.

UPDATE ON NEA BUDGET

During the first week of April, the United States Senate approved the Reagan Administration's proposed budget leaving the figure for the National Endowment for the Arts at the reduced rate of $88 million ($175 million had been recommended by the Carter administration). This action followed Senate hearings concerning the NEA budget on March 24, 25 and 26. According to a spokesman for the Congressional Arts Caucus a "great series of individuals came to Washington representing various arts disciplines." These representatives, including Jean Stapleton, James Earl Jones, Isaac Stern and Elliot Feld, expressed the need for continued support to the arts by the Federal government.

More hearings are scheduled, this time before the U.S. House of Representatives on May 4. Following these hearings the budget will go to the House for action. If the House agrees with the Senate on the $88 million figure for the NEA it will then go to the President for final action. However, if the House does not agree with that figure then the budget must go into a joint House-Senate Conference Committee. It is expected that the latter will be the case, and that an increase of the proposed budget for the NEA would be recommended.

The final outcome of federal funding for the National Endowment for the Arts is uncertain at this time. Barry Nichelsberg, staff director for the Congressional Arts Caucus, an arts support group consisting of 134 members of the House, has stated "it is premature for the Caucus to endorse any amount at this time" and that it will wait until after the "mark-up" committee meetings in June.

This is a crucial time to let your representatives in Washington, D.C. know how you feel about the government policy on the arts and budget. Contact your Alaskan Congressmen: Senator Ted Stevens, U.S. Senate, Washington, D.C. 20510; Senator Frank Murkowski, Russell Senate Office Building, Room 156, Washington, D.C. 20510; and Representative Don Young, 2331 Rayburn Building, Washington, D.C. 20515 to express your opinions.

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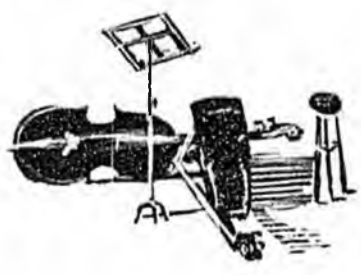
PROGRAM SERVICE TOURS

SUNG-JU LEE, VIOLINIST CLOSES OUT 1980-81 PROGRAM SERVICE TOURS

Violinist SUNG-JU LEE, who has been hailed by "Musical America" magazine as one of America's most outstanding young artists, will close out this season's performing arts tours through the Alaska State Council on the Arts Program Service. Ms. Lee will be presented in Anchorage on April 26, through the sponsorship of the Anchorage Concert Association. April 29 she will be sponsored by the Valdez Council of Arts & Crafts and May 2 she will be sponsored by the Juneau Arts Council. From May 4 through 11, Ms. Lee will perform in seven communities in the Southeast Island School District.

Ms. Lee came to the United States from her native Korea at the age of 13. In Korea she had already established a reputation as an outstanding prodigy, having soloed with the Seoul Philharmonic at the age of nine and won the Young People's Competition of Korea at the age of ten. In the States, she continued her studies at the Juilliard School of Music and became a U.S. citizen.

Ms. Lee has toured throughout the world and won numerous awards including first prize at the Wieniawski Competition in New York; first prize in the Friday Morning Music Competition in Washington, D.C.; and first prize in the Mozart Concert Competition in New York. She is also the recipient of the 1978 Fritz Kreisler Scholarship, and was a finalist in the 1978 Tchaikowsky Competition in Moscow.



Seven fine professional artists and groups have toured through Program Service this season; Alaska's ARCTIC CHAMBER ORCHESTRA, under the direction of Gordon Wright; the BILL EVANS DANCE COMPANY; DIVAS OF THE GOLDEN WEST; the ART RESNICK JAZZ QUARTET; MIME MUSICA; JIMMY DRIFTWOOD; and SUNG-JU LEE. Eight artists and groups will be touring through this same Alaska State Council on the Arts performing arts program during the 1981-82 season. Brochures listing and describing the artists, their available dates and the cost to the sponsors will be available later this month.

NOTES FROM DANCE SYMPOSIUM

On March 23, thirty-four dancers and representatives of dance organization from Juneau, Wasilla, Kenai, Ketchikan, Kodiak, Anchorage, Fairbanks, Eagle River and Nome attended a statewide symposium on dance in Alaska sponsored by the Alaska State Council on the Arts. Rhoda Grauer, director of the NEA's Dance Program and Terry Melton, Regional Representative from the NEA were present for the day-long discussion, planning and technical assistance workshop. The symposium served to bring together dance groups from around the state to consider the needs and priorities of dance companies in Alaska.

Following an introduction by Council chair, Anna Riggs, and a presentation by Ms. Grauer, participants broke into groups to consider the possibilities for the future of dance in the state, concerning both immediate and long-range goals. Discussion topics of concern for many of the groups were performance and employment possibilities for Alaskan dancers, dance training and education, presenting outside dancers, television and radio support of dance and general support needs for development of dance in Alaska.

Ira Perman of Arts Alaska, Inc. and Daryl Schaaff of the Anchorage Arts Council volunteered to help coordinate dance information in the state until July, when hopefully, an information and service clearinghouse for dance can be organized. Eric Wallace of KAKM Public Television in Anchorage volunteered to be a media consultant. David Boswell of the Ketchikan Theatre Ballet School volunteered to assist in communication between dance teachers. More complete records of the meeting are available from the Alaska State Council on the Arts, 619 Warehouse Avenue, Suite 220, Anchorage, Alaska 99501.

One of the great surprises to all attending the symposium was the number of services already available in Alaska for dance groups. Among the resources available to dance organizations for publication of their information are SPONSOR, the monthly publication of Arts Alaska, Inc. and BULLETIN, the monthly publication of the Alaska State Council on the Arts. As part of Arts Alaska's effort to assist the development of dance in Alaska, SPONSOR will feature a story in next month's issue on useful dance services available from Arts Alaska, Inc. and other organizations both inside the state and outside.

IMPORTANT OPPORTUNITY !

If your dance groups has a dance service or need that it would like to communicate or share with others in Alaska let it be known via SPONSOR. Timely announcements in SPONSOR get results. Mail or phone your dance announcements to SPONSOR, Arts Alaska, Inc., 430 W. 7th Avenue, Suite 2, Anchorage, Alaska 99501, phone (907) 272-3428. Deadline for receiving information is the 20th of each month prior to publication on the first of the month.

FIFTH BIENNIAL THEATRE FESTIVAL
HELD IN HAINES APRIL 20-25

The Fifth Biennial Drama Festival will be held in Haines April 20-25 at the Chilkat Center for the Arts. The week long Festival, sponsored by the Alaska State Theatre Association, will be attended by community theatre groups from across the state.

In addition to the plays presented by the participating groups, there will be workshops and adjudications. Ronald O'Leary, professor at the University of Maryland, will be on hand to adjudicate regional winners and to conduct workshops on Shakespeare, choreography, improvisation in rehearsal, acting and compostition in blocking. Robert Telford, playwright and author from Long Beach, California, will have sessions on backstage managers and by-laws and boards of directors, or "how to run a theatre." Other workshops are scheduled in lighting and stage design by Robert Halle from Hollywood, in touring Alaska by Ira Perman of Arts Alaska, Inc. and by Shirley Rediger, coordinator of the Cultural Facilities Development Committee.

Another highlight for actors who plan to attend the Drama Festival is Artistic Director, Robert J. Farley, from the Alaska Repertory Theatre, who will be there to hold auditions for next season and to give workshops on how to audition. For further information, or to schedule auditions, contact Mimi Gregg, Box 75, Haines, Alaska 99827.

NEA GRANT DEADLINES

MUSIC PROGRAM: To support creativity and excellence in music performance, and to develop informed audiences for music.

July 1 - Music Professional Training: to help foster musicians' career development through support of their training and education as artists.

July 15 - Orchestras: To help orchestras improve their artistic quality, broaden repertoires, with emphasis on American composers, artists and conductors, and to serve a wider community.

DANCE PROGRAM: Provides support for professional choreographers and dance companies that present dance and serve dance groups.

July 25 - Grants to Dance Presenters: to assist sponsors committed to the presentation of high quality dance. Dance companies may apply to present other companies or individuals.

For more information on grants, applications and deadlines, write to the National Endowment for the Arts, Information Processing, 2401 E Street, NW, Washington, D.C. 20506

IMPORTANT!

ASCA GRANT APPLICATION DEADLINE APRIL 30

If your organization is planning to ask for support from the Alaska State Council on the Arts for projects beginning after July 1, 1981, the deadline for applications is April 30. Send a letter outlining the project you intend to seek support for, and the Council will send you current information on the grants process and the appropriate forms for applying. Direct inquiries to the Alaska State Council on the Arts, 619 Warehouse Avenue, Suite 220, Anchorage, Alaska 99501. 279-1558.

JAZZ TO CLASSICS FESTIVAL

JAZZ TO CLASSICS FESTIVAL '81 FAIRBANKS Features two weeks of workshops and concerts by professional jazz and classical artists. From August 10-21 on the campus of the University of Alaska, Fairbanks the visiting artists will conduct clinics, master classes, workshops, rehearsals and concerts with participants from all over the state. The workshops are open to graduating high school seniors, college-age students, music teachers, musicians and any other interested persons.

This JAZZ TO CLASSICS FESTIVAL is an expansion of the successful and popular JAZZ FESTIVAL '80 that was held in Fairbanks. Co-sponsored by the University of Alaska, Fairbanks Music Department (credit available for participation) and Jo Scott's Center for Cultural Developments, Inc. this Festival offers all-inclusive workshops in strings, woodwinds, brass, percussion, piano and voice studies of jazz and classical music.

The instructors on the impressive list of guest artists are all master teachers and professional performers. The entire Cambridge String Quartet (members of the Boston Symphony) will be on hand to teach and perform, as will Eddie Madden (trombone), Fred Buda (percussion), Irv Gilman (flute), Jack Dryden (string bass and bass guitar), Frederick Moyer (classical piano), Bob Winter (jazz pianist), Karen Cameron (jazz/pop vocalist), and Dr. Byron McGilvray (choral/vocal music). Special guest performers will be Dr. James Johnson, a Fairbanks pinaist and Dick Johnson, clarinet, sax, flute and piano.

The deadline for registration is June 25. For application forms or for more information write to Conferences & Institutes, University of Alaska, Fairbanks, 117 Eielson Building, Fairbanks, Alaska 99701, or phone (907) 479-7800.

Alaska's Performing Arts Newsletter
April 1981

Inside
- ALASKA ARTS ALLIANCE
- NEA Budget Update
- Sung-Ju Lee Tours
- Dance Symposium
- Theatre Festival
- Jazz to Classics !
- GLENN MILLER ORCHESTRA

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430 W. 7th Avenue, Suite 2
Anchorage, Alaska 99501

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DANCE TO THE GLENN MILLER ORCHESTRA

The GLENN MILLER ORCHESTRA, under the direction of Jimmy Henderson, will bring memories, dancing and romance to Anchorage and Fairbanks on Easter weekend, thanks in large part to the financial help of the Sohio Alaska Petroleum Company.

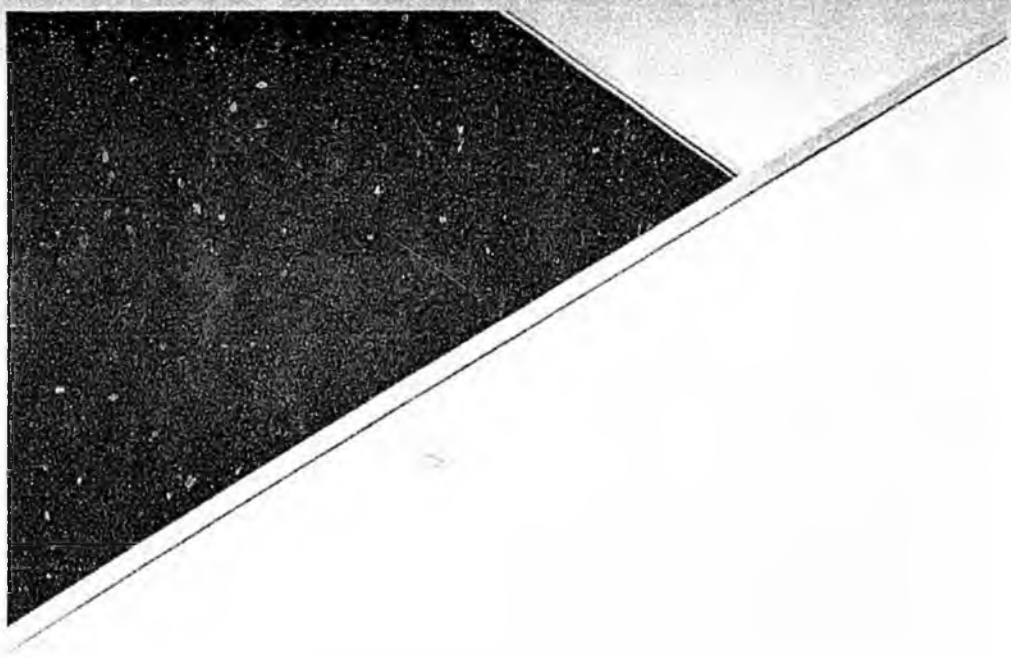
Each performance of the band will be an evening of dancing to the unforgettable melodies of the "Big Band Era" of the early '40s. Glenn Miller was one of the giants of that era, producing such classics as "String of Pearls" and "Chattanooga Choo-Choo." This band, led by Henderson, with vocals by the Moonlight Serenaders, is the only authentic Glenn Miller band that may carry the name of the famous bandleader. The GLENN MILLER OCHESTRA first appeared in Alaska on Thanksgiving weekend of 1979, and was immediately so popular that a return engagement of three performances was scheduled for this year.

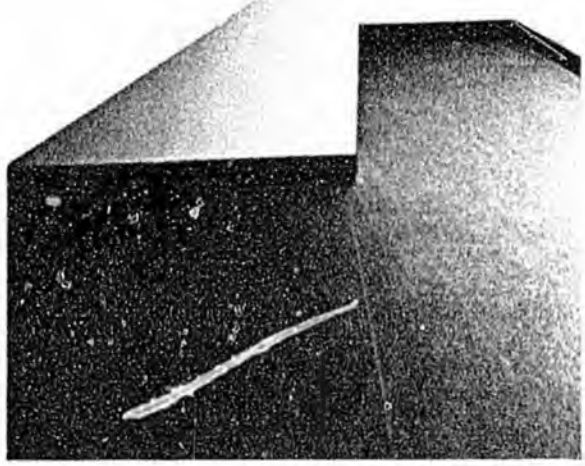
The GLENN MILLER ORCHESTRA will appear in Fairbanks on Friday, April 17 in the Gold Room of the Travelers Inn from 9 p.m. to 1 a.m. Tickets for this benefit performance are $30 per person or $200 for a table of eight. For information or reservations call the Alaska Association for the Arts at 456-6458.

The two Anchorage performances of the GLENN MILLER ORCHESTRA, a benefit for Art Alaska, Inc., will be Saturday, April 18 and Sunday, April 19 in the Discovery Room of the Captain Cook Hotel from 8 p.m. to midnight. Tickets are $30 per person or $275 for a table of ten. For reservations call Tickets, Inc. at 279-9695.

JOIN THE SPONSOR MAILING LIST

Arts Alaska, Inc. invites you to joint the SPONSOR mailing list. SPONSOR is a free newsletter published the first week of every month with information on the performing arts in Alaska. Send your address to: SPONSOR, Arts Alaska, Inc., 430 W. 7th Avenue, Suite 2, Anchorage, Alaska 99501





ARTS IN FAIRBANKS

A monthly calendar/newsletter

ALASKA ASSOCIATION for the ARTS
PO Box 2786, Fairbanks, AK 99707

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Organization
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Fairbanks, Alaska 99701
Permit No. 17

Ira Perman, Exec. Director
Arts Alaska, Inc.
430 W 7th Ave. - Suite 2
Anchorage, AK 99501

MARCH 1981

ARTS IN FAIRBANKS

ARTS IN FAIRBANKS is a monthly publication of the Alaska Association for the Arts, Fairbanks' official community arts organization. This calendar/newsletter is designed to further public awareness in our community. It is mailed free to Association members and is available to non-members at various locations in Fairbanks.

For calendar entries, news articles, opportunities, comments or suggestions call the Arts office at 456-6485 or write PO Box 2786, Fairbanks, Ak. 99707.

DEADLINE FOR SUBMISSION OF MATERIALS IS THE 10TH OF THE MONTH PRIOR TO PUBLICATION. Submissions will be judged on their relevance and newsworthiness.

Editor.....Jean Flanagan
Assistant Editor.....Ruth Glenn
Visual & Performing Arts Asst...Fumiko Matsumoto
Educational Projects Asst.....Lyric Ozburn
President.....Les Rogers
Executive Director.....Robert A. Vaughn

We would like to thank the following publication for information: Alaska State Council on the Arts "Bulletin".

ARTS IN FAIRBANKS is made possible in part by a grant from the Alaska State Council on the Arts and the National Endowment for the Arts, in Washington, D.C., a federal agency.

THIS MONTH'S COVER: FAIRBANKSAN IN ALL-ALASKA JURIED

"ICS STAIRS" by Philip Daniel Peterson, winner of the Best of Photography award in the All-Alaska Juried.

PHILIP DANIEL PETERSON is an eight year resident of Fairbanks. He has won approximately two dozen ribbons at the Alaska State Fair and received the "Best Portfolio: award at the UAF K.A.M. sponsored competition.

The 1981 All-Alaska Juried is the first statewide competition he has entered. As he said in an interview "I couldn't stop talking for an hour when I learned it ("ICS Stairs") had been awarded "Best in Photography" and had been selected for purchase as part of the permanent collection of the Anchorage Historical & Fine Arts Museum".

Mr. Peterson will be exhibiting more of his work at the Arctic First Federal Gallery, March 1-31. "CITYSCAPES" is an exhibit of images of Fairbanks and surrounding areas taken over the last several years. The photos are mainly abstract images that capture the essence of the places photographed.

Stop by and take a look at the photos in the Gallery located in the Arctic First Federal Bank on the corner of Gaffney and Cushman.



BAGHDAD COMES TO FAIRBANKS

KISMET, a musical Arabian Nights, is the Spring production of the Fairbanks Light Opera Theatre. The show features over 50 performers who portray the inhabitants of Baghdad in the 14th century; beggers, merchants, harem women, palace guards, a handsome young Caliph, and, of course, a wicked Wazir.

Costuming all these subjects of the long-ago kingdom is not only a challenge of color, fabric and design, but also of historical accuracy. How would these people have looked? How can we re-create this look for a production in Fairbanks, Alaska?

Janice Mayfield, a talented local dancer who has specialized in Mid-Eastern dances for the past five years accepted the challenge. "I discovered that the generally accepted version of this setting is not authentic. The Broadway staging in particular went too far East to obtain their design influences. I began combing the libraries for information on the Tigris-Euphrates region of Iraq. Conquered by the Muslim Arabs in 1600 A.D., Iraq later became part of the Turkish Empire, and the Turkish look influences much of the clothing design".

Janice has used this research to develop designs which both reflect actual clothing worn in the region, yet provide the color and spectacle appropriate to the theatrical stage. All of the costumes for KISMET are being made locally, none will be rented. Customized slippers with Turkish turned-up toes are being prepared, as well as a variety of veiled and jeweled headdresses.

The harem dancing girls seemed to enjoy the most liberated lives of the women of this era, and their costumes reflect plenty of the "Baubles, Bangles, and Beads" they were likely to wear. Several of the dancers in the show are members of the local Mid-Eastern Dancers group and they are assisting in the creation of their costumes. Their expertise in applying the authentic tatoos often worn by women of this region will also be helpful in re-creating the exotic, exciting world of the East.

KISMET, directed by Theresa Reed (stage) and John Hopkins (music), will open on Thursday, March 5 and will run March 6,7,8,13, 14,15 at the Alaskaland Civic Theatre. Evening shows start at 8:15pm; Sunday shows start at 4:00pm and Saturday matinee shows start at 2:00pm. Tickets are available at the Civic Center box office, 452-5844.

THE BOYS OF THE LOUGH RETURN TO FAIRBANKS



The BOYS OF THE LOUGH will return to Fairbanks on March 28, 1981 to Hering Auditorium at 8:00pm.

The group of four musicians, Cathal McConnell, Aly Bain, Dave Richardson and Tich Richardson are all steeped in their own traditions as well as being in complete sympathy with the music of the others. The result is Irish, Scottish and Shetland music played with a lightness and virtousity which has earned them awe and respect on both sides of the Atlantic.

Though their music is for the most part traditional there is a power and appeal in everything that the BOYS OF THE LOUGH do that gives it a much wider potential audience than just the purist folk enthusiasts although they have retained their integrity and never given way to the rockification of folk. Perhaps their greatest contribution to the folk world has been the greater number of people who have come to know and love this music as a result of their superb performances and excellent records.

The "Virginia Pilot" says of them, "A gutty, natural sound...they play with a tightness and virtuosity that would make them welcome everywhere".

Let's make them welcome again in Fairbanks at Hering Auditorium on March 28, 1981 at 8:00pm. For ticket information call the Arts office at 456-6485.

WINNERS OF ALL ALASKA JURIED EXHIBITION ANNOUNCED

Selections for the 16th ALL ALASKA JURIED ART EXHIBITION, a statewide competition of painting, watercolor, prints, drawings, photography, sculpture and works in mixed media have been made and are on exhibit at the Anchorage Historical and Fine Arts Museum.

A total of 702 works were submitted to the jury by artists who live throughout Alaska. Juror William H. Spurlock II, Curator of Exhibitions and Contemporary Art at the Santa Barbara Museum of Art selected 151 works for the exhibition inlcuding 6 sculptures from 47 entered, 13 mixed media from 76 entered, 13 prints from 67 entered, 30 drawings from 134 entered, 33 photographs from 10 submissions, 22 paintings from 147 submissions and 33 watercolors from 121 entered. Mr. Spurlock also selected the award winning work including a $1,000 Juror's Choice award and $300 Awards for the best work in each category, entries permitting.

Mark Daughhetee of Juneau received the top award for his photographic collage "Last Dance". The category awards went to Joan Kimura for her painting "Homage Series #5"; Jane Juest of Anchorage for her watercolor triptych "Consequences in Time Parading in a Midnight Dream"; Boyd Wright of Anchorage in sculpture for his wood assemblage "Her Feet"; Dennis Koegh of Anchorage in mixed media for "A Boot in the Great Southwest"; Phillip Daniel Petterson of Fairbanks for his color photograph "ICS Stairs"; and Catherine Doss of Anchorage for her drawing "Fish Map #1 Slanted Surface View". There was no award winner in the print category.

Numerous Honorable Mentions were given in each category and a number of works from the exhibition also received Purchase Awards.

Besides Peterson several other Fairbanks artists were included for exhibition. They are: in the drawing category, John W. Bestard-"Powers, Homage, Feat", William H. Inman-pastel drawing and Darla Wetzel-"Thoughts"; in mixed media, Fumiko Matsumoto-"A Fishing Fan; and in painting, Jacqueline Butler-"Shaman With Raven", David Mollett-"Interior", Kingsbury E. Parker III-"Fishing For Ideas" and Jesse Venable-"Ruth Glacier #1". Also, in the photography category is Karen Michel McPherson-"Balcony & Bust"; in the watercolor category are Pati Axtell-"Birches" and "Old House", Rachel Levine-"Gray Day on the Goodpaster", Fumiko Matsumoto-"Fish Migration" and Timothy M. Sczawinski-"Diomede Dancers".

Funding for the awards has been donated by Alaska Artists Guild, ARCO Alaska Inc., Blaine's Art and Frame Shop, Chevron USA, Exxon Company, First National Bank of Anchorage, J.B. Gottstein and Company, Sohio Alaska Petroleum Company, Uchitel Company and Webco Alaska, Inc.

The exhibition is organized by the Anchorage Historical and Fine Arts Museum with a grant by the Alaska State Council on the Arts and the National Endowment for the Arts, a federal agency.



RED HACKLE BAND WORKSHOP

March 6,7,8 will see a "Wee Bit of Scotland" come to Fairbanks. Piping, Drumming and Highland Dancing will turn Denali School into a corner of Scotland during the Red Hackle Pipe Band's three day workshop.

Three instructors from the Vancouver, B.C. area will be coming up to give intensive classes on how to improve your bagpipe playing, your drumming and your dancing. They will also be giving classes on the care of the instruments, how to prepare a reed, etc.

The workshop will run from 7:00pm-10:00pm on Friday, March 6; from 9:00am-12:00pm and 2:00pm-5:00pm on Saturday, March 7; and from 10:00am-1:00pm on Sunday, March 8. The cost for the three day workshop is $30.00.

In addition to classes the Red Hackle Pipe Band is also presenting a CEILEDH (Kaylee) at the Ft. Wainwright Officers Club. A Ceiledh is a Scottish party/dance; there will be dinner and music as well as a chance for the audience/diners to dance.

The dinner/dance starts at 7:00pm and is by reservation only. If you would like to come please call J. Robson at 456-6989 or the Arts office at 456-6485 immediately. The cost is $15 per person.

This project is sponsored by the Red Hackle Pipe Band and the Alaska Association for the Arts with support from the Alaska State Council on the Arts and the National Endowment for the Arts, a federal agency.

TWO FOR THE SEESAW AT UAF

"Two For the Seesaw" by William Gibson will be presented by the UAF Drama Workshop in the Fine Arts Theatre March 6 and 7 at 8:15pm.

The play is a comedy/drama about an attorney from Nebraska who leaves his wife, moves to New York and becomes involved with a dancer. Sam Skaggs is the attorney and Shelley Reed is the dancer. The action takes place in New York during the 1950's.

"Inherit the Wind", the play director Walt Ensign had previously scheduled had to be cancelled due to a "significant lack of men" auditioning.

Tickets are on sale now at the UAF Theatre Dept. 479-7751 for information

"MUSIC FROM THE BRITISH ISLES" THEME OF THIS YEAR'S POPS CONCERT

Preparations are now in full swing for the annual "Pops Concert" presented by the University Symphony Orchestra. The theme for this year's concert is "Music from the British Isles".

Appearing with the Symphony is the Alaska-based trio "Banish Misfortune", famous for their variety of songs and instrumental music from the Middle Ages through contemporary stylings. "Banish Misfortune" will accompany themselves with authentic instruments of the period and will also accompany our resident brass quintet, "Alaska Brass".

The concert will be held on two consecutive evenings, Friday, March 20 and Saturday, March 21 beginning at 8:15pm at the Alaskaland Civic Center. Sales open to the general public at the Symphony concert on March 1, 1981. Tickets are $12.50 each and may be purchased individually or by the table.

Don't wait until tomorrow. Order your tickets today and join the Symphony for this evening of music from the British Isles with complimentary bread, cheese and wine. We're certain the evening will be a "Jolly Good Show".

Call 479-3407 for more information and reservations.



"BANISH MISFORTUNE" (Greg Lindelof, Laurie Pelon, Rusty Sabella) getting ready for the University Symphony POPS CONCERT to be held March 20, & 21 at the Alaskaland Civic Center. 479-3407.

"SUPPORT ALASKA'S MUSICIANS"

Art Tarbell, supervisor of services unit, at the Anchorage Job Service is the person to contact if you are a performing artist and need a job.

"Support Alaska's Musicians" is a relatively new service started to help musicians find jobs and employers to find musicians. Mr. Tarbell is working on expanding it to theater and dance performers as well and encourages performing artists living throughout Alaska to register. You don't have to be unemployed nor is there a registration fee or commission.

Contact Mr. Tarbell at Job Service, 3301 Eagle St., Suite 101, Anchorage, AK. 99503, 264-2631 for registration or more information.



The GLENN MILLER ORCHESTRA directed by JIMMY HENDERSON featuring the MOONLIGHT SERENADERS will return to Fairbanks on April 17, 1981.

Because of the limited space only four hundred (400) tickets will be sold. This is a decrease from last year's six hundred, but will enable the Traveler's Inn to increase the dance floor so people can enjoy dancing without fear of causing a riot.

Tickets are $30 per person or $200 per table of eight (8). Reservations can be made by calling the Arts office at 456-6485. We recommend you call early as tickets are bound to sell rapidly.

Take a step back in time with the Glenn Miller Orchestra, the Alaska Association for the Arts and the Traveler's Inn on April 17, 1981 from 9:00pm-1:00am at the Traveler's Inn Gold Room.

This dance is supported in part by a generous contribution from Sohio Alaska Petroleum Company.

ALASKA BRASS TO PERFORM

The final concert of the SUNDAY AT FOUR Series will be presented on March 8, 1981 at the Sadler residence. ALASKA BRASS, Fairbanks' local brass quinte will be the featured artists.

Alaska Brass has performed on Mainstage Fairbanks, at the Pump House, at the Library on Time Out At Noon, and at the Concert Hall on the UAF campus. They have also toured the state playing in Bettles and Southeast and Southcentral Alaska with the Arctic Chamber Orchestra.

The concert will be the last opportunity for the Aid-to-Individuals Committee to raise funds for this ye.'s scholarships. If you would like to attend please call the Arts office at 456-6485. All contributions are tax deductible.





WHAT'S UP?
PACIFIC NORTHWEST BALLET

"Exciting", "Revelatory", "Breathtaking", "A going-places ballet company". That's how the press describes Pacific Northwest Ballet performing in Fairbanks on March 14, 1981.

This classically based company is one of the hottest new attractions on the national dance scene. The company's 25 dancers perform a repertoire made up of classical and contemporary ballets featuring the works of Artistic Director Kent Stowell, an assortment of Balanchine ballets, and works by Bolender, Bournonville, Carvajal, Christensen, Comelin, Czarny, Galdstein, San Goh, Harkarvy, Rudd, Smuin and Stevenson.

The Seattle Times says of the company: "Sublime. That is about as close as I can come to describing Pacific Northwest Ballet's performance for a capacity audience last night".

Pacific Northwest Ballet will perform in Fairbanks on March 14, 1981 at Hering Auditorium at 8:15pm. The concert is sponsored by the Alaska Association for the Arts with a generous contribution from Sohio Alaska Petroleum Company and support from the Alaska State Council on the Arts and the National Endowment for the Arts, a federal agency. For tickets call 456-6485. All seats are reserved.

COMPETITIONS

WEST/ART AND THE LAW, a national art competition and exhibition based on the theme of the law, will be sponsored for the third year by West Publishing Company and the Minnesota Museum of Art, both of St. Paul, Minnesota.

Open to living American artists, 1981 WEST/ART AND THE LAW offers $25,000 in Purchase Awards. To be eligible, entries must be original works, completed within the past two years, dealing with one of the many aspects of the law. Two-dimensional works of any size may be entered.

Jurors for 1981 WEST/ART AND THE LAW will be Franz Schulz, prominent Chicago art critic; Louise Averill Svendsen, curator of the Solomon R. Guggenheim Museum, N.Y.C.; and David M. Ryan, director, Fort Worth Musuem, Texas.

Entries in the third annual competition will be received at the Minnesota Museum of Art, St. Peter at Kellogg Boulevard, St. Paul, in March, 1981, with judging to take place in April.

1981 WEST/ART AND THE LAW is scheduled to open at the Minnesota Museum of Art in June, 1981 and will begin its one-year national tour in September 1981.

For additional information write: 1981 WEST/ART AND THE LAW, Minnesota Museum of Art, St. Peter at Kellogg Boulevard, St. Paul, Minnesota 55102; or call Patricia Heikenen (612)224-7431.

Ric Collier, of the Boise Idaho Art Gallery, will be the juror for a statewide visual art competition sponsored by the Visual Art Center of Alaska.

Artists working in all media are invited to submit work based on the theme of "FLIGHT". The DEADLINE IS MARCH 19, 1981.

Stop by the Arts Association office at the Alaskaland Civic Center for a prospectus.

Fort Worden State Park in Port Townsend, WA. is accepting applications for a drama writer-in-residence position. Housing, $1,800 in living expenses and up to $400 for travel expenses to and from Port Townsend will be provided.

The residency period is August-September 1981. Residents will be expected to live in Fort Worden, make two public appearances and to spend the majority of their time working on their proposed writing projects.

Applicants must be citizens of the United States and must submit a personal vita which includes a listing of publications, awards and previous accomplishments; a brief statement of need; project plans and a sample of recent work (25 pages of drama).

DEADLINE FOR SUBMISSION IS MAY 25, 1981. Send materials or questions to Drama Residency, Centrum PO Box 1158, Port Townsend, WA. 98368.

The National Artists' Alliance announces its 1981 competition. All American photographers are eligible; commercial, journalistic, art and amateur. Prizes total $5,000. Send inquiries before MAY 31, 1981 with a self-addressed, stamped envelope to: National Artists' Alliance, PO Box 359, Clinton, CT. 06413. Entries must arrive by early June.

WORKSHOPS

"HOW TO PHOTOGRAPH YOUR ARTWORK". A workshop by BARRY MCWAYNE, UAF Museum photographer will be held on Monday, March 2, 1981 from 4:00pm to 5:00pm in the Conference Room of the UAF Museum, West Ridge. This is an opportunity to learn how to take slides of your work for your portfolio, % for art commissions, your personal records, etc. The workshop is free of charge. Please call 456-6485 or 479-7505 for more information.

VOCAL WORKSHOP. Professor Horst Gunter from Freiburg, University of Southern California and UCLA will be giving a workshop at the UAF Dept. of Music in the McGown Room and the Concert Hall on March 20,21,22. There is no admission charge for the workshop which is sponsored by the UAF Dept. of Music and supported in part by grants from the Alaska State Council on the Arts and the National Association of Teachers of Singing. Call 479-7555 for exact times.

Dr. Gerald Schneider, lecturer at the Smithsonian Institute in Washington, D.C., will be the instructor at a seminar on "Buying, Collecting, and Investing in Art", sponsored by the University of Alaska, Fairbanks Conferences and Institutes on March 20, 1981.

Some of the topics to be discussed are: Standards for Original Art (including prints), Best Buying Terms, Collecting Strategies, IRS Capital Gains and Tax Incentives, Insurance and Theft Prevention and Characteristics of Reliable Dealers.

For registration forms call the Arts office at 456-6485 or the Conferences & Institutes at 479-7800.

Jack Damer, lithographer from the University of Wisconsin will conduct a weeklong printmaking residency at the Visual Arts Center of Alaska in Anchorage. Previous print experience is required for the workshop which will be held from March 30-April 3, 1981 from 10:00am-5:00pm. There is a $60/$75 registration fee.

For registration or information contact the Visual Arts Center of Alaska, 4911 International Airport Rd., Anchorage, AK. 99502 (243-3107 or 243-3137).

The UAF Department of Journalism & Broadcasting in cooperation with the Alaska Press Women is sponsoring a two day workshop dealing with photojournalism and magazine writing.

The workshop will be held Friday, April 24 and Saturday, April 25 in Room 315, Duckering Building.

Speakers on Friday are Don Doll, photojournalist and professor at Creighton University and Mark Kelley, chief photographer of the Juneau Empire. On Saturday panel members Clint Andrews, managing editor, Alaska Magazine and Wilbur Garrett, editor, National Geographic Magazine will discuss magazine writing.

For information on times and cost contact Jimmy Bedford, UAF Dept. of Journalism & Broadcasting Fairbanks, AK. 99701, 479-7761.

1% For Art News

M/V Taku Works Solicited

According to the provisions of the state's percent for art program the Alaska Marine Highway Vessel, M/V Taku, will have $14,000 for the purchase of works of art. The Taku is the second Marine Highway Vessel to qualify for the inclusion of works of art. Art work valued at $10,000 was installed on the M/V Matanuska in 1978.

Submitted works must be no larger than 24"X36" in size and no deeper than 5". Artists may submit original drawings, prints, paintings, shallow reliefs, masks or pieces of Native art. Pieces should be packed well for shipping and should be clearly marked with the artist's name and address and purchase price. A special exhibition of the selected works will be mounted at the Alaska State Museum in Juneau prior to the final installation on the vessel.

DEADLINE FOR RECEIPT OF ARTWORK IS MARCH 16, 1981. All artwork should be sent to the Alaska State Museum, Pouch FM, Juneau, AK. 99811.

For more information on the Taku project and a copy of the percent for art prospectus, contact Christine D'Arcy, Visual Arts Director, Alaska State Council on the Arts, 619 Warehouse Ave., Suite 220, Anchorage, AK. 99501.

Other 1% Projects

PATTY ICE RINK, UAF. Slides and proposals for banners due March 20, 1981. $10,000 available.

ALASKA WOMEN'S FACILITY, EAGLE RIVER. Slides and proposals due March 23, 1981. $20,000 available.

M/V TAKU. original art work for rennovated ferry due at the Alaska State Museum in Juneau by March 16, 1981. $14,000 available.

For more information on the % for Art Projects contact Christine D'Arcy, Visual Arts Director, Alaska State Council on the Arts, 619 Warehouse Ave., Suite 220, Anchorage, Ak. 99501.

1% Potluck in Fairbanks

1% ART COMMISSION PROGRAM PRESENTATION AND POT LUCK DINNER. Christine D'Arcy, Visual Arts Director, Alaska State Council on the Arts will give a presentation on the 1% State Art Commission Program. Those interested in how to prepare and submit proposals for projects are welcome to attend. The presentation is MONDAY, MARCH 9, 1981 in the Bear Gallery, Alaskaland Civic Center from 7:00pm-9:00pm. Please bring food to share.

ASCA 504 Slide/Tapes

Two excellent slide/tape programs are available from the Alaska State Council on the Arts on ways handicapped individuals relate to the performing and visual arts. Beverly Sills narrates the "504 and the Performing Arts" program and Thomas Hoving narrates "504 and The Visual Arts".

These materials can be obtained for use, free of charge, from the ASCA, 619 Warehouse Ave., Suite 220 Anchorage, Ak. 99501.

MARCH CALENDAR

MUSIC

Th 5 — DR. THEODORE DECORSO. 8:00pm. UAF Concert Hall. Faculty concert. Clarinet. 479-7555.

Fr 6, Sa 7, Su 8 — PIPING, DANCING, DRUMMING WORKSHOP. Denali School. Sponsored by the Red Hackle Pipe Band, the Alaska Association for the Arts with support from the Alaska State Council on the Arts. For registration and information on times call 456-6485.

Sa 7 — CEILEDH. 7:00pm. Ft. Wainwright Officers Club. Fairbanks' first Scottish dance-party. Come and enjoy the food and music. Reservations required. 456-6485.

Su 8 — Sunday-at-Four featuring ALASKA BRASS. Scholarship fund raising concert. 4:00pm. Reservations required. 456-6485.

We 18 — UNIVERSITY SYMPHONY YOUTH CONCERT. 12:00pm UAF Concert Hall. Sponsored by the University Symphony and the Educational Projects Committee of the Alaska Association for the Arts.

Fr 20, Sa 21 — UNIVERSITY SYMPHONY POPS CONCERT. 8:15pm. Alaskaland Civic Center. Orchestra, Banish Misfortune, and Alaska Brass performing while wine sipping, cheese nibbling audiences listen. Reservations strongly recommended. Call 479-3407 for information.

Sa 28 — BOYS OF THE LOUGH. 8:00pm. Hering Auditorium. Sponsored by Soltice, Inc. Tickets available at the UAF Wood Center and the Arts office. 456-6485.

LECTURE SERIES

CHALLENGES OF BECOMING: WOMEN IN THE HUMANITIES

ALASKAN ROOTS (PART I)

1,2 — BRIDGING THE CULTURES. Mary Tallmountain.

8,9 — HOW TO BEGIN. Margaret E. Bell.

15,16 — MASK-MAKING - A REFLECTION OF NATIVE HISTORY Kathleen Carlo & Ron Senungetuk.

22,23 — NATIVE ORAL LITERATURE. Eliza Jones & Edna MacLean.

29,30 — CHANGES IN NATIVE ARTS. Sally Hudson, Eva Heffle, Effie Kokrine & Hannah Solomon.

ALL ALASKAN ROOTS programs begin at 3:00pm on Sunday and will be repeated at noon on Monday at the Fairbanks North Star Borough Public Library Auditorium. Sponsored by the National Endowment for the Humanities.



LIZ BERRY, local Fairbanks potter, working at her wheel. She is one of the participants in the "Earth Fire & Fibre" exhibit at the Alaskaland Bear Gallery on exhibit until March 20. photo by Fumi Matsumoto.

EXHIBITIONS

1-31 NORWEGIAN VIKING ART. Wood Center.

9-19 MARIANNE HARRISON. "Mudnagerie". Clay sculpture. UAF Art Dept. Gallery.

23-31 CAMILLE CONNELLY. Plastic, light and water sculpture show. UAF Art Dept. Gallery.

THEATRE

5,6,7, 8,13, 14,15 KISMET. 8:15pm, Sat. matinee-2:00pm, Sun. show-4:00pm. Alaskaland Civic Theatre. Sponsored by the Fairbanks Light Opera Theater. 452-5844 between 10:00am-6:00pm.

6,7 TWO FOR THE SEESAW. 8:15pm. UAF Fine Arts Theater. UAF Drama Workshop. 479-7751 for tickets.

FILMS

Su 6 THE DISCREET CHARM OF THE BOURGEOISIE. 1972 France. Luis Bunuel. *

Fr 6 Sa 7 AMITYVILLE HORROR. 1979. PSYCHO. 1960. Alfred Hitchcock. **

Fr 6 DR. STRANGELOVE, OR HOW I STOPPED WORRYING AND LOVE THE BOMB. Peter Sellers. +

Su 8 A FREE WOMAN. 1972. Germany. Volker Schlondorff. *

Mo 9- We 11 MY MAN GODFREY. 1936. William Powell & Carol Lombard. ++

Fr 13 Sa 14 SMOKEY & THE BANDIT. 1980. SLAP SHOT. 1977 staring Paul Newman. **

Fr 13 SLAHGHTERHOUSE - FIVE. based on the novel by Kurt Vonnegut, Jr. +

Su 15 THE MARRIAGE OF MARIA BRAUN. 1978. Germany. Rainer Werner Fassbinder. *

Mo 16- We 18 TALES OF HOFFMAN. 1951. Great Britain. Based on Jacques Offenbach's opera. ++

Fr 20 Sa 21 THE BLUES BROTHERS. 1980. John Balushi & Dan Akyroyd. AMERICAN HOT WAX. 1978. **

Fr 20 KEY LARGO. 1948. Humphrey Bogart & Laureen Bacall. +

Su 22 AGUIRRE, THE WRATH OF GOD. 1973. Germany. Werner Herzog. *

Mo 23- We 25 LADYKILLERS. 1955. Great Britain. Spoof on ganster movies. Alec Guinness. ++

Fr 27 Sa 28 THE GRADUATE. 1967. Dustin Hoffman. THE METEOR. 1980. Sean Connery. **

Fr 27 PUBLIC ENEMY. 1931. James Cagney. +

*ASUC International Cinema. 7:30pm. Schaible Hall. Charge. 479-7355.

**ASUA Movies. 6:40pm. Call 479-7355 for location. Charge.

+ASUA midnight movies. 11:00pm. Call 479-7355 for location. Charge.

++Alaskaland Cinema. 8:00pm. Alaskaland Civic Theater. 456-8906. Charge.

ASSOCIATE WITH THE ARTS

Members of the Alaska Association receive greater benefits on Season tickets as well as savings on other events throughout the year. We have changed our membership schedule to begin in September, so act now and associate with the Arts.

I would like to become a member of the Alaska Association for the Arts.

Name _____
(As you would like it to appear on programs)

Address _____

_____ Phone _____

☐ I am interested in serving on a committee.

☐ BENEFACTOR CORPORATE: $500 or more
(6 Complimentary tickets to the Spotlight Series)

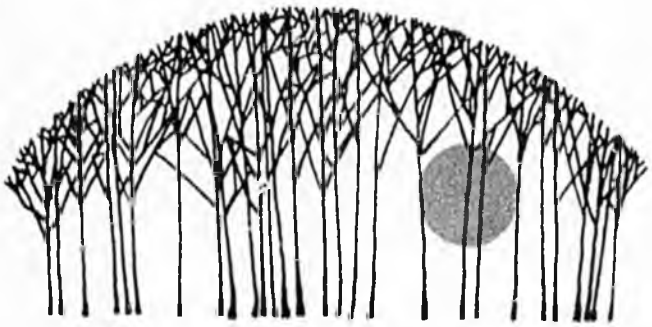
☐ PATRONS: $200 or more
(4 Complimentary tickets to the Spotlight Series)

☐ SUSTAINING: $100 or more
(2 Complimentary tickets to the Spotlight Series)

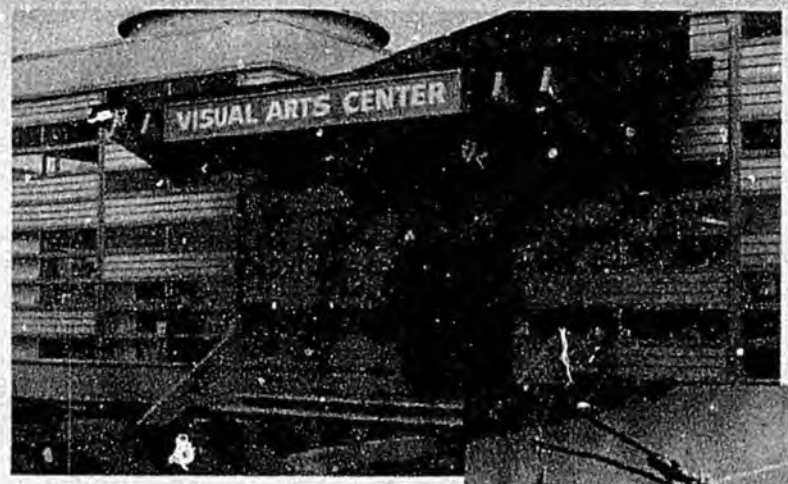
☐ DONOR: $50 or more
(1 Complimentary ticket to the Spotlight Series)

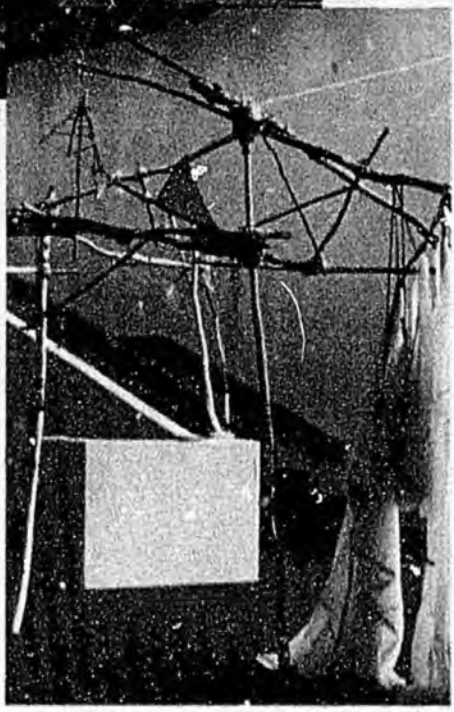
☐ CONTRIBUTING: $15 or more

Annual Report
1979 - 1980



VISUAL ARTS CENTER
OF ALASKA





Detail of installation sculpture for Anchorage Symphony concerts.

CONTENTS

	Page
Introduction	1
Executive Director's Report	3
Studios	5
Workshops	5 - 7
Gallery	7 - 9
Special Events	10
Awards	10 - 11
Members	11 - 13
Board And Staff	13

INTRODUCTION

The Visual Arts Center of Alaska is a unique program dedicated to the creation and appreciation of high quality works of art. It provides a supportive and stimulating community within which artists develop their skills and learn from one another.

Well-equipped studios provide participants with valuable space and equipment, as well as contact with other serious artists. Through gallery exhibits and a diversified workshop program, the Center provides local artists and audiences with exposure to excellent contemporary work from other parts of the state and from outside Alaska.

Community involvement is an important aspect of the Visual Arts Center's program: from conducting tours of the Center to teaching classes at the local universities, Center artists are involved in the cultural life of the community.

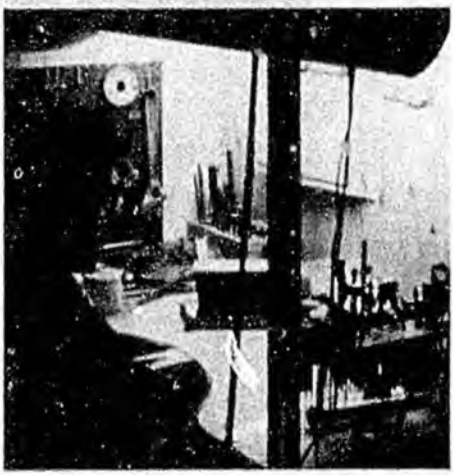
Since the Visual Arts Center opened in 1973, over 230 artists have worked here and thousands of visitors and artists have taken part in Center programs. The Center continues to change and grow but it remains a focal point for contemporary art in Alaska.



Photo by Yvonne Mozae



Lorraine Alba and
Darcy Lockhart present
performance on
an ice flow.



Fred Zweig
at work in
Metals Studio.

EXECUTIVE DIRECTOR'S REPORT

This past year was a difficult but interesting and creative one for us at the Center. The high quality of art work done by Center artists, as well as the equally high quality of the gallery exhibits was maintained despite the poor condition of the economy and its direct effect on our finances. Even though this was our second best year ever for local fund raising, the total financial support was not enough to make possible all of the things we had planned to do. Only the dedication of the Board, staff, artists and volunteers made it possible to overcome the obstacles of a very limited budget.

Despite these problems, the Center continues to have a positive impact on the visual arts in our state. The annual invitationals have grown in importance and along with the other gallery exhibits have provided the opportunity to see a variety of styles, techniques and media. The workshops have expanded in scope to explore a wide range of creative activity and have provided "sparks" for a number of artists.

The growing awareness of the value of art to make our lives richer and more complete holds a great deal of hope for the future. As our society, even in Alaska, becomes more and more complex, the ability of objects made by hand to remind us of our uniqueness as individuals increases. Artists and their work are a natural resource that we can all share.

GORDON A. SMITH
Executive Director

The annual financial audit of the Visual Arts Center is being prepared by Brunsvold & Dickinson, CPA's and will be available at the corporation's office 4911 International Airport Road, Anchorage, AK 99502 after September 15, 1980.



John Buck, Robert Sanchez, Bob Pfitzenmeier and Boyd Wright confer during sculpture workshop.



Photo by Fran Durner

Charlotte Van Zant at work on tapestry for Fairbanks airport.



Photo by Anchorage Times

Shuji Asada demonstrates Japanese paste resist.

STUDIOS

The studio program continued to offer space and equipment to developing artists in sculpture, metals, fiber and printmaking. For the first time, full-time studio managers were hired to maintain the studios and provide assistance and direction to participating artists.

Artists are admitted through a screening process and may work at the Center for two and a half years, with periodic evaluations. A studio fee and volunteer time compensate for use of the facilities.

This year a new category of participation was added: qualified community artists may apply for Associated Artist status, which allows them to use studio space and equipment on a part time basis.

Over fifty artists participated in the studio program during this year.

WORKSHOPS

The 1979 - 80 workshop program offered nine workshops, often in conjunction with gallery exhibits and lectures. Prominent artists from outside Alaska came to the Center to instruct in their specialties, ranging from *The Physical and Metaphysical Aspects of Art* to Japanese dyeing on fabric. Local artists conducted a special workshop in Alaska Native Basketry, funded by the Institute of Alaska Native Arts and a workshop on metal plate lithography.

Small scholarships helped some participants defray workshop expenses. A total of 125 people took part in the workshops.

Screenprinting on Cloth — Victoria Rivers
October 1979

Metal Plate Lithography — Rachel Barton-Sabo
December 1979



Photo by Clark Mishler

Belle Deacon and Eunice Neseth discuss basketry with student.



Photo by Fran Durner

Tim Ryan repairs statue of Captain Cook.



Photo by Anchorage Times

Frances Myers and Warrington Colescott examine a new print.

WORKSHOPS CONT'D.

Slipcasting Techniques — Clayton Bailey
January 1980

Physical and Metaphysical Aspects of Art — Karen Breschi
February 1980

Performance Art — Terry & Jo Harvey Allen
March 1980

Alaska Native Basketry — Eunice Neseth, Belle Deacon, Evelyn Douglas, Delores Churchill, Selina Peratrovich
March 1980

Katazoma Paste Resist — Shuji Asada
April 1980

Intaglio/Aquatint — Warrington Colescott & Frances Myers
May 1980

Found Objects - Wood & Metal Sculpture
John Buck & Deborah Butterfield
May 1980

GALLEY

In 1979 - 80 the Visual Arts Center gallery showed a wide variety of art works from Alaska and elsewhere.

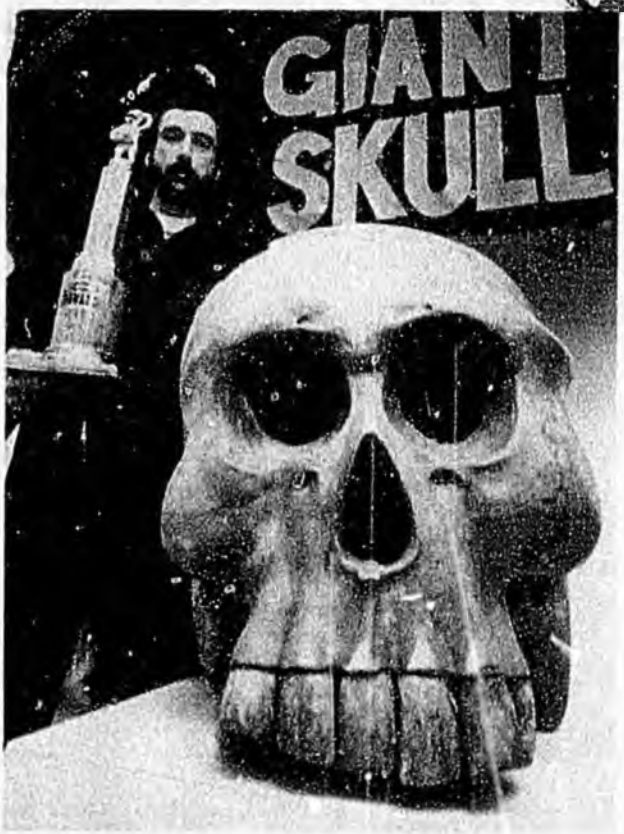
National invitational exhibits in metals, fiber, sculpture and printmaking brought contemporary art from throughout the country to the Center. These works had not been previously seen in the state and when exhibited alongside the work of Center artists, they provided a good measure of the high quality of art work produced at the Center.



Deborah Butterfield and sculpture workshop with their creation.



Rachel Barton-Sabo lithograph.



Clayton Bailey with "Wonders of the World."

Photo by Anchorage Times

GALLERY CON'T.

A cooperative program with the Alaska State Museum and the Alaska Association for the Arts in Fairbanks made it possible for the Center to share expenses and diversify the exhibit schedule. *Alaskameut* contemporary Native masks and Kivetoruk Moses' paintings were the first two exhibits of this program. Gallery attendance continued to rise, with a high of 707 in December and an exhibition average of 300.

Alaska Prints '79/Contemporary Indian Drawings
May 1979
Metals Invitational & Dept. Annual/Handmade Paper
June 1979
Kivetoruk Moses Paintings/Elizabeth Gafarian Photos
July 1979
Transitions Staff Exhibit/Fabby Photos
August/October 1979
Print Dept. Annual & National Invitational
November 1979
1979 Group Show
December 1979
Roy DeForest Paintings/Clayton Bailey Sculpture
January 1980
Dan DeRoux Paintings/VAC Collaborative
February 1980
Philip Hyde Photos/Sandy Mapes Photos
March 1980
Northwest Eccentrics/Jane Gray Installation
April 1980
Sculpture Invitational & Dept. Annual/Kay Marshall Paperworks
May 1980
Fiber Invitational & Dept. Annual/Marybeth Harder Prints
June 1980

SPECIAL EVENTS

A major concern of the Center during the year was our greater involvement with other art organizations in the city. The Center shared visiting artists with the Anchorage Museum to give public lectures.

SPECIAL EVENTS CON'T.

Center artists participated in several programs sponsored by the Anchorage Arts Council and a major installation sculpture was created for a performance of the Anchorage Symphony.

Monthly tours for school classes brought over 300 children to the Center to see the studios and gallery and to create a small art work of their own. The studio managers from the Center provided in-service training for art teachers from the School District and several artists from the Center taught on the faculties of the Anchorage Community College, the University of Alaska, Anchorage and Alaska Pacific University.

Fund raising events included the 5th Annual Beaux Arts Ball, a costume dinner-and-dance, organized by members of the Visual Arts Center Auxiliary, the Center's volunteer organization. Volunteers also helped organize the Christmastime *Holiday Happening*, which brought hundreds of visitors to the Center. The Spring Membership Drive was very successful and increased the membership to over 400.

AWARDS

"ComPAINTition"

Juror, Dianne Vanderlip,
Curator of Contemporary Art, Denver Art Museum

Spence Guerin - Merit Award
Arthur Higgins - Merit Award
Gary Marx - Merit Award

Other Center artists accepted:
Diane Holland
Lyric Ozburn
Bob Pfitzenmeier

"EARTH, FIRE & FIBER EXHIBIT"

Juror, Lloyd Herman, Director of the Renwick Gallery,
National Collection of Fine Art, Smithsonian

Bill Barton-Sabo - Honorable Mention Ceramics
Kay Marshall - Honorable Mention Fiber

AWARDS CONT'D.

Bob Pfitzenmeier - Honorable Mention Metals
Anjeannette Silver - Honorable Mention Metals
Charlotte Van Zant - Juror's Choice
Boyd Wright - Wood Award

Other Center artists accepted:

Celia Carl Anderson
Brigette Cooper
Arthur Higgins
Art Koeninger
Shannon Wilks
Jeanne Leffingwell
Deborah Nore
Susan Remele
Tim Ryan

"ALL ALASKA JURIED EXHIBIT"

Juror, Roger Selby, Director of Winnipeg Art Gallery

Gary Marx - Mixed Media Award
Robert Sanchez - Painting Award
Annette Clark - Honorable Mention Sculpture
Bill Barton-Sabo - Honorable Mention Watercolor
Gary Webernick - Honorable Mention Sculpture
Jane Gray - Alaska State Museum Purchase
Lynn Wiley - ASCA Purchase
Deborah Nore
Bob Pfitzenmeier
Louise Rushton

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The Visual Arts Center is supported by grants from the Alaska State Council on the Arts, the Municipality of Anchorage, The National Endowment for the Arts, a federal agency, and the following members;

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Institute of Alaska Native Arts, Inc.

The Newsletter of Native Arts April-May 1981



PHOTO COURTESY OF THE ALASKA STATE COUNCIL ON THE ARTS

SEE STORY INSIDE

A "WOOD, IVORY AND BONE" NATIVE ART COMPETITION WINNER

"SELF-PORTRAIT" BY KATHLEEN CARLO

The Institute of Alaska Native Arts is a statewide non-profit corporation founded in 1976 as a Native art advocacy and education organization. The Institute develops and coordinates programs involving visual, performing and literary art in both traditional and contemporary modes.

This newsletter is published bi-monthly by the Institute as a service. If you want to receive the newsletter, contact the Institute and you will be placed on the mailing list.

LET US KNOW ABOUT FAIRS, FESTIVALS, AND ANY EVENTS INVOLVING ART OR ARTISTS TAKING PLACE IN YOUR COMMUNITY. The copy deadline for the next issue is May 12. Send copy to: Institute of Alaska Native Arts, P.O. Box 80583, Fairbanks, AK 99708.

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RESOURCE BANK

ALASKA NATIVES ARTISTS:

If you haven't already done so, be sure to fill out an Alaska Native Artists Resource Bank form to be included in the Institute's statewide bank of information about Native artists; the kind of work they do, biographical information and slides or photographs of their work. The information will be made available to Native artists, arts organizations, museums and other interested individuals or groups for non-profit purposes. It will also be used to conduct workshops statewide.

ALL PHOTOS THIS ISSUE BY BERNICE TITUS UNLESS OTHERWISE CREDITED

FROM THE EXECUTIVE DIRECTOR

BY KAREN MICHEL McPHERSON

Many ideas, energy and good feelings came out of the Alaska Native Artists Confabulation; the first statewide gathering of and for Alaska Native artists. An incredible amount of work will be generated by the many fine recommendations that came from the committees. We are fortunate to have assistance with this from the outstanding group elected by the body to serve as an Artists Advisory Committee to the Board. Congratulations to the committee!

The committee recommendations, the Advisory Committee, an interview with the Confab keynote speaker and panelist, Robert Davidson, and photos of the Confab form the bulk of this issue of the Newsletter. Transcripts are now being made of the tapes of the Confab. We hope through this issue, and also with the transcripts, to provide memories for those who attended and a feeling for what transpired for those who were unable to come. It is also our way of saying "thanks" to the participants and to the many organizations who enabled us to put the Confab together.

This issue, as with every issue, will be sent to departments of both the National Endowment for the Arts and the National Endowment for the Humanities in Washington, D.C. Both of these organizations are instrumental in funding and promoting cultural activities. I.A.N.A. currently has several grant applications pending with the National Endowment for the Arts, as do many art organizations and individuals in the state. However, the funding picture for the Endowments looks bleak. President Reagan has deemed their activities "nonessential" and has recommended budget cuts of 50%for this coming federal fiscal year, rather than perceiving that the arts are essential to the lives of Americans and provide both spiritual and material benefits for all. I would urge you to write to President Reagan, Senators Stevens and Murkowski and Congressman Young protesting the proposed cuts for the N.E.A. and N.E.H. Tell them how important the arts and the humanities are to you as artists and as human beings. It's critical that we all make an effort to influence those things that impact our lives, especially when those very things are in danger.

Addresses: Senators Stevens and Murkowski:
U.S. Senate
Washington, D.C. 20510

Congressman Young
U.S. House of Representatives
Washington, D.C. 20515

NEWLY ELECTED ADVISORY COMMITTEE (LEFT TO RIGHT)

Phil Owens, Inupiaq carver originally from Golovin, Kathleen Carlo, Athabascan maskmaker, Fairbanks, Joe Senungetuk, Inupiaq artist and writer originally from Wales, Delores Churchill, Haida basketmaker, Ketchikan, Paul Tiulana, Inupiaq carver and dancer originally from King Island. The committee will have its first meeting on May 8 in Anchorage.





CONFABULATION



CONFAB BANNER

"It was good for ones heart and soul to be gathered together to obtain common goals. I wish to express my thank you to all who have sponsored the "Alaska Native Artists Conlabulation" . . .great friendships have come to be." QUOTE FROM CONFAB PARTICIPANT

Sixty-eight Native artists and resource people from all parts of Alaska and "outside" gathered in Fairbanks for two days in February (20-21) and shared their work, their ideas, their knowledge and their concerns.

The first day consisted of presentations and discussions by panels delving into the topics of "Being an Alaska Native Artist," "Making a Living as an Artist," and "Access to Education, Facilities, Information and Materials."

A great deal of enthusiasm was generated among the participants during these discussions on all topics and particularly on the topic of, "Access to Materials," for which John Burns, Alaska Department of Fish and Game, served as a resource person. From the workshop on this subject on the second day of the Conlab came two petitions requesting that confiscated materials such as skins and ivory be made available to Alaska Native artists (see petitions printed in this issue). They were signed by the participants and submitted to the Department of the Interior and to the Commissioner of Fish and Game, State of Alaska.

A banquet was held on Friday night with Robert Davidson, Haida print maker and carver, as keynote speaker. This was followed by a dance with "Snowblind," a Tanana-based band providing the music. Eskimo dancing was also performed at various times during the conference by Della and John Waghiyi and their daughter and by Paul Tiulana and the King Island Dancers.

On the second day, participants broke off into groups to discuss the topics brought up the previous day. From these groups came a list of directions and recommendations for the Institute to use in implementing its programs. A committee of five was also elected by the group as an advisory body to the Board of Directors of the Institute. They are: Kathleen Carlo, Delores Churchill, Phil Owens, Joe Senungetuk and Paul Tiulana (see photos).



ELLEN HAYS, PRESIDENT OF THE BOARD OF DIRECTORS, IANA



ESKIMO DANCERS JOHN AND ELLEN WAGHIYI AND CATHY NOONGWOOK









PHOTO: S. V. COWDREY

SILAS TEGOSEAK, F.N.A. CARVING WORKSHOP INSTRUCTOR

Five Awarded Re-Grants

The Institute of Alaska Native Arts has awarded re-grants to five applicants totalling $12,599.60.

Fairbanks Native Association will conduct a series of six workshops in the techniques of beadwork, skin sewing, soapstone carving, wood maskmaking, ivory carving and skin maskmaking. **Elleen Ewan** of Gakona received funds to teach skin sewing to eight young people in Gulkana. **Sarah Malcolm** of Eagle was funded to design and sew some traditional Han Indian clothing to become part of a permanent display in the Indian room of the Eagle Historical Society Museum. **The Totem Heritage Center** received funds to conduct exchange workshops. Rick Seeganna will teach carving at the Center in Ketchikan and Wayne Price will conduct a tool making workshop at the Native Arts Center in Fairbanks. **Alaska Native Arts in the Prisons** was funded to initiate a pilot program of native art workshops at five correctional centers in Alaska.

Re-grant requests applications must reach the IANA office by May 8 for the next and last re-grant period of the fiscal year. For more information, contact IANA.

THANKS SOHIO

The Institute of Alaska Native Arts has received a grant from Sohio Alaska Petroleum Company to be used for publication of the Alaska Native Artists Confabulations' agenda and the IANA Newsletter. IANA greatly appreciates this support of our efforts to nurture Native arts in Alaska.

THANKS

Thomas E. Johnston has donated three books to IANA: **Eskimo Music by Region: A Comparative Circumpolar Study, Learning Eskimo Drumming,** and **Inuplat Dance Songs,** a record, "Alaskan Eskimo Songs and Dances" and several other publications on Eskimo and Indian song and dance.

ARTIST AND CRAFTPERSONS COOPERATIVE

The Fairbanks Native Association is organizing a co-op to sponsor sales at different locations in Fairbanks. Local Native artists and craftspersons are encouraged to contact David Stone at: Fairbanks Native Association, 310 First Avenue, Fairbanks, Alaska 99701, 452-1648.

IF YOU HAVE INFORMATION ABOUT NATIVE ARTISTS CO-OPS AROUND THE STATE, PLEASE SEND IT TO US TO BE INCLUDED IN THE NEWSLETTER.

THANKS ALASKA NORTHWEST PUBLISHING COMPANY

The Alaska Northwest Publishing Company has given the Institute a copy of their new publication **Wrangell-Saint Elias** for use in the resource collection.

PEOPLE IN THE NEWS

Gary Marx of Anchorage and Seth Seiderman of San Francisco were awarded commissions for works of art to be installed at the new International Airport Terminal in Anchorage.

Judson Brown has been elected as Chairman of the Sealaska Heritage Foundation.

Carol Derfner, Executive Director of the Anchorage Arts Council, was elected president of the newly formed Alaska Arts Alliance.

IANA T-SHIRTS FOR SALE

We have beautiful black T-shirts with a white IANA logo printed on the front for sale in sizes M, L, XL at $6.00 per shirt if picked up at our office in Fairbanks or $7.00 per shirt if mailed.

Name **Address**

Size **Amount Enclosed**

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JAN STEINBRIGHT

COFFEE BREAK



MARY TALL MOUNTAIN, ATHABASCAN WRITER SPEAKING ON "BEING AN ALASKAN NATIVE ARTIST" PANEL

Recommendations that came from the Confab

More and better studio spaces; workshops on technical assistance for artists; develop a marketing source; develop annual traveling shows of Native art; set up a gallery stressing quality and education; buy materials wholesale and pass the savings on to the artists; explore sources of raw materials in the state; intensive education on % for art commissions; advocate for Native artists to be included on the selection panels where Native art is preferred; assist in developing the traditional art forms and introduce new applications of traditional forms; start an Alaskan Native art bank; develop a summer art program for Native artists; a resource directory, in book form, of Alaska Native artists; publications on Alaska Native arts and artists for schools at all levels; home based art programs using village elders; grants and fellowships for people who wish to study.

To the Honorable Secretary of the Interior:

We, the undersigned Alaska Native artists, wish to obtain the walrus ivory, polar bear skins and sea otter skins confiscated by the United States Government. These materials will be used for the production of traditional articles of Native handicraft.

Native arts and crafts are recognized as a significant means of preserving, maintaining and encouraging important aspects of Native cultural heritage.

Petition to Commissioner of Fish and Game, State of Alaska:

We, the undersigned Alaska Native artists wish to obtain the wolf, moose and bear skins confiscated by the State of Alaska. (rest of petition reads the same as above)

ART NEWS

"WOOD, IVORY AND BONE"—Opens at the Alaska State Museum, March 6 for 3 weeks. Anchorage Historical and Fine Arts Museum April 26—May 24, Yugtarvik Regional Museum, Bethel June 3-24, Bear Gallery, Fairbanks July 3-31.

WOMEN AND THE HUMANITIES—April 5 and 6: Poldine Carlo, "Roots of Change" Noel Wien Memorial Library, Fairbanks.

FIRST ANNUAL AMATEUR PHOTOGRAPHER'S EXHIBIT—Deadline: April 11, 1981. Open only to residents of the Yukon-Kuskokwim Delta. Contact: "Amateur Photographer's Exhibit," Yugtarvik Regional Museum, PO Box 388, Bethel, Alaska 99559.

RED CLOUD INDIAN ART SHOW—Deadline: May 1, 1981. Contact: Red Cloud Indian Art Show, Red Cloud Indian School, Pine Ridge, South Dakota 57770.

ARTISTS-IN-SCHOOLS—Deadline May 4, 1981. Residency program applications are now available in performing and visual arts. Contact Jocelyn Young at Arts Alaska, Inc., 430 West 7th Avenue No. 2, Anchorage, Alaska 99501.

ROCKY MOUNTAIN NATIONAL WATERMEDIA EXHIBITION—Deadline: June 1, 1981. Contact: Artcraft, 383 Corona, Denver, Colorado 80218.

1981 ALASKA FINE ARTS CAMP-Junior High: June 28—July 10, Senior High: July 12—July 31, 1981. Contact: Dewey W. Ehling, Director, Alaska Fine Arts Camp, PO Box 24, Anchorage, Alaska 99501.

THE ALASKA FOLK DANCE/FOLKLORE FESTIVAL—June 7-13, 1981, Sheldon Jackson College. Contact: Southeast Alaska Regional Arts Council, PO Box 2133, Sitka, Alaska 99835, (907) 747-8177.

ATTENTION WRITERS

Poetry readings (Anchorage)
April 10—Pat Monaghan, "Humor and Narrative."
May 8—Tom Sexton, "The Poem as Metaphor."
Contact: Anchorage Arts Council, 276-8161.

CROSS-CULTURAL WRITERS WORKSHOP—Tentatively set for last week of May. There is a possibility of travel grants for Alaskan Native writers to travel to Anchorage for this workshop. Contact: Jim Murphy, Anchorage Arts Council, 402 West 3rd Street, Anchorage, Alaska 99501, 276-8161.

permafrost, a Fairbanks literary journal is seeking fiction, poetry, reviews and graphics on Alaska for a special Spring issue. Write: **permafrost,** University of Alaska, Fairbanks, Alaska 99701.

THE WHOLE ALASKAN CATALOG is seeking contributions from Alaskans: 1000 words or less related to Alaskan experiences, travel, lifestyles, personalities. Write: Sarah Dalton Yarie, c/o That New Publishing Co., 1529 Dickson Street, Fairbanks, Alaska 99701.

Northward Journal, literary magazine in Ontario, will publish a special issue on Alaska and is in the market for poems, fiction, non fiction and art. Write: **Northwest Journal,** c/o Chandonnet, Box A, Chuplak, Alaska 99567.

Sealaska Competition

The Sealaska Corporation, the Alaska Native Corporation for Southeast Alaska, announces the opening of a competition for the selection of a work of art.

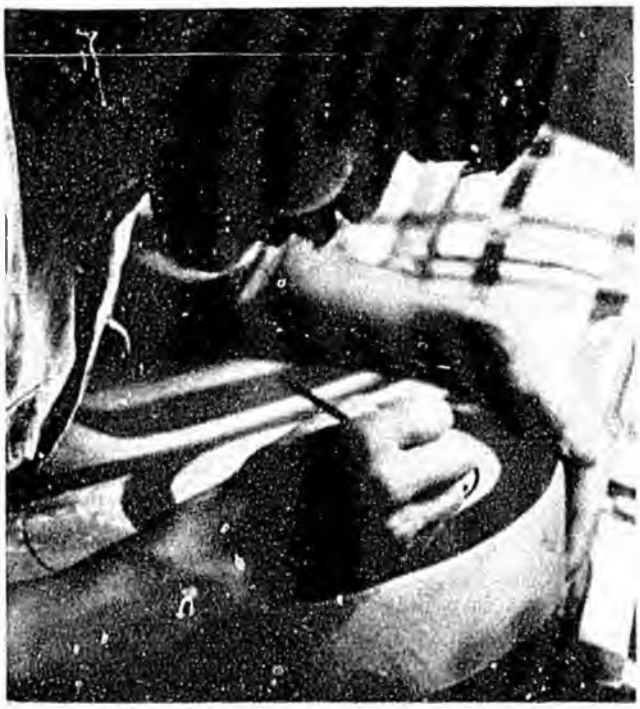
Juneau Cold Storage
Site: outside wall mural

Competition is open only to Alaska Native artists with Sealaska shareholders given preference.

Deadline for entries: April 17, 1981.

For prospectuses or submittals: JCS Mural Committee, Attention: Rafael Gonzales, Sealaska Corporation, One Sealaska Plaza, Suite 400, Juneau, Alaska 99801.

ROBERT DAVIDSON WAS BORN IN HYDABURG ALASKA BUT SPENT MOST OF HIS LIFE ON THE QUEEN CHARLOTTE ISLANDS. HE IS NOTED THROUGHOUT THE WORLD FOR HIS FINE PRINTS AND CARVINGS. THIS INTERVIEW WAS CONDUCTED IN FAIRBANKS FOLLOWING THE ALASKA NATIVE ARTISTS CONFABULATION WHERE HE WAS THE KEYNOTE SPEAKER.



ROBERT DAVIDSON PAINTING DRUM

INTERVIEW: ROBERT DAVIDSON

Q: You came to Fairbanks for the Alaska Native Artists Confabulation, can you tell me a little about that?
A: It's the first time I've been to an artists' conference. I've been very inspired by the amount of people who came to share very similar experiences. It was really inspiring for me to realize how many people had the same goals, the same desires and it was very reassuring to me that I was going in a very positive direction... the artist's roll is geared to tradition because a lot of the ideas, inspirations come through the Native tradition; come through the already established art to in where as the living conditions are all Westernized. Creation within the Native tradition is, it's like a language and we're all communicating through our Indian roots, our Native roots and that helps to keep a connection for the Natives to their heritage. I feel we have to understand our roots and once we understand it we become a stronger people.
Q: When you were learning as an apprentice with Bill Reid, is that where you learned to work in all these different media you work in?
A: Yeah, when you understand the art form you can work in any medium.
Q: Do you take in apprentices yourself?
A: In 1977 I worked on a project in Massett, a monument to Charles Edenshaw, for his contribution as an artist in Canada. He's my great grandfather. I had two guys work on the house front for 5 months. In '78 I had 8 apprentices. That was for the same house. We carved 4 house posts for the traditional long house.
Q: These apprentices, do they have to have had a certain amount of experience in working?
A: No, they didn't have to have any experience... I didn't have a full idea on how it was going to shape up and it all eventually developed into a really good working system. I gave one person a responsibility on each pole and the other one was in a sense their apprentice. They kept working from models. I carved two models. I would pack my tools from pole to pole in the morning, the first part of the day and delegate jobs that they would have to do during the day. I'd work on my own projects there and if there were any problems, I'd pack my tool box to the problem area. It worked really well.
Q: Do you have your apprentices do a certain amount of work and then stop and you as the master go on from there or do they continue all the way to the finished product?
A: Well they finished the poles but we had the whole thing broken down into different areas. The first few weeks, we made tools. They all had to learn how to make tools and during the tool making we had orientation. I had slides of old pieces to give them an idea on quality, and then I would talk philosophy.
Q: What kind of tools do you use?
A: The tools that we use are traditional and some of them are very modern. The adzes were traditional but all the tool blades were steel. They had to learn how to temper steel, harden it. The contemporary tools were chisels, axes and power saws.
Q: Do you know if any of your apprentices have been going on from what they have learned from you?
A: Yeah, I feel really good on their development. There are two of them who aren't carving out of six. I felt that's an incredible percentage and I feel that the other six will keep on developing. One is apprenticing to Bill Reid.
Q: Your 8 apprentices, do they come from right around from where you live?
A: Yeah, they all come from the village, one didn't... his father is from Massett. One of the things I really stressed was that they were the next leaders. I stressed that they come back to the village once in a while to feed into it.
Q: Do you make most of your living from your art?
A: All of it, total.

WOOD, IVORY AND BONE WINNERS

The winners of the 1981 Native Art Competition Juror's Awards of $350 each are: Edward Kiokun, Bethel, for a traditional loon mask; Kathleen Carlo, Fairbanks, for a contemporary wood sculpture; and George Mayac, Anchorage, for a traditional ivory rookery.

Merit Awards of $100 each were awarded to: Rick Seeganna, Fairbanks, for a contemporary wood "Flounder;" Nathan Jackson, Ketchikan, for a raven frontlet; Roger Silook, Jr., Gambell for an ivory eagle; George Williams, Bethel, for an ivory mask; and Glen Simpson, Fairbanks, for an antler powder flask.

Jurors Lincoln Milliqrock, Jack Hudson and James Haseltine selected the work of twelve additional artists to comprise the show which opened in Juneau in March and will travel to Anchorage, Bethel and Fairbanks.

The second annual Native Art Competition was sponsored by the Alaska State Council on the Arts.

WANTED: ALASKAN KIDS' ART

The Smithsonian Institute and a couple named Char and Rudy Pribuss are assembling a traveling show of Alaskan kids' art.

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Anchorage Symphony Orchestra

1980-81

Thirty-Fourth Season

of

Anchorage Symphony Orchestra

Maurice Dubonnet
Conductor and Music Director

Season 1980-81

November 21st and 22nd — Soloists: Nathaniel Rosen, Cello and Paul Rosenthal, Violin

8:00 p.m.

CHABRIER	Marche Joyeuse
HAYDN-PIATIGORSKY	Divertimento in D Major
SAINT-SAENS	Havanaise, for Violin and Orchestra, Op. 83
FRANCK	Le Chasseur Maudit, Symphonic Poem
BRAHMS	Concerto in A Minor For Violin, Cello and Orchestra, Op. 102

January 23rd and 24th — "Words and Music" — Soloists: Pamela South, Soprano — Ron Evans, Speaker

8:00 p.m.

MENDELSSOHN	"Wedding March" from "A Midsummer Night's Dream", Op. 61 No. 9
SATIE-DEBUSSY	Gymnopedie No. 3
ARIAS	
HOVHANESS	"The Rubaiyat of Omar Khayyam" for Speaker and Orchestra
TCHAIKOVSKY	"Francesca da Rimini," Symphonic Poem after Dante, Op. 32

March 27th and 28th — Soloist: Janina Fialkowska, Piano

8:00 p.m.

BELDEN	New Orchestra Work, Conducted by the Composer
DVORAK	Symphony No. 9 in E Minor, Op. 95 ("From the New World")
BRAHMS	Concerto in Bb Major, Op. 83 No. 2 for Piano and Orchestra

April 10th and 11th — Orchestra with Anchorage Community Chorus, Dewey Ehling, Conductor

8:00 p.m.

BERLIOZ	Roman Carnival Overture
DEBUSSY	Nocturnes
BORODIN	Polovetsian Dances ("Prince Igor")
BRAHMS	Symphony No. 1 in C Minor, Op. 68

All concerts at the Performing Arts Center of the University of Alaska, Anchorage. Concerts begin promptly at 8:00 p.m.



THE ANCHORAGE SYMPHONY ORCHESTRA

P. O. Box 2131, Anchorage, Alaska 99510 (907) 272-8863

TO THE FRIENDS OF THE ANCHORAGE SYMPHONY:

For 34 uninterrupted seasons, your Symphony has brought music to Anchorage. Since the first few concerts and informal organization of the orchestra, our quality has improved, and the number and variety of concerts have increased. We have become more and more involved with the Anchorage community. Each season has reached a greater audience and provided more exciting performances. You who have attended the concerts and contributed to your Symphony have recognized your responsibilities as well. Your support has been and continues to be absolutely vital to our existence.

As the Board demands more of itself and our musicians who have given so much are still demanding even more of themselves, our continuing improvement requires increased support from all of you. Pricing our concerts to meet our growing financial requirements would limit our audience to a few. This is true with your Anchorage Symphony just as it is with every symphony orchestra in the country.

We have planned and will present an outstanding 1980-81 season. Our planning for following seasons is well underway and action is being taken to assure that we all may take continuing pride in what you will see and hear of your orchestra in the years ahead. But we need your help now.

Look at the list of Contributors in this program. Are you included? Have you done the best you can do to support your Symphony?

Be a part of our season and the seasons to come. The Symphony belongs to you, to the musicians, to the Board, to all of us who are a necessary part of its promising future.

Sincerely,

R. Everett Harris
President



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The Anchorage Symphony Women's League is the auxiliary for the orchestra organization. Beginning in 1967 from a small but energetic group, the membership and activities have grown, resulting in the raising of significant financial support each year through the combined efforts of over 200 members. Planned this year are three major fund raising events: the fall Champagne Pops Concerts, the Festival of Trees and the spring Viennese Waltz Night. In addition, this group is essential to the production of the tremendously popular "Young People's Concert".

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Anchorage Symphony Young People's Concert

Saturday, January 24th, 1981, 1:00 p.m.
Performing Arts Center of the University of Alaska, Anchorage
$1.00 Students — $3.00 Adults

"Bold & Brassy"
with
"Tubby the Tuba"

"The Wedding March" ..... Mendelssohn

"The Rubaiyat of Omar Khayyam" ..... Hovhaness
Ron Evans, Speaker; Renda Horn, Accordion

"Vocal Selections"
Pamela South, Soprano

"Tubby the Tuba" ..... Paul Tripp
Mark Bledsoe, Vocal, Kristine Eastham, Narrator

"German Band Selections" featuring "Anchorage Blaskapelle"
Bill van Alan, conductor, Jerry Kurtz, John Toenes,
Carl Klemme, Hal Nonneman, George Cottle, Chris Beheim,
Vincent Jester, Don Hartman, Karl Forsythe, Gregg Solomon

The Steve Primis Dancers

The 1980-81 Season of the Anchorage Symphony is made possible in part from grants from The Municipality of Anchorage, The Alaska State Council on the Arts, The National Endowment for the Arts, a federal agency, and generous grants from the Dowland-Bach Corporation, Sohio and the Exxon Corporation.

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The Anchorage Symphony Orchestra

Maurice Dubonnet, Conductor and Music Director

Concerts of January 23rd and 24th, 1981

Soloists: Pamela South, Soprano and Ron Evans, Speaker

1st Violin
- Ruth Jefford, Concertmaster
- Marilyn Yonley
- Kathryn Hoffer
- Michael Schallock
- Blythe Stenmark
- Marlowe Thomas
- Frank Pinkerton
- Eleanor Bushue
- Barbara Ure
- Heather Threat
- Matt Berman
- Nina Bingham
- Karen Tornfelt
- Joy Sharpe

2nd Violin
- Margaret Farrant, Principal
- Christine Nees
- Maxine Rader
- Cindy McBurney
- John Osnes
- Charlotte Allender
- Susie Mackey

Viola
- Eleanor Braendel, Principal
- Sybil Bingham
- Georgia Forsythe
- Deanna Youngblood
- Mary Sinex
- Susie O'Brien
- Margaret Trent

Cello
- Arthur Braendel, Principal
- Beth Leffingwell
- Rebecca Zankie
- Kim Emmal
- Jean Brinich
- Robert Tornfelt

Bass
- Miriam de Lap, Principal
- Elaine Blythe
- Amy Heusser
- Bill King

Flute
- Janet Gellert, Principal
- Leslie Delaney
- Margaret Turner
- Don Hartman

Piccolo
- Leslie Delaney
- Margaret Turner

Oboe
- Sharman Park, Principal
- Mary Tesch
- Lori Shepard-Gillam

Clarinet
- Kurt Pasch, Principal
- Bud Adams
- Susan Atwater

Bassoon
- Hal Nonneman, Principal
- Bruce Rummel

English Horn
- Lori Shepard-Gillam

French Horn
- Dan Heynen, Principal
- Fil Hoak
- Darrell Kincaid
- Bruce Ross
- Karl Olson

Trumpet
- Keith Krueger, Principal
- Gwen Krueger
- Stan Malos
- Steve Turner

Trombone
- Patricia Devine, Principal
- Terry Jennings

Bass Trombone
- George Belden

Tuba
- Larry Whitcomb

Percussion
- Corliss Nolan, Principal
- Doug Alvey
- Carolyn Corder
- Gene White

Piano
- Marcia Billaud

The Anchorage Symphony Orchestra

Maurice Dubonnet, Conductor and Music Director

Concerts of January 23rd and 24th, 1981

"Words and Music"

Soloists: PAMELA SOUTH, Soprano and RON EVANS, Speaker

PROGRAM

THE NATIONAL ANTHEM. . . . . Arranged by Leopold Stokowski

Spoken text: Key "The Star Spangled Banner"

MENDELSSOHN. . . . . "Wedding March" (A Midsummer Night's Dream), Op. 61 No. 9

Spoken text: Shakespeare "A Midsummer Night's Dream"

Mendelssohn briefly served a Prussian king who fancied himself a patron of the arts, it was at the king's insistence that Mendelssohn wrote music to accompany the production of Shakespeare's play at the royal court in Berlin. (His famous overture to **A Midsummer Night's Dream** had been written some seventeen years earlier but not for a specific production.) The large number of Mendelssohn's works inspired by plays or by the written word indicate that his association of music and words was a natural one although one more subtle than that employed by more literal-minded composers.

What associations do we bring to this music? Can we hear it today for what it is — a remarkably bright and direct work with a naively simple melody yet with an ambivalent harmonization that constantly wanders into new tonal fields — and not allow a lifetime of emotional baggage to distract us? (Do you know why it has been played at a century-full of weddings? Mendelssohn was a great favorite of the English public and of their royalty and so the performance of the "Wedding March" at the nuptials of the Princess Royal in 1858 started a fad that has yet to subside.) Again, is it possible to hear this music fresh and new? One critic thinks that we still can if we allow ourselves to believe in the supernatural, and Peter Pan-like, divest ourselves of reality, momentarily inhabiting Shakespeare's fantasy world.

SATIE-DEBUSSY. . . . . Gymnopedie No. 3

Spoken text: Kahlil Gibran "The Prophet"

"This is not a sentence." "Do not attach any meaning to the rest of this sentence, ignore the first clause of this sentence." These paradoxical "self-referencial" statements are intended to make you do a double-take, they may also be used as tools for examining the meanings we attach to certain visual symbols (words). (For example, the first statement would be false (meaningless) if it contained the expected verb. Or, it has meaning as long as it is grammatically incorrect. Or, if it is to be both true and grammatical, it must be shorn of its "meaning." The statement, "This is not a sentence," would be acceptable to someone who does not know the meaning of the word "sentence.")

Now, apply this method to an aural set of symbols (music). "Is it true that no meaning is found in Satie's music but that if you listen to it, it has great meaning?" "Ignore Satie's (simple) melodies but do not concentrate on his (banal) (meaningless) harmonies." "Can music actually have no "meaning?" Haven't we heard centuries of Heavy German Romantic Music that's just dripping with "meaning?" Haven't we read endless program notes telling us all about the "meaning" of the music we are about to hear? How can we listen to music without knowing what it's about? Can we listen to a piece of music without attaching extrinsic values to it? Can we listen to Satie's **Gymnopedie?**

Erik Satie had a profound influence on the development of a new aesthetic of music for the 20th Century. His friend and colleague, Claude Debussy, saw him as a kindred spirit in the fight against the excesses of romanticism. Debussy's orchestration of this piece of Satie's music was a recognition of Satie's influence on his own music. Jean Cocteau, the writer and spokesman for the group of French composers later to be known as "Les Six," wrote that "... Satie teaches what, in our age, is the greatest audacity, simplicity." "A paradox to end on: the word **Gymnopedie"** has no meaning. Satie made it up.

ARIAS:

VERDI. . . . . "Salce, Salce"; "Ave Maria (Otello)

Spoken text: Shakespeare "Othello"

MASAGNI. . . . . "Son Pochi Fiori" (L'Amico Fritz)

Spoken text: Suardon "L'Amico Fritz"

MOZART. . . . . "Non so piu" (Marriage of Figaro)

Spoken text: Beaumarchais "The Marriage of Figaro"

PAMELA SOUTH, Soprano

HOVHANESS. . . . . "The Rubaiyat of Omar Khayyam"

for Speaker and Orchestra, with Accordion Solo, Op. 282

RON EVANS, Speaker

RENDA HORN, Accordion

Hovhaness literally associates words and music in a type of musical tone-painting in which if the poem speaks of a flutter[illegible] of wings, then the music responds with a flutter[illegible]

This music is characteristic of Hovhaness' style, it is static and hypnotic rather than dynamic. It does

Middle Eastern melodic lines. The coloristic appeal of the music is obvious and direct; the compositional method is simple — words stimulate, music responds.

contemporary American music; born of Scottish and Armenian descent, he has evolved a music that blends elements of Oriental culture with the more familiar sounds of Western music.

INTERMISSION

ARIAS:

BRITTEN. . . . . "The Embroidery Aria" (Peter Grimes)
Spoken text: George Crabbe "The Borough" (1810)

ROSSINI. . . . . "Una voce poco fa" (Barber of Seville)
Spoken text: Beaumarchais "The Barber of Seville"
PAMELA SOUTH, Soprano

TCHAIKOVSKY. . . . . "Francesca da Rimini," Symphonic Poem after Dante, Op. 32
Spoken text: Dante "The Inferno", V (Francesca da Rimini)

Extra musical sources were important to Tchaikovsky; he needed the creative impulse provided by a story-line. Most of his best known works are "program music" that have their genesis in just such an imposed structure. The present piece shows both the virtues and the faults of this procedure. First, the story or "program."

Francesca is unhappily married, her husband's handsome young brother, Paolo, visits. Sitting alone in the garden, they read of the forbidden love of Lancelot for Guinevere, their eyes meet, tremulously they embrace. The book is read no more that day. Inexorably, the everlasting torments of hell await them. Enter Dante. In his **Divina Commedia** he visits hell, descending ever deeper into the realms of the damned. He comes to the level reserved for those who have tasted of carnal sin, Francesca relates her story and bewails her fate. Dante is overcome with compassion and faints on the spot. (Apparently Virgil, his traveling companion, revives him and they venture on.) Enter Tchaikovsky. Perfect program for a piece of music. Hell — the doomed love of Francesca and Paolo — Hell. Not quite. It's too big an edifice for such a simple foundation. The love music needs to be integrated into the whole, not just presented in the middle, there's too much of any single section at one time. Musically it needs a more elaborate plan, but Tchaikovsky is stuck with his program. Hell — Francesca — Hell. The program, dramatically sound, is musically weak. Now your decision: do the positive musical values outweigh the structural weaknesses?

Program notes by George R. Belden

PAMELA SOUTH is no stranger to Anchorage audiences having performed with the Symphony in a memorable Pops Concert several years ago. Originally from Salmon, Idaho and recently returned there to do a solo recital sponsored by the Salmon Arts Council, she attended the University of Montana but did not begin serious singing until after she graduated from college.

Miss South has been studying voice for three years with Dickson Titus of San Francisco. She has performed with the San Francisco and Portland Operas and appeared with Arthur Fiedler and the Boston Pops.

She is preparing for two fall performances. She will perform the role of "Zerlina" in **Don Giovanni** and "Bruzilla" in the **Coronation of Poppea** by Monteverdi. Miss South will also appear as **Muzetta** with the Houston Opera this coming fall.

RON EVANS is a versatile performer whose extensive background includes a wide variety of both acting and singing roles with community, university and professional theater and music groups from California to Alaska. Most recently, he appeared as Clive in Alaska Rep's production of **Something's Afoot** and was seen last year in the Anchorage Civic Opera's production of **La Traviata** and **The Mikado**. Mr. Evan's credits also include numerous radio and television commercials as well as public service spots. He studied theatre arts at both the University of California at Santa Barbara and the University of Alaska, Fairbanks.

RENDA HORN came to Alaska ten years ago to teach music in the Anchorage schools. She holds a Master's Degree in music from Eastern Washington University and is both an accomplished music educator and versatile performer. Mrs. Horn has appeared many times with the Anchorage Symphony as a member of the oboe section and also sings with Anchorage's New Madrigal Singers. Although oboe is her primary instrument, she always kept an accordion on hand for fun and relaxation. She and her husband have appeared in local night spots with their own polka band.

Mrs. Horn is now self-employed and is devoting most of her musical energies to the formation of the Anchorage Girls' Choir.

ANCHORAGE SYMPHONY STRING QUARTET
Paul Rosenthal, Ruth Jefford, violins
Maurice Dubonnet, viola
Beth Leffingwell, cello

Guest Artist: David Stabler, piano

Central Lutheran Church
15th & Cordova
Saturday, March 14, 1981, 8 p.m.

The program will feature the Quintet for piano and strings by Ernst Dohnanyi plus works for quartet.

ANCHORAGE CHAMBER SYMPHONY
Maurice Dubonnet, Conductor

Thursday, May 21, 1981, 8 p.m.
Performing Arts Center

This second and final concert of the Chamber Symphony will feature Andre Flynn, Baritone. The program also includes Ernest Bloch's **Concerto Grosso No. 1** with Marcia Billaud, Piano Obligatto and a first performance of a work by Alaskan composer Alice Countryman.

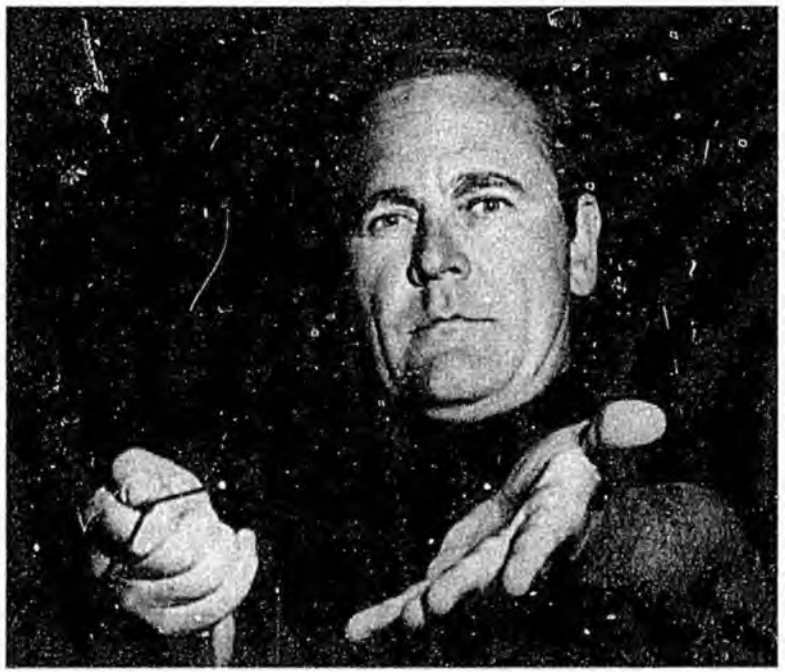
MAURICE DUBONNET

Maestro Dubonnet first began the study of the violin at the age of ten in his home town of Havre de Grace, Maryland, with Robert Allison. He continued there with Alethea Willard, and it was she who sent him to the Peabody Conservatory to study with the eminent pedagogue Vivienne Cordero Conn, who had been a pupil of Jacques Thibaud. At the age of fourteen, he also became seriously interested in symphonic music through listening to the Toscanini NBC Symphony broadcasts, and at sixteen he decided that he would become a conductor.

During the war's intervention he was able to periodically study wherever the Navy took him, carrying the violin with him during the entire three-year period, and studying with such masters as Boris Koutzen (Philadelphia Academy), Israel Baker (Concertmaster, Hollywood Bowl), and Paul Fedorovsky (Boston Symphony). He had his first lessons in theory and piano at the Navy School of Music, where he conducted his first live orchestra in the class of Albert Tipton (Philadelphia Orchestra). He also studied horn there under Attilo Di Palma (San Francisco Symphony). During the war period, he gave many violin recitals while in uniform in Philadelphia, Baltimore and at the Phillips Gallery in Washington D.C. He also appeared as a violinist on Major Bowes radio program, following the example of his contemporary Beverly Sills (then known as Bubbles Silverman).

Following the war, he enrolled at Tanglewood, where he audited the conducting classes of Serge Koussevitzky, and studied chamber music and composition with Lukas Foss. He also was chosen in audition by Robert Shaw to be a member of Shaw's Chamber Choir although he had never studied voice. Thus began a long friendship wth Shaw, leading to New York and Aspen.

Accepted at Juilliard, he entered the school as a violin major under Edouard Dethier, later changing to viola major under Conrad Held (still later he would study viola with William Primrose). His final major was orchestral conducting under Jean Morel, Dean Dixon, Fritz Mahler and Robert Ward, and he graduated from Juilliard with the prestigious Artist Diploma in Orchestral Conducting. He was one of few ever to study in three major categories at the school. During this period he also studied composition with the eminent American composer Henry Brant, who at one point suggested he might turn to composition as a major. Briefly following that suggestion, he wrote several symphonies and string quartets, but, like George Szell, discarded them, realizing that his forte was in performance, not writing. During his ten years in New York City, he organized and conducted three different orchestras: the Juilliard Repertory Orchestra, the Manhattan Symphonette and the New Symphony Orchestra of New York. He was also Assistant Conductor of the Juilliard Orchestra and the Juilliard Summer Symphony (under Walter Hendl). And, as solo violist of the Juilliard Orchestra, he performed under such great conductors as Reiner and Koussevitzky. He conducted thirteen world premieres of American composers such as Wallingford Riegger, Henry Brant ("Symphony of Israel"), Dane Rudhyar ("Ouranos" Symphony), Peter Mennin, Jacob Avshalomoff (Symphonic poem, "Tung Kuan"), Marina Zucca, etc. He conducted the first performance of Robert Ward's "Jonathan and the Gingery Snare" with the composer narrating. Many of his performances were at Carnegie Hall, Town Hall, and at McMillan Theater at Columbia University. At the Metropolitan Museum of Art, he performed with the Stradivarius Society of New York in chamber music with such great colleagues as Joseph and Lillian Fuchs and Marie



Rosanoff, playing on the McDonald Stradivari viola, an instrument valued over $200,000, loaned to him for these concerts by the Wurlitzer Company. He was also on the staff of ABC as violist, and a free-lance violist throughout New York City. At the end of this New York period, Maestro Dubonnet's gifts were recognized in a Fulbright Grant to Rome, Italy, where he studied with the great conductor Franco Ferrara, conducted Rome's Santa Cecelia Orchestra, and gave concerts in Rome, Florence, and twelve other cities in Italy and Sicily. He was honored by the Italians by being voted into membership to the Santa Cecelia Academy in Rome.

One of his New York concerts with the New Symphony Orchestra of New York was attended by Mme. Hedy Spielter, the eminent pedagogue of piano in New York, who was quite taken with Maestro Dubonnet's interpretation of Brahms' Second Symphony (her father had known Brahms), and invited him to conduct at the New Hampshire Festival. He became Music Director of this Festival for four years and it was here that the great conductor Leopold Stokowski saw him conduct and engaged him on the spot to be his Associate Conductor with the Houston Symphony. Before leaving New Hampshire, he was presented with the Governor's Award for the advancement of Music in that state.

During the Houston years with Stokowski, Maestro Dubonnet conducted over 120 concerts with this major U.S. Symphony, and when he was not conducting he sat on the first stand violas playing under some of the greatest musicians of the 20th Century, including Stokowski, Walter, Monteux, Stravinsky, Villa-Lobos, Kostelantz, Beecham, etc. As a protege of Stokowski, he was admitted into the inner circle of the great conductor's musical thought and was on call at all times to assist him, as in the world premier of Hovhaness' "Mysterious Mountain," which he prepared for Stokowski's broadcast over "Wide, Wide World national TV." Maestro Dubonnet was also a member of the Music Guild String Quartet in Houston (first chair players of the symphony), giving 19 programs each season. He was also the conductor of the Houston Summer Symphony giving 21 programs each season, and for the Houston Ballet. His most stunning accomplishment with the orchestra was the Southwestern U.S. premiere of Stravinsky's "Rite of Spring." The Houston Post wrote "Spring comes in like a lion."

When Stokowski left Houston, he recommended Maestro Dubonnet for the position of Music Director with the New Mexico Orchestra, an ensemble Dubonnet subsequently built to its present Metropolitan status. During his last season there, the orchestra performed under his direction such difficult works as Strauss' "Ein Heldenleben," Rachmaninoff's 2nd Symphony and Stravinsky's "Rite of Spring." The Albuquerque Tribune wrote "Maestro Dubonnet blends these raw, basic elements of symphonic sound into refined gold." He conducted for a great number of world-famous soloists during this period including Bryon Janis, Isaac Stern, Gregor Piatigorsky, George London, Phyllis Curtin, Eugene Istomin, Mischa Elman, Leonard Rose, to name only a few. He also founded the New Mexico Sinfonietta, and conducted regularly for the New Mexico Ballet and the Albuquerque Little Theater. He worked regularly with the prestigious Elizabeth Waters Modern Dance group at the University of New Mexico, giving eleven complete productions over the years. He was a member of Albuquerque's June Festival Quartet, with colleagues Josef Gingold, Ralph Berkowitz and Georges Miquelle.

Maestro Dubonnet's summer periods have been filled with seven tours of Europe, four tours of the Orient, Australia and New Zealand, and eight summers in residence at the Aspen Music Festival. In the U.S., he has conducted the Baltimore, Denver and Seattle symphony orchestras, abroad, the orchestras of Tokyo, Singapore, Melbourne, Osaka, Rome, New Zealand, etc. At the Aspen Festival, he has conducted the Festival Orchestra in the famous Amphitheater Tent, and has also performed in that theater with members of the Paganini String Quartet and other artist members of the faculty including Leonard Sharrow, Philip Farkas, Ray Still, Zara Nelsova, Itzak Perlman, Shlomo Mintz, etc. In 1967 he was again at Tanglewood to accept the Koussevitzky Conducting Fellowship of that year.

In Alaska, he founded the Anchorage Chamber Symphony and the Anchorage Symphony String Quartet, has been a guest conductor with the Alaska Festival of Music, the Anchorage Concert Association, the Honors Orchestra, and led three productions of the Anchorage Opera. He was formerly conductor of the University-Fairbanks Orchestra in addition to being on the faculty of the University of Alaska, both in Fairbanks and Anchorage.



ALASKA MUTUAL SAVINGS BANK

The Board of Directors of the Anchorage Symphony Orchestra wishes to express its sincere appreciation to Ed Biggerstaff and Ron Smith of Anchorage Community College and to Mike Hood, UAA Theater Department, and Bob Pond, Anchorage Community Theater for their cooperative spirit in the rescheduling of their productions to accommodate the symphony's concerts.

Through their joint efforts the Anchorage Symphony is again able to present its entire season in the Performing Arts Center.

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Winthrop Fish, M D.
Anchorage School of Music (Formerly Kastan)
Noel J. McDonald
Elizabeth A. Raleigh
Elaine B. Nelson
Mr. and Mrs. Charles Towill
Duane and Carol Heyman

A special thanks to Brown Jug and Anchorage Cold Storage for their donation of champagne for the Champagne Pops Concert.

We gratefully acknowledge K & L Distributors for its donation of champagne to the Symphony.

We are grateful to Sears Roebuck and Co. for underwriting the cost of our Young People's tickets.

We are grateful to our printer, Ken Wray's Print Shop, Inc., for the special attention paid to the efforts of the Anchorage Symphony for more than ten years.

We would like to extend a special thank you to Atlantic Richfield and Sohio, whose Employee Matching Gift programs bring additional funds to the Symphony.

We would like to express appreciation to the Rasmuson Foundation for a generous grant to the orchestra.

We wish to express our appreciation to D.F.S. North America Ltd., for a generous grant to the Anchorage Symphony Women's League and the Anchorage Symphony Orchestra.

TICKET TURN-IN: Please call the Symphony office (272-8863) as far in advance of the concert as possible to offer your tickets for resale; the resale of your tickets will benefit the sustaining fund and the value of your tickets is a tax-deductible contribution to the Anchorage Symphony.

TICKET EXCHANGE FOR SEASON SUBSCRIBERS: If unable to attend on your subscription evening, we will accommodate you on the alternate night (depending upon availability of tickets). Call the Symphony office no later than 48 hours before concert.



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AtlanticRichfieldCompany

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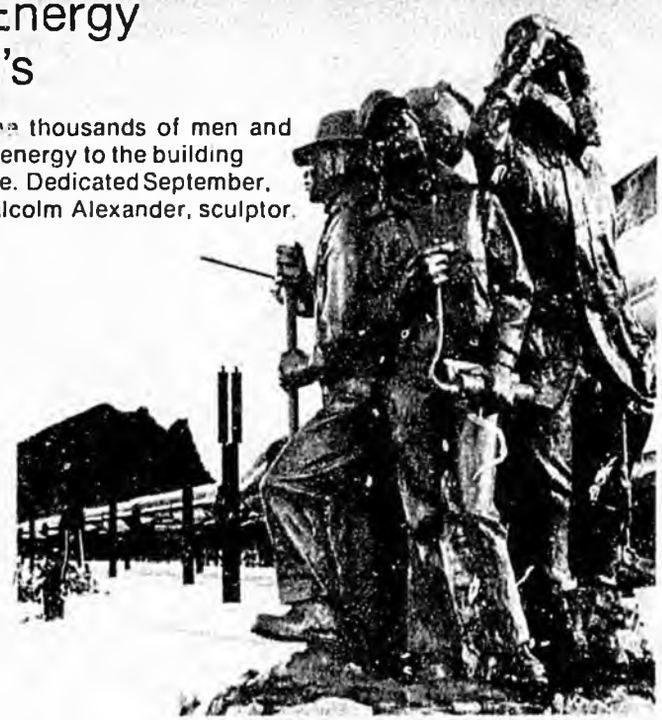
A monument honoring the thousands of men and women who devoted their energy to the building of the trans Alaska pipeline. Dedicated September, 1980 in Valdez, Alaska. Malcolm Alexander, sculptor.

Alyeska pipeline





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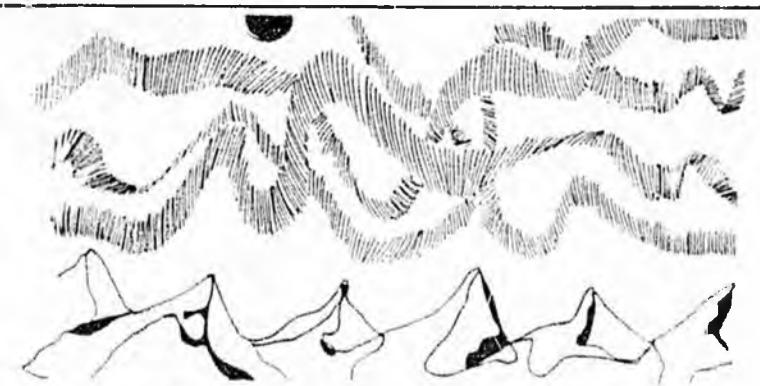

COVER DESIGN

Teri Jo Hedman graduated from the University of Minnesota with a Major in Interior Design and a Minor in Studio Art. Her work is displayed in various galleries in Alaska (Anchorage, Fairbanks, Juneau, and Ketchikan) and also in the Minneapolis-St. Paul area, and Palm Springs, California.

Teri Jo has been accepted in the All Alaska Juried Exhibition several years and received the Print Award in 1978. She was also accepted in "Alaska Prints '79", Statewide Print Competition; the Audubon Society 2nd Annual Wildlife Statewide Juried Show at Seward, Alaska. She has had several one-woman shows since 1973 at Artique, Ltd. in Anchorage, and has shown in several invitationals at various other galleries.

Teri Jo and her husband Dennis have three children: Grant, 8, Matthew, 6, and Kristin, 4. They enjoy all outdoor activities and look forward to the upcoming ski season.

History of the Anchorage Symphony Orchestra

One of Anchorage's oldest musical organizations, the Anchorage Symphony Orchestra marks its thirty-fourth year during the 1980-81 winter concert season under the baton of Maurice Dubonnet, music director and conductor since 1968.

Although it now numbers more than 75 members able to perform the most difficult musical selections, the Anchorage Symphony was born early in 1946 when 17 musicians met once a week for the pleasure of making "good" music. Typists, reporters, pilots, teachers, mechanics, housewives and others made up the group. Some were professional musicians, others were admittedly of amateur status, but all were interested in music and enthusiastic about becoming an organized orchestra.

Edward DePaul was the group's first conductor, and under his direction the Symphony made its first public appearance in December, 1946 when it joined its talents with those of the Anchorage Little Theater to perform Charles Dickens' "A Christmas Carol." The first full concert was presented in May, 1947. A charter member, Peter Britch, was named conductor in 1948, and by the following year the orchestra had grown to 32 members, many of them from the ranks of the 752nd Air Force Base at Fort Richardson.

There was a uniqueness about the orchestra. It was the only musical organization of its kind in Alaska and was the farthest north symphonic orchestra on the North American continent. The orchestra charged a nominal admission fee in those days, and performance proceeds went towards paying expenses. If there was any money left over, music and instruments were purchased. By 1950 the Symphony had purchased a set of two tympani, a clarinet, a bass viol and an oboe, together with a library of approximately 100 selections.

A devastating blow occurred in 1953 when Anchorage's municipal auditorium, with platforms, risers and some instruments inside, burned to the ground. It was rebuilt in 1955 and dedicated as the Sydney Laurence Auditorium, and appropriately the Symphony played a prominent part in the dedication ceremonies.

In 1956 the first Youth Concert was performed, and the Symphony joined forces with the Anchorage Community Chorus and the Anchorage Community College to form the Anchorage Festival of Music, featuring noted guest musicians.

In the early 1960's the Symphony branched out to embrace both ballet and opera. They teamed with the Anchorage Civic Ballet for the first full evening of ballet with full orchestra, and they joined the Anchorage Civil Opera for a performance of Strauss's "Die Fledermaus."

During the same period the Executive Board was formed to handle the Symphony's business matters, and the Anchorage Women's Symphony League was established to assist the Board and to promote the Symphony. One of its activities is the sponsorship of the annual Pops Concert and the Viennese Waltz night.

The Anchorage Chamber Symphony and the Anchorage Symphony String Quartet were formed in 1974 by Maurice Dubonnet and augment the tradition of providing fine performances in Anchorage as well as throughout the State.



Join us in Sitka, a beautiful community with an outstanding music festival. Please consider this your invitation to enjoy our splendid concert series presented every June. We gather from all over the world to be part of this Festival, and we're proud to say that our audiences do too.

We've designed this brochure to give you an overview of the Festival. Each year we publish specific information about the Festival's plans for the coming summer, including the concert dates and the musicians who will perform.

We hope this whets your curiosity and that you will plan to enjoy one or more of our concerts next June.

Sincerely,
The Sitka
Festival Musicians



Photograph by Peter

Sitka Summer Music Festival

Great Chamber Music in a glorious setting

Sitka Summer Music Festival
Box 907
Sitka, Alaska 99835

NORTHERN PRINTING
ANCHORAGE

Sitka Summer Music Festival

Paul Rosenthal, music director

Great chamber music in a glorious setting

Tuesdays and Fridays in June

Sitka Summer Music Festival



Great chamber music in a glorious setting

More than 1,000 miles from any other musical center, some of the world's finest musicians return year after year to perform great music in the midst of natural wonders.

Each June in Sitka's spectacular and historic setting, musicians gather to renew friendships and refresh themselves with the masterworks of chamber music. The result is a concert series as magical as its surroundings.

The Festival got its start in 1972, when violinist Paul Rosenthal realized that other accomplished young artists would share his enchantment with Alaska. He invited five musicians to join him in Sitka, which boasts a fine concert hall and an enthusiastic audience for chamber music.

Today the Sitka Summer Music Festival attracts standing room only crowds to the graceful 500 seat Centennial Building, where a wall of glass behind the stage overlooks Sitka Harbor.

The long Alaskan summer days mean that it is still light during the evening concerts. Eagles and seagulls can often be seen gliding past the snow-capped mountain peaks as small fishing vessels go about their business in the harbor.

Sitka was once the capital of Russian America and its Russian heritage is still quite evident. Historic buildings are in daily use and the site of a decisive battle for control of Southeast Alaska is just a short walk from downtown.

The days in Sitka offer historic tours, salmon bakes, wilderness hikes, traditional Russian dances, museums, fine Native Alaskan and contemporary art and some of Alaska's most exciting sportfishing.

And the nights are filled with the world's most beautiful music.





How to get there:

Sitka offers friendly and informal hospitality with a choice of first class hotel accommodations.

Modern jet airliners fly to Sitka every day from Seattle and chorage, which are both less than two hours flying time away. Convenient nnections from other major U.S. airports are available.

Sitka is also served by the ships of the Alaska Marine Highway System ch cruise the famed Inside Passage. These vessels offer service for vehicles walk-on passengers from Seattle, Prince Rupert, B.C., and the major cities outheast Alaska.

Travel agents anywhere in the U.S. can make the necessary tour arrange- ts. When preparing your itinerary be sure to spend Tuesday and Friday nings in Sitka, since those are the nights that the Sitka Festival presents certs.

Seating at the concerts is limited. Visitors to Sitka are encouraged to ke concert reservations at least one month in advance by writing to: ***ka Summer Music Festival, Box 907, Sitka, Alaska 99835.***

At the request of the musicians, children under six are not admitted to ka Festival performances.



The finances:

The Sitka Festival enjoys unusually broad financial support.

Ticket sales are a vital source of income, but they do not cover the entire cost of operation. Hundreds of different businesses, in- iduals, and foundations provide important contributions to the Festival's dget. Donations come from all over Alaska, more than half the rest of the tes in the Union, and even from as far away as Guam and Copenhagen.

The Sitka Festival also enjoys the support of several government agen- s, including the Municipality of Sitka, the Alaska State Council on the Arts, Alaska State Division of Tourism, and the National Endowment for the s.

The Festival must raise money each year through contributions in order to et its obligations and keep pace with the ravages of inflation. The Festival erates on a very careful budget and contributions of any size make a dif- nce. Contributions are tax deductible and are welcome at any time of the r.

The musicians and the music:

The Sitka Summer Music Festival is set amid the spectacular and un- tamed beauty of Southeast Alaska, but it is best known for the high calibre of its concerts.

It began as an informal reunion for some of the proteges of Jascha Heifetz and Gregor Piatigorsky. Today the Festival has grown into a distinguished musical tradition and a vital source of inspiration for its splendid performers.

The Festival attracts outstanding musicians because of the warm fellowship among the performers, the hospitality of Sheldon Ja College, the hard work and support of Sitka volunteers, and the large and siastic audiences from around the globe.

The Festival begins early in the month of June and lasts three weeks, with concerts on Tuesday and Friday evenings. The concert programs and the artists who will play them are announced in May. M rehearsals are open to the public without charge.

Festival artists are selected by a committee of musicians who perform regularly at the Festival.

Among the artists who have performed at the Sitka Summer Music Festival are:

Edward Auer, *piano*
Christiaan Bor, *violin*
James Decker, *French horn*
Arturo Delmoni, *violin*
Raphael Druian, *violin*
Maureen Gallagher, *viola*
Godfried Hoogeveen, *cello*
Thomas Hrynkiv, *piano*
Stephen Kates, *cello*
Yukiko Kamei, *violin*
Ani Kavafian, *violin*
Audrey King *cello*
Jennifer Langham, *cello*
Jerome Lowenthal, *piano*
Mitchell Lurie, *clarinet*
Peter Mark, *viola*
Gregor Piatigorsky, *cello*
Peter Rofe, *double bass*
Nathaniel Rosen, *cello*
Linda Rosenthal, *violin*
Paul Rosenthal, *violin*
Berl Senofsky, *violin*
Gary Smart, *piano*
Marilyn Smart, *soprano*
Jeffrey Solow, *cello*
Paul Sperry, *tenor*
Doris Stevenson, *piano*
Naoko Tanaka, *violin*
Milton Thomas, *viola*
Marcus Thompson, *viola*
Walter Trampler, *viola*
Emanuel Vardi, *viola*

The Sitka Festival is dedicated to presenting great music by outstanding artists. While no formal music school or institute is associated with the Festival, it is sometimes possible to make private arrangements for lessons with some of the artists. After our performers are announced each year, we will be happy to put you in touch with the musicians who play your instrument. Sheldon Jackson College and Sitka Community College offer classes in a wide variety of subjects during June. Details about their summer schools are available by writing to the colleges.

Bring a taste of Sitka to your city:

If you can't come to Sitka in June, it may be possible to bring the Sitka Festival to you.

Festival artists tour throughout the world as soloists and are always eager to arrange chamber music concerts with some of their Sitka Festival colleagues. Because of the spirit among the musicians, superb ensembles of nearly any size and composition can be drawn from the Sitka Festival's corps of musicians.

If you want to present a concert featuring Sitka Festival artists, the Festival will be happy to work with you.

NAVIDAD MEXICANA



DECEMBER 14, 1980–
JANUARY 4, 1981

Anchorage Historical and Fine Arts Museum

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in association with

ANCHORAGE CIVIC OPERA

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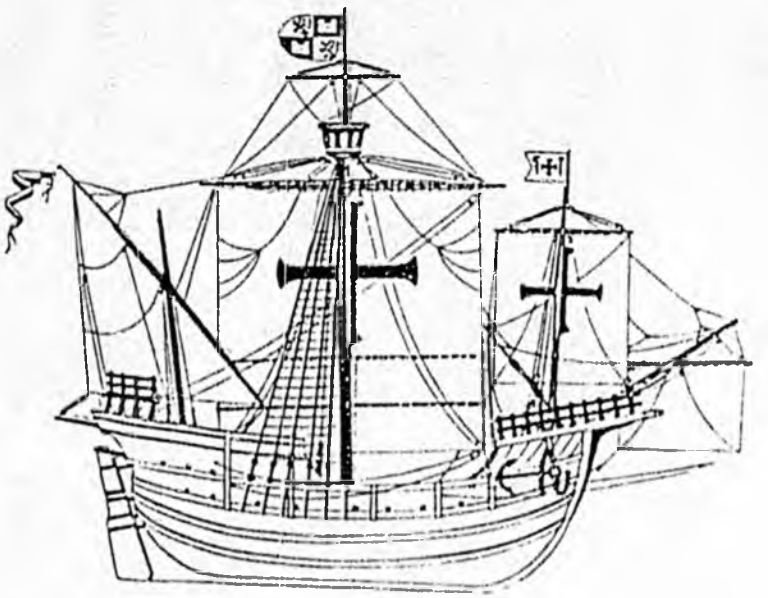
Christopher Columbus



JUNEAU-DOUGLAS HIGH SCHOOL AUDITORIUM

MARCH 28 & 29, 1981

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show to a season subscription,
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nities to taking a fully staged production to

to sixty in-school performances to Anchorage
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ateur community status to national recognition
ssional caliber company.
age Civic Opera takes pride in the stature it
d shares with the community the growing
arts in our midst. It is with a sense of commit-
val growth of Anchorage that we dedicate our
cing artistically improved performances for
udiences each year.
hold of a new decade with many of its dreams
t is a privilege to combine the artistic talents of
musicians with those of our guests to bring
world's great operatic masterpieces.
dim and the conductor raises his baton, not
on, but a new era in opera in Anchorage is un-
are glad you are here to share it with us.

Grace Oakley

THE ANCHORAGE CIVIC OPERA

Presents



SYDNEY LAURENCE AUDITORIUM

OCTOBER 25, 29, 31
NOVEMBER 2, 1980

Arts Alaska, Inc.

Arts Alaska, Inc.
619 Warehouse Avenue, Suite 216
Anchorage, Alaska 99501

Non-Profit Org.
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Artists-In-Schools: Barrow Students' mural, T. Lewis, resident artist.

What is Arts Alaska, Inc.?

Art is very much a part of all us. It grows from creative capacities we all possess. Arts Alaska wants to make it possible for people of all ages in every corner of Alaska to share in a variety of creative experiences, as participants as well as spectators.

Arts Alaska is a nonprofit corporation founded in 1975 and now the largest comprehensive private arts organization in the state. The purposes of Arts Alaska are to undertake arts programming in areas where demonstrated needs are not being met by other organizations; and to raise money from individuals, businesses and local sources to supplement state and federal government funds which are periodically available to support its programs.

Who does Arts Alaska serve?

Arts Alaska serves the residents of a growing number of communities in Alaska. Through its programs, Arts Alaska is directly involved with the state's community arts councils, local concert associations, arts and crafts guilds, drama groups, and schools from Barrow to Ketchikan. Like Arts Alaska, they are all dedicated to the idea that the arts are vital and integral to our state and national culture, and that they should be encouraged and enjoyed.



Artists-In-Schools: Juneau mime program, John Goldring, resident artist.





Program Service: Alaska Repertory Theatre production of "The Fourposter" travels to Kenai.

What does Arts Alaska do?

Educational Programs: Artists-in-Schools

Participation in creative experiences is basic to the human spirit and essential to the education of every child. It is often through some artistic experience that a child comes to a better understanding of himself and the world he lives in. To provide our children with these experiences, the Artists-in-Schools program was created.

The Artists-in-Schools program is designed to foster the mutual creative development of students and professional artists. By providing direct, intensive educational interaction between students and artists for periods of up to four months, the Artists-in Schools program enhances the student's powers of perception, encourages their talents and skills for expressing themselves creatively, and increases their appreciation of the arts. The students receive instruction in techniques and tools which would otherwise be unavailable to them. They learn that the arts are professions which are integral parts of society. The program reaches children across the state from urban Anchorage schools to one-room schools in logging camps like Thorne Bay and bush communities like McGrath and Kivalina.

Each school participating in the program may choose from among many art forms: the visual arts including painting, drawing, sculpture, printmaking and photography; crafts such as ceramics, weaving, carving and jewelry making; creative writing; theatre; mime; puppetry; folk arts, and traditional Alaskan native arts.

Statewide Performing Arts Programs: Program Service

Program Service was created in response to the needs of Alaskan audiences, the "consumers" of the performing arts. Several years ago many of Alaska's smaller communities began to express the desire to have high quality musicians, dancers and actors come to their communities. But small populations combined with the costs of travel and fees, plus the difficulty of making arrangements with the artists, made such performances seem impossible.

To meet these needs, Program Service was created. Each year, it provides the services of a limited number of the highest caliber of professional performing artists to a large number of Alaskan communities at a cost which is affordable to even the smallest and most remote village. The cost to each community is based upon its size and ability to pay, so none is excluded from participation.

Each year, more than 60,000 Alaskans attend Progam Service events. The range of art forms presented extends from baroque to bluegrass music, classical ballet to modern dance, the simplest mime to the grandest opera. Past Program Service touring artists have included the nationally recognized 5 by 2 Plus and First Chamber Dance Companies, the Dixieland Rhythm Kings, classical violinist Paul Rosenthal, popular bluegrass players the McLain Family Band, the resplendent Western Opera Theatre, and our state's own Alaska Repertory Theatre.



Lending a Helping Hand and Exploring New Possibilities

Many local arts agencies around Alaska are staffed by dedicated volunteers who need guidance with the increasingly complex business of promoting, financing and managing their events and programs. For assistance with everything from audience development to board member training, these organizations can, and do, turn to Arts Alaska for help. The Arts Alaska staff is constantly on the move throughout the state, assisting these agencies and keeping them informed of current developments in the arts which are of interest to their communities.

Additionally, many of Alaska's artists, seasoned professionals as well as those whose careers are just beginning, call upon Arts Alaska for assistance and guidance in the pursuit of their careers.

The flower of art is blooming more brilliantly in Alaska each year. Arts Alaska is dedicated to the constant search for new ways to encourage and foster the growth of this important element of our lives.

Who pays for Arts Alaska?

Needless to say, all of this costs money. As a matter of fact, it costs a substantial amount of money.

Why? The arts are labor intensive. Unlike most industries arts cannot be mechanized or mass produced, but are produced by hand, one at a time. It still takes four musicians to perform a string quartet and 70 or more to perform a symphony. A single performance of a two-hour play takes up to six weeks to rehearse and countless hours to build scenery, sew costumes and sell tickets. A sculpture which may inspire us while we glance at it for a few moments may take months to create. And as with most industries, time is money.

Even though artists are paid relatively small fees for their work, these inevitable facts of life, plus the uniquely Alaskan facts of expensive travel and high costs of materials, put the economics of the arts beyond the means of self-support.

Who pays the bills? Arts Alaska is supported by program receipts, community matching funds, private donations, business contributions, and grants received from the Alaska State Council on the Arts and the National Endowment for the Arts, a federal agency in Washington, D.C. Arts Alaska's efforts have been recognized by many generous donors. This support has made it possible for Arts Alaska to expand and improve its programs and services at an unprecendented rate.

Still each year Arts Alaska receives requests for more than twice the services and programs than it has funds to provide, and the demand for these services is growing yearly. Arts Alaska needs continued and increased support to continue reaching those to whom the arts are so important. You can help Arts Alaska and share in its goals by sending a tax-deductible contribution to:

Arts Alaska, Inc.
619 Warehouse Avenue, Suite 216
Anchorage, Alaska 99501



A rapidly changing society needs the humanizing rewards that art experiences can give. The support of the arts and those who create them is essential to the survival and development of our culture. Arts Alaska is devoted to these principles.

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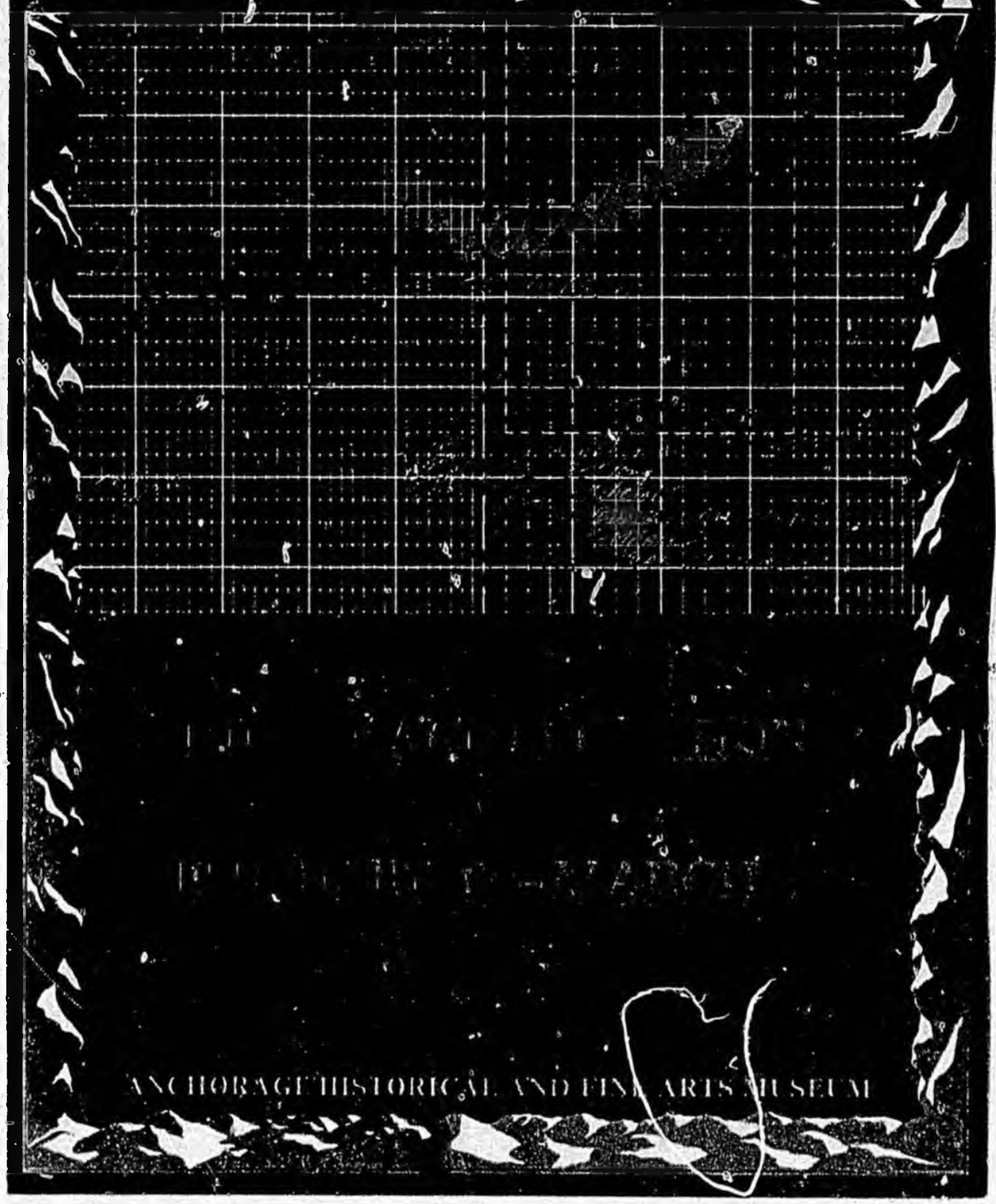
Reception: 1 — 5 p.m.
FEBRUARY 10, 1980



ANCHORAGE HISTORICAL AND FINE ARTS MUSEUM

ANCHORAGE HISTORICAL
AND FINE ARTS MUSEUM
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ANCHORAGE, ALASKA 99501

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1980-1981
SEASON
THE ANCHORAGE
CONCERT ASSOCIATION

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ANCHORAGE ARTS

THE NEWSLETTER OF THE ANCHORAGE ARTS COUNCIL — APRIL 1981

ARTS BUDGET TO GET THE BITE?



Last month we briefly introduced an issue that has recently taken the arts to the front pages when we printed some comments on the Reagan administration's plans for Federal spending on the arts. The issue of whether or not the Federal government should support the arts and if so, which ones and to what degree, is becoming familiar to more and more Americans. The March 16, 1981 issue of "Newsweek" magazine carried a two-page feature story entitle "The Arts Under Reagan's Ax." Part of it is quoted here:

"It was a happy moment for budget director David Stockman when he turned from the complicated issues of foreign aid and farm-price supports to the question of Federal aid to the arts and humanities -- the National Endowment for the Frills, as hardheaded Republicans seems to regard it. It was not considered part of the 'safety net' of social welfare programs, but more a kind of trampoline for the elite. If synthetic-fuels and child-nutrition programs were on the block, after all, who would go to bat for 'Heresies,' a feminist art quarterly, or the first book-length edition of Hegel's letters in English?

"Stockman's first impulse was reportedly to cut cultural funds to zero, at a savings next year of something over $300 million, though when the cuts were announced Feb. 18 he had restored half the money. Even so, the Muses -- personified by Democratic Congressman Sidney Yates of

out the eloquent outrage of Broadway producer Alexander Cohen, who quoted T.S. Eliot's "The Wasteland" to a House subcommittee hearing last week, warning of "voices singing out of empty cisterns and exhausted wells" if the rain of Federal dollars should ever stop falling.

"And culture has friends on Capitol Hill, although it has to make them the hard way -- by conviction, rather than campaign contributions. Its lobby, the American Arts Alliance, is a four-person effort on a limited budget; but senators of both parties banded together last month as "Concerned Senators for the Arts," while 134 members of the House belong to an arts caucus headed by New York Democrat Frederick Richmond, himself a wealthy arts patron. Their legislative strategy is to present the arts as an economic boon as well as a spiritual one -- an industry employing over a million people, generating $5 in local tax revenues for every dollar of government support. 'An unemployed artists,' observes lobbyist Anne Murphy, 'is just as unemployed as an unemployed steelworker.' Yates, whose subcommittee will have to pass on the endowments' budget, thinks the 50 per cent cutback is 'too drastic'; nevertheless, one member of the House leadership said he expects Congress ultimately to go along with Reagan's proposed reductions.

" ... Artists say they are prepared to do their share in revitalizing America; what concerns them more than the exact level of cuts

They are:
Senator Ted Stevens (R)
Senator Frank Murkowski (R)
Representative Ted Stevens (R)

In addition to writing to your own Representative and Senators, it is essential that you express your views to the chairmen of key Congressional committees that will soon conduct hearings on these matters. They are:

Representative Sidney Yates, Chairman
House Subcommittee on Interior and Related Issues
Representative Paul Simon, Chairman

SB

408

ALASKA STATE HOUSING AUTHORITY

April 13, 1981

The Honorable Vic Fischer
Chairman, State Affairs Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Re: SB408, 409, 410; SB231-235;
SB311, 312

Dear Vic:

The Board of Directors of the Alaska State Housing Authority recently met in Juneau to discuss pending and proposed legislation. The attached resolution was passed unanimously by the Board expressing our position on the approaches to grant funds administration in the housing area. Our Board is composed of five members, i.e., myself as Chairman, Ms. Joan Ray, 1st Vice Chairman, Mr. Gail Kincaid, 2nd Vice Chairman, Commissioner Charles Webber, member, and Ms. Cynthia Aiken, member. The ASHA Board as presently constituted is a widely representative cross section both regionally and on behalf of our program recipients.

With the consent of the Board, I would like to comment on Senate Bills 408, 409 and 410 which we just now received and reviewed. Senate Bill 408 seeks to restructure the ASHA Board and transfer ASHA to the Department of Community and Regional Affairs. On behalf of the Board I would like to clearly state the Board's opposition to SB 408. I believe the old saying "if it's not broken, don't fix it" applies in this instance. The simple fact is that the existing structure of ASHA's Board works and works well as verified by the Legislature's own auditors. The changes suggested in SB408 would not enhance inter-agency communication as that communication is already good.

Such a major change in the structure of ASHA, as outlined in SB408, should only be taken after extensive public testimony. Specifically, prior to action by the committee, I would request hearings at a minimum in Anchorage and possibly in other areas of the State. While at this time, the Board is opposed to SB408, we would reserve the right to reexamine our position after October of this year when the full impact of federal budget cuts are known.

TELEPHONE (907) 279-7643 BOX 80 ANCHORAGE, ALASKA 99510

The basic question as illustrated by the different approaches in SB231-235 and SB311 and 312 is the legislature's determination of which agency contains the expertise in housing and can use that expertise to actually construct and manage housing in Alaska. As the grant manager, ASHA can utilize its construction experience and its tax exempt bonding powers for the benefits of the seniors, families and handicapped who utilize ASHA's services and the very important needs of the regional housing authorities.

SB409 and 410 which directs the Department of Community and Regional Affairs to conduct a housing need survey and funds the survey is an appropriate planning responsibility of the Department of Community and Regional Affairs. Although it would be beneficial to Community and Regional Affairs to have the input of the Association of Housing Authorities and its members, the input will likely be requested by C&RA and therefore need not be addressed by amendment.

ASHA's concerns for this study are that it not be another shelf document which is completed, filed and forgotten. ASHA's prior proposal for a housing needs survey is for a continuing analysis of the shifting demographics and economics of housing within the state broken down at least by regions which coincide with the boundaries of the regional housing authorities. Ideally the housing needs survey will be the catalyst for a five year construction plan written individually by each affected housing authority and inter tied with the availability of state grant funds, federal construction funds and long term subsidies.

As stated in the resolution, the Board has reaffirmed its support for the approach taken in SB231 through 235 and would request your committee's support for and passage of SB231 through 235.

Sincerely,

ALASKA STATE HOUSING AUTHORITY

Roger Lang

Roger Lang
Chairman

RL:JMC:mrm

RESOLUTION OF THE ALASKA STATE HOUSING AUTHORITY
REGARDING PROPOSED LEGISLATION

RESOLUTION NO. 2574

WHEREAS, the Board has reviewed legislation introduced at the Alaska State Housing Authority's request through the Rules Committees of the Senate and the House, i.e., SB231 - SB235, HB256 - 260; and

WHEREAS, the Board has reviewed other legislation pertaining to housing, i.e., HB150 and SB311 and find the approaches outlined in the bills a less effective and efficient method of promoting housing within the State of Alaska; and

WHEREAS, the Legislature and the Administration of the State of Alaska have the opportunity to utilize the experience and expertise in the housing area of the Alaska State Housing Authority.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Alaska State Housing Authority as follows:

1. The Board reaffirms its support for the approach taken in SB231 - 235 and HB256 - 260; and

2. The Board requests the cooperation and support of the Legislature and the Administration in passage of the above stated bills.

PASSED AND APPROVED by the Board of the Alaska State Housing Authority this 7th day of April, 1981.

Senate Bill 409 Sponsors Fischer and Stimson

Introduced April 10, 1981 and co-sponsored by Stimson

Section 1, Instructs the Department of Community and Regional Affairs to conduct a study of the statewide housing needs of:

1) senior citizens
2) persons of low and moderate income

A: Determine those housing needs by geographic area of the state.
B: Explore the alternative means of meeting the housing needs of those groups.
C: The Department is to make a report by January 30, 1983 to the legislature on the findings of the study and make recommendations for alternative approaches to housing, financing, and organizational requirements to meet the housing needs.

Section 2, Act to take effect immediately

Senate Bill 410 Sponsors: Fischer and Stimson

This is the companion bill to SB409.

Section 1, appropriates $450,000 from the general fund to the Department of Community and Regional Affairs to conduct the statewide housing study as outlined in the above.

Section 2, explains that the unobligated funds will lapse into the general fund on June 30, 1983.

Section 3, Explains that the effective date of this bill will commence on the effective date of Senate Bill 409

Senate Bill 408 Sponsor: Fischer

Introduced April 10, 1981

Section 1, Removes the Alaska Housing Authority from the Department of Commerce and Economic Development and places it in the Department of Community and Regional Affairs.

This section explains the present composition of the authority's Board which is as follows:

Seven members are on the Board of Directors:
1) the commissioner of community and regional affairs,
2) the commissioner of commerce and economic development
3) the commissioner of revenue
4) four public members appointed by the governor. Of the public members, one is a senior citizen ~~65~~ 60 years of age or older and one a receipient under an Alaska State Housing Authority Housing program. The term of office of a public member of the board is three years.

Section 2, Requests that the Department of Community and Regional Affairs to file an annual report of its activities and make recommendatons for legislation or other action it considers necessary.

The change in this section is adding Community and Regional Affairs deleting Commerce.

Section 3, Requests the authority to submit an annual report, including a financial statement, covering its activities to the Department of Community and Regional Affairs.

Again, the change in this section is adding Community and Regional Affairs and deleting Commerce.

Section 4, Similar to Section 3, except that the statute reference numbers are different and also it replaces Commerce with the Department of Community and Regional Affairs.

Section 5, This section affects the composition of the board of directors in section 1 of this act. It deletes the present term of office for public members now serving to:

1) serve staggered three-year terms.
2) of the initial members appointed, one member shall serve a term of one year. One member shall serve a term of two years and two members shall serve a term of three years.

Section 6, Explains the intent of the Act, to transfer the location of the Alaska State Housing Authority and alter the compositon of the board of Directors. This section continues in effect and unchanged powers, duties, rights and obligations of the authority.

Note: This legislation does not give an effective date.

Introduced: 4/10/81
Referred: State Affairs, Labor & Commerce, Community & Regional Affairs and Finance

IN THE SENATE BY FISCHER

SENATE BILL NO. 408

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the Alaska State Housing Authority; transferring the authority from the Department of Commerce and Economic Development to the Department of Community & Regional Affairs; and changing the composition of the board of the authority."

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

* Section 1. AS 18.55.020 is repealed and reenacted to read:

Sec. 18.55.020. ALASKA STATE HOUSING AUTHORITY. There is established in the Department of Community and Regional Affairs the Alaska State Housing Authority. The authority is governed by a seven-member board of directors, consisting of the commissioner of community and regional affairs, the commissioner of commerce and economic development, the commissioner of revenue, and four public members appointed by the governor. Of the public members, one shall be a senior citizen 65 years of age or older and one shall be a recipient under an Alaska State Housing Authority program. The term of office of a public member of the board is three years.

* Sec. 2. AS 18.55.270 is amended to read:

Sec. 18.55.270. REPORTS AND RECOMMENDATIONS FOR LEGISLATION. The authority shall file with the Department of Community and Regional Affairs [COMMERCE] an annual report of its activities and shall make recommendations for the legislation or other action it considers necessary to carry out the purposes of AS 18.55.010 - 18.55.290.

added

* Sec. 3. AS 18.55.430 is amended to read:

Sec. 18.55.430. AUTHORITY TO SUBMIT ANNUAL REPORT. The authority shall submit an annual report, including a financial statement, covering its activities under AS 18.55.300 - 18.55.470 to the Department of Community and Regional Affairs [COMMERCE].

added

* Sec. 4. AS 18.55.640 is amended to read:

Sec. 18.55.640. REPORT BY THE AUTHORITY. The authority shall submit to the Department of Community and Regional Affairs [COMMERCE,] an annual report, including a financial statement, covering its activities under AS 18.55.480 - 18.55.960.

added

* Sec. 5. The terms of office of public members serving on the board of the Alaska State Housing Authority (AS 18.55.020) on the effective date of this Act are terminated. Public members of the board of directors of the Alaska State Housing Authority under AS 18.55.020, as repealed and reenacted by sec. 1 of this Act, shall be appointed to serve staggered three-year terms. Of the initial members appointed under this section, one member shall serve for a term of one year, one member for a term of two years, and two members for a term of three years.

Recomposition of public members terms on Board

* Sec. 6. It is the intent of this Act to transfer the location of the Alaska State Housing Authority and alter the composition of the board of directors, but to continue in effect and unchanged all powers, duties, rights and obligations of the authority.

1356 JUNEAU SENIOR CITIZEN HOUSING & FACILITIES BUDGET (REVISED 4/81)

ASSUME CONSTRUCTION ON MOUNTAIN VIEW SITE

FAIR MARKET RENT /ELEVATOR/ELDERLY..... $ 599
$143,760 CONTRACT AUTHORITY ÷ 12 = $ 11,980/MO
$ 11,980 ÷ $ 599 = 20 UNITS

$ 599 - $ 200 MANAGEMENT COSTS = $ 399 PUM AVAILABLE FOR PAY-BACK

$ 399 x 20 = $ 7,980 PER MONTH
$ 7,980 - $ 1,000/MO. (UTILITIES & MAINTENANCE FOR ANCILLARY FACILITIES)
= $ 6,980

ASSUME 10% INTEREST @ 40 YEAR TERM = $ 822,000 FROM TABLES
$ 822,000 + $ 1.2 MILLION + $ 50K = $2,072,000

DEVELOPMENT COSTS:

CONSTRUCTION (INCLUDING SITE WORK) 20 UNITS SECTION 8 20 x 625 SQ. FT. x 1.4 COMMON AREA x $95/SQ. FT. =	$1,662,500
ANCILLARY FACILITIES @ 4,599 SQ. FT. x $100/SQ. FT. =	$ 450,000
A/E ($2,112,500 x 7%).....	$ 148,000
GPA CONSULTANTS.....	$ 25,000
INTERIM INTEREST (ASSUME HAVE MONEY ½ YEAR BEFORE PROJECT COMPLETION).....	$ 47,000
CONTINGENCY & COST OF BOND ISSUANCE, IF APPLICABLE.	$ 100,000
ASHA ADMINISTRATION.....	$ 100,000
TOTAL DEVELOPMENT COSTS.....	$2,532,500

TOTAL DEVELOPMENT COSTS.....	$2,532,500
TOTAL FUNDS AVAILABLE TO DATE.....	$2,072,000
DEFICIT	$ 465,500

Due to (1) expanded requirements and desires which have been identified during the project program study and (2) higher estimated construction costs, the original development budget has now been exceeded by approximately $460,500 as shown.

4-2-81 Jerry Reinwand

Chuck Webber -

ASHA - very independ agency
- not matter where located
- independent

No objection as to location

OK - on condition that retain seat on board -

cleaned up agency -

Roger Lang - Chm of ASHA board.

→ no objection

SB

409

Introduced: 4/10/81
Referred: State Affairs,
Community & Regional Affairs
and Finance

IN THE SENATE BY FISCHER AND STIMSON

SENATE BILL NO. 409

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act directing the Department of Community and Regional Affairs to conduct a study of housing needs ~~for senior citizens, and persons of low and moderate~~ the handicapped income; and providing for an effective date."

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

* Section 1. The Department of Community and Regional Affairs shall conduct a study of the statewide housing needs of senior citizens, the handicapped and persons of low and moderate income; determine those housing needs by geographic area of the state; and explore the alternative means of meeting the housing needs of those groups. By January 30, 1983, the department shall make a report to the legislature on the findings of this study and shall make recommendations for alternative approaches to housing, financing, and organizational requirements to meet housing needs.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-070(c).

handicapped

Alaska State Legislature

SENATOR
ARLISS STURGULEWSKI

COMMITTEES
CHAIRMAN
Legislative Budget & Audit

Community & Regional Affairs
Finance
Resources

Senate

2957 SHELDON JACKSON
ANCHORAGE, ALASKA 99504
DISTRICT 10-H

While in Juneau
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3818

M E M O R A N D U M 12 April 1981

TO: Senator Fischer
Senator Stimson

FROM: Senator Sturgulewski

SUBJECT: Handicapped Housing

There is a need in this state for housing for the handicapped. There is a further need for coordination of the administration of grants and loans for this type of housing. The Department of Community and Regional Affairs already administers housing programs such as non-conforming housing, senior citizen housing, and has statutory authority for low and moderate income housing administration. ASHA is by statute responsible for the development of low and moderate income housing, as well as management and maintenance of some of their projects. ASHA also has senior citizen housing programs.

Senate Bills 409 and 410 direct the Department of Community and Regional Affairs to conduct a study of housing needs for senior citizens and persons of low and moderate income and make a special appropriation for that study. If this study is funded, it certainly seems appropriate for the Department of Community and Regional Affairs to study the alternative approaches for the building, financing and management of housing for the handicapped.

Attached is a copy of a budget request being submitted by Representative Cotten for a grant to build residences for the developmentally disabled. Untils such time as an appropriate means of providing for and administering programs for the handicapped is determined, we shall no doubt see other similar requests. Obviously a need exists.

cc: Senator Rodey
Representative Cotten

Project Title	Location(s)	Election Districts Served	Start Date	Completion Date
ARCA: Sheltered Residential Fac for Moderately Mentally Retarded Adts	(2) Anchorage	(3)	(4) FY 82	(5) FY 82

(6) AGENCY REQUEST		
[illegible]	Federal Receipts	
[illegible]	G/F Match	
[illegible]	General Fund	$1,300,000
[illegible]	I/A Receipts	
	G.O. Bonds	
	Total	$1,300,000

(7) Operational Cost & No. Personnel Increase -- (Decrease)		First Operating Year ____	Ultimate Annual Year ____
Funding Source	Federal Receipts		
	General Fund		
Total Annual Operational Cost			
Position (FTE)			

Previous Year-Priority	Agency Priority	Governor's Priority

GOVERNOR'S REQUEST	Approved	Deferred	Disapproved
1002	Federal Receipts		
1003	G/F Match		
1004	General Fund		
1005	I/A Receipts		
	G.O. Bonds		
	Total		

PROJECT DESCRIPTION (8)

This appropriation is designed to fund the construction of residential housing for retarded adults. This housing would be similar to senior citizens housing or our Pioneer Homes in that these housing facilities would be life long resident locations for the intended individuals. These facilities will be located on land already owned by ARCA (Association for Retarded Citizens of Anchorage) which totals 33 acres. With proper planning these facilities can be accompanied with recreational facilities, spacious lawns, appropriate activities and security at some future date. These facilities will house 20 retarded adults as well as the supervisory staff required to operate and maintain the premises. It should be noted that full time supervisory staff housing will be needed.

CONSTRUCTION BUDGET:

Residential Home No. 1 (6,075 sq. ft. @ $90 per sq. ft.)	$546,750.00
Residential Home No. 2 (6,075 sq. ft. @ $90 per sq. ft.)	$546,750.00
Road, sewer, and utility extensions	$106,500.00
*Total Construction Budget	$1,200,000.00

PLANNING AND PROJECT DEVELOPEMENT BUDGET:

Planning Coordinator	$18,000.00
Architectural and Engineering Fees	$14,000.00
Consultants	$ 4,000.00
Travel	$ 4,000.00
Miscellaneous	$52,000.00
*Total Planning and Development Budget	$100,000.00

LEGISLATIVE MEMBER'S SIGNATURE: _____

CATEGORY (9) Social Services

AGENCY Social Services

PROGRAM

Page of

Revised Date

FY 82

LEGISLATIVE REQUEST
PROPOSED CAPITAL
PROJECT

Introduced: 4/10/81
Referred: State Affairs, Community & Regional Affairs and Finance

IN THE SENATE BY FISCHER AND STIMSON

SENATE BILL NO. 409

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act directing the Department of Community and Regional Affairs to conduct a study of housing needs for senior citizens and persons of low and moderate income; and providing for an effective date."

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

* Section 1. The Department of Community and Regional Affairs shall conduct a study of the statewide housing needs of senior citizens, of the handicapped, and of persons of low and moderate income; determine those housing needs by geographic area of the state; and explore the alternative means of meeting the housing needs of those groups. By January 30, 1983, the department shall make a report to the legislature on the findings of this study and shall make recommendations for alternative approaches to housing, financing, and organizational requirements to meet housing needs.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Need joint resolution study

HB 150 Senior citizens

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 99811

April 20, 1981

Rec'd
4-20-81

The Honorable Vic Fischer
Chairman, State Affairs Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99811

RE: SB 409

Dear Senator Fischer:

As you requested, we have reviewed SB 409 and suggest that Section 1 of the Bill be modified. Attached for your consideration is a copy of our suggested change to the Bill.

Sincerely,

Jack Smoodey
for.

Lee McAnerney
Commissioner

cc: Keith Specking

21-P2LH

(1)

SECTION I

The Department of Community and Regional Affairs shall contract for an independent housing needs study to be conducted by a nationally recognized consulting firm with a demonstrated expertise in the delivery of housing systems and financing methods for:

(a) An independent professional analysis identifying the housing needs of the Alaska population based upon statewide and regional geographic areas served by authorities established by AS 18.55.996 and by the demographics relating to the existing housing stock, the income, and recognizing the particular needs of senior citizens, low and moderate income families and handicapped, as well as the needs of the general populace residing within the State.

(b) An independent professional analysis of the housing funding and delivery systems within the state, including but not limited to (1) tax exempt bond financing, (2) taxable bond financing, (3) direct appropriation, (4) federal funding, (5) private financing and the organizational structure of the funding delivery systems.

(c) By January, 1983 the independent professional analysis of the housing needs, funding and delivery systems with accompanying recommendations for improvements, additions or deletions to the systems must be made in a report to the Legislature.

Section 2 - same as existing SB 409

cc: Keith Specking

POSITION PAPER/Department of Health & Social Services

POSITION PAPER
ON
CS FOR SENATE BILL No. 409 (STATE AFFAIRS)

"An Act providing for a statewide comprehensive housing study; ED."

This bill provides for the Department of Community and Regional Affairs to contract for a comprehensive housing needs study to be conducted by a consulting firm with expertise in the analysis of housing systems and financing methods. This professional analysis is to be statewide in scope with particular attention given to the housing needs of senior citizens, the handicapped, low and moderate income families, as well as to the needs of the general populace of the state. A report of the results of the analysis with recommendations is to be submitted to the legislature by January, 1983.

The Department of Health and Social Services supports the concept of this Bill and will coordinate with the Department of Community and Regional Affairs should this Bill pass. We also recommend that the Department of Community and Regional Affairs coordinate its efforts with the proposed Older Alaskans Commission, in the event it is established. It may be advisable to define "senior citizens and low and moderate income families" for the purpose of this bill.

Recommended by: Elizabeth Muktarian

Elizabeth Muktarian
Director
Division of Adult & Aging Services

Date: 5/11/81

Approved by: Helen D. Beirne

Helen D. Beirne
Commissioner
Department of Health and Social Services

Date: 5/19/81

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CS for Senate Bill No. 409 (State Affairs)
Title "An Act providing for a statewide Comprehensive housing study; ED".
Requested by _____ Date May 11, 1981

II. FISCAL DETAIL
Agency Affected Department of Health and Social Services
Program Category Affected Social & Economic Assist for the Aged
BRU, Program, or Subprogram(s) Affected Division of Adult and Aging Services - Aging Grants
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-				

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		-0-				
PART TIME						
TEMPORARY						

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

Zero Impact

Dorothy Walt

IV. DATE 5-11-81 PREPARED BY Dorothy Walt
AGENCY Division of Adult and Aging Services
PHONE 465-3250

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named) M&B Approval [signature] Date 5/13/81

33-001 (Rev. 12/80)

SB

410

POSITION PAPER/Department of Health & Social Services

POSITION PAPER
ON
SENATE BILL NO. 410

"An Act making a special appropriation to the Department of Community and Regional Affairs for a statewide housing study; and providing for an effective date."

This Bill appropriates $450,000 to the Department of Community and Regional Affairs to conduct the statewide housing needs for senior citizens and persons of low and moderate income as contained in Senate Bill No. 409, the authorizing companion Bill to this proposal.

The Department of Health and Social Services supports the basic concept contained in the authorizing Bill.

Recommended by: Elizabeth Muktarian

Elizabeth Muktarian
Director
Division of Adult and
Aging Services

Date: 4/20/81

Approved by: Helen D. Beirne

Helen D. Beirne
Commissioner
Dept. of Health and
Social Services

Date: 4/28/81

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill No. 410
Title "An Act making a special appropriation to the Department of Community & Regional Affairs for a statewide housing study; and providing for an effective date."
Requested by Date April 20, 1981

II. FISCAL DETAIL
Agency Affected Department of Health and Social Services
Program Category Affected Social and Economic Assistance for the Aged
BRU, Program, or Subprogram(s) Affected Division of Adult and Aging Services - Aging Grants
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-				

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Zero Impact

IV. DATE 4-20-81 PREPARED BY Dorothy Walt
AGENCY Division of Adult and Aging Services
PHONE 465-3250

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named) M&B Approval Date 4/21/81

33-001 (Rev. 12/80)

Introduced: 4/10/81
Referred: State Affairs,
Community & Regional Affairs
and Finance

Funding Information
General Fund $450,000
Other Funds -0-
$450,000

IN THE SENATE BY FISCHER AND STIMSON

SENATE BILL NO. 410

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Department of Community and Regional Affairs for a statewide housing study; and providing for an effective date."

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

* Section 1. The sum of $450,000 is appropriated from the general fund to the Department of Community and Regional Affairs to conduct the statewide housing study called for in "An Act directing the Department of Community and Regional Affairs to conduct a study of housing needs ~~for senior citizens and persons of low and moderate income;~~ and providing for an effective date."

* Sec. 2. The unexpended and unobligated portion of the appropriation made by this Act lapses into the general fund June 30, 1983.

* Sec. 3. This Act takes effect on the effective date of an Act entitled "An Act directing the Department of Community and Regional Affairs to conduct ~~a study of~~ a statewide housing study ~~a study of housing needs for senior citizens and persons of low and moderate income;~~ and providing for an effective date."

provide for handicapped

POSITION PAPER/Department of Health & Social Services

POSITION PAPER
ON
CS FOR SENATE BILL No. 410 (STATE AFFAIRS)

"An Act making a special appropriation to the Department of Community and Regional Affairs for a statewide housing study; Ed."

This Bill appropriates $450,000 to the Department of Community and Regional Affairs to contract for a statewide comprehensive housing study as contained in CSSB No. 409(SA), the authorizing companion Bill to this proposal.

The Department of Health and Social Services supports the basic concept contained in both the authorizing Bill and the appropriation Bill.

Recommended by: Elizabeth Muktarian
Elizabeth Muktarian
Director
Division of Adult and
Aging Services

Date: 5/11/81

Approved by: Helen D. Beirne
Helen D. Beirne
Commissioner
Department of Health and
Social Services

Date: 5/19/81

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CS for Senate Bill No. 410 (State Affairs)
Title "An Act making a special appropriation to the Department of Community and Regional
Requested by Affairs for a statewide housing study; Ed." Date May 11, 1981

II. FISCAL DETAIL
Agency Affected Department of Health and Social Services
Program Category Affected Social & Economic Assist for the Aged
BRU, Program, or Subprogram(s) Affected Division of Adult and Aging Services - Aging Grants
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-				

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		-0-				
PART TIME						
TEMPORARY						

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

Zero Impact

IV. DATE 5-11-81 PREPARED BY Dorothy Walt
AGENCY Division of Adult and Aging Services
PHONE 465-3250

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named) M&B Approval [signature] Date 5/12/81

33-001 (Rev. 12/80)

Funding Information
General Fund $450,000
Other Funds -0-
$450,000

Introduced: 4/10/81
Referred: State Affairs, Community & Regional Affairs and Finance

IN THE SENATE

BY FISCHER AND STIMSON

SENATE BILL NO. 410

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Department of Community and Regional Affairs for a statewide housing study; and providing for an effective date."

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

* Section 1. The sum of $450,000 is appropriated from the general fund to the Department of Community and Regional Affairs to conduct the statewide housing study called for in "An Act directing the Department of Community and Regional Affairs to conduct a study of housing needs [for senior citizens and persons of low and moderate income]; and providing for an effective date."

* Sec. 2. The unexpended and unobligated portion of the appropriation made by this Act lapses into the general fund June 30, 1983.

* Sec. 3. This Act takes effect on the effective date of an Act entitled "An Act directing the Department of Community and Regional Affairs to conduct a study of housing needs [~~for senior citizens~~ and persons of low and moderate income] and providing for an effective date."

SB

471

ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 471

Title An Act relating to retroactive contributions to the PERS

Requested by Senator Fischer Date

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits

Program Category Affected Labor Services

BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 (PERS)

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

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS		67.0	67.0	67.0	67.0	67.0
TOTAL	-0-	67.0	67.0	67.0	67.0	67.0

FUNDING (Thousands of Dollars)

GENERAL FUND		54.9	54.9	54.9	54.9	54.9
FEDERAL FUNDS		3.1	3.1	3.1	3.1	3.1
VETERAN'S FUND		.1	.1	.1	.1	.1
FISH & GAME FUND		.4	.4	.4	.4	.4
HIGHWAY FUND		.9	.9	.9	.9	.9
AIRPORT FUND		1.9	1.9	1.9	1.9	1.9
CAPITAL FUND		5.7	5.7	5.7	5.7	5.7
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. Estimate approximately 50 members would qualify for service credit under this bill.
2. Estimate average additional service credit for those 50 members to be three years.

IV. DATE 5/04/81 PREPARED BY Paul B. Arnoldt, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Senator Kerttula

Office of the Governor (Keith Specking)

SB

472

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill 472
Title An Act providing that territorial employees can become members of PERS
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Administration - Division of Retirement and Benefits
Program Category Affected Labor Services
BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 (PERS)
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS		33.0	33.0	33.0	33.0	33.0
TOTAL	-0-	33.0	33.0	33.0	33.0	33.0

FUNDING (Thousands of Dollars)

GENERAL FUND		27.0	27.0	27.0	27.0	27.0
FEDERAL FUNDS		1.5	1.5	1.5	1.5	1.5
VETERAN'S FUND		.1	.1	.1	.1	.1
FISH & GAME FUND		.2	.2	.2	.2	.2
HIGHWAY FUND		.4	.4	.4	.4	.4
AIRPORT FUND		1.0	1.0	1.0	1.0	1.0
CAPITAL FUND		2.8	2.8	2.8	2.8	2.8
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. Estimate that approximately 5 people could qualify for benefits under this bill.

2. Estimate that approximately 15 years service will be claimed by each member.

3. Assume that those qualifying for service credit under this bill could receive benefits immediately.

IV. DATE 4/20/81 PREPARED BY Paul R. Arnoldt Director
AGENCY Division of Retirement & Benefits
PHONE 465-4460

Original: Legislative Finance
Budget and Management
Prime Sponsor (First Legislator Named) Senator Kerttula
Office of the Governor (Keith Specking)

Earl Albrecht

Introduced: 4/20/81
Referred: State Affairs, Judiciary and Finance

IN THE SENATE BY KERTTULA BY REQUEST

SENATE BILL NO. 472

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act providing that territorial employees can become members of the public employees' retirement system; and providing for an effective date."

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

* Section 1. AS 39.35 is amended by adding a new section to read:

Sec. 39.35.362. TERRITORIAL SERVICE. (a) A person employed by the Territory of Alaska for 10 or more years who has not been employed by the state after January 1, 1961, may claim credited service for service rendered as an employee of the Territory of Alaska. The retirement benefits payable to an employee under this subsection shall be reduced by the amount of the retirement pension benefits paid to him by the United States government for the same period of service.

(b) Notwithstanding AS 39.35.360(b), an employee who claims retroactive credited service for employment under this section is indebted to the system and must contribute to the system in order to receive the credited service claimed. The amount of the indebtedness is 4.25 percent of the salary the employee received during the period of employment with the territory for which contributions are made. Benefits are not payable on credited service claimed under this section unless the employee makes retroactive contributions to the system to discharge his indebtedness.

* Sec. 2. AS 39.35.680(21)(B) is amended by adding a new subparagraph to read:

(viii) teritorial service member;

* Sec. 3. AS 39.35.680 is amended by adding a new paragraph to read:

(39) "territorial service member" means a person who was employed by the territory for 10 or more years, who qualifies for a benefit under AS 39.35.362(a) and claims the benefit as required by AS 39.35.362(b).

* Sec. 4. AS 39.35 is amended by adding a new section to read:

Sec. 39.35.387. TERRITORIAL SERVICE MEMBER BENEFITS. A Territorial service member is eligible for a normal retirement benefit at age 55 with at least 10 years of credited service. The monthly amount of the retirement benefit shall be computed in accordance with AS 39.35.370(c), and is payable in accordance with AS 39.35.370(e).

* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.070(c).

SB

520

Fischer

LEGISLATIVE REPORTING SERVICE

ANN GARDINER METCALFE

KIMBERLY M. HELMAR

510 KENNEDY STREET
JUNEAU, ALASKA 99801

(907) 586-6672

May 4, 1981

REPORT NO. 16

IN THE SENATE: Honorable Jalmar Kerttula, President

Senator Rodey, Majority Leader
Senator Bradley, Whip

INTRODUCTION OF BILLS (Senate)

Personal and Terminal Leave (payment for)

SENATE BILL NO. 520, by the Rules Committee by request of the Governor. Amends statutes relating to compensation and allowances for public officers and employees to allow payment for accrued personal leave. Also allows for payment for terminal leave to be determined by multiplying the number of hours of accrued leave by the hourly pay rate in effect on the date of termination of the officer or employee. Provides for an immediate effective date.

Introduced April 27 and referred to State Affairs, then to Finance.

In his message accompanying the bill, Governor Hammond stated:

> Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to payment for personal and terminal leave of state employees.
>
> The bill amends AS 39.20.250(a) to provide for calculating the value of an employee's accrued personal leave at termination according to the rate of pay then in effect. Under existing law, an employee's terminal leave is equal to the amount which he or she would have earned by remaining in service for the period of accumulated leave. Thus, terminal leave would include a pay raise which is not in effect before termination and will be in effect while the officer or employee is on terminal leave. The Department of Administration has consistently calculated terminal leave at the rate of pay in effect at the date of termination. This will conform the statute to the longstanding administrative practice, and removes administrative difficulties in calculating terminal leave.
>
> This bill also provides for payment instead of personal leave, not to exceed 75 hours per year for each officer or employee. This option is currently available under most collective bargaining agreements for covered employees, and under this bill, will be available to all employees.

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 24, 1981

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to payment for personal and terminal leave of state employees.

The bill amends AS 39.20.250(a) to provide for calculating the value of an employee's accrued personal leave at termination according to the rate of pay then in effect. Under existing law, an employee's terminal leave is equal to the amount which he or she would have earned by remaining in service for the period of accumulated leave. Thus, terminal leave would include a pay raise which is not in effect before termination and will be in effect while the officer or employee is on terminal leave. The Department of Administration has consistently calculated terminal leave at the rate of pay in effect at the date of termination. This will conform the statute to the longstanding administrative practice, and removes administrative difficulties in calculating terminal leave.

This bill also provides for payment instead of personal leave, not to exceed 75 hours per year for each officer or employee. This option is currently available under most collective bargaining agreements for covered employees, and under this bill, will be available to all employees.

Sincerely,

Jay S. Hammond
Governor

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 520
Title An Act Relating to Payment for Accrued Personal & Terminal Leave
Requested by Governor Date

II. FISCAL DETAIL
Agency Affected All
Program Category Affected All
BRU, Program, or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The current law is unclear. This change clarifies how payment will be made and is in accordance with current practice. Therefore there is no additional cost to the State.

IV. DATE April 23, 1981 PREPARED BY Judy Crondahl
AGENCY Administration
PHONE 465-2277

Original: Legislative Finance

SB

530

SB530

SB530

KYUK-TV

Village Coverage

1977 - 1980

KYUK-TV

Three year Average Dec 77 - 80

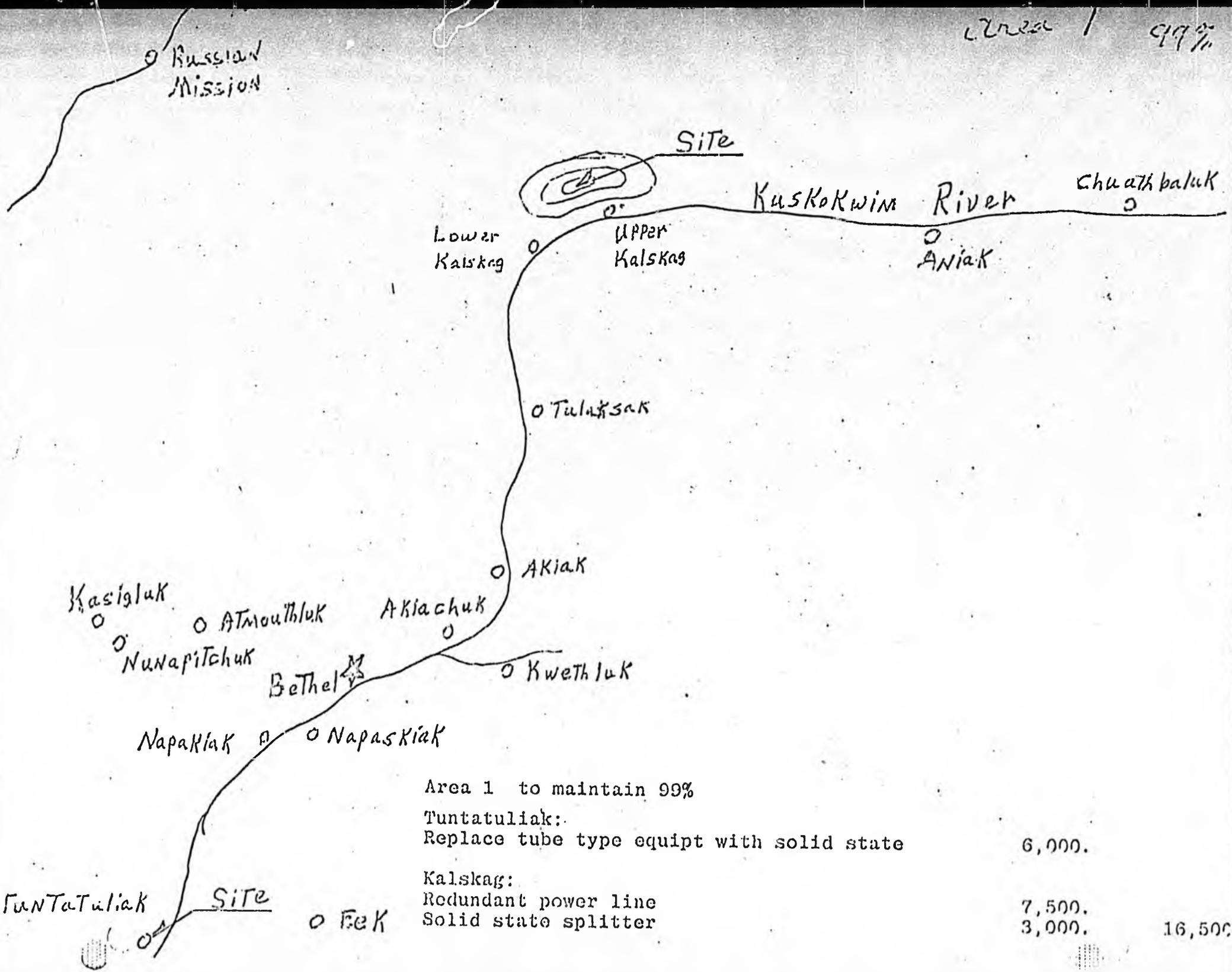
These averages include down Time For extensive Maintenance during Summer of 1980 - but do NOT yet reflect the benefits of That Maint.

KYUK TV Translator Proposal

Area 1 to maintain 99%		
Tuntatuliak:		
Replace tube type equipt with solid state	6,000.	
Kalskag:		
Redundant power line	7,500.	
Solid state splitter	3,000.	16,500
Area 2 for 99%		
Marshall:		
Redundant power line	9,700	
Redundant Pre amp and Translator	7,500	
Mountain Village:		
Redundant Power Line	2,500	
Solid state 5 watt amp	4,500	
Pitka's Point:		
Redundant Power Line	3,000	
Saint Mary's:		
Translator, complete installation	21,500.	48,700
Area 3 for 98%		
Hill 351:		
3 ea 5 Watt amps, antennas, housing	14,000	
20 watts solar power and batteries	26,000	
Emmonak:		
60 foot tower, New Housing	7,500	
Kotlik:		
60 foot tower, New Housing	7,500	55,000
Area 4 for 98%		
Scammon Bay:		
Redundant power line	8,900	
Redundant receiving installation	5,900	
Hooper Bay:		
Solid state line driver	3,700	
Solid state splitter	3,000	
Replacement translator	5,000	
Newtok:		
5 Watt Amp	5,000	
Additional solar power and batteries	8,300	39,800

Area 5 for 97%		
Nightmute:		
Redundant power line	7,500	
Replacement translator & Solid state splitter	7,900	
Tununak:		
Additional 10,000 ft power line	7,500	
Replacement housing and move	2,500	
Turn Mountain:		
Replace batteries, increase housing	9,400	34,800
Area 6 for 99%		
Quinhagak:		
Add 5 watt amplifier and splitter	9,000	
Additional solar power and batteries	8,300	17,300
Area 7 for 99%		
Red Devil:		
Redundant power line	16,000	
Solid state translator and splitter	7,000	
Housing for transmitting antennas	4,500	27,500
Total:		$239,600

Area 1 99%

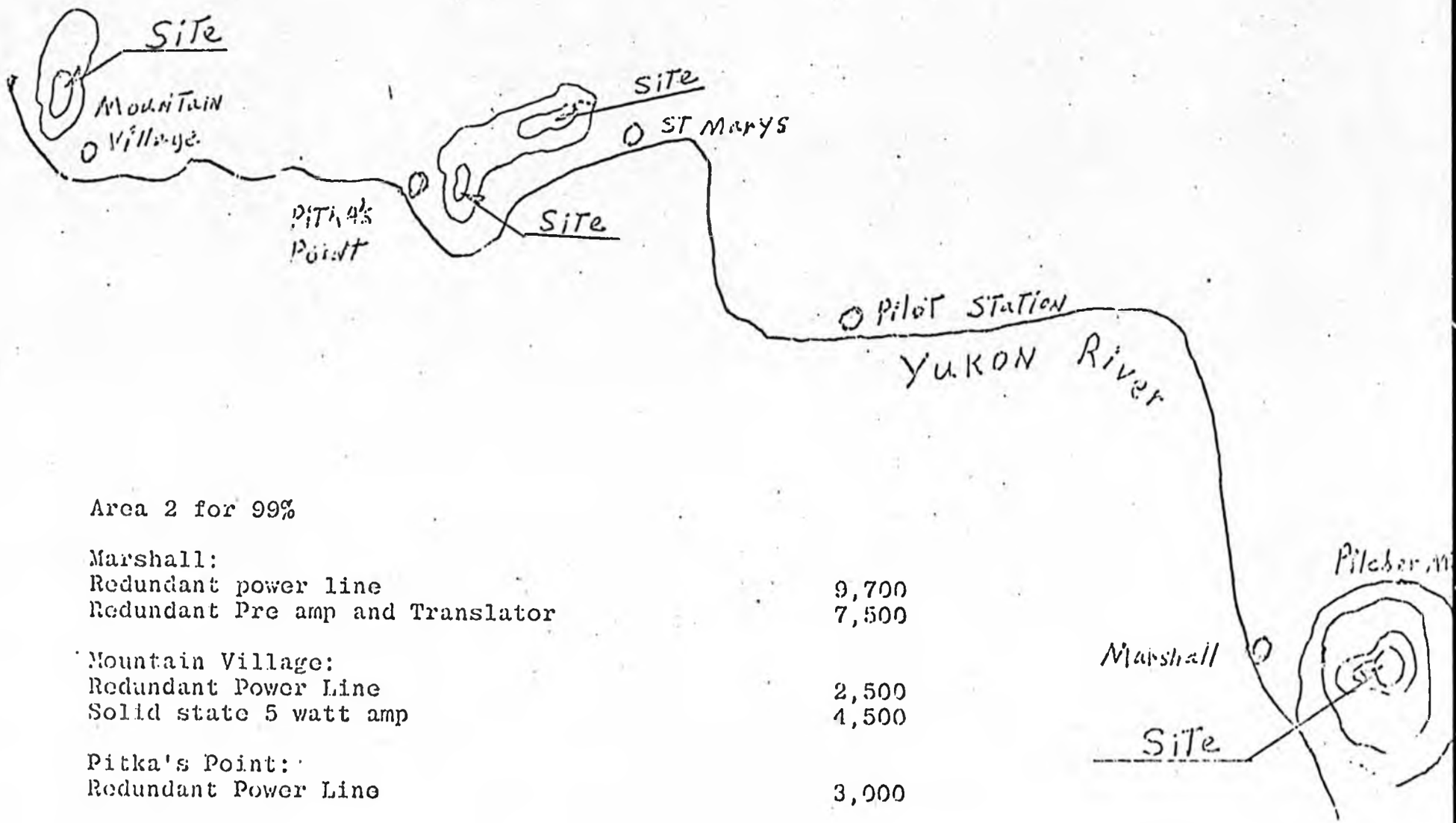


Area 1 to maintain 99%

Tuntatuliak:

Replace tube type equipt with solid state	6,000.	
Kalskag:		
Redundant power line	7,500.	
Solid state splitter	3,000.	16,500

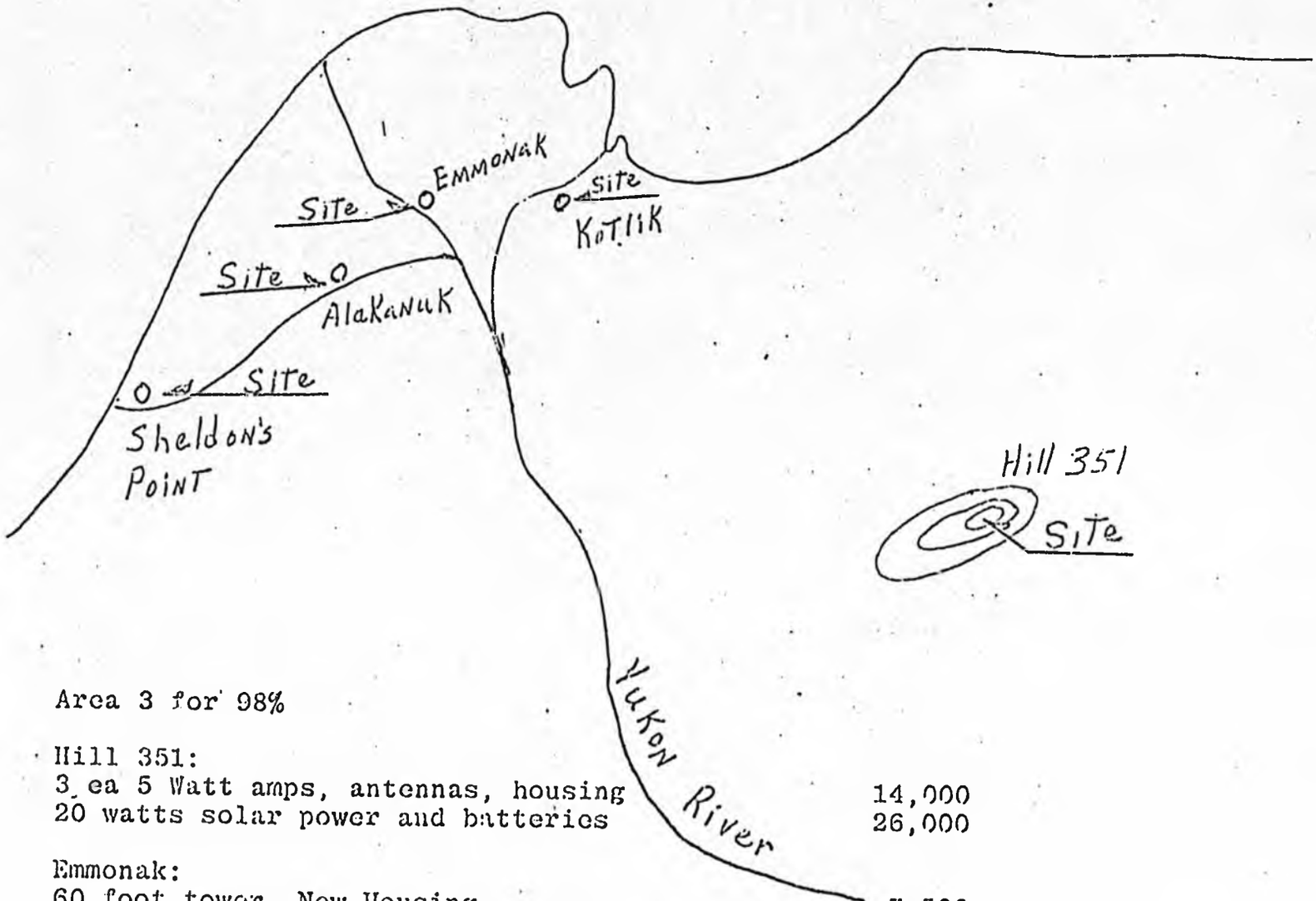
Area 2 95%



Area 2 for 99%

Marshall:		
Redundant power line	9,700	
Redundant Pre amp and Translator	7,500	
Mountain Village:		
Redundant Power Line	2,500	
Solid state 5 watt amp	4,500	
Pitka's Point:		
Redundant Power Line	3,000	
Saint Mary's:		
Translator, complete installation	21,500.	48,700

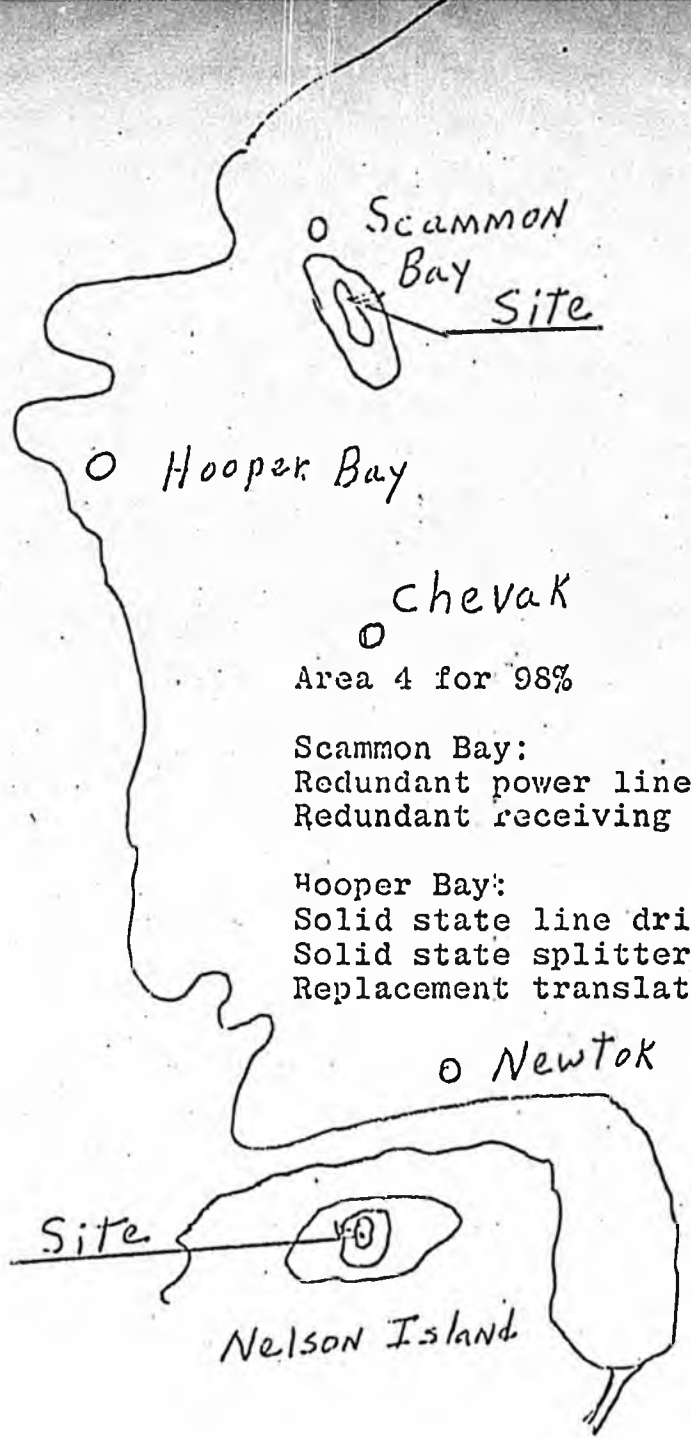
Area 3 70%



Area 3 for 98%

Hill 351:		
3 ea 5 Watt amps, antennas, housing	14,000	
20 watts solar power and batteries	26,000	
Emmonak:		
60 foot tower, New Housing	7,500	
Kotlik:		
60 foot tower, New Housing	7,500	55,000

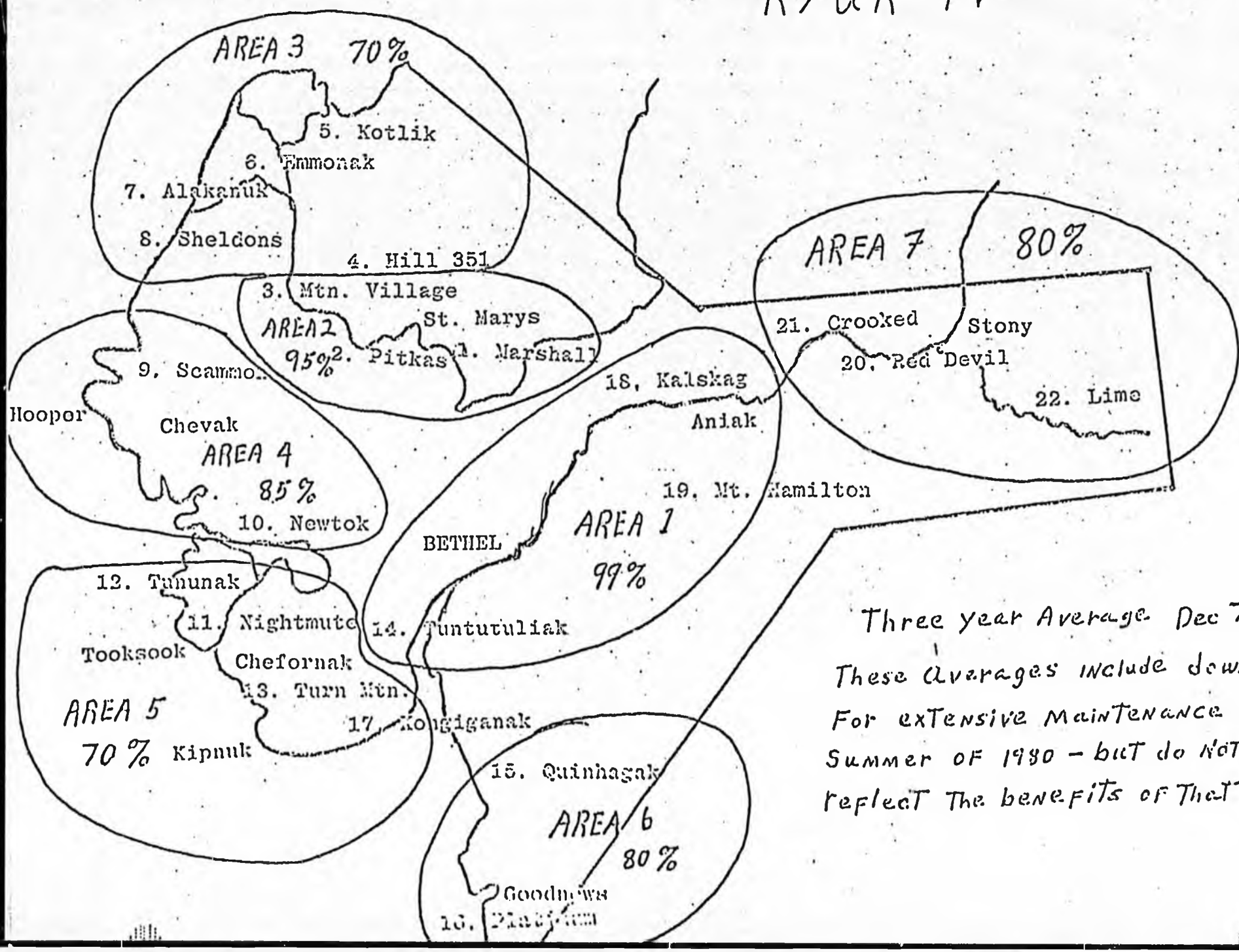
Area 4



Area 4 for 98%

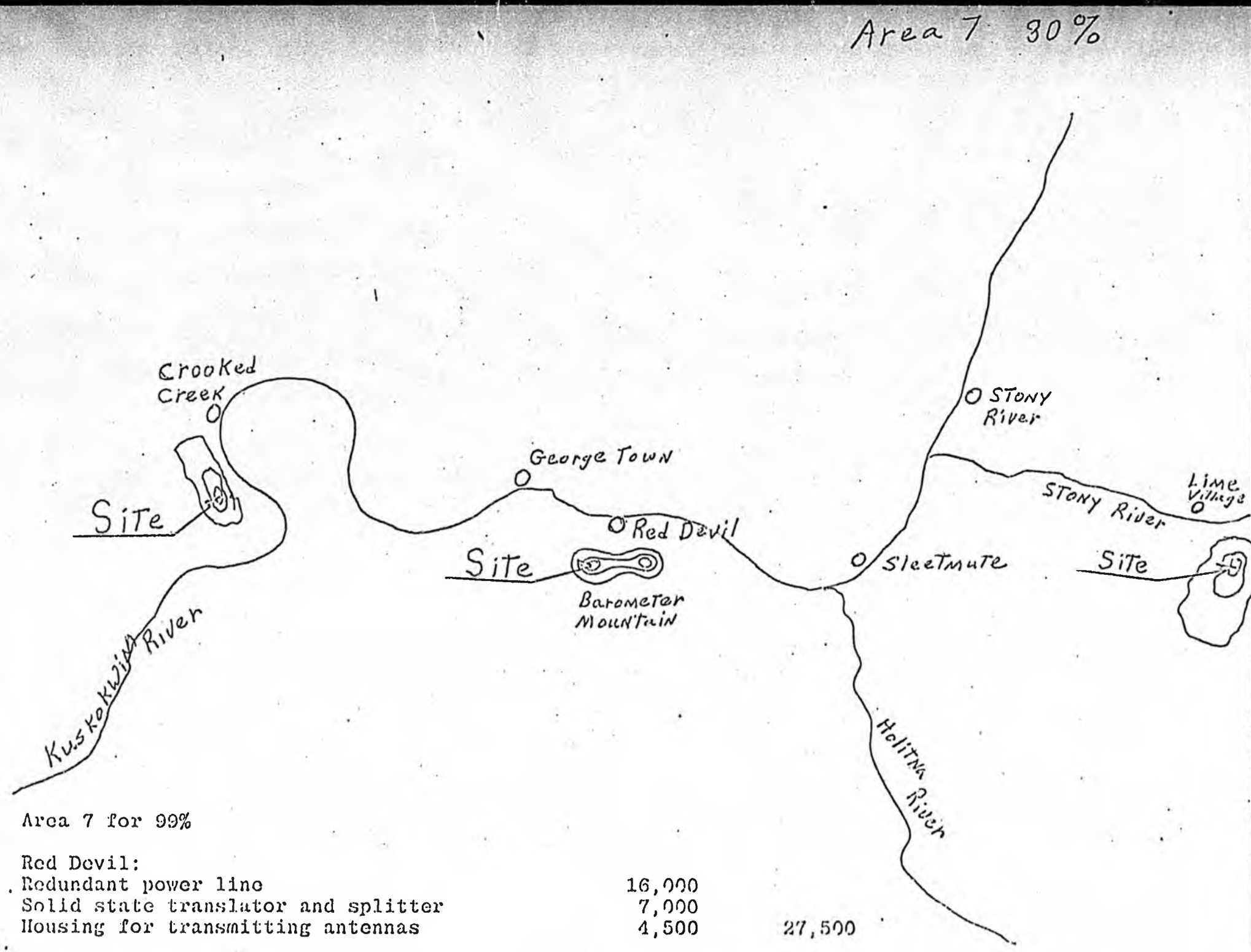
Scammon Bay:	
Redundant power line	8,900
Redundant receiving installation	5,900
Hooper Bay:	
Solid state line driver	3,700
Solid state splitter	3,000
Replacement translator	5,000
Newtok:	
5 Watt Amp	5,000
Additional solar power and batteries	8,300
	39,800

KYUK-TV



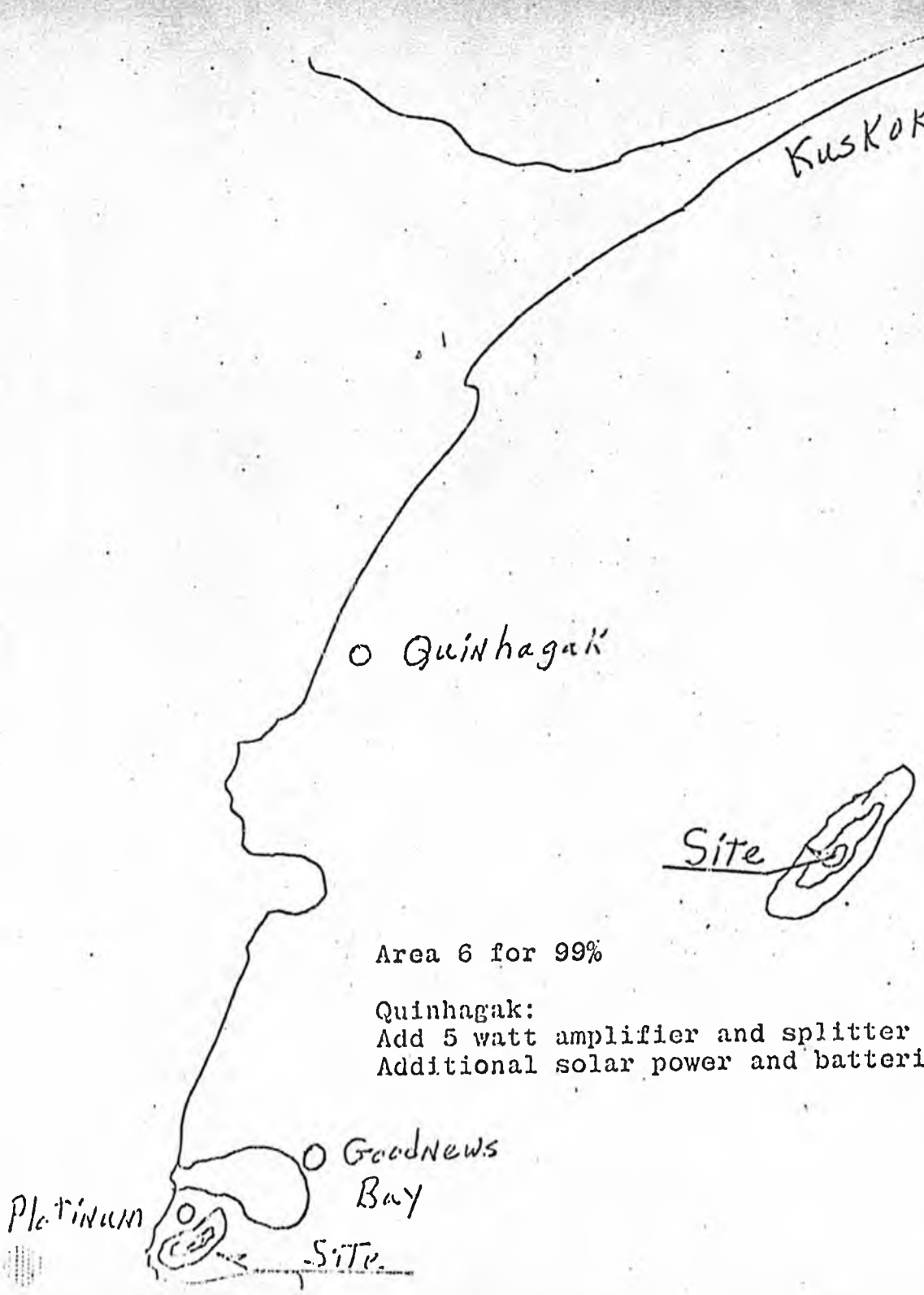
Three year Average Dec 77 - 80

These Averages include down Time For extensive Maintenance during Summer of 1980 - but do NOT yet reflect The benefits of That Maint.



Area 7 for 99%

Red Devil:		
Redundant power line	16,000	
Solid state translator and splitter	7,000	
Housing for transmitting antennas	4,500	27,500

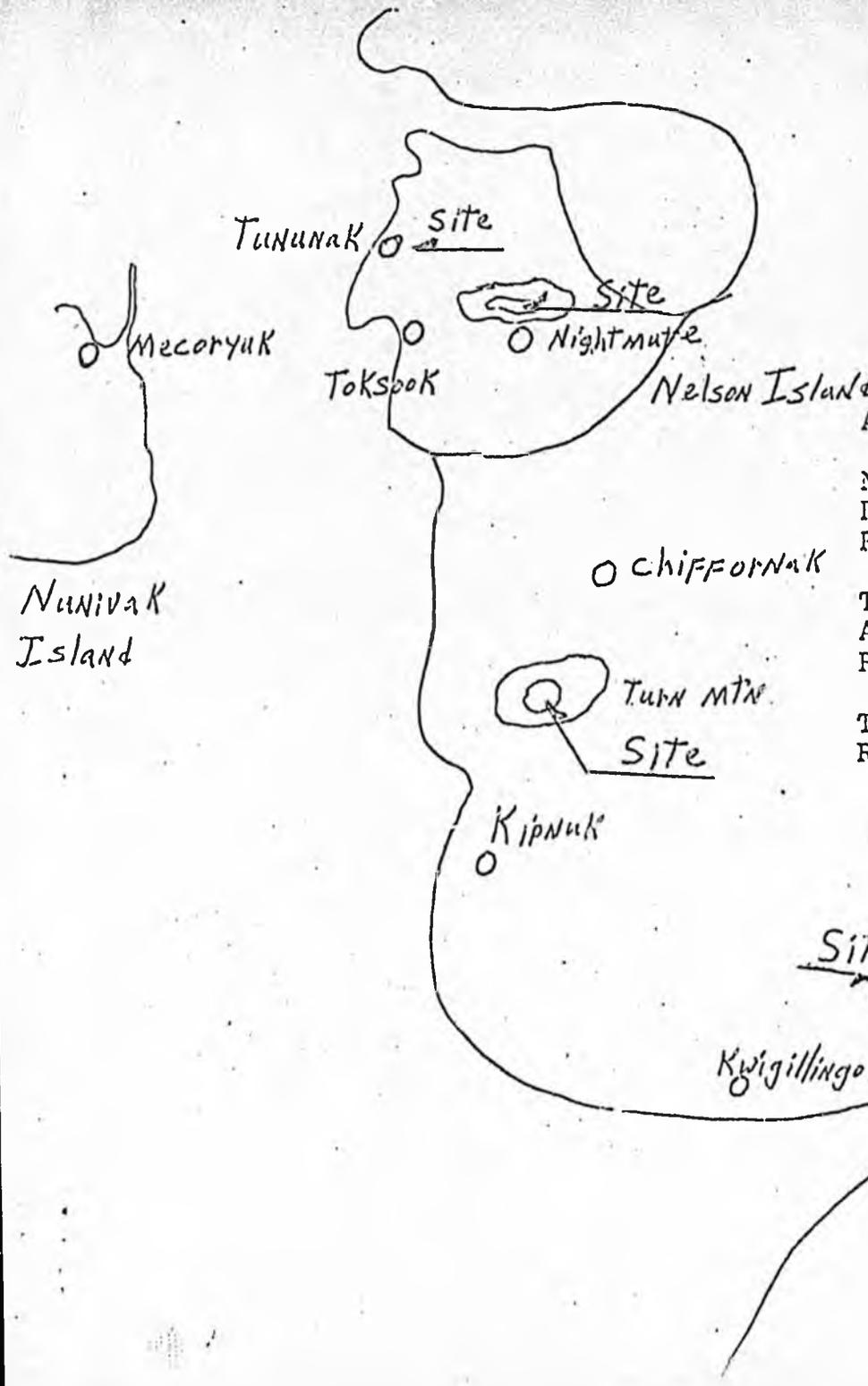


Area 6 80%

Area 6 for 99%

Quinhagak:		
Add 5 watt amplifier and splitter	9,000	
Additional solar power and batteries	8,300	17,300

Area 5 70%



Area 5 for 97%

Nightmute:	
Redundant power line	7,500
Replacement translator & Solid state splitter	7,900
Tununak:	
Additional 10,000 ft power line	7,500
Replacement housing and move	2,500
Turn Mountain:	
Replace batteries, increase housing	9,400
	34,800

SB

538

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S
JUNEAU, ALASKA 99811

June 3, 1981

The Honorable Vic Fisher
Chairman
Senate State Affairs Committee
Room 205 - Capitol Building
Juneau, Alaska

Dear Senator Fisher:

Re: Senate Bill No. 538

Senate Bill No. 538, an Act relating to bonuses for veterans who were declared prisoners of war or who are missing in action, was introduced in the Senate on May 4, 1981 and was referred to the Senate State Affairs and Finance Committees.

For the consideration of the Senate State Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. Philip A. Wall, Director, Administrative Services Division, Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

RDS/rdh

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

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Philip A. Wall, Director
Administrative Services Division
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 538

Title Relating to Bonuses for Veterans Who Were Declared Prisoners of War or Who are Missing In Action

Requested by Senate State Affairs Committee Date 5-5-81

II. FISCAL DETAIL

Agency Affected Revenue

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Administration & Support, Management Services

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

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars)

GENERAL FUND		Ø	Ø	Ø	Ø	Ø
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

We estimate that under 50 payments will result from this legislation. Costs will be supported by existing resources.

IV. DATE May 19, 1981 PREPARED BY Philip A. Wall

AGENCY Revenue

PHONE 465-2313

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

33-001 (Rev. 12/80)

SB

549

Introduced: 5/5/81
Referred: State Affairs and Finance

Funding Information

General Fund	$4,000,000
Other Funds	-0-
	$4,000,000

BY RODEY, BENNETT, KELLY AND KERTTULA

IN THE SENATE

SENATE BILL NO. 549

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Department of Administration for the construction of permanent state trooper housing statewide; and providing for an effective date.

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

* Section 1. The sum of $4,000,000 is appropriated from the general fund to the Department of Administration for the construction of permanent state trooper housing statewide.

* Sec. 2. The appropriation made by this Act is for capital projects and is subject to AS 37.25.020.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Admin. Funds. - 12-13 units last year ?
Bargaining unit -
fiscal note
units? @ #/unit?

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

Official Business

Alaska State Legislature

Senate

Committee on Judiciary

Pouch V
State Capitol
Juneau, Alaska 9981

TEACHERS !

MEMORANDUM

TO: Kevin Bruce

FROM: Oleta Simmons

DATE: March 4, 1981

SUBJECT: ALASKA STATE TROOPERS: BUSH HOUSING

I have reviewed the information supplied by Jess Lee of the International Brotherhood of Electrical Workers relating to complaints received from the Alaska State Troopers assigned to bush areas.

There have been substantial documented complaints concerning sub-standard housing. Following is a list of some of the most common complaints received state-wide:

1. Inadequate heating which causes ice buildup inside the walls;
2. Frozen water pipes;
3. Doors and windows which are broken or close improperly;
4. Cracks in the ceiling and leaking roofs; and
5. Inadequate plumbing; specifically, toilets which do not flush properly.

From the information submitted, it would appear that most of the units are in need of general upgrading, i.e., painting, new flooring, window treatments, etc. Maintenance, when performed at all, has been inadequate or improperly done.

As a little bit of background, the State uses three classifications for rating the units: "Good or better", "Fair", and "Poor." Rentals are based, in part, on these three classifications.

In at least one case, a trooper upgraded his unit during his own time and at his own expense. As a reward for this effort, the State has attempted to reclassify that unit, thereby forcing an increase in rent.

PSEA, at one point, had advised the troopers to discontinue paying rent until some of the above issues had been resolved. The matter was arbitrated and an agreement was reached which involved, among other things, a mandatory payroll deduction for rent. This matter has now become a grievance.

For a different perspective, I met with Terry Hanson, Special Assistant to the Commissioner, Department of Public Safety.

With respect to mandatory payroll deductions, Terry said that since PSEA had negotiated that agreement, it was the responsibility of PSEA to communicate with its members, not the responsibility of Public Safety. Terry indicated that some of the troopers are 6 months to one year in arrears with their rent (prior to mandatory payroll deductions) and this issue may have to be settled in court.

Concerning the construction of new housing, Terry indicated that there are no immediate plans, nor budget, for such construction. The one exception may be new units on the Haul Road but, of course, that is contingent upon the opening of the road. I also spoke with Jess Lee of IBEW concerning construction, but his organization has not put together cost estimates for new construction. However, he was familiar with three duplexes recently constructed in the Bethel area at an approximate cost of $160,000.

The Department of Public Safety does plan to eliminate the use of trailers as part of a phase-out plan. They plan to approach the private sector to construct new housing which the state would then lease on a long-term basis.

Several complaints stem from the "required to live" provision. This simply means that in remote areas where housing is unavailable in the private sector, the trooper must reside in state-owned housing. (This provision also applies to Fish and Wildlife personnel). Again, the Department of Public Safety feels that PSEA adequately addressed this issue during arbitration, and Public Safety is meeting its responsibilities with respect to the agreement.

Public Safety feels that the maintenance issue has been distorted. Terry Hanson's information suggests that maintenance has always been provided upon request.

Please let me know if there is additional information you require.

International Brotherhood of Electrical Workers

TELEPHONE
(907) 272-6571
TELEX 25-250

ROBERT M. PIAZZA
BUSINESS MANAGER • FINANCIAL SECRETARY



Local 1547

2702 DENALI STREET
ANCHORAGE, ALASKA 99503

TERRY CARR
PRESIDENT

March 10, 1981

Ms. Aleta Simmons
Special Assistant to
Senator Pat Rodey
Pouch V
Juneau, Alaska 99811

Dear Ms. Simmons:

Enclosed is a floor plan of a house that was built at the 7 Mile Camp on the pipeline.

It is my understanding that this unit was built on State land which should help lower the cost. Even by using State land, the cost of this unit was $212,000.00. I have not had the opportunity to visit this unit, but I do understand that it is a very nice house. I have also been told that this unit would probably be the most expensive single family unit to be built anywhere in the State.

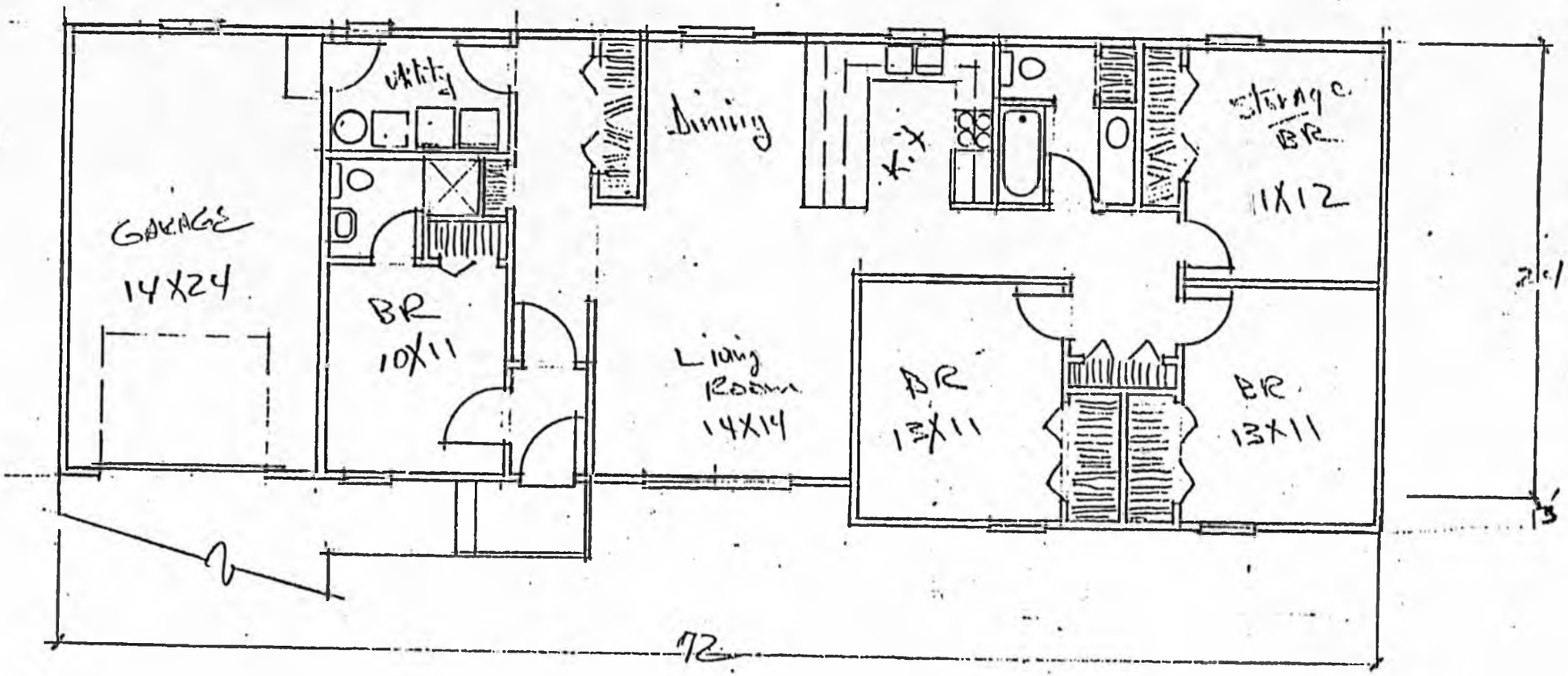
This is all the information that I have available at the present time. I hope it will be of assistance to you and if more information becomes available, I will forward it to you.

Sincerely,

JESS LEE
Business Representative

JL/p

Enclosure


GARAGE
14X24
utility
BR
10X11
Dining
K.
Living
Room
14X14
BR
13X11
Storage
BR
11X12
BR
13X11
72'
21'
13'

#212,000

7 mi.

TO: JAY YAKOPATZ
PRESIDENT
PUBLIC SAFETY EMPLOYEES ASSN.

DATE: 3-20-79

FROM: JOHN C. VAN GELDER
GLENNALLEN AREA
P.S.E.A. REP.

SUBJECT: HOUSING

THE STATE HOUSING IN GLENNALLEN IS SUBSTANDARD: CONSISTING OF SOME OLD AND POORELY INSULATED MOBIL HOMES. THESE TRAILORS COST THE STATE A CONSIDERABLE AMOUNT TO MAINTAIN, AND ARE EXTREMELY EXPENSIVE TO HEAT DURING THE WINTER MONTHS. THE STATE HAS NO EQUITY IN THESE DWELLINGS, BECAUSE AT THIS TIME IT COSTS NEARLY AS MUCH FOR MAINTENANCE, AS WE ARE PAYING IN RENT.

A SOLUTION TO THIS PROBLEM WOULD BE PERMANENT HOUSING, WITH SOME INVESTMENT VALUE. THERE IS JUST SUCH HOUSING AVAILABLE IN GLENNALLEN. THERE IS A BLOCK OF HOMES BUILT BY ALYESKA DURING THE PIPELINE CONSTRUCTION. ALYESKA IS WILLING TO LEASE THE HOUSING TO THE STATE FOR A PERIOD OF TEN YEARS, WITH AN OPTION TO BUY THE HOUSES FOR FIVE THOUSAND PER STRUCTURE AFTER THE TEN YEARS.

AT THIS TIME 1ST SERGEANT COCKRELL HAS DONE EVERYTHING WITHIN HIS MEANS TO SECURE THE HOUSING FOR THE DEPARTMENT, FOR USE BY AST AND F&WP. MAJOR RUSH HAS INSPECTED THE HOUSING AND ALSO FEELS THAT IT WOULD BE A GOOD INVESTMENT.

WHEN ALL THE FACTS ARE VIEWED IT SEEMS ENTIRELY TOO GOOD A BUSINESS VENTURE TO OVERLOOK. THE PRESENT HOUSING IS ONLY GOING TO COST MORE AND MORE TO MAINTAIN WITH NO HOPE OF A RETURN ON THE ORIGINAL INVESTMENT. WHILE THE ALYESKA HOUSING IN MOST CASES HASN'T BEEN OCCUPIED SINCE CONSTRUCTION. THESE ARE FOR ALL INTENT BRAND NEW HOMES THAT WILL NOT REQUIRE ANY MAINTENANCE FOR AN AVERAGE OF FIVE YEARS: WHICH IS ONE HALF OF THE LEASE PERIOD. AS WITH ANY OTHER PIECE OF REAL ESTATE THESE HOUSES WILL APPRECIATE IN VALUE, WHILE OUR PRESENT HOUSING WILL ONLY DEPRECIATE. I HAVE POLED THE MEMBERSHIP AND THEY ARE ALL IN FAVOR OF THE STATE ACQUIRING THE HOUSING.

AT THIS TIME WE DO NOT KNOW WHAT THE STATES RESPONSE TO THE PROPOSITION WILL BE. A MEETING BETWEEN THE STATE AND ALYESKA IS SCHEDULED FOR SOMETIME ON OR ABOUT THE 25TH OF MARCH.

WE ARE NOT TOO OPTIMISTIC, WHAT WITH THE BUDGET CUTS THAT SEEM TO BE AFFECTING ALL OF THE DEPARTMENTS. BUT EVEN SO I, AND THE OTHER MEMBERS IN THE AREA, FEEL THIS WOULD SAVE A CONSIDERABLE AMOUNT OF STATE FUNDS OVER THE NEXT SEVERAL YEARS. AT SUCH TIME AS THE STATE FELT THEY NO LONGER WANTED THE RESPONSABILITY FOR EMPLOYEE HOUSING THEY WOULD HAVE SOMETHING WITH RESALE VALUE.

WHAT WE, THE GLENNALLEN MEMBERSHIP, WOULD LIKE IS ANY SUPPORT THAT THE ASSOCIATION CAN LEND IN THIS MATTER. YOU WILL NOTICE THAT I HAVE STRESSED HOW GOOD A DEAL THIS WOULD BE FOR THE STATE; BUT ANOTHER CONSIDERATION, WHICH IS OFTEN OVERLOOKED, IS THE MORAL OF THE AREA MEMBERS. WE ARE ALL TIRED OF LIVING IN CRAMPED, LEAKY AND COLD TRAILORS.

THANK YOU,

JOHN C. VAN GELDER

JCV/MLF

TO: Major Rush, Field Enforcement
Commander, Zone 2
Alaska State Troopers
Anchorage, Alaska

DATE : 9/27/78

Thru: Captain H. A. Tew
FROM: Commander
"G" Detachment
Palmer, Alaska

SUBJECT: Housing Unit #24

From: Cpl. Ronald T. Polk RTP
Valdez Post

The intent of this memo is to give a complete and comprehensive status report on unit 24 located at Valdez. Although some of the points may be extremely minor, they are not intended to be of a nit picking nature, but are being noted so the status of the trailer's condition can be properly evaluated.

It should be noted that since moving into the trailer all of the carpet in the trailer has been replaced and a new kitchen faucet assembly has been installed. New drapes for the living roon and curtains for the three kitchen windows were purchased and have been installed.

Defects or Repairs Needed:

Kitchen:

1. Bracing for the shelves underneath the sink is missing from a portion of the shelves and the shelve material itself is warped and sagging. This is due to a design fault and water damage from the leaking faucets.

2. The ceiling is stained and smoke damaged from normal use. The ceilings in the entire trailer need to be painted.

3. The pantry door latch is missing and the shelve design in the pantry itself is of such a nature that only approximately 25% of the pantry area is usable. Additional shelves need to be installed in the pantry so this area can be fully utilized. This is a necessary modification due to the minimal amount of cabinets in the kitchen.

4. The doorbell assembly is missing some parts and is inoperable because the transformer for the doorbell is hanging on the wall with no electrical outlet for it to be plugged into.

5. The stove in the kitchen is stained and badly corroded on all of the bright metal portions. The enameled portions of the range are still in good condition. The metal panels around the wall and over the stove are badly corroded and discolored and need to be replaced.

6. The linoleum floor covering in the kitchen area is the original floor covering which came with the trailer. The center seam in the floor covering is separating to a slight degree and will eventually result in rips and tears along that seam.

Living Room:

1. The ceiling is stained and dirty and needs to be repainted. Several of the seams in the ceiling have pulled loose from the staples causing the ceiling to sag. Several of the plastic strips which cover up the seam need to be replaced. There are several small holes in the ceiling where swag lamps and plant hangers have been installed into the ceiling and the hooks removed at a later time.

2. There are numerous nail and screw holes in the paneling in the living room and also there is a gun shot hole which goes through one wall completely and out the opposite wall over the front door.

3. The drapes in the living room are worn out but have been replaced with new draperies since I moved into the trailer. The original draperies were those that came with the trailer.

4. The storm windows in the living room do not fit flush and therefore have to be taped in the wintertime to prevent air leaks around them.

5. Two of the living room outer windows are cracked and need to be replaced.

Small Bedrooms:

1. The carpet in both of the small bedrooms were badly stained and worn but have been replaced since moving into the unit.

2. The floor in the middle bedroom was bucked up but has been repaired.

3. The closet doors in the middle bedroom are warped and will not close as they should.

Master Bedroom:

1. The light fixture cover is missing and is on order.

2. There are no locks on the bedroom doors which are commonly found on master bedroom doors.

3. The ceiling has several holes in it small size and the trim slats between the ceiling panels are broken in several different places.

4. The curtains are filthy, faded out and ripped and will have to be replaced but at the present time I am using my own curtains which match the bedspread. Therefore they do not need to be

5. The folding doors in the closet are missing the guide pin for the track assembly allowing the doors to flop back and forth and do not close properly.

Bathroom:

1. The commode inner tank valve and float assembly has become quite corroded and does not shut off all the time and allows the water to flow through the tank. This will have to be replaced in the near future.

2. The bathtub drain plug assembly is broken and has to be replac The front casing for the bathtub enclosure is broken and warped and will need to be replaced.

3. All the metal molding around the bathtub enclosure is badly stained and corroded.

4. The floor covering is torn behind and underneath the washer and dryer. This is due to the washers and dryers being removed from the laundry area and new ones being installed.

5. The dryer has an unknown plastic type substance melted and fused to the drum. This has been checked out by drying clothes and does not seem to be coming off on the clothes as they dry. However, in the future this may become a problem and the drum would have to be replaced.

6. The bathroom sink and cabinet has several defects. The bathroom sink has no drain plug or drain plug assembly. The trim on the cabinet drawers is badly scratched and marred and the doors themselves are scratched, marred and dented.

7. There is no toilet paper holder in the bathroom however, one was purchased locally and installed.

8. There is no storm window for the bathroom window.

9. The shower curtain rod and shower curtain valance needs to be replaced due to its deplorable condition.

10. The bathtub tilts away from the drain plug therefore preventing the bathtub from draining after being used. A sponge has to be used to remove the remaining water from the bathtub.

Wannigan:

1. The present wannigan attached to the trailer is a 4' X 6' wannigan and serves only as a windbreak for entering the trailer. Due to its small size there is little or no storage area in the wannigan. The wannigan at present time leaks badly from several different points and had not been painted on the inside. It has one electrical light outlet inside and is of a faulty wiring design and has to be rewired and a definite need for at least one electrical outlet plug so that a deep [illegible] installed in the wannigan

A new wannigan that can be utilized for storage of miscellaneou household items is desperately needed. Due to the design of the trailer there is little storage area provided in the trailer, therefore there is no place to store such things as Christmas decorations, suitcases, etc. Due to the limited wannigan space there is absolutely no place where private tools and carpenter equipment can be stored for use in helping to maintain the trailer.

General Comments and Needs:

1. A 110 electrical outlet is needed on the outside of the trailer to facilitate the plugging in of a patrol vehicle during the winter months and also facilitate plugging in of a vacuum cleaner to clean the patrol units out with. Along with this a outside water faucet is needed, because at present the only outside water faucet is the drain faucet on the hot water heater which is not used due to the fact that the water is too hot and standard water hose will not stand the water pressure at the high temperature.

2. A garbage can rack is needed for the outside of the trailer due to the high winds which are experienced in the Valdez area. During the winter months it is a constant chore of having to police up the garbage from your garbage cans after the wind has blown the garbage cans two, three or more spaces away from your trailer.

3. At the present time only one door will lock on the trailer and it is of such a design that a credit card will open the door even if it is locked. The trailer is totally insecure when you leave the trailer and attempt to lock it up. The two trailor doors have no keys available and therefore these two locks need to be replaced with the dead bolt assembly installed in the lock, so when you leave the trailor it can be secure.

4. Two additional breaker assemblies are needed in the breaker box with wiring stubbed out at the back door of the trailor. One to be used in conjunction with a new storage wannigan to be attached and the other to be stubbed out with a electrical outlet at the front of the trailer as for use noted with item one.

5. The fuel oil tank was checked and it was found that two bung holes in the tank did not have plugs in them. Note: Bung plugs were bought and have been installed in the tank.

6. The furnace had not been winterize or received a annual servicing in that the fuel filters and air filters need to be changed along with the electrodes and nozzle replacement or adjustment. Note: This has been set up to be done by a local furnace repair service.

7. A supply of 3/4" by 3/4" wood stock is needed to repair and maintain the existing shelving which is located in the closets and shelves in the trailer.

8. The storm door presently located on the front wannigan has two broken hinges. The screen is ripped and torn and there is no storm window or frame for the storm window. The wooden exterior door to the wannigan has a large crack along the lock edge of the door and also has two holes in the exterior of the door.

9. The rear door of the trailer does not have a storm window for it but this will not be a problem when the rear wannigan is installed at that door.

10. The ceilings throughout the trailer are in dire need of fresh paint due to the fact the windows in the trailer steam up and you cannot see out of them. It also cuts down on the amount of available daylight into the trailer. Painting the ceilings would lighten up the trailer during the long winter months ahea

Due to the fact that this trailer is located in a trailer court the next two items will enhance the trailer's appearance.

1. The need for a walkway from the front of the trailer to the front wannigan could be used. Due to the fact that the trailer has a glacier silt fill type material in the yardand a great deal of dirt and glacier silt is tracked into the trailer. The trailer has been recarpeted and this silt and dirt will destroy the carpet in a very short period of time.

2. A fence is needed around the trailer after the installation of the rear wannigan. This will allow for some landscaping to be done around the trailer and make the trailer look more presentable and improve the image of a State Trooper in a trailer court. From checking around the trailer court it appears that there are only two or three out of approximately one hundred trailers that do not have dogs. Due to the wind blown garbage and the dog droppings around the trailer it is a constant battle in attempting to keep the area around the trailer in a neat and clean fashion. A fence would help to keep some of the wind blown garbage out of the yard and hopefully would put a stop to the dog droppings being all around the trailer.

All though many of these items noted may seem trivial, they are in fact things that I would do and in most cases have done to houses I have owned in the past. Again I am not attempting to be nit picking but am trying to present a comprehensive status report on the condition of unit 24.

cc; Major Vaden
Sgt. Cockrell

MEMORANDUM State of Alaska

TO: Colonel Fred M. Woldstad
Director
Fish & Wildlife Protection
Anchorage

DATE: April 11, 1980

FILE NO:

TELEPHONE NO:

FROM: Captain Frank W. Sharp F.W.S
Commander, Coastal Operations
Fish & Wildlife Protection
Anchorage

SUBJECT: Yakutat Housing

At your request, I traveled to Yakutat on 4/10/80 to inspect the proposed State housing facilities in the old F.A.A. complex near town. I was accompanied by Lieutenant Winn and Officer Young.

The unit we inspected was the one the Yakutat City Manager had vacated in late March. We also inspected another building which is being proposed as a warehouse and transient quarters within the complex.

All I can say is that these units are in very bad shape. I would not want to live in one unless considerable renovation was under taken which I estimate would be in the $15,000 to $20,000 range.

The outside appearance of the building indicates no maintenance has occurred for many years except possibly installation of aluminum sheet roofing. The siding, window frames and trim show years of weathering (chipped and cracked), doors are old with broken window panes, loose handles, etc. Entry is gained through the rear where one steps down into an attached anti-room. A forced air oil fed furnace is located here; several old stoves and refrigerators are presently being stored there. It has a cracked cement floor. From here you enter into the kitchen, it is fairly large; cabinets and a kitchen sink line the back wall. The stove has been removed and where it had been, there is a hole in the floor approximately 6 inches wide by 20 inches long.

The tile in the kitchen and throughout the house is old and faded with considerable evidence that extreme moisture has been present. The kitchen sink is ancient in style, the kitchen cabinets painted plywood, and the windows are as bad on the inside as they are on the outside. From the kitchen there are two doors; one leading to a small bedroom or storage room, it is filled with old furniture at present. The other is a wide archway into the livingroom. The floor tile is the same as in the kitchen. You cannot open the windows as they have been painted shut over the many years. Evidence of extreme moisture on the livingroom walls is present on the walls. A fireplace chimney (outside) has been installed through the livingroom wall, a large piece of asbestos on the wall protects the wall from burning. To the left off of the livingroom you enter into a hallway; directly in front is the bathroom. It is very small, the toiletbowl, sink and tub are old. The tub is about half sized; considerable mold and dirt are present.

To the right of the bathroom is a small bedroom, to the left is the small room that has the furniture stored in it that also has access to the kitchen. The condition of these rooms are the same As the others. Near what was the front door in the livingroom is a steep wooden stairway to the upstairs, there are two small attic rooms at the top to the right and left, these are no better than those downstairs. Light fixtures and fittings throughout the house are prehistoric.

The front door leads off to a small enclosed porch area, again, everything is old and cracked. There is no door handle on the front door, window panes are broken, etc. The entire house gives you a feeling of despair. It would require considerable renovation at a great cost before I would recommend any of our people residing here.

The other vacant house which is being offered for our use as a warehouse and transient bunkhouse is laid out exactly the same as this one only it is in much worse shape. Upon entering, it smelled of mold so badly, I had to hold my nose to look at it (it is unheated), it has not been used for quite sometime. It would not be suitable without great expense for living quarters and would require removing a wall to make an entrance for bringing in boats and equipment for storage. In addition, it would be necessary to build a ramp up to the house's floor level which is atleast three feet above ground level. As I view it, both of these units are unacceptable for our use.

Conversely, in inspecting our present unit, the Department's 1962 house trailer located on the State complex near the airport, I found that this unit is very satisfactory, pleasant, and still somewhat modern. The unit, though old, is in surprisingly good condition. With little effort it could be brought up to acceptable standards. This would include installing some new windows and frames, replacement of sinks and toilets, and other minor repairs. It is confusing to me why we are being asked to move from these quarters when they are much better than that being offered. Besides being better quarters, the location is much better for our program needs. It is located on the complex with the A.D.F.G. Game and Commercial Fisheries personnel quarters nearby. An office, bunkhouse for transient personnel, heated inside workshop and storage area with a large garage door access, meat shed and other outside storage capabilities readily available. The complex is near the airport which constitutes much of our enforcement activity. The complex is connected to the main road system creating easy access for both us and the public. It is a quiet area well suited for raising small children, having pets, and getting away from noisy neighbor's dogs, etc. It is a perfect site for our facilities. We have been there for atleast 20 years, we have an investment in the office, warehouse building, and the roof structure which protects the trailer as well as the sewer system.

It seems that after almost 20 years of paying rent payments on the trailer with little maintenance being paid towards its upkeep, the Housing Section would or could afford to either replace the trailer with a new one or construct a preassembled housing unit on the site at less cost than renovating 30-40 year old shacks turned over to the State by the F.A.A.

The City of Yakutat will become one of the major fisheries ports on the Gulf of Alaska within the next few years. The Legislature, this year, has funded a study of Yakutat's harbor as a major Alaskan shipping port. The sport fishery and game resources of that area and its commercial fisheries warrant the continued and increase participation of our Department in Yakutat, not a reduction! This year, we plan to increase our seasonal staff over last years because of the increased resource uses. Requiring personnel to move into less than acceptable quarters does not encourage our personnel to accept or effectively function under such conditions.

I recommend that we refuse the F.A.A. housing units in Yakutat, remain where we are, and attempt to upgrade those facilities.

FMW:ka

cc: Colonel Stickles

Mr. Dugan Petty
Dept. of Admin.
Maintenance Section
209 East 51st Ave
Anchorage, Ak. 99503

08/21/80

Officer Michael Eames
Fish and Wildlife Protection
Box 157
Yakutat, Ak. 99689

Housing Unit 339

The following repairs must be made to this housing prior to this winter. Freezing weather starts here about Sept. 15.

1. Replacement glass installed in two living room windows. At the present there is only visquane on these windows.
2. Side door moulding replaced and weather striping installed on the side door. This door is warped and has about a 1 inch gap at the top and the bottom.
3. Porch storm door replaced
4. Porch roof repaired. At the present it is missing some tar paper and has numerous leaks.
5. A timer installed on the sewage lift pump. At the present I am having to open the man hole cover and plug in the lift pump about every two days.

Other pepairs needed to put this unit into Fair or good condition.

1. Front sliding glass door replaced. It is so worn out that it will not stay on the rollers and is very dificult to open or shut. A screen door is also neededfor this door since most of the windows do not open and this is the only scorce of ventilation for the house. The bugs are so bad that wedcan only open the door for short periods of time
2. Stove repaired or replaced. One burner only works on high temp. and two of the burners are hooked up the the wrong switch. The oven is 50 to 100 degrees off.
3. Bathroom faucett must be replaced. It sprayes water over about a 60 degree area.
4. All ceilings repaired and painted.
5. Bedroom carpets stretched and glued down.
6. Bathroom repainted.
7. Almost all lighting fixtures replaced.
8. Remove old counter top stove and put a new counter top in this area.
9. Replace living room carpet and put a pad under it.
10. Move range hood to above the old stove to above the present stove.
11. Install drapes and curtains that are not so dark and drab.
12. Install an exaust fan in the bathroom.

Maria Iverson
Leasing Officer II
Div. of General Ser. & Supply
Juneau

November 9, 1979

Dugan Petty, BMS II
Div. of General Ser. & Supply
Employee Housing
Anchorage

Delta Housing

Three (3) houses located off of Clearwater Road at Delta Junction, Alaska, were inspected by Dept. of Labor Plumbing Inspector David Barce and myself on November 5, 1979. Additionally, the contractor Colonel Fett and the new occupant Ron Chimenski were present at the inspection.

The following deficiencies were found in all three (3) units:

1. The room housing boiler and electric hotwater heating requires taping
a and spackling of seams and nail holes.
2. Sheetrock nails popped from dining room wall during electrical panel repairs require patching.
3. Eschuson rings are required for drain pipe penetration through walls under kitchen sinks.
4. Several doors require touch up staining.
5. Boiler requires combustion air ducting. There is insufficient air volumn for adequate combustion air in room enclosing boilers.

House number one requires the identification of breakers on owners panel box label, and one 1 1/2" drain pipe requires permanent hangers.

It was agreed between Mr. Barce and myself that the units were safe and sound for occupancy and none of the above deficiencies required repair prior to occupancy. Mr. Fett agreed to remedy the noted deficiencies and indicated he would start November 5, 1979. Mr. Cheminski was given authorization to occupy the unit on November 6, 1979.

Mr. Fett was told that the results of the final inspection would be reported in writting to your office and that formal notice of final acceptance would be transmitted from your office.

Mr. Cheminski asked who he should notify in the future to take care of maintenance and repairs. It is requested that all occupants of the Delta EEP housing be instructed by letter who to contact in the event maintenance and repairs are required. This procedure should be clearly outlined to prevent uncertainty as to who is responsible for insuring prompt repairs and services.

DP:smn

cc: Mike DeBerry
Barry Jackson

4-10-79

Dear Sir:

Pursuant your letter dated 4-3-79, requesting a list of repairs on Housing Unit 49, I am prompted to write this letter.

The housing unit in question is located in Soldotna adjacent to the Department of Highways complex and was built in the early 1950s for the Department of Engineers working for Highways at that time. The unit, along with three trailer pads was turned over to the Department of Public Safety for housing use in 1971 or 1972. In July, 1974 I moved into the house which is a two bedroom wood frame house with a full basement and was very dirty, in need of paint, plumbing, carpeting and general repairs when I moved in. Since I've lived there, emergency plumbing repairs, a new roof and carpeting have been accomplished.

I have had housing officers, maintenance people and private contractors poke, probe and instruct me to make lists, get bids and have received promises that repairs would be done which never have been. The only reason the roof was replaced was because it was leaking so bad it couldn't be repaired. I cajoled the maintenance man who did the roof into acquiring carpet which he laid, but only in 2/3 of the living room because he ran out after doing the hall and bedroom.

The emergency plumbing repairs were not done until it got so bad that water was running through the walls from the bathroom to the basement which rotted a wall out and warped the floor which is still warped.

I received correspondence from the Department of Administration asking if I wouldn't be interested in purchasing the unit. I wrote back that I would, included a map showing the location of the unit, what acreage I was interested in and an appraisal of the land and house. I never did get a response back on that.

I have been advised that the Department of Public Safety is going to build a Public Safety complex where my unit is located.sometime within the next year.

If that is the case, there is not much point in repairing the unit. If that is not the case, I am still interested in buying the land and house. If the State will not sell me the house I would still like to live there if repairs are made.

I will not pay a dime more than I am paying for rent until after repairs are made, a list of which is attached.

If the unit is to be torn down for a Public Safety complex I would like to know when so that I can make arrangements to move out.

If the point that I will not pay any more rent until after repairs are completed is not satisfactory, and you wish me to vacate, I would like to know when so that I can make arrangements to move out. If you have a representative of the State you would like to have contact me in earnest about purchasing the house and land, I am still interested.

I realize that the State does not want to be a landlord to employees and has probably done the best it can with what monies are available but I also very firmly believe that the unit I am residing in has been neglected to a point that I can not under any circumstances justify a rent increase until after repairs are made.

I am looking forward to hearing from you or your representative concerning this matter.

Sincerely,

Thomas A. Sumey

cc: Major Ray Rush, Housing Officer
Department of Public Safety
Sergeant Jay Yakopatz, President
Public Safety Employees Association
Corporal A. G. Schadle, Housing Officer
D Detachment, DPS

HOUSING UNIT 49 REPAIRS NEEDED

1. Paint - inside and out
2. Linoleum - kitchen and bathroom floor need replacement
3. Plumbing - sink in kitchen needs replacing, sink, toilet, tub in bathroom need replacing.
4. Cabinets - kitchen cabinets need repair, replacement and paint.
5. Carpeting - 1/3 of living room needs carpet
6. Heat - does not work in master bedroom
7. Draperies - need in kitchen, living room, bedrooms and bathroom.
8. Lighting = needs replacement in kitchen, does not work in 1/2 basement.
9. Screens - needed in living room, bedroom, kitchen, bathroom, front door.

TO: COL. TOM ANDERSON
DIRECTOR
ALASKA STATE TROOPERS

DATE: 1/22/80

FILE NO:

TELEPHONE NO:

THROUGH: CAPT. ROGER IVERSEN
FROM: COMMANDER, "I" DETACHMENT

SUBJECT:

TROOPER STEPHEN SMITH SES
PATROL UNIT
"I" DETACHMENT, FAIRBANKS

NORTHWAY HOUSING

This memo is to inform you of the condition of the trooper housing in Northway. I am scheduled to report for work in Northway on 3/1/80. There is a great amount of work to be done in the house before I will move my family in.

First priority is the carpeting. Since we have a 10 month old daughter, we can't let her crawl around on the carpeting that is in the house now. The carpeting in the living room and hallway, which is mostly carpet squares, is very old and dirty and full of dog hair. The bedroom carpet is stained and ripped.

The walls are generally in bad shape. The living room is partially panelled. The rest of the walls are dirty and cracked. The kitchen is purple. We'll need paint and wallpaper.

The furnace hasn't been checked or cleaned for at least 2 years to our knowledge. Trooper Engleman said it had been acting up while they were there and was not repaired. Furnace filters are also needed.

We were told that there has been a problem with birds nesting in the eaves and bird lice in the house itself. This will have to be corrected.

There is some furniture in the house but since we have most of our own, that will not be a problem.

The plumbing in the bathtub and shower needs to be fixed. The light in the bathroom is improperly wired.

We cannot move until the carpet is replaced, the furnace is repaired, and pest control measures are taken to insure that the lice now in the walls are removed and that there will not be a recurring problem come spring.

I would appreciate being advised of what action will be taken as soon as possible since I have to give a month's notice to my landlord.

cc: 1st Sgt. R.J. Shover
1st Sgt. Larry Mix
Dept. of Administration
P.S.E.A.

January 28, 1980

Mike DeBerry
Department of Administration
Pouch C
Juneau, Alaska 99811

Mr. DeBerry:

Since I have moved into the State trailer here in Valdez, I have experienced one hardship after another, concerning the livability of the trailer. I have stent four weeks without heat, a leaking roof which ruined an expensive bed spread, fuel oil spilled on the rug from the furnance repairman, a severely leaking toilet, siding which had blown off still hasn't been repaired and therefore, water pours into my house. I am still awaiting for the wannigan to be properly roofed, it too leaks.

I have not moved to a hotel, I have not requested reinbursement for damages. I feel that I must request you to either pay me $300.00 or do not collect rent for one month.

I feel sure that in, accordance with State Statutes, you agree this is not an unreasonable request, and we can settle this matter ourselves.

Thank you,

Lew Brantley

Mr. R. L. Brantley
P. O. Box 676
Valdez, Alaska 99686

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF GENERAL SERVICES AND SUPPLY

7TH FLOOR, STATE OFFICE BUILDING
POUCH C
JUNEAU, ALASKA 99811

March 27, 1980

Mr. R. L. Brantley
P.O. Box 676
Valdez, Alaska 99686

RE: Unit #323

Dear Mr. Brantley:

This is in response to your letter of January 28, 1980.

Enclosed is a break down of the maintenance performed on your housing unit since July 1979. We were aware that your unit needed some repairs and had rated your unit in "fair" condition for rental purposes. This has resulted in a 20% reduction in the basic rent for you each and every month. We have also responded to your requests for maintenance.

Therefore we see no necessity to pay you $300.00 or not collect rent for one month.

Sincerely,

Mike DeBerry
Housing Program Coordinator

MDeB/jf
Enclosure
cc: Harold J. Sydnam, Deputy Commissioner
w/copy of Mr. Brantley's letter

02-B7LH

TO Lt. Mills DATE 12/15/[illegible]

Just Received this from Admin. thought you might want it for your general edifacation.

SIGNED Lew Brantley

1. KEEP YELLOW COPY. 2. SEND WHITE AND PINK COPIES WITH CARBON INTACT.

FM 02-006

REPLY

TO _____ DATE _____

SIGNED

1. WRITE REPLY. 2. DETACH STUB. KEEP PINK COPY. RETURN WHITE COPY TO SENDER.

STATE OF ALASKA
PAYROLL INFORMATION

PAY DAY 07-31-79 CURRENT PAYROLL INFORMATION ISSUED 07-26-79

O.T.	ADJUSTMENT		73.18	PSEA DUES 25.00	1112 212
O.T.	ADJUSTMENT		424.50	HOUSING RENT 271.00	
SDIF	15.00	15.11	8.50		03/05/79
SDIF	30.00	15.11	17.00		
REG.			2455.00		

NOT NEGOTIABLE

297818			69677	14632	18256	14491	29600	425	150837

WARRANT NO 242370 NAME ROBERT L BRANTLEY SOCIAL SECURITY NO 531-48-6850 PERIOD ENDING 09-15-79 NEXT PAYING DAY 12-47-3

					P.E.R.S.	
2794329			622934	140377	130818	290738

PAY DAY 09-28-79 CURRENT PAYROLL INFORMATION ISSUED 09-22-79

STATE OF ALASKA
PAYROLL INFORMATION

REG.			2547.00	PSEA DUES 50.00	1412 . 212
				HOUSING RENT 292.00	TAXABLE PERIOD
					03/05/79

NOT NEGOTIABLE

254700			53724	11282		12735	34200	570	142189

WARRANT NO 219283 NAME ROBERT L BRANTLEY SOCIAL SECURITY NO 531-48-6850 PERIOD ENDING 08-15-79 NEXT PAYING DAY 12-47-3

					P.E.R.S.	
2529629			569210	140377	119536	268951

PAY DAY 08-31-79 CURRENT PAYROLL INFORMATION ISSUED 08-25-79

STATE OF ALASKA
PAYROLL INFORMATION

REG.			2547.00	PSEA DUES 50.00	1262 212
				HOUSING RENT 271.00	TAXABLE PERIOD
					03/05/79

NOT NEGOTIABLE

254700			53724	11282	925	12735	32100	570	143364

To: Kristin Knudsen
Attorney at Law
801 West Fireweed Lane
Suite 201
Anchorage, Alaska 99503

September 12, 1980

From: Robert L. Clontz
Alaska State Trooper
P.O. Box 174
Tok, Alaska 99780

Ref: State Housing

The unit I occupy is state unit number 370. It is a three bedroom single-bathroom apartment being approximately 960 square feet. The apartment is contained within an eight-plex with four units on either side of a common hallway. The common hallway has an exit at either end and the individual units have single doors entering into the hallway. The residence's share a common laundry room and storage area. Each unit has a separate key with a master key retained by the post commander.

My unit is occupied by my wife, me and our three year old daughter.

The heat unit is a hot water boiler system for the entire building and when working properly, which it is not at this writing and does not quite often, is adequate to heat the unit. However, the insulation in the outside walls is so poor that there is condensation on the inner walls that freezes during the extreme cold weather in this area that leaves a layer of ice on the windows and outside walls. Often the drapes and curtains freeze to the windows.

When I moved into the quarters the rent was a flat rate of $300.00 per month and I was required by the Department of Public Safety to occupy the unit. I questioned if I could purchase a local place to live as I had sold a house in Anchorage and wanted to reinvest the money for I.R.S. purposes. I was told I must live in state housing unit #370 with no other choice.

Upon moving into state housing unit #370 on August 1, 1978 I found the unit to be dirty and in need of many repairs. The unit had been unoccupied for fifteen months and had been used as a storage area and as a "workout" area. My wife and I put in hundreds of hours of labor and several hundred dollars to make the unit clean and habitable. Now after we spent our time and money, the unit has been judged to be a condition factor of 1.0 or good and we are being charged premium rent for a unit that we had to use our own funds and effort to bring up to that level. Some of the expenses incurred were as follows: refrigerator, carpeting for all rooms, draperies or curtains for all windows, handles for all closet doors, spackle, paint brushes, rollers, wax remover, steel wool, scrapers, caulking to fill cracks in the ceiling to keep blowing snow out in the winter and

bees out in the summer, electrical outlet covers, light bulbs for the common hallway and storage room. Plus literally hundreds of hours of labor between my wife and me. The total cost of the supplies in excess of $1200.00 plus labor time.

On July 27th, 1980, Mike DeBerry, Bud Saylor and another person came to my residence at approximately 9:15 pm on a Sunday evening and said that they were there to inspect the residence and talk over any difficulties. They were so mis-informed that they didn't even know who was living in the building or what type of units were there. As an example they thought that Tpr. Steve Garrett was living in a two bedroom unit when in fact his is only a one bedroom. When they were told that the Garretts had recently had a new baby DeBerry showed obvious delight and commented that Garrett's occupancy factor would have to be adjusted with the arrival of the new baby. DeBerry also mentioned that this post was one of the few that was not paying rent and he felt that it was due to the influence of Cpl. Swanson. When told that Cpl. Swanson was in the process of purchasing a home, DeBerry responded, "well that son-of-a-bitch". During the conversation I told DeBerry if he could tell me what the rent was and if that rent figure was approved by PSEA that I would pay the rent of the spot. His response to that was that I would be hearing from the Attorney General as if he was inferring that I was about to be sued. During the entire conversation DeBerry was rude and intimidating and on at least one occasion Saylor told DeBerry to relax. Shortly into the conversation I was called out to respond to an injury accident and I had to leave. My wife told me later that they briefly looked at the apartment and then left and told her that they would return in the morning to talk to the other tenants and inspect the unit. They never returned.

On the check that was issued for the payroll period ending 8-15-80, $470.06 was deducted for rent without my approval.

The housing market in the Tok area is rather weak, however, a few houses are available in the $72,500.00 to $85,000.00 range and these units have been on the market for a long period of time. I have been at the Tok post for 25 months and will probably be transferred in the future, therefore I do not want to purchase a home in this area as I would more than likely have a difficult time selling it upon transfer. The rental market is extremely weak with nothing available that meets my needs. I am stuck here and I believe Administration is using that to their advantage.

The state housing situation has been an extreme mental burden on my family. It has reached deeply into my productivity and attitude and I have pledged to myself and my wife that when we transfer out of this post I will never subject my family to state housing and its problems again.

If 10% of past due rent is deducted from my paycheck along with the present rent, the state will be deducting almost $800.00 a month from my pay. It will present a burden for me to meet my other monthly obligations, however, at this point it is my only alternative, as I have exhausted all savings.

Robert L. Clontz

Robert Clontz, Alaska State Trooper

STATE OF ALASKA)
) ss.
FOURTH JUDICIAL DISTRICT)

This is to certify that the above-named Robert Clontz personally appeared before me and acknowledged that he executed the foregoing statement as his free and voluntary act and deed for the use and purpose therein mentioned.

Sworn to and subscribed before me this 12th day of September, 1980 at Tok, Alaska.

(SEAL)

Madeline Kellenbeck

Court Clerk at Tok, Alaska

12/7/79
from PSEA

Mike DeBerry
DEPARTMENT OF ADMINISTRATION
POUCH "C"
JUNEAU, ALASKA

12-04-79

CPL. D.R.Richardson
ALASKA STATE TROOPERS
"F" DETACHMENT
BETHEL,ALASKA

MAINTENANCE AND REPAIRS ON
PUBLIC SAFETY TRAILER UNIT
#73

DURING THE MONTH OF NOVEMBER, THE DEPT. OF ADMINISTRATION SENT AN INDIVIDUAL TO BETHEL TO WORK ON THE TWO PUBLIC SAFETY HOUSING UNITS LOCATED THERE. THESE UNITS ARE OCCUPIED BY MYSELF, AND 1ST. SGT. GLENN G. GODFREY. MY FAMILY IS IN UNIT #73, AND GODFREY'S IN #74.

INITIALLY MY TRAILER NEEDED LEVELING BADLY AS THE OUTSIDE DOORS DID NOT SHUT. IT NEEDED WORK ON THE FURNACE DUE TO UNUSUAL NOISES AS THE FURNACE FIRST FIRED. THERE WAS A FAUCET IN THE BATHTUB THAT WOULD NOT SHUT OFF WITHOUT THE USE OF VICE-GRIP PLIERS. THERE WERE PIPES THAT NEEDED TO BE INSULATED UNDERNEATH THE TRAILER. THE BACK PORCH NEEDED TO BE RE-SET, AND SEALED AGAINST THE WIND. THE FRONT PORCH NEEDED TO BE RE-LEVELED SO THE DOOR WOULD SHUT PROPERLY.

OF ALL THESE THINGS THAT NEEDED TO BE DONE, NONE OF IT WAS DONE, OR AT LEAST DONE PROPERLY.
THE OUTSIDE DOORS ARE WORSE NOW THEN EVER, AND TO TOP IT OFF, THE "REPAIR" PERSON BROKE THE SCREEN DOOR, AND COMPLETE SASH FOR THE SCREEN DOOR, BUT ASSURED ME HE WOULD REPAIR IT PRIOR TO DEPARTURE. THIS WAS NEVER DONE, AND NOW WHEN THE WIND BLOWS, I HAVE TO PILE SOMETHING AGAINST THE DOOR TO KEEP MYSELF FROM HAVING A SNOW DRIFT IN THE FRONT WANIGAN. THIS ALSO I AM SURE ASSISTS THE LOCAL FUEL COMPANY IN THE SALES OF HEATING OIL.

THE THREE THINGS THAT YOUR MAINTENANCE PERSON DID DO WAS INSTALL TWO SMOKE-FIRE DETECTORS IN THE TRAILER. THERE WERE ALREADY TWO THERE, BUT THEY WERE NOT BATTERY OPERATED AS THE NEW ONES ARE. HE DID LEAVE A SMALL FIRE EXTINGUISHER IN THE KITCHEN. HE DID INSTALL A NEW THERMO-STAT FOR THE FURNACE, AND CLEAN THE FURNACE, HOWEVER IT RUMBLES MORE THAN EVER WHEN IT IS IN THE PROCESS OF IGNITING. HE DID SET UP THE TEMPERATURE OF THE ELECTRICAL HOT WATER HEATER, AND BLEW THE LINES. WE DO SEEM TO HAVE MORE AND HOTTER WATER, BUT WE HAVEN'T RECEIVED AN ELECTRICAL BILL YET TO DETERMINE IF HIS ACTION ASSISTED THE MORE ECONOMICAL OPERATION OF THIS HOUSING UNIT.

CPL. D.R.Richardson Housing UNIT #73

AT THIS TIME I WOULD LIKE TO MAKE THE FOLLOWING REQUEST, AS SOON AS POSSIBLE I WOULD APPRECIATE REPAIRS AS NOTED BE DONE TO MY HOUSING UNIT.

1. REPAIR OR REPLACE THE BATH-TUB FAUCET.
2. RE-ADJUST THE FURNACE.
3. INSULATE THE PIPES UNDERNEATH THE TRAILER.
4. LEVEL AND BLOCK THE TRAILER SO THE OUTER, AND INNER DOORS OPERATE AS DESIGNED.
5. REPAIR, AND OR REPLACE THE FRONT SCREEN DOOR, WHICH ACTS AS A WIND-BREAK.
6. LEVEL THE FRONT PORCH-WANIGAN.
7. RE-ALIGN AND LEVEL THE BACK PORCH AND SEAL AGAINST THE WIND.

AS FAR AS I AM CONCERNED THESE ITEMS ARE A PRIORITY FOR THE COMFORT OF MYSELF AND FAMILY.

UNTIL THESE ITEMS ARE TAKEN CARE OF I WILL CONTINUE TO SEND ALL BILLS TO YOUR OFFICE FOR PAYMENT OF ALL UTILITIES EXCEPT THE TELEPHONE BILL.

cc: LT. JAMES LANSBERY
BETHEL HOUSING FILE
PUBLI SAFETY EMPLOYEES ASSOCIATION.

2-7-79

MAJOR RAY RUSH
FIELD ENFORCEMENT COMMANDER
ZONE 3

FROM: Sgt Hogan

HOUSING INVENTORY

Tpr. Roy R. Sagraves
E Detachment
King Salmon

Per your memorandum of 1-31-79 attached is the housing inventory you requested for the new Trooper housing in King Salmon. One inventory list is furniture which was at the residence and belongs to D.O.T. The other list is furniture brought from the housing in Naknek to King Salmon. The only furniture belonging to D.O.T which is being utilized by A.S.T. is a dresser and two night stands; also all appliances. Following is a list of items needing repaired on the residence, most are minor items and can be done by A.S.T:

1. Basement wiring needs to be repaired, wiring and wall boxes are exposed and not mounted to the wall.

2. Basement area needs to be sheetrocked and insulated. Hot water heating pipes run from the furnace through the garage area prior to reaching the living area, these pipes are exposed to the cold and need to be insulated and covered with sheet rock.

3. Portions of the residence need to be painted. Most of the walls have nail holes throughout them, these need to be filled in and painted. The kitchen, dining room, living room and bathrooms are okay, only areas needing paint are the bedrooms and downstairs area.

4. The exterior of the residence appears to be in good shape. The only areas needing paint are the outside intranceways. Also these entranceways need to be insulated and sheetrocked.

5. There are no curtains in the bedroom areas.

There are about all of the major items needed to be done, the rest are minor and will be done by A.S.T. If materials can be purchased by the Department and Shipped to King Salmon the above defects can be taken care of.

ROY R. SAGRAVES 0135
E Detachment
King Salmon

P.O. Box 280
Nome, AK 99762
Feb. 28, 1980

Mike DeBerry
Housing Program Director
Pouch C
Juneau, AK 99811

Dear Mr. DeBerry:

I have discussed the problem of our toilet with Mr. Emmons. He informed me that he did not remove any foreign objects from my toilet. He further indicated that the stoppages may have just as likely been caused by a flaw in the design of the toilet. I might add that I have had problems with drainage in this unit, which have been reported in the past. Further in discussing the problem with both Trooper Bartlett and Sgt. Angleton I find that each of their units have similar problems.

Concerning my "Day Care Center Business". My wife presently is caring for two, sometimes three children in our home during the day. The intent of this care is more to provide companionship for our own three year old than the operation of a business. The State of Alaska does not require that this type of arrangement be licensed either as a business or day care center. I see no reason why the State Housing Program should consider it a business.

I might further remind you that the State is holding a $250 deposit which in part may be used to pay for any unreasonable wear and tear the residence may incur during my residence.

Sincerely,

Raymond E. Gary
Alaska State Trooper
Nome Post

RG/gs
CC: Harold J. Sydnam
Thomas M. Jahnke
David Kaiser, P.S.E.A.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF GENERAL SERVICES AND SUPPLY

7TH FLOOR, STATE OFFICE BUILDING
POUCH C
JUNEAU, ALASKA 99811

CERTIFIED #3525806

February 20, 1980

Mr. Raymond Gary
C/o P.O. Box 280
Nome, Alaska 99762

RE: Unit #319

Dear Mr. Gary:

Enclosed you will find copies of the following invoices from Emmons Mechanical.

Invoice No. 1801	September 17, 1979	$110.60
Invoice No. 1849	November 2, 1979	34.00
Invoice No. 1915	January 5, 1980	68.00

Mr. Gary, we have been advised that these repairs were necessary to remove foreign objects from the toilet. If this is the case then these repairs are not the responsibility of the landlord. The reason for this is that the introduction of foreign objects into a toilet is under the control of the tenant and beyond the control of a landlord. Please refer to clause 17(i) of your lease agreement. Removal of said foreign objects is also the responsibility of the tenant. Therefore, we request that you reimburse the Housing Program the amount of $136.00 (invoice #1801-$34.00, #1849-$34.00 and $1915-$68.00).

Concerning a different, but perhaps related, subject we find that we must remind you clause 6(b) of your lease agreement states that "The Lessee shall use the rental unit exclusively for residential purposes unless other use is specifically authorized in writing". This clause means, amoung other things, that a unit cannot be used for a business without permission. Therefore, we must advise you that if your unit is being used as a business premise (such as a day care center) you must cease such a practice immediately.

Sincerely,

Mike DeBerry
Housing Program Coordinator

MDeB/jf
Enclosures
cc: Harold J. Sydnam
Thomas M. Jahnke w/copy of enclosures

02-B7LH

4-10-79

Dear Sir:

Pursuant your letter dated 4-3-79, requesting a list of repairs on Housing Unit 49, I am prompted to write this letter.

The housing unit in question is located in Soldotna adjacent to the Department of Highways complex and was built in the early 1950s for the Department of Engineers working for Highways at that time. The unit, along with three trailer pads was turned over to the Department of Public Safety for housing use in 1971 or 1972. In July, 1974 I moved into the house which is a two-bedroom wood frame house with a full basement and was very dirty, in need of paint, plumbing, carpeting and general repairs when I moved in. Since I've lived there, emergency plumbing repairs, a new roof and carpeting have been accomplished.

I have had housing officers, maintenance people and private contractors poke, probe and instruct me to make lists, get bids and have received promises that repairs would be done which never have been. The only reason the roof was replaced was because it was leaking so bad it couldn't be repaired. I cajoled the maintenance man who did the roof into acquiring carpet which he laid, but only in 2/3 of the living room because he ran out after doing the hall and bedroom.

The emergency plumbing repairs were not done until it got so bad that water was running through the walls from the bathroom to the basement which rotted a wall out and warped the floor which is still warped.

I received correspondence from the Department of Administration asking if I wouldn't be interested in purchasing the unit. I wrote back that I would, included a map showing the location of the unit, what acreage I was interested in and an appraisal of the land and house. I never did get a response back on that.

I have been advised that the Department of Public Safety is going to build a Public Safety complex where my unit is located sometime within the next year.

If that is the case, there is not much point in repairing the unit. If that is not the case, I am still interested in buying the land and house. If the State will not sell me the house I would still like to live there if repairs are made.

I will not pay a dime more than I am paying for rent until after repairs are made, a list of which is attached.

If the unit is to be torn down for a Public Safety complex I would like to know when so that I can make arrangements to move out.

If the point that I will not pay any more rent until after repairs are completed is not satisfactory, and you wish me to vacate, I would like to know when so that I can make arrangements to move out. If you have a representative of the State you would like to have contact me in earnest about purchasing the house and land, I am still interested.

I realize that the State does not want to be a landlord to employees and has probably done the best it can with what monies are available but I also very firmly believe that the unit I am residing in has been neglected to a point that I can not under any circumstances justify a rent increase until after repairs are made.

I am looking forward to hearing from you or your representative concerning this matter.

Sincerely,

Thomas A. Sumey

Thomas A. Sumey

cc: Major Ray Rush, Housing Officer
Department of Public Safety
Sergeant Jay Yakopatz, President
Public Safety Employees Association
Corporal A. G. Schadle, Housing Officer
D Detachment, DPS

9036- FAIR MARKET RENTS

It is the intent of this policy that compensation for employment be separate and apart from the assessment of State Housing rental rates. The amount of rent to be assessed is subject to the most current Fair Market value rents for Anchorage as compiled by the U. S. Department of Housing and Urban Development, revised annually and adjusted to reflect the geographical salary differential applicable to the place in which the tenant lives.

9037 - CLASSIFICATION OF CONDITION OF STATE HOUSING UNITS

State Housing units are classified into the following three (3) condition categories:

1. "Good or better"

2. "Fair"

3. "Poor"

9040 - DEFINITION OF INDEX OF FACILITY CONDITION CLASSIFICATIONS

1. "Good or better" - very little wear and tear is evident to the unit; insulation for winter use is adequate or heating plant capacity is able to compensate for inadequate insulation.

2. "Fair" - wear and tear is evident and/or unit is in need of significant repair; insulation for winter use is adequate or heating plant capacity is able to compensate for inadequate insulation.

3. "Poor" - unit is marginally habitable and is in serious need of repair; insulation for winter use may be less than adequate and if it is, the heating plant is not able to compensate for inadequate insulation.

9039 - AMENITIES LACKING

When in the opinion of the Departmental Housing Officer it is determined that the State's rental quarters are lacking any of the amenities listed below, a deduction of 2% for each amenity determined to be lacking will be made from the basic rent for the unit in question. In no case will the total deductions reduce the basic rent more than 50%.

AMENITIES INCLUDE:

1. Paved streets
2. Street lighting at least at intersections
3. Sidewalks
4. Lawns, trees and landscaping
5. Reliability and adequacy of water which is safe for household use
6. Reliability and adequacy of electrical service
7 Reliability and adequacy of fuel for heating, hot water and cooking
8. Police protection
9. Fire protection
10. Disturbing noise or offensive odors

9054 - COMPLIANCE WITH SPIRIT OF LANDLORD AND TENANT ACT

Each controlling agency is to maintain its dwelling units in accordance with the spirit of Article 3 of the Uniform Residential Landlord and Tenant Act. (AS 34.03.101 - 34.03.380)

Each tenant is to maintain his/her dwelling in accordance with the spirit of Article 4 of the Uniform Residential Landlord and Tenant Act.

9056 - PERIODIC INSPECTION OF DWELLING UNITS

Periodic inspections of each dwelling unit are to be made for the purpose of identifying and documenting outstanding maintenance requirements. Particular attention will be paid to maintenance that needs to be done to assure that the State, as a landlord, will stand in compliance with the Uniform Residential Landlord and Tenant Act and to maintenance needed to assure the continued protection of the capital investment represented by the housing facilities. These inspections are to be conducted by personnel who are professionally qualified to make judgments about what needs to be done, the urgency of the requirement, and how the repair may best be accomplished.

The Department of Administration (Division of General Services/Supply) will contract with the Division of Buildings for the accomplishment of periodic inspections of each agency dwelling unit on the following basis:

1. At least one (1) maintenance inspection per year for those dwelling units classified in "good or better" condition.

2. At least two (2) maintenance inspections per year for those dwelling units classified in "fair or poor" condition.

The Division of Buildings is to supply the appropriate Departmental Housing Officer with a copy of a report of findings (HOUSING FACILITY MAINTENANCE REQUIREMENTS CHECKLIST, form _____) for each periodic inspection completed. A copy of each such report is to be maintained in the "owning" agency's file of information pertaining to each dwelling unit.

9058 - MAINTENANCE OF DWELLING UNITS

Responsibility for maintenance of dwelling units rests with the owning/controlling agency. The periodic inspections (Section 9056) and tenant complaints (Sections 9070 and 9072) will be the usual sources of information indicating that maintenance services are required.

Where two or more agencies own or control dwelling units in the same remote location or area interagency coordination of maintenance activities should be considered as a means of reducing transportaion and other maintenance related costs. Owning/Controlling agencies may enter into Reimbursable Services Agreements subject to the approval and conditions set forth by the Department of Administration, to effect

maintenance on dwelling units. When practicable, the Division of Buildings should be engaged to accomplish dwelling maintenance. A written, chronological record of maintenance accomplished by either a State agency or a private contractor will be maintained in the owning/controlling agency's file for each dwelling unit.

9060 - MAINTENANCE OF VACANT UNITS

Each agency owning or controlling dwelling units is to provide for the security and maintenance of its vacant units.

Units vacant for more than six consecutive months will receive a periodic inspection at minimum of twice per year per the instructions in paragraph number 9056.

9066 - BUDGETING FOR MAINTENANCE AND OPERATING COSTS

Funding for the maintenance and operation of dwelling units owned or controlled by agencies should be included in the annual operating budget submission of each agency.

9067 - BUDGETING FOR CENTRAL ADMINISTRATION COSTS

Funds to support the following activities are to be included in the Division of General Services/Supply, Department of Administration budget:

1. Maintenance of a central inventory of the housing stock. (see section 9076)

2. Periodic inspection of facilities. (see sections 9056 and 9060)

3. Housing policy coordination, and assurance of compliance with this Policy and future directives of the Administration concerning Employee Housing.

4. Tenant greviance processing. (see sections 9070 and 9072)

As a general rule agency collected rental receipts are to be treated as a type of unrestricted receipt. They may however be spent by the collecting agency to the extent that they are made available to the agency as program receipts for expenditure via a specific appropriation by the legislature. Rent revenues collected in excess of an appropriation of program receipts must be deposited in the general fund.

9070 - PROCEDURE FOR REGISTERING TENANT COMPLAINTS

Any employee residing in State housing wishing to file a complaint regarding some aspect of the dwelling unit or its facilities should communicate that complaint in writing to the Departmental Housing Officer (or his/her designee) of the agency by whom the tenant is employed. If the complaint is of an emergency nature the most expedient method available should be used to effect this notification. Any oral report should be followed by a written confirmation of the oral report.

BUSH HOUSING

Quality

Poor quality housing in most areas in that most units are of the trailer-type units and are old and simply not suitable for the climatic conditions under which they are used.

Problems

Following is a list of some problems experienced in bush housing units:

1. Frozen water pipes
2. Furnace continually going off
3. Doors will not properly close
4. Ice build up inside walls
5. Roof leaking
6. Windows blow out
7. Toilets do not flush proper
8. Sewer lines frozen
9. Boots have to be worn, cold floors
10. Fuel lines leaking, under trailer

These are some of the problems that are continually faced by the officers, which have to be taken care of first before they can perform the job that they were hired to perform.

Remedy

Replace the units that are now archaic with a type of unit that is comfortable and at a reasonable rate of rent. The rent has been a problem and is still a problem. It appears that approximately every two years some type of new order comes out and some kind of new formula is used to determine what the rent will be.

PSEA Member Obligation

One should not loose sight of the fact that PSEA members have no choice but to transfer if the State deems it necessary to move that member if his expertise or rank is needed in a particular area. Once in an area, an officer may perform a wide variety of duties, such as police officer, emergency medical treatment, marriage councilman, sometimes husband and father. By being in a remote area, quite often a sign is posted on or near

PSEA Member Obligation (Cont'd)

the faciltiy advertising the fact that a FWLP officer or State Trooper lives there which means his home becomes an office for the State. On top of these duties, the matter of maintaining the unit in a livable condition is constantly on the member's mind to the point that all above-mentioned duties almost become secondary. I guess it all boils down to the question of exactly what are the priorities of the State.

State Obligation

Furnish top quality housing at a rate the member can afford and institute a maintenance program that will prohibit the units becoming in the State now existing.

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

SB

550

STATE OF ALASKA

HUMAN RIGHTS COMMISSION

JAY S. HAMMOND, GOVERNOR

431 WEST 7TH AVENUE
SUITE 105
ANCHORAGE, ALASKA 99501
PHONE: (907) 276-7474

February 27, 1981

Senator Victor Fischer
Pouch V
Juneau, AK 99811

Dear Senator Fischer:

Here is the background you requested which might support State funding of Native Employment Rights Offices in rural areas.

A number of non-profit native corporations have established offices to attempt to resolve complaints of alleged employment discrimination by Alaska Natives through informal procedures. A list of the existing TERO's is enclosed.

The concept grows from the practice of some Indian tribes outside of Alaska to exercise their lawmaking powers to prohibit employment discrimination by on-reservation employers. The sovereign status of these tribes enables them to establish an enforcement entity which can accept complaints and issue orders much in the same way that State governments do through anti-discrimination agencies such as the Human Rights Commission here.

In Alaska, the non-profit Native organizations do not have the authority to make laws, but they can participate in the process nonetheless. The demonstration project at Cook Inlet Native Association, funded by the Equal Employment Opportunity Commission, has been running successfully for the past year. Under its contract, CINA has been trained by EEOC and us in the standards for accepting employment discrimination complaints under Federal and State laws.

The government agencies voluntarily refrain from processing these complaints for a month while the Native organization gets the parties together and tries to resolve the case informally. The incentive for the parties to do that is the fact that the government agencies will begin their procedures quickly if the informal efforts do not succeed. We have closed several complaints because the CINA group succeeded in negotiating remedies acceptable to the parties. Informal working agreements between the State Commission, the Anchorage Equal Rights Commission and the EEOC have guarded against overlap and duplication of functions in these types of cases.

The success of the CINA project has encouraged the other organizations on the list attached to start their own projects. Most of them sent representatives to a training session which the State Commission conducted for its own staff and Commissioners in January. Each of these groups is in the process of learning what allegations constitute a complaint, and what legal principles are involved in assessing the merits of complaints. They are also learning what remedies are customary for different types of violations in order to conduct meaningful conciliation discussions.

Mear hile, the 1980 Legislature established a rural coordinating function at the State Commission. One of our senior investigators has been travelling through the State looking into issues of discrimination in rural Alaska, accepting complaints for processing by our field staffs, conducting educational programs, and working with the TEROs.

I believe the growth of these TERO programs is a positive development for human rights work in rural Alaska. As a general rule, discrimination issues can best be resolved at the local level with as little state involvement as possible. The State role is then to provide technical assistance and training, as well as setting standards through cases it decides formally and substantive rule making. It is not likely, nor is it necessary, that the State will open human rights offices extensively throughout rural Alaska, nor is it practical or necessary to expect the State to have all of its employees widely travelling throughout rural areas when locally-based institutions exist which can conduct a substantial part of the program on behalf of the State.

These reasons support the idea of State funding for NEROs. Future federal funding for this activity beyond the demonstration program at CINA is problematic.

The concept we are advancing is similar to the proposal you are currently considering for State support of local governmental commissions in Anchorage and possibly Fairbanks. The model for this relationship already exists in the form of the present state and federal relationship under which the EEOC provides a portion of the support of the State program by contract reimbursement for cases completed at the State level which would otherwise have to be completed by the federal government. The same type of contract funding relationship could exist between the State Commission and the local Commissions and TEROs. An infusion of funds to the State Commission's contract budget line would enable us to operate this type of grant program within existing State contracting rules.

Please let me know if I can furnish any additional specifics or answer other questions about how such a program might operate. Your interest in the subject is sincerely appreciated.

Sincerely,

Niel Thomas
Executive Director

NT/mcb

Current list of Native/Tribal Employment Rights Office (TERO) Program Organizations in Alaska 1981

Yupiktak Bista Manpower Center/NERO Program
Bruce Day, NERO Director
c/o Association of Village Council Presidents
P.O. Box 219 or 848
Bethel, AK 99559
(907) 543-3241/543-2452/543-3243

Cook Inlet Native Employment Rights Office
Chris Calvert, Employment Rights Analyst/Acting Director
Ben Ungudruk, Employment Rights Analyst
c/o Cook Inlet Native Association
670 West Fireweed Lane
Anchorage, AK 99503
(907) 265-1284/278-4641

Barrow IRA Tribal Organization/NERO Program
Al Stevens, Acting Director
Chris Gallagher, Native Employment Rights Specialist
c/o Inupiat Community of the Arctic Slope
P.O. Box 437
Barrow, AK 99723
(907) 852-2411

Mauneluk Manpower/NERO Program Center
Harry Cross, NERO Program Director
P.O. Box 725
Kotzebue, AK 99752
(907) 442-3860

Tanana Chiefs Conference, Inc./NERO Program
Gail Vick, Employment Assistance/NERO Program Director
Doyon Building, 201 First Avenue
Fairbanks, AK 99701
(907) 452-8251 (1-6)

Alaska Federation of Natives, Inc./NERO Program
Sylvia Carlsson, AFN State-Wide, NERO Program Coordinator
1577 C Street
Anchorage, AK 99503
(907) 274-3611

M I N U T E S

ALASKA NATIVE EMPLOYMENT RIGHTS OFFICES

ORGANIZATIONAL WORKSHOP

APRIL 29, 30, 1981

SUNSHINE MALL, 411 WEST FOURTH AVENUE, ANCHORAGE, ALASKA

INTRODUCTION AND OPENING REMARKS:

Ms. Sylvia Carlsson gave the opening remarks and introduced the participants from all over Alaska. Indicated the purpose of the Workshop and the ojectives for creating a network of TERO/NERO offices.

PROFILES OF ALASKA NATIVE EMPLOYMENT RIGHTS OFFICES: (Ten minute presentations)

Profiles given from each TERO/NERO office present. Presentations given by Tanana Chiefs Conference, Inupiat Community of the Arctic Slope, Cook Inlet Native Association, Yupiktak Bista Manpower Centr (AVCP), Sitka Community Association, Bristol Bay Native Association.

FORMING A STATEWIDE NETWORK:

Sylvia Carlsson explained what she felt would be a statewide network of TERO/NERO offices. Al Stevens indicated that he felt that it was necessary but needed to be formed as a committee and not as a commission. He indicated if we are to communicate with one another and combine our efforts we need this approach. Al indicated that be need to unite together to be effective. AVCP presented its views also. Both AVCP and ICAS indicated it would have to take any results of the committee back to their respective Boards. Most all indicated this would be the case. All agreed that the committee is necessary and should be formed right now. It was agreed that not only would this be a good political tool but an excellent way in which to exchange data. Much other discussion was done but the outcome was the same. Approval of a statewide committee on Alaska Native Employment Rights.

FUNDING SOURCES AND PROBLEMS:

Discussion on various methods of funding was done. Some seemed concerned with the States rules on funding for employment rights. Others thought that it would not present a problem. There didn't seem to be any firm or definate means for funding and it being late it the day, the meeting was recessed until 9:00 A.M.

FLOAT BACK TO FORMATION OF STATEWIDE NETWORK:

Agreed that one representative and an alternate be designated from each area. Suggested that nominations be made for a temp. chairperson. Nomination made by Al Stevens for Gale Vick, Seconded by Harry Cross. Nomination made by Tiny Phillips, seconded by . Declined by Al due to distance from Barrow to other areas. Gale Vick elected as Temp. Chairperson. Sylvia brought up the funding again . The meeting went back to meeting times and the date of the next meeting. Much, much discussion was done on the name of the committee. The final selection was ANERPC. (Alaska Native Employment Rights Planning Committee)

Various goals were discussed for the purpose of the committee. These were Technical Assistence, Funding Sources, Training, and Sharing of Data, Problems, Incedents, and legal litigation.

Discussion on ANERPC's organizational flow. See attached flow chart as a suggested format to follow. Authority for the committee would be as an advisory committe to make recommendations to the Human Resource Committee of AFN.

Discussion on entering data into a statewide network for available talent within areas or statewide. Some are already on the system but others are trying to develop their own system. Newsletter was suggested but no definate plans were made. Generally accepted that the telephone and correspondence would be more benificial. Suggested that monthly reports be sent to each other rather than the burdensome process of newsletters, since all TERO/NERO's have monthly and quarterly reports anyway.

Much discussion on dates of meetings since there are so many of them in May & June. Dates for Region XX were changed so many times that it was decided to set our own dates and get on with the program.

EQUAL EMPLOYMENT OPPROTUNITY COMMISSION:

Ms. Bea Rivers from EEOC in Washington D.C. did not show for the portion of the agenda provided.

TRIBAL EMPLOYMENT RIGHTS PLANNING COMMITTEE:

Ms. Joyce Dixson, Executive Director of TERPC presented what TERPC is and what it is trying to accomplish. Ms. Dixson indicated that all recongnized TERO's are a part of TERPC. There are currently 41 TERO's under TERPC. Of the 41 there are 13 in the formation stage. Of the 41 there are three recognized from Alaska, Bethel, Barrow, and CINA of Anchorage. There are 28 which have been in operation at least one year. She indicated that the statistical data collected in March was the reason which TERPC got refunded this year, indicating the importance of this type of data.

Ms. Dixson presented the various activities happening with the TERO's in the lower 48. CINA responded to Ms. Dixons response of seeking funding from other sources rather that EEOC, as an important part of the EEOC process is the authority to act. Ms Dixon explaned the agenda of the workshop which is going to be taking place at Bottle Hollow, Utah, for the benefit of those who plan to attend. It was agreed by all that Tiny Phillips represent Alaska at this meeting.

BREAK FOR LUNCH:

ALASKA STATE HUMAN RIGHTS COMMISSSION:

Mr. Jerry Wood of the Commission presented what the commission was doing in Alaska and how it would be beneficial to the TERO/NERO's. Recommendations by TERO/NERO's as to the communications which should be in effect between HRC and ERO's.

Executive Director of the HRC gave a presentation. Concerns from the TERO/NERO's to the HRC were given along with much discussion. He indicated that the concept of using TERO/NERO's as the rural arm of HRC is sound but there may be problems. He also indicated that he would look at a contract from the TERO/NERO's for intake service. Al Stevens indicated that it would be in the best interest of HRC as well as the TERO/NERO's for this approach since by the time it takes HRC to get on the job site the job would be completed and the contractor would be off the slope in most cases. Al also indicated that the TERO/NERO's need the authority to act from EEOC and HRC. Sylvia indicated that the authority and credibilily to work with the employers is needed. Much discussion was done.

SUMMARY OF WORKSHOP:

Dates were once again discussed. May 11-12th will be the ANERPC meeting in Juneau. Be prepared to elect a Chairperson, feedback from organizations of ANERPC concerning Bottle Hollow, and the recommendations for a workshop for TERO/NERO's. May 19-22, for the Training workshop in Juneau, May 26-29 for the Region XX Meeting, and June 8-9 for the Manpower/Education meeting in Juneau.. Remember SB 318. Gale Vick made closing remarks concerning employment rights. Thanks given to the participants and the speakers.

WORKSHOP ADJOUNED AT 3:00 P.M.

Respectrully Submitted.

Allen L. Stevens

ALASKA FEDERATION OF NATIVES, INC.

1577 'C' Street, Suite 304 • Anchorage, Alaska 99501 • Phone 907-274-3611

ALASKA NATIVE EMPLOYMENT RIGHTS OFFICES

ORGANIZATIONAL WORKSHOP

APRIL 29, 30, 1981

SUNSHINE MALL — 411 WEST FOURTH AVENUE — ANCHORAGE, AK

TENTATIVE AGENDA

WEDNESDAY, APRIL 29:

8:30 - 9:00 A. M.	REGISTRATION, COFFEE, AND DONUTS
9:00 - 9:15	INTRODUCTIONS AND OPENING REMARKS Sylvia Carlsson, AFN
9:15 - 10:25	PROFILES OF ALASKA NATIVE EMPLOYMENT RIGHTS OFFICES Ten-Minute Individual Presentations
10:25 - 10:40	B R E A K
10:40 - 12:00	FORMING A STATEWIDE NETWORK Discussion by Group
12:00 - 1:00 P. M.	L U N C H
1:30 - 2:30	ORGANIZING THE NETWORK Constitution, Bylaws, and Board of Directors
2:30 - 2:45	B R E A K
2:45 - 4:30	FUNDING SOURCES AND PROBLEMS Discussion by Group
4:30 P. M.	RECESS

THURSDAY, APRIL 30, 1981:

9:00 - 10:00 A. M.	EQUAL EMPLOYMENT OPPORTUNITY COMMISSION Beatrice A. Rivers
10:00 - 10:15	B R E A K
10:15 - 12:00	TRIBAL EMPLOYMENT RIGHTS PLANNING COMMITTEE Joyce Dixon, Executive Director
12:00 - 1:30	L U N C H Arrangements by CINERO
1:30 - 2:30 P. M.	ALASKA STATE COMMISSION FOR HUMAN RIGHTS Neil Thomas, Executive Director
2:30 - 2:45	B R E A K
2:45 - 3:30	SUMMARY OF WORKSHOP Sylvia Carlsson, AFN
3:30 - 4:30	PLAN OF ACTION Discussion by Group
4:30 P. M.	ADJOURNMENT

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Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 264-4343

GEORGE M. SULLIVAN,
MAYOR

EQUAL RIGHTS COMMISSION
620 East 10th Avenue

March 5, 1981

Senator Vic Fischer
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Fischer:

The following information is provided in reply to your February 17, 1981, request for data representing the Equal Rights Commission (ERC) work load under the Work Sharing Agreement with the Alaska State Commission for Human Rights (ASCHR).

Since inception of the Work Sharing Agreement in May, 1980, the Equal Rights Commission has received twenty- four (24) deferred complaints filed by Anchorage residents from the Human Rights Commission. This represented 25% of the total 1980 complaints handled by the ERC.

To translate these figures into budget costs is a process that has not been determined within the Municipal budget. However, working from information provided in the April 4, 1980, Human Rights Commission report to Representative Parr, (see attachment), it is possible to determine an estimated cost for investigative actions.

The statistical information pertinent to establishing these costs are found on the last page of the April 4, 1980, report.

Total investigative costs for the ERC can be calculated by subtracting overhead and public educational costs.

Based upon ASCHR figures, overhead accounts for 28.5% of their budget. Education costs are grouped with intake costs and together represent 19.6% of their budget. Taken separately, it is accurate to say that 10% of the Equal Rights Commission budget is expended on educational actions. Thus, the total of overhead and public education would be 38.5% of the ERC budget, leaving 61.5% of budget for investigative costs.

Based upon these percentages, the total amount of the Equal Rights Commission budget expended on investigative related actions was $246,000 in 1980. Of this figure, 25%, or $61,500, was allocated toward complaints deferred by the Human Rights Commission.

I hope that the information provided here will be of benefit to you, Senator, as you review potential State funding for local civil rights agencies. As you know, I whole-heartedly support the complaint deferral concept as it results in a more rapid investigation of the allegation. Thus, the benefits are applied directly to respondents and complainants alike in the form of a timely investigation. Furthermore, the State also benefits from this arrangement as the Equal Rights Commission pay scale for comparable positions is lower than the State pay scale. This also eliminates duplication of the local Commission's effort.

Should you require any additional information on this matter, please do not hesitate to contact me.

Sincerely,

ANCHORAGE EQUAL RIGHTS COMMISSION

Vincent H. Casey
Executive Director

RK: VHC: smt

Enclosures

MEMORANDUM State of Alaska

TO: Finance Committees
Alaska Legislature

DATE: January 28, 1981

FILE NO:

TELEPHONE NO:

FROM: Alaska State Commission for Human Rights

SUBJECT: Request for FY81 Supplemental Appropriation

CONTACT PERSONS:

Diana Snowden, Chairperson	Anchorage	264-7737
Arlene Dilts, Fiscal Commissioner	Juneau	586-1432
Niel Thomas, Executive Director	Anchorage	276-7474

For the first time since 1975 the Commission is requesting a supplemental appropriation to its budget. There are two significant areas to this request as follows:

$57.2 2. Rent Increase Adjustment: The Anchorage Commission offices were forced to move on an emergency basis to another location during FY81 due to untenantable conditions (i.e. ceiling falling down, roof leaks, uncontrollable heating and ventiliation, obnoxious odors). Additional space required for the new (FY81 authorized) positions was negotiated into the new lease.

$35.9 2. Reduction of Federal Receipts: The Commission receives federal contracts for reimbursement of case processing costs. The Commission, due to cuts in the FY80 budget, was unable to meet its FY80 federal contract and current contracts have been drastically reduced as a result. The Commission is requesting this additional amount in order to prevent a chain reaction of state underfunding followed by reduction in federal receipts and so on. The supplemental ensures full case production and therefore full realization of federal funds.

Background

The Commission has the responsibility to ensure that the irrelevant factors of race, sex, color, age, religion, national origin, marital status, changes in marital status, pregnancy and parenthood are not factors in employment, housing, public accommodations, credit and government services. The staff is answerable to a seven-member unsalaried Commission which sets overall policy and decides cases brought before them by the

staff at hearings. Legal advice is by the Department of Law. The Commission teaches people their rights under the law and shows people how to avoid complaints by complying with the law.

The Commission screens potential complaints to eliminate those which do not meet filing standards. Complaints accepted are investigated impartially: 85% are dismissed or settled to the satisfaction of the parties. Unresolved Complaints, supported by substantial evidence, are brought before Commissioners by the staff at public due process hearings. Orders issued after hearings may be reviewed in Superior Court.

In the past six years the Commission has processed 3748 cases with 467 of these remaining open on 10/1/80. The total dollar value of benefits received by Complainants during this period is $4,018,010. The Commission has issued 25 opinions after public hearings. There have been 23 court opinions construing the Human Rights Law. No position of consequence the Commission has taken in court has been rejected by Alaska's Supreme Court or the U.S. Supreme Court.

Complaint Patterns and Projections

Table 1 shows complaint levels at the Commission since 1975. Included are projections based upon the FY82 budget submission. The bulge attributable to Alyeska pipeline impact is evident, as is the gradual reduction in this inventory following a budget increase in FY76. The effect of the FY80 budget reduction appears currently in the form of a more gradual reduction in the case inventory.

Table 1 assumes a continued annual filing rate of 216 cases, based upon the experience of the first nine months of calendar year 1980. (In 1979 the rate was 304; in 1978 it was 406. The projected rate of 216 cases is a conservative figure, reflecting the downward trend in new filings, current strict filing standards and the general population decline.)

Table 2 projects the complete elimination in the field offices of the 10/1/80 backlog of 434 cases. This table reflects: a) anticipated funding under a Backlog Elimination Project requested in the FY82 budget with a supplemental for FY81 b) funding with FY82 project and no FY81 supplemental funding and c) no supplemental or FY82 project funding.

Table 3 shows activity in cases at the hearing stage. (These cases are not included in the field office totals of Table 2: the total 10/1/80 inventory of 467 on Table 1 equals the 434 field office cases shown on Table 2 plus the 33 hearing cases shown on Table 3.)

Table 3 tracks separately the activity of backlog hearing cases (filed before 10/1/80) and "front log" cases (filed after 10/1/80). It assumes, based upon recent patterns, that 15% of cases processed through the field offices reach the hearing stage. The hearing caseload will grow slowly, but will grow indefinitely without the FY82 budget requested. The Equal Employment Opportunity Commission (EEOC), the federal counterpart, averages nine cases for an attorney caseload. The combined effect of the supplemental and the FY82 project budget would make the hearing caseload for the attorney consistent with the federal practices.

The bulge in hearing cases to a peak of 82 on 6/30/82 is caused by the heavy production of the field office backlog team plus normal input from current cases. At that time additional support is transferred to this unit to reduce the caseload.

RENT INCREASE ADJUSTMENT

This supplemental appropriation request provides funds for the Commission's Anchorage offices move due to untenantable conditions. The net increase in rent is 47.4. No money was budgeted in the current FY81 budget for the ASHA payment for the Fairbanks regional office 10.1. Without the supplemental the Commission will be forced to pay these costs by transfers from other program budget lines. The total requested supplemental amount for rent and lease increases is: 57.5.

REDUCTION OF FEDERAL RECEIPTS

In the past the Commission, fully staffed, was always able to meet or exceed its federal contracts for processing cases. During FY80 the Commission's budget was cut. The resulting personal services underfunding prevented filling vacant positions. This directly impacted upon the production of the agency in case processing. The agency was unable to meet its federal contract for FY80 and was required to take a downward contract modification of $26,950 or 23%. This left very little funding for the first quarter of FY81. (See table 4). Additionally, the federal FY81 contracts were reduced drastically, based upon performance under the federal FY80 contract. Instead of the 106.0 originally estimated in federal receipts, in the state FY81 budget, only 70.1 will be realized during state FY81. The Commission is, therefore, requesting an additional $35.9 to raise production back to the pre-FY80 level and realize the 115.0 projected in the state FY82 budget.

SUMMARY

Funding shortfalls are creating unacceptable delays for Complainants and Respondents. These delays cost Respondents more in backpay and attorney fees. Complainants withdraw legitimate complaints. These closures do not serve justice.

Without a supplemental, the Commission will cut services. The Commission's budget is over 77% personal services, including the Department of Law attorney contract. Short of layoffs there is no budget line to cut by $93.1. Re-staffing and re-training in July after layoffs would compound the problem by slowing services until the staff is fully productive.

Table 4

EEOC CONTRACT PERFORMANCE[a]

	FY77	FY78	FY79	FY80	FY81
Federal receipt per contract	50,830	121,230	117,250	[b]125,000/98,050	66,938
# cases contracted	109	335	335	[b]335/258	170
# cases completed	337	343	338	228	[c]32

(a) EEOC contracts are by federal fiscal year, October - September.
(b) Left figure is original contract amount/right figure is modified contract amount.
(c) Cases completed through 12/31/80, one quarter contract production.

HUMAN RIGHTS COMMISSION
ANALYSIS OF TOTAL CASE INVENTORY
1975 - 1985

Table 1

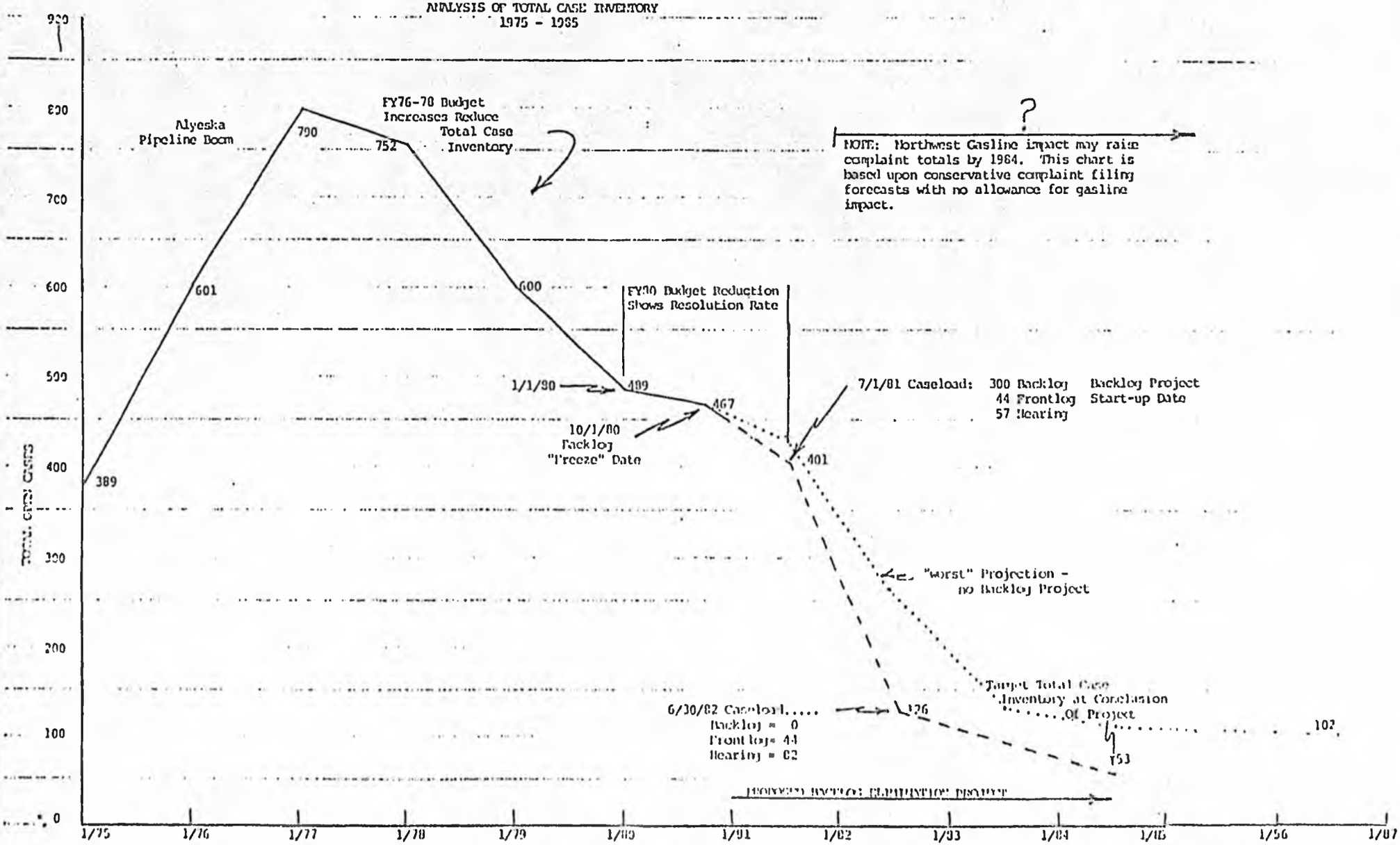


Table 2

HUMAN RIGHTS COMMISSION
"BACKLOG" ELIMINATION
PROJECTIONS
FY81 - 82

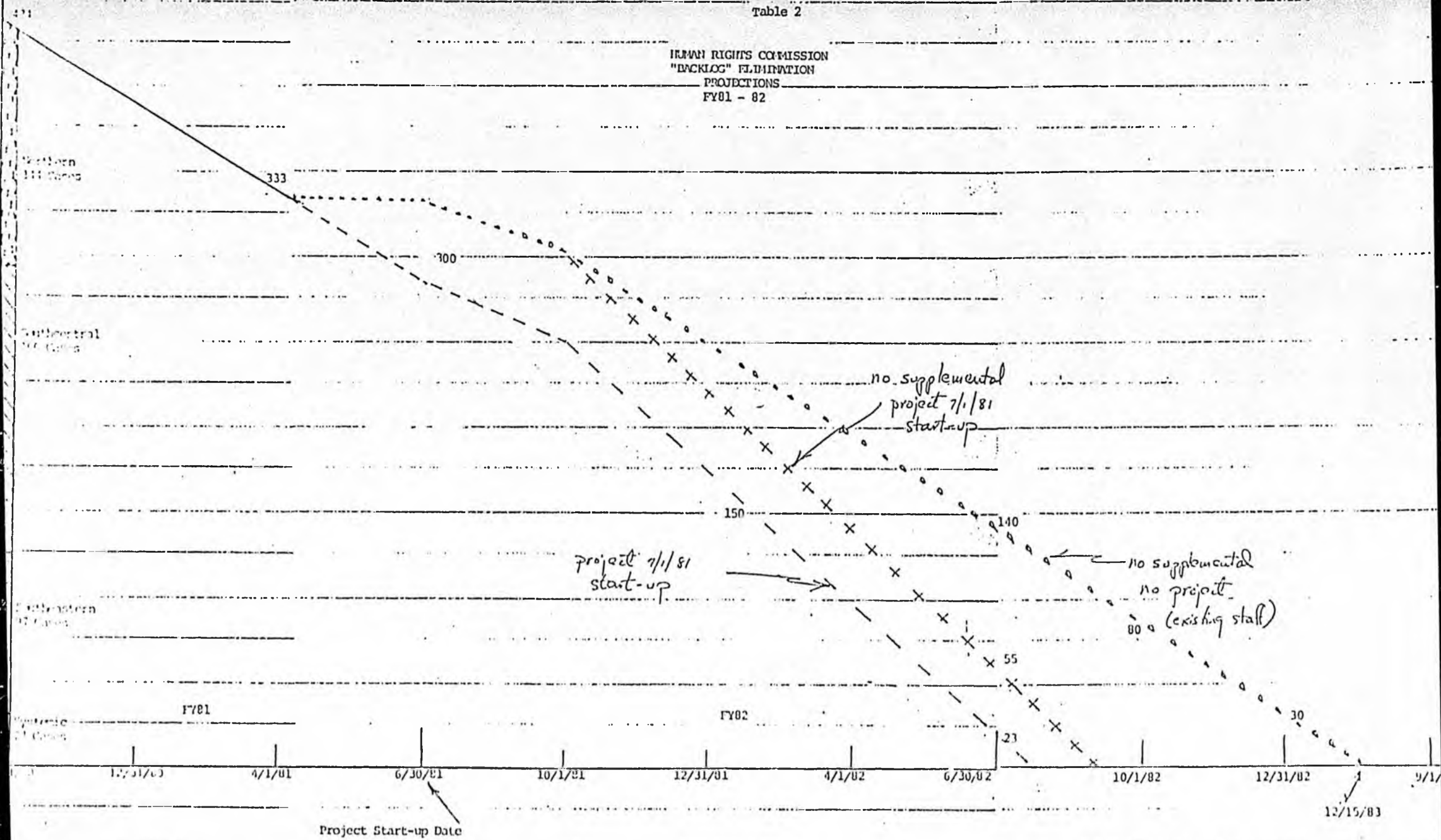
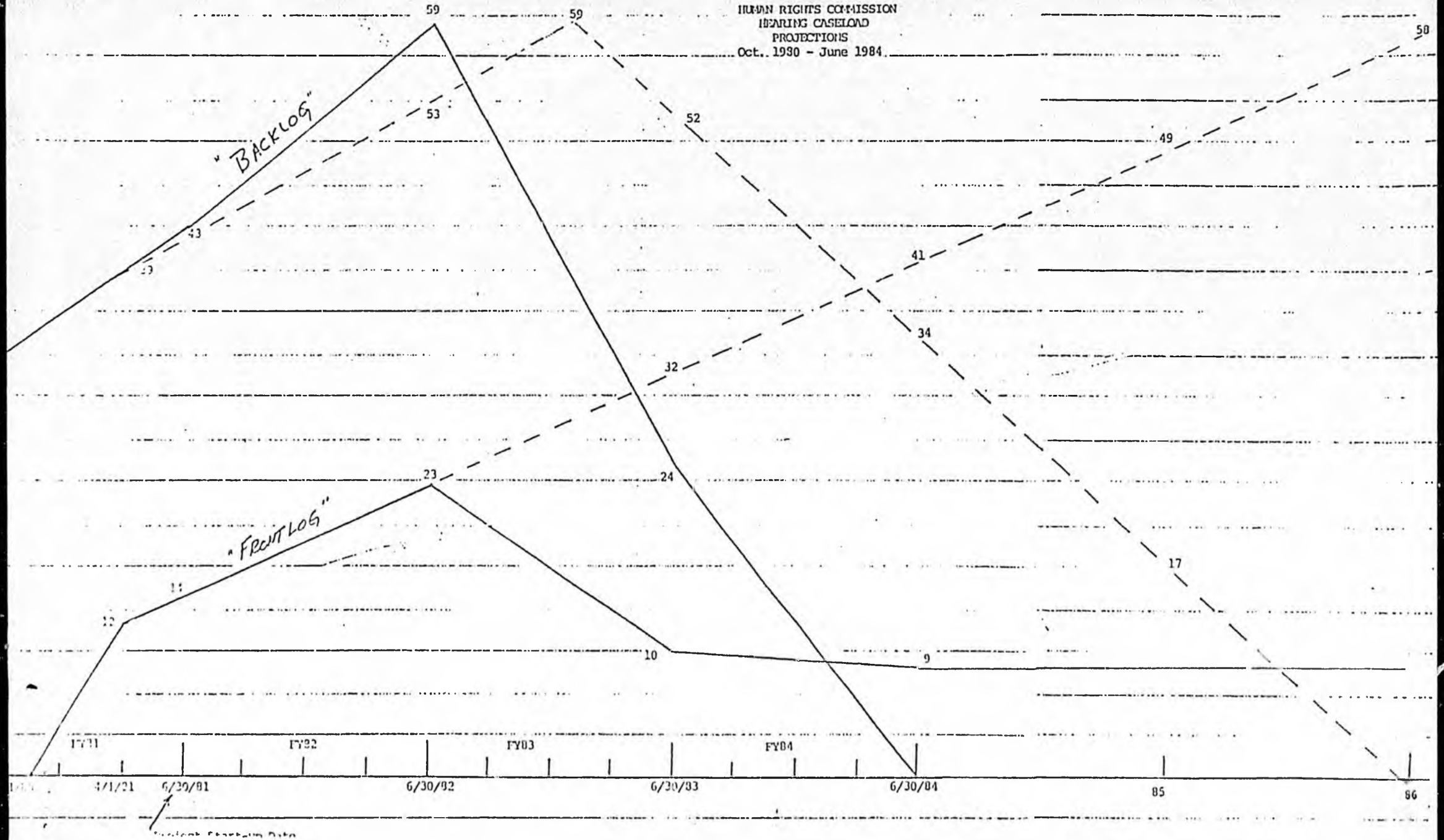


Table 3

HUMAN RIGHTS COMMISSION
HEARING CASELOAD
PROJECTIONS
Oct. 1980 - June 1984



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MEMORANDUM State of Alaska

TO: Senator Vic Fisher, Chairman
State Affairs Committee

DATE: March 6, 1981

FILE NO:

TELEPHONE NO:

FROM: Niel Thomas
Executive Director
Human Rights Commission

SUBJECT: TERO Funding - Human Rights Commission Supplemental

Here is the information which Nancy Coszek of your staff requested today. She asked what funding level would be appropriate to support TERO programs, the concept for which I outlined in my recent memo.

TERO Funding: The figures below rest on the following assumptions:

(a) Ten projects operating by the end of FY'82. (Eight now exist: Barrow, Tanana Chiefs, CINA, Dillingham, Kotzebue, Sitka, Bethel and AFN. Projects may be forming in Metlakatla, Nome, Kodiak and Tlinget/Haida.)

(b) Full position cost (including benefits) of entry-level human rights representative equivalent to people at this agency who take complaints, explain basic legal rights, gather facts in one-on-one cases and assist with case resolutions. One position per TERO project.

(c) $2000 per project for travel

(d) TERO's pick up overhead and clerical from other on-going funding sources.

(e) 5% administrative cost at this agency (1/2 clerk to handle contract administration).

(f) Project funding available spring of 1981 through June, 1982 from this appropriation. Average project duration: 9 months.

Annualized (12 month) Cost: $371,532
Requested amount (9 months) $278,649

Continuing Account: We recommend that this amount be appropriated as a supplemental to the Commission's FY 81 budget so that funding can begin soon. For flexibility in program administration the appropriation should be made as a "continuing account", meaning that the entire amount will be available during the remainder of this fiscal year and through all of FY'82. This avoids re-doing contracts after June 30, 1981.

Local Human Rights Commission: This TERO funding is an extension of your earlier inquiry about financial support for local human rights commissions. We recommend that the amount below be included in the supplemental since these agencies are on a calendar year budget cycle and can put the funds to work immediately. Intent associated with this funding should say that it is designed to increase the existing level of on-going municipal support in order to strengthen the agencies' hearing and enforcement efforts. (Municipal funding for these activities has been insufficient to date, leading to criticism about fair hearings.) The amount for Anchorage is based upon the $61,500 figure they furnished you separately and reflects that proportion of their current costs attributable to state cases they have been doing. Since that agency is on a calendar year budget cycle, I have given a figure for the supplemental large enough to cover eight months of spending at this rate in calendar year 1981 and the full year's amount for calendar year 1982. Therefore, the bill should also set this up as a continuing account in order to authorize funding into FY'83. Funding for the Fairbanks Commission is at 30% of the Anchorage rate, owing to the smaller volume of projected work there.

Anchorage Equal Rights Commission Annualized amount	$ 61,500
Funding request May, 1981 through December, 1982	102,500
Fairbanks Human Rights Commission	30,750
Total	$133,250

State Human Rights Commission: This FY'81 supplemental request covers unexpected moving and related costs (57.2) and a recapture of federal funds (35.9) lost from current contracts because of the FY'80 budget cut. Details are in the memo attached.

Total request	$93,100

Summary: The total requested FY'81 supplemental therefore is:

(a)	TERO Funding through June 30, 1982	$278.6
(b)	Local Human Rights Commisions through December 31, 1982	133.2
(c)	State Human Rights Commission through June 30, 1981	93.1
		$504.9

411.9

I reviewed this information in this memo with some members of the Commission late today and was asked to express these concerns to you about a possible supplemental:

(1) We hope the legislature does not view the size of the supplemental as an effort by the Commission to dramatically increase its budget. Less than 20% of the funds go to the Commission, and those are for a one-time shortfall. The rest of the supplemental is specifically earmarked for other related organizations.

(2) We share any concern which might be voiced that the Commission's functions would be duplicated by TERO's or local commissions. We believe, however, that adequate care has been taken to guard against this already through worksharing agreements and by carefully defining responsibilities.

MEMORANDUM State of Alaska

TO: Sylvia Carlsson
Alaska Native Employment Rights
Planning Committee (ANERPC)

DATE: May 6, 1981

FILE NO:

TELEPHONE NO:

FROM: Niel Thomas
Executive Director
Human Rights Commission

SUBJECT: Relationships between ANERPC Members and State Human Rights Commission

The first meeting of ANERPC last week included a discussion of how its members' activities would harmonize with the Human Rights Commission, particularly if state funding were available. We discussed how a contractual relationship might work and what those contracts might contain.

This is to summarize my thoughts. I have not gone so far as to draft a contract because I think we at the Commission need more advice from ANERPC members first. If I wrote a contract at this juncture we might give the appearance of preparing a "one-way" negotiation, and I would prefer a fully collaborative relationship with ANERPC.

First I'll summarize our individual responsibilities. Then, I'll describe what I think the linkages are.

State Human Rights Commission: We are an agency in the Office of the Governor established by state law to accept, investigate and conciliate discrimination complaints. We have authority to issue remedial orders after hearings. The discrimination laws are stronger in Alaska than most laws of other states and the federal laws. We summarized these legal standards in our 1980 Annual Report, copies of which have been distributed to ANERPC members (we also published the addresses of ANERPC members in that report.) The laws cover virtually all employers in the state except the federal government. We have jurisdiction over the State of Alaska and municipal hiring practices. We have the authority to use compulsory legal procedures "in any inquiry, investigation, hearing or proceeding before the Commission". A.S. 18.80.060(b)(4).

Because of our compliance activities we receive a steady stream of inquiries from the public asking whether their rights are being violated. We also are asked to give workships for employers and their managers who make personnel decision so that they know what the law requires and can avoid discrimination complaints. Recent U.S. Civil Rights Commission hearings on discrimination issues in the seafood processing industry are documenting how much more information these employers would like to have. Our FY82 budget request would upgrade our cap-

ability to produce printed materials and videotapes for use in rural areas.

The Commission has three field offices, in Anchorage, Fairbanks and Juneau, with a staff to carry out compliance and public education activities statewide. They accept collect phone calls from rural areas and have a travel budget to get to where the complaints and educational needs are.

The Commission was recently funded for an Assistant Director to oversee agency activities in rural Alaska. Jerry Woods is a co-equal with the the three field office directors and brings continuity and coordination to our rural program. His office is the logical point of contact between our agency and ANERPC members.

ANERPC: This organization is an informal association in Alaska modeled after a national employment rights group of Indian Tribal Employment Rights Offices (TERO). There are eights Alaska TERO's now with more possible to be formed. ANERPC is in a good position to communicate on behalf of TERO's with the Human Rights Commission, federal civil rights agencies and other groups of interest to the TERO network.

TERO's: The Alaskan TERO's have multiplied in the past year because of the success of the CINA TERO funded by EEOC. The CINA project had a contract with EEOC under which its staff was trained in basic employment discrimination law, complaint filing standards and case resolution procedures and remedies. The TERO had authority to take complaints on behalf of EEOC and EEOC refrained from processing these cases for a limited time while the TERO attempted to resolve them. If a case did not settle, EEOC would assume jurisdiction, but because of work-sharing agreements with the Human Rights Commission and the Anchorage ERC these agencies were also in a position to pick up on these cases if EEOC in Seattle could not get to them promptly. Because there was good communication between the TERO, EEOC, HRC and ERC we avoided duplication and overlap, as where a charging party went to more than one office to file a complaint.

Because the TERO staff had expertise on discrimination law it was also able to provide information on people's rights and conduct workshops for employers much the same as State HRC does.

EEOC has announced that it will no longer fund TERO's in Alaska. The present TERO's are funded from local sources (Native non-profit corporation funding sources, mostly). To the extent that CETA supports these programs the future of the new TERO's is in jeopardy as this federal source dries up. At present there is no state funding for TERO's, although HRC has re-

quested it and several legislators have expressed their support for the concept.

TERO Activities under State Funding: The State HRC has heavy responsibilities to carry out compliance and educational activities in rural Alaska. Asking the TERO's to contract to carry out a portion of this work on behalf of HRC is a sound idea and cost-efficient.

The cost of funding TERO's must be compared with the comparatively high cost of increasing the staff of the Commission, its travel budget and the cost of rural offices. TERO's are staffed with local people who know local conditions, who do not have to travel long distances from major cities and who already have offices to work from.

Public Education: TERO's can use their staffs, many of whom are likely to speak local languages, to teach people their rights. Materials can be supplied by the State HRC. The HRC can also provide training and technical assistance. The model is similar to the way local people now handle paramedical responsibilities with long-distance back-up from physicians and urban medical facilities.

The TERO's can also meet much of the demand from employees in rural areas for workshops and information about compliance standards.

Complaint screening: When people with inquiries come to TERO's with potential complaints, the TERO staffs can counsel the individuals and prepare complaints on behalf of the Commission. (If the inquiry does not produce a complaint the counseling process can steer the individual to the proper agency, or explain why the problem is not one which existing laws cover.) The Commission can agree to a brief period for the TERO to attempt informal resolution of the complaint after it has been sent to the Commission. (The model here is the same as the CINA/TERO's relationship to EEOC.) TERO's are contractors which are private non-profit corporations their activities are strictly voluntary and carry no powers of enforcement or compulsory investigative authority. Therefore the parties do not have to cooperate with TERO's in their requests for information and their attempts to work out a settlement. When this happens, the Commission takes over the same as any other case. That's the incentive for local people to cooperate with a professionally staffed and state-trained TERO: the alternative is state processing of the complaint.

Funding: To request TERO's by contract to carry out these activities on behalf of the state implies state reimbursement of TERO costs. The recommendation is for the Legislature to make one appropriation for this purpose to the Commission to be administered as part of the Commission's rural program.

Contracting: Normal state contracting procedures will apply. The process would begin with a public meeting to which all potential contractors would be invited. The purpose of the meeting would be to establish

- program goals (a review of the activities described in this memo)
- how many contracts to let with the amount of money appropriated
- contents of the request for proposal (RFP)
- reporting requirements
- contract writing/negotiating procedures.

Following the meeting, the RFP can be released, proposals written and analyzed, awards made and contracts written.

Eligibility: Since the work to be performed can logically be carried out by a variety of non-profit entities based in rural Alaska, any such entity would be eligible to submit proposals: one would logically expect, however, that proposals from existing TERO's, because of their experience and bi-lingual capabilities, are likely to be highly competitive.

Non-discrimination: The use of state funds for this purpose necessitates that all contractors would be required by their contracts to make their services available to the public on a non-discriminatory basis.

Sylvia Carlson - testimony
Arlene Wilts

MEETING REPORT
April 29 to 30, 1981

LOCATION: Alaska Federation of Natives Conference Room, Anchorage

PURPOSE: The formation of a tribal employment rights office network.

COMMENTS: On April 29, 1981 the following persons met in the AFN conference room in Anchorage to discuss formation of a new adivsory committee to the AFN/Human Resources Board.

Sylvia Carlsson, AFN
Al Stevens, Executive Director, Inupiat Community of the Arctic Slope Phone No. 852-2411
Gale K. Vick, Director Education & Employment, TCC Phone No. 452-8251
Tiny Phillips, Director CINERO (CINA) Phone 265-1225
Nastasia K. Markham, AVCP Employment Rights Office/ Labor Relations Phone 543-3521
Ron Hoffman, Manpower Specialist AVCP Phone 675-4383
Keith Redeagle, Director CETA Sitka Community Association Phone 747-3207
Ben Ungudruk, Investigator CINERO Phone 265-1285
Carolyn Hoseth, Employment Assistance Coordinator, Bristol Bay Native Association Phone 842-5256
Chris Calvert, CINERO Phone 265-1284
Jerry Woods, Assistant Director, Rural Program, State Human Rights Commission Phone 276-7474
Harry Cross, Director Mauneluk Employment Rights Office Phone 442-3802
Neil Thomas, Director State Human Rights Commission Phone 276-7474
Joyce Dixon, Director TERPC (Tribal Employment Rights Planning Committee), Bremerton, Washington

COMMENTS: There are approximately seven operating, or pending recognition, NERO (Native Employment Rights Offices) within the State of Alaska (ICAS at Barrow prefers to be known as a TERO). Sylvia Carlsson of the Alaska Federation of Natives gave the opening introductions. There was a round table discussion of the individual NERO offices, and there was a vote for an acronym. We decided upon ANERPC (to stand for Alaska Native Employment Rights Planning Committee). ANERPC is essentially, at this point in time, intended to be an advisory committee to the Human Resources Board for the Alaska Federation of Natives (please see attached flow chart). ANERPC

will have lateral communications with both the State of Alaska Human Rights Commission and with the Tribal Employment Rights Planning Committee (TERPC). It will also be the coordinating committee for all the in-state individual TERO offices.

Indo. offices will monitor

The purpose for ANERPC is: to support monitoring and enforcement efforts of the individual employment rights offices for ~~Alaska Natives and American Indians~~ within the State of Alaska.

The functions are:

1. to identify funding resources
2. to provide technical assistance to individual TERO offices
3. identification problems
4. communications network
5. forum for exchange of ideas on individual problems
6. discussion of tribal state relations
7. coordination with the new Alaska Native manpower and education association
8. dissemination of information on employment rights to rural Alaska communities
9. communications with TERPC

AVAILABILITY: AFN may be able to set up referral for technical assistance requests by the individual TERO offices. They will also be able to assist in the gathering and dissemination of reports.

Joyce Dixon, the director of the Tribal Employment Rights Office Planning Committee (TERPC), Bremerton, Washington, discussed the formation and present structure of TERPC and its relation to the individual TERO offices nationwide of which there are an estimated 80 currently operating. Their present funding is $98,500 from 3/81 until 12/81 and they are currently seeking support for the next season, as well as money from private foundations. Joyce also discussed the possible subregionalizing of the TERPC, which would include five regional TERPC groupings, Southwest (Alaska, New Mexico, Nevada, California); Northwest (Washington, Oregon, Idaho); the Northern Plains (including North Dakota, South Dakota, Montana); the Alaska Region, and the Oklahoma and East Coast Region. This is just a preliminary sketching to be presented to the TERPC board at the annual TERPC meeting in Bottle Hollow, Utah scheduled for the 4th through the 8th of May. The present TERPC funding is from two sources: OFCCP and EEOC.

The Bottle Hollow annual TERPC meeting was discussed at length. Gale Vick is the temporary chairperson for ANERPC, but requested that Tiny Phillips be nominated acting chairperson to represent ANERPC at Bottle Hollow. Tiny is expected to bring back information from the meeting, as well as to lobby for an Alaskan member on the Board of Directors.

DISCUSSION OF MEETING SCHEDULE & WORKSHOP DATE:

Discussion was carried over until the following day, we were trying to coordinate with several pending meetings, which include employment and education. We came to the decision that we will run our next meeting concurrently with the Human Rights Commission annual meeting and report to the State Legislature to be on May 11 and 12 in Juneau.

Neil Thomas, the executive director for the Human Rights Commission in Anchorage, presented a brief rundown on the formation and intent of the Human Rights Commission in the State of Alaska. He introduced Jerry Woods who is the rural coordinator for the Human Rights Commission, which essentially means that he will be meeting with the visiting rural organizations which assist in either charge processing or any kind of activity associated with the protection of employment rights. As Neil stated, he envisions that eventually the Human Rights Commission can contract out to regional groups for the express purpose of intake on Human Rights complaints. It was unclear whether these groups would have any authority to be involved in procedures for charge processing. The comment from the floor was that this kind of authority is necessary for the credibility of the individual offices. Neil has requested inclusion of additional monies in their operating budget to provide for such contractual purposes. We are expected to get further details on tne 11th. Sylvia Carlson volunteered to set up the meeting place and agenda for the 11th and 12th meetings.

Al Stevens taped the meeting and will be giving a summary of those tapes out at the Juneau meeting.

A need for a workshop to be conducted by the OFCCP (Office of Federal Contract Compliance) and the EEOC (Equal Employment Opportunity Commission) for a discussion of methodology and technical assistance was discussed as a priority issue before the 1981 construction season, which doesn't leave us very much time. We also suggested that Dan Press, who was one of the organizers of the TERPC and who is now an attorney representing TERPC, as well as member organizations be attendant at that workshop.

SOURCES OF FUNDING: Sources of funding was a thoughtful topic of discussion. Possibilities were discussed and will be continued at the Juneau meeting. The chairperson requested that the individual members be prepared at the Juneau meeting to:

a) to discuss the Bottle Hollow meeting
b) to nominate a permanent chairperson
c) return with input from their respective regional organization boards on formation of this organization

/s/ Gale K. Vick

MEMORANDUM State of Alaska

TO: Senator Vic Fischer, Chair
State Affairs Committee

DATE: March 10, 1981

FILE NO:

TELEPHONE NO:

FROM: Niel Thomas
Executive Director
Human Rights Commission

SUBJECT: Local Human Rights Funding--Further Information

This replies to your questions about a possible Human Rights Commission's supplemental appropriation for Human Rights activities at the local level.

In our earlier materials we summarized the Commission's one-time need for rent funding and recapture of federal funds ($93.1). If you have any further questions on this subject we will be happy to elaborate.

You asked for further details about the working relationship between our agency and the Anchorage Equal Rights Commission. (Funding suggestion of $133.2 for Anchorage and Fairbanks.) Attached is a copy of the work sharing agreement which has been in effect during the past year. I understand the Equal Rights Commission has already sent you some information separately. We referred 24 complaints to the ERC during 1980. That constituted 25 percent of their total case load for the year. They estimate that about 62 percent of their budget is devoted to investigation and enforcement, as opposed to public education and overhead.

We have found our working relationship with ERC to be most satisfactory and have focused most of our energies on training and technical assistance to insure that the quality of work at ERC is comparable to that which we would have done ourselves. We have had no problems with overlap or duplication of functions, since the office staffs work closely together to anticipate and identify such problems as people filing separately in both offices without letting either of us know.

You also asked whether funding for Human Rights program in rural Alaska ($278.6) would be available to the general public on a non-discriminatory basis. Contracts between the Commission and any private organization would have to contain assurances of non-discrimination. Our earlier description of TEROs represents the practical fact that the most likely contractors will be these existing organizations. By describing these entities we are not excluding the possibility that other organizations (such as the Upper Tanana Development Corporation, a RurALCAP spinoff with which we once contracted in a similar program) might come forward and be qualified to perform. Regardless of who the contractor is, we can assure you that

contracts would specify that public education activities in rural Alaska would be by radio, television and publications which would be available to the general public on a non-discriminatory basis. Furthermore, contracts would assure that contractors will service any member of the public seeking to file a complaint or gain any other service.

Our experience with the first Status of Women project might be instructive as to how the contracting practice for a rural programs might be handled. When the Legislature appropriated $20,000 to the Human Rights Commission to prepare a preliminary report on the Status of Women in Alaska, we began by calling a meeting of potential contractors. We collected their thoughts on what the report should contain and used this information to prepare a formal request for proposals. The normal state contracting process then took over, with the successful bidders who emerged producing the report which ultimately led to the formation of the Commission.

The same kind of procedure would doubtless be followed if the Legislature funds a rural contracting program this year. We would sponsor a meeting of all organizations from rural Alaska who might be interested in participating, and asking for their advice as to how the program should be structured, what the performance standards should be, what eligibility requirements should be associated with the funding, and how the appropriation should be divided among successful bidders.

We followed this same procedure in 1978 when we solicited proposals from potential rural contractors after our Barrow office closed and the funds were placed in our contracting line. There were 12 bidders, from which three were selected for the demonstration program which serves a model for the rural program we are now discussing.

M I N U T E S

ALASKA NATIVE EMPLOYMENT RIGHTS OFFICES

ORGANIZATIONAL WORKSHOP

APRIL 29, 30, 1981

SUNSHINE MALL, 411 WEST FOURTH AVENUE, ANCHORAGE, ALASKA

INTRODUCTION AND OPENING REMARKS:

Ms. Sylvia Carlsson gave the opening remarks and introduced the participants from all over Alaska. Indicated the purpose of the Workshop and the ojectives for creating a network of TERO/NERO offices.

PROFILES OF ALASKA NATIVE EMPLOYMENT RIGHTS OFFICES:(Ten minute presentations)

Profiles given from each TERO/NERO office present. Presentations given by Tanana Chiefs Conference, Inupiat Community of the Arctic Slope, Cook Inlet Native Association, Yupiktak Bista Manpower Centr (AVCP), Sitka Community Association, Bristol Bay Native Association.

FORMING A STATEWIDE NETWORK:

Sylvia Carlsson explained what she felt would be a statewide network of TERO/NERO offices. Al Stevens indicated that he felt that it was necessary but needed to be formed as a committee and not as a commission. He indicated if we are to communicate with one another and combine our efforts we need this approach. Al indicated that be need to unite together to be effective. AVCP presented its views also. Both AVCP and ICAS indicated it would have to take any results of the committee back to their respective Boards. Most all indicated this would be the case. All agreed that the committee is necessary and should be formed right now. It was agreed that not only would this be a good political tool but an excellent way in which to exchange data. Much other discussion was done but the outcome was the same. Approval of a statewide committee on Alaska Native Employment Rights.

FUNDING SOURCES AND PROBLEMS:

Discussion on various methods of funding was done. Some seemed concerned with the States rules on funding for employment rights. Others thought that it would not present a problem. There didn't seem to be any firm or definate means for funding and it being late it the day, the meeting was recessed until 9:00 A.M.

FLOAT BACK TO FORMATION OF STATEWIDE NETWORK:

Agreed that one representative and an alternate be designated from each area. Suggested that nominations be made for a temp. chairperson. Nomination made by Al Stevens for Gale Vick, Seconded by Harry Cross. Nomination made by Tiny Phillips, seconded by . Declined by Al due to distance from Barrow to other areas. Gale Vick elected as Temp. Chairperson. Sylvia brought up the funding again . The meeting went back to meeting times and the date of the next meeting. Much, much discussion was done on the name of the committee. The final selection was ANERPC. (Alaska Native Employment Rights Planning Committee)

Various goals were discussed for the purpose of the committee. These were Technical Assistence, Funding Sources, Training, and Sharing of Data, Problems, Incedents, and legal litigation.

Discussion on ANERPC's organizational flow. See attached flow chart as a suggested format to follow. Authority for the committee would be as an advisory committe to make recommendations to the Human Resource Committee of AFN.

Discussion on entering data into a statewide network for available talent within areas or statewide. Some are already on the system but others are trying to develop their own system. Newsletter was suggested but no definate plans were made. Generally accepted that the telephone and correspondence would be more benificial. Suggested that monthly reports be sent to each other rather than the burdensome process of newsletters, since all TERO/NERO's have monthly and quarterly reports anyway.

Much discussion on dates of meetings since there are so many of them in May & June. Dates for Region XX were changed so many times that it was decided to set our own dates and get on with the program.

EQUAL EMPLOYMENT OPPROTUNITY COMMISSION:

Ms. Bea Rivers from EEOC in Washington D.C. did not show for the portion of the agenda provided.

TRIBAL EMPLOYMENT RIGHTS PLANNING COMMITTEE:

Ms. Joyce Dixson, Executive Director of TERPC presented what TERPC is and what it is trying to accomplish. Ms. Dixson indicated that all recongnized TERO's are a part of TERPC. There are currently 41 TERO's under TERPC. Of the 41 there are 13 in the formation stage. Of the 41 there are three recognized from Alaska, Bethel, Barrow, and CINA of Anchorage. There are 28 which have been in operation at least one year. She indicated that the statistical data collected in March was the reason which TERPC got refunded this year, indicating the importance of this type of data.

Ms. Dixson presented the various activities happening with the TERO's in the lower 48. CINA responded to Ms. Dixons response of seeking funding from other sources rather that EEOC, as an important part of the EEOC process is the authority to act. Ms Dixon explaned the agenda of the workshop which is going to be taking place at Bottle Hollow, Utah, for the benefit of those who plan to attend. It was agreed by all that Tiny Phillips represent Alaska at this meeting.

BREAK FOR LUNCH:

ALASKA STATE HUMAN RIGHTS COMMISSSION:

Mr. Jerry Wood of the Commission presented what the commission was doing in Alaska and how it would be beneficial to the TERO/NERO's. Recommendations by TERO/NERO's as to the communications which should be in effect between HRC and ERO's.

Executive Director of the HRC gave a presentation. Concerns from the TERO/NERO's to the HRC were given along with much discussion. He indicated that the concept of using TERO/NERO's as the rural arm of HRC is sound but there may be problems. He also indicated that he would look at a contract from the TERO/NERO's for intake service. Al Stevens indicated that it would be in the best interest of HRC as well as the TERO/NERO's for this approach since by the time it takes HRC to get on the job site the job would be completed and the contractor would be off the slope in most cases. Al also indicated that the TERO/NERO's need the authority to act from EEOC and HRC. Sylvia indicated that the authority and credibilily to work with the employers is needed. Much discussion was done.

SUMMARY OF WORKSHOP:

Dates were once again discussed. May 11-12th will be the ANERPC meeting in Juneau. Be prepared to elect a Chairperson, Feedback from organizations of ANERPC concerning Bottle Hollow, and the recommendations for a workshop for TERO/NERO's. May 19-22, for the Training workshop in Juneau, May 26-29 for the Region XX Meeting, and June 8-9 for the Manpower/Education meeting in Juneau.. Remember SB 318. Gale Vick made closing remarks concerning employment rights. Thanks given to the participants and the speakers.

WORKSHOP ADJOUNED AT 3:00 P.M.

Respectfully Submitted.

Allen L. Stevens

ALASKA FEDERATION OF NATIVES, INC.

1577 'C' Street, Suite 304 • Anchorage, Alaska 99501 • Phone 907-274-3611

ALASKA NATIVE EMPLOYMENT RIGHTS OFFICES

ORGANIZATIONAL WORKSHOP

APRIL 29, 30, 1981

SUNSHINE MALL | 411 WEST FOURTH AVENUE | ANCHORAGE, AK

TENTATIVE AGENDA

WEDNESDAY, APRIL 29:

8:30 - 9:00 A. M.	REGISTRATION, COFFEE, AND DONUTS
9:00 - 9:15	INTRODUCTIONS AND OPENING REMARKS Sylvia Carlsson, AFN
9:15 - 10:25	PROFILES OF ALASKA NATIVE EMPLOYMENT RIGHTS OFFICES Ten-Minute Individual Presentations
10:25 - 10:40	B R E A K
10:40 - 12:00	FORMING A STATEWIDE NETWORK Discussion by Group
12:00 - 1:00 P. M.	L U N C H
1:30 - 2:30	ORGANIZING THE NETWORK Constitution, Bylaws, and Board of Directors
2:30 - 2:45	B R E A K
2:45 - 4:30	FUNDING SOURCES AND PROBLEMS Discussion by Group
4:30 P. M.	RECESS

THURSDAY, APRIL 30, 1981:

9:00 - 10:00 A. M.	EQUAL EMPLOYMENT OPPORTUNITY COMMISSION Beatrice A. Rivers
10:00 - 10:15	B R E A K
10:15 - 12:00	TRIBAL EMPLOYMENT RIGHTS PLANNING COMMITTEE Joyce Dixon, Executive Director
12:00 - 1:30	L U N C H Arrangements by CINERO
1:30 - 2:30 P. M.	ALASKA STATE COMMISSION FOR HUMAN RIGHTS Neil Thomas, Executive Director
2:30 - 2:45	B R E A K
2:45 - 3:30	SUMMARY OF WORKSHOP Sylvia Carlsson, AFN
3:30 - 4:30	PLAN OF ACTION Discussion by Group
4:30 P. M.	ADJOURNMENT

Funding Information
General Fund $411,800
Other Funds -0-
$411,800

Introduced: 5/5/81
Referred: State Affairs and Finance

IN THE SENATE

BY STIMSON AND FISCHER

SENATE BILL NO. 550

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making an appropriation to the Office of the Governor, State Commission for Human Rights; and providing for an effective date."

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

* Section 1. The sum of $411,800 is appropriated from the general fund to the Office of the Governor, State Commission for Human Rights, to be allocated as follows:

rural employment tribal equal rights officer program	$278,600
local human rights commissions	133,200

* Sec. 2. The unexpended and unobligated portion of the appropriation made by this Act lapses into the general fund June 30, 1983.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-070(c).

May 12

Diana Snowden Jim Thomas

Silvia Carlson spec asst - AFN
AK Nat Empl Rts Plng Comm

Letter of intent
→ not incr stf ~~[illegible]~~ funded
→ ~~not dis~~ offer services ~~[illegible]~~ on discr. office
all, regardless of race, color, ethnic

SB

557

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill 557
Title An act relating to TRS, PERS, JRS, and NGRS
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Administration - Division of Retirement and Benefits
Program Category Affected Labor Services
BRU, Program, or Subprogram(s) Affected TRS, PERS, JRS, and NGRS
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
100 BENEFITS						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

Paul B. Arnoldt

IV. DATE 6/24/81 PREPARED BY Paul B. Arnoldt, Director
AGENCY Division of Retirement & Benefits
PHONE 465-4460

Original: Legislative Finance
Budget and Management
Prime Sponsor (First Legislator Named) Senator Fischer
Office of the Governor (Keith Specking)

(Rev. 12/30)

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

JAY S. HAMMOND
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 23, 1982

The Honorable Vic Fischer
Chairman, Senate State Affairs
Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Chairman Fischer:

557

When your committee reported out a Committee Substitute for SB ~~813~~, the original language was gutted from the bill.

The Governor introduced SB 813, relating to post-retirement pension adjustments and retirement benefits for peace officers, marine transportation employees, and Department of Fish and Game employees; and providing for an effective date, to take care of a problem that exists in the Department of Fish and Game wherein an employee who is currently covered by "peace officer retirement benefits" (20-year retirement) cannot retain that coverage if he is moved to another position within the department which is not considered "qualifying" under that system. The language in the Governor's original bill, sections 5 and 6, would eliminate peace officer coverage for Fish and Game employees prospectively but would allow those employees with that coverage to take it with them as they are promoted or reassigned within the department.

I understand that your committee is working on a retirement housekeeping bill, and I would ask that you consider adding the language contained in the Governor's original SB 813 to that bill.

Thank you for your consideration.

Sincerely,

Keith W. Specking

Keith W. Specking
Legislative Assistant
to the Governor

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C
JUNEAU, ALASKA 99811
Ph: 465-2200

March 24, 1982

The Honorable Vic Fischer
Alaska State Legislature
Pouch V
Juneau, AK 99811

V.F

Dear Senator ~~Fischer~~:

Senate Bill 813, as originally introduced by Governor Hammond, was supported by Commissioner Skoog and myself. Sections five and six of SB 813 would eliminate PERS peace officer coverage for all future employees of the Department of Fish and Game but would allow all current employees to retain their peace officer coverage whenever they hold a position with the Department of Fish and Game.

When the law was originally amended to include qualified Department of Fish and Game employees in peace officer coverage, it was felt that there was a need for the increased coverage because these employees had a unique situation. However, in defining "qualified employees of the Department of Fish and Game," the regulation (2 AAC 30.010, copy enclosed) became less and less restrictive in order to include the employees who were considered "qualified" for peace officer coverage. As now written, the regulation could easily apply to many employees in other departments.

The original premise (significant amount of field work, travel, or exposure to hazardous working conditions) for including Department of Fish and Game employees in peace officer coverage was a misconception. For your information I have enclosed a copy of a Division of Retirement and Benefits memorandum outlining the death and disability statistics, by department, for the period July 1, 1975 through December 10, 1981. These statistics show Fish and Game employees to be in no more danger than employees of other departments.

We are at the crossroads and must decide if we will extend peace officer coverage or curtail it. Already union representatives have made inquiries as to the possibility of extending peace officer coverage to additional groups of employees in other departments.

The cost of PERS peace officer coverage is an additional 10% of payroll over the cost of "all other" employees. Currently, approximately 60% of the Department of Fish and Game employees enjoy peace

officer coverage--and it is expected to increase under the new regulations. Deletion of future Fish and Game employees from peace officer coverage is estimated to save the State $232,000 in fiscal year 1983, with similar savings every year thereafter. On the other hand, if we continue to expand peace officer coverage we also create an unnecessary expansion of the State's budget. Assuming that 30% of state employees in other departments would be eligible for peace officer coverage, the additional cost in fiscal year 1983 alone would be $8.8 million.

I respectfully request that you reconsider including sections five and six of the original SB 813 in your committee substitute for SB 557.

Respectfully,

W. R. Hudson
Commissioner

WRH/rwb
Enclosures
4/C3/9

MEMORANDUM State of Alaska

TO: Paul B. Arnoldt, Director
Division of Retirement & Benefits

DATE: January 15, 1982

FILE NO:

J. K. Humphreys, Deputy Director
Division of Retirement & Benefits

TELEPHONE NO: 465-4473

DLC (

FROM: Willard Church
Benefits Specialist
Division of Retirement & Benefits

SUBJECT: Occupational/Nonoccupational Deaths and Disabilities

Since my memorandum of December 9, 1981, we have audited our death records and have discovered that 18 records were not included previously and 5 records had been incorrectly included in the original report, which shows a net increase of 13 deaths. The conclusions generally remain the same, however, I am updating these figures for your information.

For the period July 1, 1975 through December 10, 1981, 142 State of Alaska active employees have died and have been processed through the division data processing system.

The following is a breakdown by department, as to total deaths and whether the death was from occupational or nonoccupational causes:

DEPARTMENT	OCC	NON-OCC	TOTAL	NOV 1981 EMPLOYEE TOTAL	INCIDENCE PER 1000
Transportation	3	49	52	2648	19.64
Health & Social Services	1	30	31	1967	15.76
State Operated Schools (TRS)		4	4		
Education		4	4	400	10.00
Labor		7	7	600	11.66
Administration		6	6	873	6.87
Fish & Game	2	7	9	1215	7.41
Natural Resources		7	7	919	7.62
Public Safety		4	4	903	4.43
Commerce		5	5	382	13.09
Revenue		5	5	309	16.18
Judicial		1	1	523	1.91
Governor's Office		3	3	223	13.45
Military Affairs		1	1	91	10.99
Community & Regional Affairs		1	1	173	5.78
Law		0	0	273	
Legislative		2	2	188	10.63
Environmental Conservation		0	0	209	
Ombudsman		0	0	15	

Since July 1, 1975, 55 State of Alaska employees have been appointed to receive disability benefits from PERS and TRS.

DEPARTMENT	OCC	NON-OCC	TOTAL	NOV 1981 EMPLOYEE TOTAL	INCIDENCE PER 1000
Transportation	9	14	23	2648	8.68
Public Safety	7	3	10	903	11.07
Health & Social Services		6	6	1967	3.05
Natural Resources		4	4	919	4.35
State Operated Schools (TRS)		4	4		
Administration		3	3	873	3.43
Labor	2		2	600	3.33
Commerce		1	1	382	2.62
Fish & Game		1	1	1215	.82
Legislative		1	1	188	5.32
Education			0	400	
Revenue			0	309	
Judicial			0	523	
Governor's Office			0	223	
Military Affairs			0	91	
Community & Regional Affairs			0	173	
Law			0	273	
Environmental Conservation			0	209	
Ombudsman			0	15	

MC/js

MEMORANDUM State of Alaska

TO
W. R. Hudson
Commissioner
Department of Administration

DATE
February 19, 1982

FILE NO
J99-152-81

TELEPHONE NO

RECEIVED
FEB 23 1982

FROM
WILSON L. CONDON
ATTORNEY GENERAL

By: Arthur H. Peterson
Assistant Attorney General
and Regulations Attorney

SUBJECT
Retirement and Benefits Regulation on Qualified Fish and Game Employees (2 AAC 30.010)

Under AS 44.62.060, we have reviewed this regulation, and approve it for filing by the lieutenant governor. A duplicate original of this memorandum is being furnished the lieutenant governor, along with your regulation and related documents. In approving this, we understand that the language of 2 AAC 30.010(b) to the effect that an employee will be afforded peace officer coverage "as long as" he or she fills a qualifying position in the Department of Fish and Game is not intended to preclude a qualified employee from receiving appropriate peace officer benefits after disability or retirement. A contrary interpretation would make no sense in this context.

We note that this regulation is being adopted under AS 37.05.020 and 39.35.680(32). The latter provision, authorizing regulations to be adopted by you, requires consultation with the commissioner of fish and game. While neither the adoption order nor the public notice expressly mentions this consultation, correspondence in the file which is being submitted to the lieutenant governor indicates that there has in fact been a considerable amount of consultation with the Department of Fish and Game. We believe that the requirements of this statute have been satisfied.

In accordance with AS 44.62.125(b)(6), some corrections have been made in this regulation, as shown on the attached copy.

In addition, under AS 01.05.031(b)(5) (by way of AS 44.62.125(b)(6)), we are requesting the lieutenant governor to substitute the actual calendar date for the phrase "the effective date of this section" in two places in 2 AAC 30.010(b).

Your adoption order states that this action is not expected to require an increased appropriation. Therefore, AS 44.62.195 does not require a fiscal note.

Title 2. ADMINISTRATION

Chapter 30.
PUBLIC EMPLOYEES' RETIREMENT SYSTEM.

Section
10. Qualified Fish and Game Employees.

2 AAC 30.010. QUALIFIED FISH AND GAME EMPLOYEES. (a) Any person who is a permanent, full-time employee (including a seasonal employee) of the Department of Fish and Game, who fills a position which has been certified by the Commissioner of Fish and Game and approved by the Commissioner of Administration as having duties which necessitate a significant amount of field work, travel, or exposure to hazardous working conditions, is ~~deemed to be~~ a "qualified employee of the Department of Fish and Game" under AS 39.35.680(32) and ~~shall~~ will be afforded peace officer coverage in the Public Employees' Retirement System.

(b) ~~Notwithstanding~~ Other provisions of this ~~regulation~~ section, any person within the Department of Fish and Game who, ~~prior to~~ before the effective date of this ~~regulation~~ section, filled a position which was treated by the Division of Retirement and Benefits as qualifying for peace officer coverage ~~shall~~ will continue to be afforded peace officer coverage after the effective date of this ~~regulation~~ section as long as the person fills that position or any other position within that department that qualifies under this ~~regulation~~ section.

(c) AS 39.35.160 requires each peace officer in the system to contribute five percent of compensation to the Public Employees' Retirement System. Therefore, any person who receives credit as a peace officer for service already rendered must contribute an amount equal to the difference between the contributions which have been made and the contributions that are required for peace officer coverage for the same period of service. Public Employees' Retirement System Board Regulation 81-2 sets the rate of interest to be charged on an indebtedness to the system. Therefore, interest at the rate prescribed by that regulation ~~shall~~ accrues on any unpaid contributions commencing ~~ninety~~ (90) days ~~from~~ after the date of notification of the amount of unpaid contributions.

(d) In this ~~regulation~~ section:

(1) "a significant amount" means at least five percent of an individual's working time;

(2) "field work" means working outside of a permanent structure and does not include work within or in proximity to a permanent residential community;

(3) "travel" means going to and from a place of duty as a passenger or operator in a plane, bus, train, automobile, boat, or any other form of mechanized transportation; it does not include travel primarily for the purpose of going from one established city, town, village, or community to another;

(4) "exposure to hazardous working conditions" means actively engaged in fish and game conservation or protection work which involves a demonstrated high risk of serious bodily injury or death, and includes:

(A) aerial surveys in small aircraft,

(B) working on vessels on the open sea,

(C) travel in small skiffs over open water or in remote locations, or and

(D) conducting stream surveys or other work where contact with dangerous wild animals is likely.

(Eff. / / , Register)

Authority: AS 37.05.020
AS 39.35.680(32)

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

Fischer

LEGISLATIVE REPORTING SERVICE

ANN GARDINER METCALFE

KIMBERLY M. HELMAR

510 KENNEDY STREET
JUNEAU, ALASKA 99801

(907) 586-6672

May 18, 1981

REPORT NO. 18

IN THE SENATE: Honorable Jalmar Kerttula, President

Senator Rodey, Majority Leader
Senator Bradley, Whip

INTRODUCTION OF BILLS (Senate)

Public Emp. Benefits

SENATE BILL NO. 557, by Senator Fischer. Makes amendments to statutes regarding teachers', public employees', judicial, and national guard benefits. Similar to CSHB 121(SA) offered by House State Affairs last week (see page 881). Does not include: sections increasing the amount of retirement contributions to be made by teachers and public employees; section which would allow a peace officer or fireman to irrevocably relinquish his peace officer or fireman status; section revising monthly amounts of retirement benefits for members of PERS; and section excluding certain Fish & Game employees from receiving peace officer & fireman retirement benefits.

Bill would limit increases in post retirement pensions for teachers and public employees to "the lesser of (1) the increase in the cost of living since the date of retirement; or (2) four percent of the retirement benefit compounded for each year of retirement." (Currently increases are limited to the "greater" of these two factors.) Amends AS 14.25.143(b) and AS 39.35.475(b).

Rewrites definitions of "compensation" for purposes of teachers' and public employees' retirement (amends AS 14.25.220(9) and AS 39-.35.680(8)). Makes other miscellaneous amendments to AS 14.25, and AS 39.35. Provides Act effective July 1, 1981.

Introduced May 11 and referred to State Affairs, Health, Education & Social Services and Finance.

Prisoners (care & confinement of)

SENATE BILL NO. 558, by the Health, Education & Social Services Committee. Amends AS 33.30.060(a) (Commissioner May Contract for Care & Confinement of Prisoners) to allow the Commissioner of Health & Social Services to "enter into an agreement with appropriate public or private agencies [THE PROPER AUTHORITIES OF THE UNITED STATES, ANOTHER STATE, OR A POLITICAL SUBDIVISION OF THIS STATE] to provide for the safekeeping, care, subsistence, proper government, discipline

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

SENATE STATE AFFAIRS COMMITTEE SCHEDULE

ROOM 423 CAPITOL

TUESDAY
Feb. 23
1:30 p.m.

SJR 13	D.C. voting rights
SJR 62	MX missiles in Alaska
SJR 75	Martial law in Poland
SB 637	Historical Commission
HB 708	Capital Site Planning Commission appropriation
SB 630	Sunset legislation
SB 632	Games of chance

THURSDAY
Feb. 25
1:30 p.m.

SB 557	Retirement
SB 753	Retirement

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

Introduced: 2/18/82
Referred: State Affairs and Finance

IN THE SENATE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

SENATE BILL NO. 813

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to post-retirement pension adjustments and retirement benefits for peace officers, marine transportation employees and Department of Fish and Game employees; and providing for an effective date."

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

* Section 1. AS 14.25.143 is repealed and reenacted to read:

Sec. 14.25.143. POST-RETIREMENT PENSION ADJUSTMENT. (a) When the administrator determines that the cost of living has increased and that the financial condition of the retirement fund permits, he may increase benefit payments to eligible disabled members and persons age 55 or older who both received benefits in the preceding calendar year and are receiving benefits under this system at the time the increase is granted.

(b) The increase in benefit payments applies to total benefit payments except for the cost-of-living allowance under AS 14.25.142. The amount of the increase is a percentage of the current benefit and may not exceed

(1) the lesser of 75 percent of the increase in the cost of living in the preceding calendar year or nine percent for recipients who are at least 65 years old on July 1;

(2) the lesser of 50 percent of the increase in the cost of living in the preceding calendar year or six percent for recipients who on July 1 are at least 60 but less than 65 years old and for members receiving disability benefits who are less than 65 years old; or

(3) the lesser of 25 percent of the increase in the cost of

65 years old on July 1; or

(3) the lesser of 25 percent of the increase in the cost of living in the preceding calendar year or three percent of the current benefit for recipients who are at least 55 but less than 60 years old on July 1.

(c) If a recipient was not receiving benefits during the entire preceding calendar year, the increase in benefits under this section must be adjusted by multiplying it by the fraction whose numerator is the number of months for which benefits were received in the preceding calendar year and whose denominator is 12.

(d) If, at the time of first receiving a retirement benefit, a member was receiving a disability benefit under this system, the administrator shall, at the time the member is appointed to retirement, increase the retirement benefit by a percentage equal to the total cumulative percentage increase which has been applied to the member's disability benefit under this section.

(e) When computing a spouse's pension under AS 14.25.164, adjustments granted to the deceased member under this section must be included.

(f) An increase in benefit payments under this section is effective July 1 of each year and the limit on the increase is based on the percentage increase in the consumer price index for urban wage earners and clerical workers for Anchorage, Alaska during the previous calendar year as determined by the United States Department of Labor, Bureau of Labor Statistics.

* Sec. [illegible]. AS 39.35 is amended by adding a new section to read:

Sec. 39.35.305. CREDITED SERVICE FOR EMPLOYMENT WITH THE DIVISION OF MARINE TRANSPORTATION. (a) A vested employee who is a member or the system on July 1, 1981 is entitled to service credit for periods of em-

ployment before January 1, 1977 with the division of marine highways of the Department of Transportation and Public Facilities for which the employee received service credit under the Northwest Marine Retirement Trust. The service credit allowed under this section may not exceed an aggregate of nine years. Benefits are not payable on service credit under this section unless the employee makes retroactive contributions to the system for the period of time for which service credit is claimed.

(b) In order to obtain service credit under this section, an employee shall make an election to do so and shall verify the period of service. When eligibility for service credit has been established, an indebtedness shall be determined as follows: (1) the employee's actual compensation, or the calculated annual compensation for an employee working less than 12 months, during the calendar year 1981 or the year in which an employee first becomes vested under this chapter, whichever is later, multiplied by (2) six percent, and this product multiplied by (3) the number years of service credited under this section. Interest as prescribed by regulation accrues on this indebtedness beginning on July 1, 1981, or one year following the date a person first becomes vested, whichever is later. Any outstanding indebtedness that exists at the time a person is appointed to retirement will necessitate an actuarial adjustment to the benefits payable based upon service credited under this section.

* Sec. 2. AS 39.35.370 is amended by adding a new subsection to read:

(g) A member may not receive retirement benefits under this section based on a period of employment for which the member received service credit under AS 39.35.305 if the member is receiving retirement benefits from a marine retirement trust based on the same period of employment.

* Sec. 3. AS 39.35.475 is repealed and reenacted to read:

Sec. 39.35.475. POST-RETIREMENT PENSION ADJUSTMENT. (a) When the administrator determines that the cost of living has increased and that the financial condition of the retirement fund permits, he may increase benefit payments to eligible disabled members and persons age 55 or older who received benefits in the preceding calendar year and also are receiving benefits under this system at the time the increase is granted.

(b) The increase in benefit payments applies to total benefit payments except for the cost-of-living allowance under AS 39.35.480. The amount of the increase is a percentage of the current benefit and may not exceed

(1) the lesser of 75 percent of the increase in the cost of living in the preceding calendar year or nine percent of the current benefit for recipients who are at least 65 years old on July 1;

(2) the lesser of 50 percent of the increase in the cost of living in the preceding calendar year or six percent of the current benefit for recipients who are at least 60 but less than 65 years old on July 1 and for members receiving disability benefits who are less than 65 years old on July 1; or

(3) the lesser of 25 percent of the increase in the cost of living in the preceding calendar year or three percent of the current benefit for recipients who are at least 55 but less than 60 years old on July 1.

(c) If a recipient was not receiving benefits during the entire preceding calendar year, the increase in benefits under this section must be adjusted by multiplying it by the fraction whose numerator is the number of months for which benefits were received in the preceding calendar year and whose denominator is 12.

(d) If, at the time of first receiving a retirement benefit, a member was receiving a disability benefit under this system, the admini-

strator shall, at the time the member is appointed to retirement, increase the retirement benefit by a percentage equal to the total cumulative percentage increase which has been applied to the member's disability benefit under this section.

(e) When computing a joint and survivor benefit under AS 39.35.450 or a survivor's benefit under AS 39.35.420 or 39.35.440, adjustments granted to the deceased member under this section must be included.

(f) An increase in benefit payments under this section is effective July 1 of each year and the limit on the increase is based on the percentage increase in the consumer price index for urban wage earners and clerical workers for Anchorage, Alaska during the previous calendar year as determined by the United States Department of Labor, Bureau of Labor Statistics.

* Sec. 5. AS 39.35.680(27) is amended to read:

(27) "peace officer" or "fireman" means an employee occupying a position as a peace officer, chief of police, correctional officer, correctional superintendent, [QUALIFIED EMPLOYEE OF THE DEPARTMENT OF FISH AND GAME,] fireman, or fire chief;

* Sec. 6. A person who has held a position on or before June 30, 1982, as a "qualified employee of the Department of Fish and Game" shall be treated as a peace officer under AS 39.35 whenever employed by the Department of Fish and Game on or after July 1, 1982.

* Sec. 7. AS 39.35.680(32) is repealed.

* Sec. 8. This Act takes effect July 1, 1982.

MEMORANDUM State of Alaska

TO: Jay S. Hammond
Governor

DATE: February 4, 1982

FILE NO:

TELEPHONE NO: 465-4100

FROM: Ronald O. Skoog
Commissioner
Department of Fish and Game

SUBJECT: Request for Legislation
Fish and Game Retirement

The recent failure of HB 121 is of continuing consequence to the Department of Fish and Game. The bill contained a provision (Section 54) which would have provided continuing peace officer retirement coverage to this Department's employees in the case of their transfer or promotion within the Department. Although I do not agree with the Department of Law's interpretation of the existing law in regard to the promotional positions, the Department of Fish and Game appears forced to accept the implementation of that interpretation by the Department of Administration.

The effect of the regulations being promulgated is that any employee presently covered by "peace officer retirement benefits" can retain that coverage only if he remains in his present position or moves to another position that can be determined as qualifying. Of particular problem are an array of supervisory and other positions that probably would not qualify under the intended "qualification regulations." Most of these we want to fill with experienced personnel from within the Department. Instead it is quite likely that none of these positions will be sought by existing employees presently in the peace officer's retirement system for fear of losing that benefit. Recruitment will continue, of course, but will be limited to "newcomers", who lack the experience of managing fish and wildlife in Alaska and lack experience in this Department.

I doubt the Legislature ever intended to design a retirement system that would divide one Department into two groups, while maintaining the same retirement system uniformly in other Departments. The 1976 amendment was proposed by this Administration and enacted by the Legislature in an effort to overcome that problem. However, if the Department of Law's interpretation of the present law is to be followed, I believe it necessary that Section 54 of SCSCSHB 121, or similar language, be proposed to and enacted by the Legislature.

I propose that the following language--taken directly from Section 54--to be added to AS 39.35.680(32):

> "A person holding a position as a 'qualified employee of the Department of Fish and Game' shall continue to be treated as a peace officer under AS 39.35 until that person
>
> (1) terminates employment with the Department of Fish and Game before eligibility for or appointment to retirement or disability; or
>
> (2) elects to irrevocably relinquish peace officer status under AS 39.35.527."

I urge you to seek this necessary amendment.

cc: Keith Specking
Wilson L. Condon
William R. Hudson
Division Directors
Section Chiefs

TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 813

Title An Act Relating to Retirement Benefits...(PERS)...and Providing for an Effective Date

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits

Program Category Affected Centralized Administrative Services

BRU, Program, or Subprogram(s) Affected Retirement & Benefits

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

EXPENDITURES (Thousands of Dollars)

		FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100	PERSONAL SERVICES						
100	RETIREMENT BENEFITS		(228.0)	(506.5)	(838.3)	(1,231.4)	(1,694.7)
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		(228.0)	(506.5)	(838.3)	(1,231.4)	(1,694.7)

FUNDING (Thousands of Dollars)

GENERAL FUND		(186.7)	(414.8)	(686.6)	(1,008.5)	(1,388.0)
FEDERAL FUNDS		(10.5)	(23.3)	(38.6)	(56.0)	(78.0)
VETERAN'S FUND		(.5)	(1.0)	(1.7)	(2.5)	(3.4)
FISH & GAME FUND		(1.4)	(3.0)	(5.0)	(7.4)	(10.)
HIGHWAY FUND		(3.0)	(6.6)	(10.9)	(16.0)	(22.0)
AIRPORT FUND		(5.6)	(14.7)	(24.3)	(35.7)	(49.1)
CAPITAL FUND		(19.3	(43.1)	(71.2)	(104.7)	(144.1)
PERS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. Provision to provide PERS service credit for certain Marine transportation service is estimated to cost $4,000 per year.

2. Cost savings as a result of curtailing peace officer coverage within the Department of Fish and Game are estimated at $232,000 in FY 83 and increasing in subsequent years.

IV. DATE February 23, 1982 PREPARED BY Paul B. Arnoldt

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Office of the Governor (Keith Specking)

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

SB

569

The following bill analyses set forth the purpose and intent of the Administrative Regulation Review Committee in organizing and directing subsequent review activity.

1. "An Act relating to the suspension of effectiveness of regulations by the Administrative Regulation Review Committee."

Section 1. Statement of Purpose

As stated, the intent to suspend is to prevent an untoward or inappropriate action by a regulatory agency, during a period of time when the full legislature is not able to act. The enclosed opinions from the Legislative Affairs Agency on the question of suspension and the Supreme Court Decision in State of Alaska vs. A.L.I.V.E. Voluntary point up a delicate but important issue of constitutional law and policy; that of the use of a "legislative veto" to modify executive decisions.

It is imperative that a distinction be made that the proposed suspension process is not a legislative veto, but a unilateral action by a designated body of the legislature to postpone an action, subject to full review by the delegating body.

Section 2. Suspension by Resolution

The attached memorandum from Joe Guthrie, clarifies the method by which the action is accomplished. The existing use of a "committee report" is vague and imprecise.

3. "An Act relating to legislative review of regulations."

Section 1 adds new language to the Administrative Regulation Review Committee enabling statutes clarifying the committees review, suspension and nullification authority.

Section 2. Chapter 99. Miscellaneous Provisions

This section incorporates the standing committee of the legislature as review bodies to ascertain if new and/or proposed regulations are consistent with legislative intent, if they are generated by approved bills. In the event that the regulations are inadequate or inconsistent, it will then be the responsibility of the standing committee to notify the Administrative Regulation Review Committee and request more formal action.

The section is not intended to replace or change the responsibilities of the Administrative Regulation Review but to incorporate the special staff expertise of the standing committees.

Section 3 changes the review period by cognizant groups from thirty to sixty days, and adds the standing committees to the notification process.

The final attachments include two opinions and the A.L.I.V.E. decision for reference and further inquiry. A separate paper analyzing the more fundamental constitutional questions is in preparation.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

M E M O R A N D U M April 21, 1981

SUBJECT: Administrative Regulation Review Committee's use of resolutions as a vehicle to suspend regulations

TO: Administrative Regulation Review Committee
Attn: Allen Blume, A.A.

FROM: Joseph A. Guthrie
Legislative Counsel

You have asked why we thought it appropriate that the resolution be the vehicle used by the Administrative Regulation Review Committee to suspend regulations.

Rule 54 of the Uniform Rules, Alaska State Legislature provides that the rules of parliamentary practice comprised in Mason's Manual of Legislative Procedure implement and govern the Uniform Rules of the Legislature in all cases not covered by these Uniform Rules.

The Uniform Rules only cover committee action relating to bills. No procedure is provided for committee action on other matters. Sec. 145 of Mason's Manual of Legislative Procedure, paragraph 2, states that resolutions are used for making declarations, stating policies, and making decisions where some other form is not used. Hence our recommendation that the resolution by used by the Administrative Regulation Review Committee to suspend regulations.

JAG:ljb

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

M E M O R A N D U M April 9, 1981

SUBJECT: The Administrative Regulation Review Committee's power to suspend regulations after Alaska v. A.L.I.V.E. Voluntary, 606 P.2d 769 (Alaska 1980)

TO: John G. Fuller, Chairman
Administrative Regulation Review Committee

FROM: Joseph A. Guthrie
Legislative Counsel

As you may remember, on February 19, 1980 the Alaska Supreme Court held in State of Alaska v. A.L.I.V.E. Voluntary, 606 P.2d 769 (Alaska 1980), that the use of a concurrent resolution to annul regulations, as authorized by AS 44.62.320, is unconstitutional. The Court equated annulment of regulations with repeal of statutes in finding that the use of a concurrent resolution to annul regulations violated the procedures specified for law-making in Article II of the Alaska Constitution. These procedures, which the Court described as safeguards against ill-considered action, include the requirement that each bill be confined to one subject, have a descriptive title, contain an enactment clause of prescribed wording, be read three times on three separate days, and be passed by the recorded votes of a majority of each house.

None of these safeguards, of course, operate when concurrent resolutions are adopted. While A.L.I.V.E. Voluntary, supra, was concerned with the annulment, and not with the suspension, of regulations the Court referred to the suspension power in a footnote on p. 778 of the opinion in the context of discussing what the legislature could not do. The Court stated that if it approved the annulment of regulations by concurrent resolution, it would necessarily follow that the legislature could vest a power to disapprove regulations in a legislative committee, or even a single legislator; hence the Court could not approve the exercise of the power of annulment by the whole legislature.

While the power to suspend is not final action like the power of annulment, the language in the A.L.I.V.E. Voluntary case requiring the legislature to act in accordance with the procedures set out in Article II of the constitution would seem to cast into doubt the constitutionality of the use of a concurrent resolution to suspend regulations by legislature or a committee of the legislature.

Please contact me if you have any questions.

JAG:ljb

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

MEMORANDUM February 28, 1980

SUBJECT: State of Alaska v. A.L.I.V.E. Voluntary

TO: Representative Nels A. Anderson, Jr.
House Majority Leader

FROM: Billy G. Berrier
Director
Division of Legal Services

You have asked my comments on the decision of the Supreme Court in the case of State of Alaska v. A.L.I.V.E. Voluntary, (File No. 3670). A copy of the decision is attached.

The case concerns a regulation relating to games of skill and chance annulled by the legislature. The authority for annulment was AS 44.62.320(a) which provides:

> The legislature, by a concurrent resolution adopted by a vote of both houses, may annul a regulation of an agency or department.

The Administrative Procedure Act was adopted by the First State Legislature in 1959. This Act provided, among other things, for the procedure by which regulations of agencies or departments are promulgated and the section was enacted as part of that procedure.

The Court held, with a majority opinion of three justices and a strong dissent by two justices, that regulations could not constitutionally be annulled by concurrent resolution since a resolution is not enacted in accordance with the requirements in Article II of the Constitution for adoption of law. The result, of course, is a non sequitor since the majority opinion avoided addressing the difference between regulation and law and finding that despite the difference, the enactment procedures applied. They, therefore, assumed the middle term of the syllogism and rambled widely to provide a substitute for the missing logic. Various cases were cited, only one of which was relevant and that one is no longer good law in its own jurisdiction.

For this reason, it is very difficult to determine the effect of the decision.

The holding is explicit that regulations may not be annulled by concurrent resolution. Although it is not explicitly stated, there is a clear implication that annulment by bill is constitutional.

Beyond that, the Court made several statements which do not appear necessary to the holding in this case. Much of this dicta is in sweeping terms. It casts doubt over substantial areas and, since the reasoning is essentially stream of consciousness rather than coherent, gives only minimal clues concerning the legal status of these areas.

Essentially the areas affected fall into two classes

(1) regulations and legislative oversight of regulations; and

(2) other areas of law where concurrent resolutions are used to provide legislative oversight.

On regulations the majority opinion states broadly:

> "The express provision in the Alaska Constitution of two specific legislative veto mechanisms supports our view that no implied general power to veto agency regulations by informal legislative action exists.
>
> * * *
>
> "In our view, the specificity with which the constitution deals with the legislative veto powers it does grant leads logically to the conclusion that no other veto power is implied."

The case law on regulations which the majority opinion cited is not helpful. One of the cases is on point but is no longer good law in its own jurisdiction, the second is a trial court decision and the last is a federal case where the question of a one-house veto was present but not reached. The discussion of this last case illustrates the difficulty in following the reasoning in the majority opinion. The Court referring to the United States Circuit Court decision in Atkins v. United States, 556 F2d 1028 (1977) said:

> The court implied that for one House to have the authority to make such a change would be unconstitutional: "Nor could one House do anything more than preserve existing law. . ." Id. at 1064. In contrast, the annullment provisions of AS 44.62.320(a) permit the legislature to void administrative regulations which are in effect. Such regulations are laws in every meaningful sense, and annulling any one of them effects a change in the law.

The connection and logic totally escape me.

In its discussion of delegation of power to annul regulations, an issue injected into the opinion since no delegation is involved in the case before the Court, the opinion is even less helpful. The majority opinion observes:

> "While the power to void agency regulations could be exercised by either the legislature, or by an agency, when the legislature exercises such power it must do so while acting as a legislature. It may not grant itself the power to act as an agency.
>
> "It might be supposed that if the legislature could condition the validity of a regulation upon the subsequent disapproval by both of its houses by concurrent resolution, it could condition the same upon disapproval by a committee, or a single legislator. Using the theory, propounded by the Amici, that a veto is merely a condition there is no principled distinction between these cases. It is therefore worth observing that most authorities have rejected the validity of laws conferring either affirmative or negatory legislative powers on individual legislators or legislative committees."

Perhaps the second point made by the majority opinion in discussing the desirability of legislative oversight of administrative regulations gives the best clue. The opinion stated:

> Second, at least according to a recent case study, the legislative veto has been unimpressive in practice. See Bruff & Gellhorn, Congressional Control of Administrative Regulation: A Study of Legislative Vetoes, 90 Harv. L. Rev., 1369 (1977). That study concludes, essentially, that the legislative veto encourages secretive, poorly

> informed, and politically unaccountable legislative action. Id. at 1409-20. It is consequences such as these that the enactment provisions of our constitution are designed to guard against.

It should be pointed out that the facts concerning the annulment which was the subject matter of the case do not support a conclusion that the annulment resulted from "secretive, poorly informed and politically unaccountable legislative action" but that, of course, is not material.

It is my conclusion that any annulment of regulation other than by law would be unconstitutional under this case. Although the question is not discussed since it is not relevant to the case, it is very clear that regulations which have the effect of law require statutory authorization and the legislature can withdraw the authorization or establish standards in whatever degree of specificity the legislature desired. Since in case of conflict between statute and regulation the statute controls, it is also clearly permissible to make the substantive statutes detailed thereby leaving less or no areas which must be dealt with by regulations. This latter course, however, involves a loss of flexibility and administrative expertise.

It appears that any form of legislative oversight of administrative regulations would be regarded with suspicion by the court. However, devices such as providing that no regulation can become effective until it has been before the legislature in session for a set time or even a provision that no regulation may become effective unless approved by law are not clearly precluded.

In Plumley v. Hale, 594 P.2d 497 (Alaska 1979), our Court discussed the question of non-retroactive treatment in civil cases. The Court in that case stated:

> In accord with United States Supreme Court precedent, we have previously identified four conditions indicating the propriety of non-retoractive treatment in civil cases: 1) the holding is one of first impression, or overrules prior law, and was not foreshadowed in earlier decisions; 2) there has been justifiable reliance on an alternative interpretation of the law; 3) undue hardship would result from retroactive application; and 4) the

> purpose and intended effect of the holding is best accomplished by prospective application.

The case concerned approval of free conference committee reports without a recorded roll call vote. The Court held the criteria to be satisfied and the decision to be prospective only. In my opinion the facts here, while not as compelling as the facts in Plumley, would lead to a conclusion that annulment of regulations which occurred prior to this case are not affected by the case.

The second major problem area is legislative oversight exercised by concurrent resolution in other areas than regulation oversight. The majority opinion made a very broad statement saying:

> The question presented by this case is whether the legislature can exercise its legislative power without following these enactment provisions. In our view the answer must be in the negative, for otherwise they would serve no purpose.

(The dissenting opinion quite correctly pointed out this is not the question at all. Justice Boochever said

> In my opinion, the majority misstates the question presented as being whether the legislature can exercise its legislative power without the usual constitutional safeguards. The real question is whether, having exercised its legislative power, subject to all those safeguards, it may condition the delegation of regulatory power to an executive agency upon a provision for legislative oversight. I agree with our statement in Boehl that the legislature has that power.

This view will be significant in subsequent cases which concern the use of concurrent resolutions in context other than annulment of regulations placing as it does the issue before the Court in focus.)

The majority opinion went on the say:

> Of course, when the legislature wishes to act in an advisory capacity if may act by resolution. However, when it means to take action having a binding effect on

those outside the legislature it may do so only by following the enactment procedures.

While the dissent noted that numerous other statutes provide some specific legislative review function by concurrent resolution, the majority opinion does not specifically address this. The sweeping generality of the majority opinion clouds, and on its face forbids, these other functions.

These include:

1. AS 18.45.025 -- Approval of facilities siting permit for nuclear facilities.

2. AS 18.65.060 -- Disapproval of regulations relating to compilation of criminal justice information and release of this information.

3. AS 28.05.021 -- Approval of compacts with other states relating to motor vehicle registration and driving licenses.

4. AS 28.15.141 -- Approval of regulations relating to classification of drivers licenses.

5. AS 28.15.081 -- Approval of regulations relating to drivers license examination.

6. AS 35.10.080 -- Approval of physical facility procurement and planning policy.

7. AS 37.05.280 -- Approval of leases by the state with a rental in excess of $12,000. (While this has general application, it was adopted as part of and specifically relates to construction of public buildings by ASHA for lease to the state and is necessary for the validity of the revenue bonds issued by ASHA.)

8. AS 37.12.080 -- Approval of investments in a single project or to a single applicant by Alaska Renewable Resources Corporation if the investment exceeds $1,500,000 or five percent of the resources of the corporation.

9. AS 38.05.037 -- Disapproval of zoning by the division of lands in the unorganized borough.

10. AS 38.05.182 -- Disapproval of a determination by the Commissioner of the Department of Natural Resources that the taking of royalty on natural resources in money rather than in kind is in the best interests of the state.

11. AS 38.05.065 -- Approval of disposition of oil and gas and contracts for sale of state owned royalty gas or oil.

12. AS 39.23.080 -- Approval of salary commission recommendations. (This is now repealed but until the pay bill this year went into effect, it was the basis on which higher government officials, including the governor, legislators and judges, were paid.)

13. AS 44.55.110 -- Approval of Alaska Power Authority plans. This approval is a specific condition on bonding.

14. AS 44.57.210 -- Approval of projects of the Alaska Toll Bridge Authority. This approval is required before bonds may be issued.

15. AS 46.03.758 -- Disapproval of regulations establishing civil penalties for discharge of oil.

16. AS 46.40.080 -- Approval of Alaska coastal management programs.

While all of these are clouded by the language in the majority opinion, that language is clearly dicta except on the point of annulment of regulations. In my opinion, an attempt to determine whether in later cases the court would follow the broad sweep in the instant case, narrow that sweep depending on the issue before it, or even confine the case to its facts would be pure speculation. Courts have frequently done all three. The majority opinion with its conclusionary approach unsupported by a coherent rationale is of little assistance in determing the scope of the opinion.

Earlier in the opinion, I discussed retro-activity as it applied to regulations annuled by concurrent resolution before the opinion. There is an even stronger case for holding that retroactive application cannot be given to a decision in the areas where annulment of regulations is not in question.

I am, however, very distrubed by the possibility that a future decision in this area could be retroactive to the date of this decision based on a finding by the Court that this decision "clearly foreshadowed" a subsequent decision that resolutions could not be used as prescribed in these statutes. I do not think this would be the decision since certainly at the time of enactment of the laws referred to there was no foreshadowing and bringing all legislative action to a halt in areas of major concern to the state while the legislature re-wrote the law in these areas is certainly not reasonable.

Since the alternative would be to halt, among other things, power development, coastal zone management, and oil and gas sales based on a possibility that the Court will look on legislative oversight in these areas as unfavorably as it does on legislative oversight of regulations, I recommend continuing to operate within the statutory framework now established until the Court, by a subsequent decision, clarifies its position.

I would also recommend that the legislature consider the question of what options are open to it to meet the serious problems created by the case.

BGB:jdn

LB 569

18 May 1981

Administrative Regulation
Review Committee
Pouch V, State Capitol
Juneau, AK 99811

The Hon. Tim Kelly
Chairman
Senate Committee on Rules

Dear Mr. Chairman:

In the past months of this legislature, the Administrative Regulation Review Committee has undertaken an examination of the powers and authorities left to it subsequent to the Supreme Court decision on State of Alaska vs. A.L.I.V.E., Voluntary.

As a result of our investigations it is the position of the Committtee that clarification of the rules of procedure; description of the sequences of the review function; and modification of portions of the Administrative Procedure Act are in order to properly address a regulation review program.

Accordingly, the Administrative Regulation Review Committee submits the attached bill for "An Act relating to administrative regulations."

Sincerely,

Jack Fuller

Rep. Jack Fuller
Chairman
Administrative Regulation
Review Committee

SB

585

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill 585
Title Relating to the Relocation of the Capital
Requested by Governor Date 6/3/81

II. FISCAL DETAIL
Agency Affected Office of the Governor
Program Category Affected Executive Office
BRU, Program, or Subprogram(s) Affected Capital Site Planning Commission
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		150.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	--	150.0	--			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

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

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

Approximate costs for nine (9) man months for C.P.A., plus staff, travel and commodities cost.

IV. DATE June 4, 1981 PREPARED BY Rod Mourant
AGENCY Office of the Governor
PHONE 465-3500

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

33-001 (Rev. 12/80)

JAY S. HAMMOND
GOVERNOR

SB 58 SP 5 L

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

June 3, 1981

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting two bills on capital relocation. The bills are options. Either will suffice. One or the other should be enacted.

The first bill does not amend the FRANK Initiative. It provides rather for an impartial, nonpartisan update of the cost data developed by the New Capital Site Planning Commission by a panel of certified public accountants. The panel is required to correct any assumptions in the plan or in the statutes which substantial evidence shows are erroneous. It also requires the panel not to overstate or understate costs, but rather to make the most realistic estimates possible with the evidence available. The panel is to report its results in August 1982, and the director of elections will place the costs on the ballot for voter approval or disapproval at the November 1982 general election.

UNACCEPTABLE
retains "bondable"
majority of those voting

The second bill amends the FRANK Initiative rather than merely updating it. It provides for a revitalized New Capital Site Planning Commission to revise its previous work and to go forward with its planning in much the same manner as provided by the latest version of Senate Bill 86. As with the panel of certified public accountants, the commission is under a duty to correct the false assumptions, if any, which are shown to exist in its previous plan or in the statutes, and it is also under a duty not to overstate or understate costs.

Because this option amends the FRANK Initiative, the ballot question will include additional information on the cost of the relocation. But the basic question on costs remains the same under either option: all of the costs. That is what the voters want to vote on.

I urge prompt passage of one of these measures.

Sincerely,

Jay S. Hammond
Governor

Introduced: 6/3/81
Referred: State Affairs and Finance

IN THE SENATE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

SENATE BILL NO. 585

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the relocation of the capital."

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

* Section 1. Within 15 days after the effective date of this Act, the governor shall select a certified public accountant from Anchorage and a certified public accountant from Fairbanks who together shall select a third certified public accountant, subject to the approval of the governor, and the three so selected shall jointly update the March 1978 report of the New Capital Site Planning Commission with respect to the total costs of relocating the capital from Juneau to Willow.

* Sec. 2. (a) In updating the report of the commission, the three certified public accountants shall

(1) consult with available members and former members of the commission to familiarize themselves with the work of the commission;

(2) examine and revise any assumptions made by the commission or contained in AS 44.06.230 which are shown by substantial evidence to be erroneous; and

(3) use the average annual rate of growth in numbers of central state positions and the average annual rate of inflation for construction costs and for other costs for the preceding 10 years, taking into account any unusual changes in the rates caused by special circumstances which are not likely to be recurring. Meetings of the three certified public accountants are subject to AS 44.62.310 - 44.62.312.

(b) The three certified public accountants shall neither overstate nor understate the costs, but rather shall make the most realistic estimates

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SB 585

after leg session
? why not in time
for leg. review.

possible with the evidence available to them.

* Sec. 3. On August 16, 1982, the three certified public accountants shall make a public report of the total updated costs to be paid for relocating the capital from Juneau to Willow.

* Sec. 4. The director of elections, using the total cost of relocating the capital as updated under sec. 2 of this Act by the three certified public accountants, shall place the following proposition on the ballot at the November 1982 general election:

I approve the expenditure of $_____ (total costs) to create a new capital at Willow South to which a majority of the state's central employees will be relocated.

YES _____ NO _____

% Majority of those voting

CONFLICT WITH? Repeal FRANK?

why specify "majority"? I want to minimize impact on June. per 1974 initiative

+ cost of retaining cap. in June

COMMITTEE COPY

585

Must Repeal
Frank to do this

Introduced: 6/3/81
Referred: State Affairs and Finance

IN THE SENATE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

SENATE BILL NO. ~~585~~ 585

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

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Not capable of getting a credible number

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(1) consult with available members and former members of the commission to familiarize themselves with the work of the commission;

(2) examine and revise any assumptions made by the commission or contained in AS 44.06.230 which are shown by substantial evidence to be erroneous; and

(3) use the average annual rate of growth in numbers of central state positions and the average annual rate of inflation for construction costs and for other costs for the preceding 10 years, taking into account any unusual changes in the rates caused by special circumstances which are not likely to be recurring. Meetings of the three certified public accountants are subject to AS 44.62.310 - 44.62.312.

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* Sec. 4. The director of elections, using the total cost of relocating the capital as updated under sec. 2 of this Act by the three certified public accountants, shall place the following proposition on the ballot at the November 1982 general election:

I approve the expenditure of $_____ (total costs) to create a new capital at Willow South to which a majority of the state's central employees will be relocated.

YES _____ NO _____

doesn't say it to rest

COMMITTEE COPY

SB

586

586

Introduced: 6/3/81
Referred: State Affairs and Finance

IN THE SENATE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

SENATE BILL NO. 586

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to relocation of the state capital; repealing and reenacting the law enacted by the initiative popularly known as the 'FRANK Initiative' to provide for the determination of the costs of capital relocation."

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

* Section 1. AS 44.06.196 is repealed and reenacted to read:

Sec. 44.06.196. CAPITAL RELOCATION EXPENDITURES. (a) Except for money used for planning, design, studies, and field investigations in accordance with the provisions of AS 44.06.200 -- 44.06.290, state money may be spent to relocate the state capital from its present location to the new capital site at Willow only after a majority of those voting on the proposition at 1982 general election have approved a ballot proposition which includes the total cost to the state of providing for completion of relocation of a functional state capital at the new capital site at Willow as provided in this section.

(b) The ballot must contain an estimate from each of the branches of government of the number of central state employees reasonably expected to be relocated by it from Juneau and other existing, named locations to the new capital site at Willow and a breakdown of costs estimated by the commission for capital improvements, relocation of personnel and equipment, and indemnification under AS 44.08. The sum of the following, as estimated by the New Capital Site Planning Commission, shall be the costs submitted to the voters on the ballot proposi-

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tion:

(1) the cost to the state as of the relocation completion date of the land development, capital improvements, and furnishings necessary to provide a functional state capital;

(2) the cost to the state as of the relocation completion date of relocating the central state employees and their dependents and household goods to Willow;

(3) the cost to the state as of the relocation completion date of moving offices, office equipment, and office contents sufficient to accommodate the central state employees at Willow;

(4) the cost to the state as of the relocation completion date of the indemnification requirements of AS 44.08;

(5) the cost to the state of the plans, designs, studies, and field tests for relocation of the capital through the relocation completion date;

(6) the cost to the state of the elements set out in the detailed development plan described in AS 44.06.230, including payments deferred beyond the relocation completion date, to the extent those costs are not otherwise provided for in items (1) - (5) of this subsection; and

(7) the cost to the state of financing the costs specified in this section.

(c) The New Capital Site Planning Commission shall make the cost estimates provided in (b) of this section by updating its detailed development plan and cost estimates of March 15, 1978, to reflect the passage of time. In making its update, the commission shall revise those assumptions in the plan, if any, which are shown by substantial evidence to be erroneous and shall use the average rate of growth for central state positions and the average annual rate of inflation for

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construction costs and for other costs for the preceding 10 years, taking into account any unusual growth or decline in growth caused by special circumstances.

(d) The commission shall update its estimate of the net proceeds (increased value less current value) reasonably expected to be received from the disposal of land at the capital site through the relocation completion date. The commission shall also estimate the costs for construction of new or enlarged public facilities or new or expanded leases at Juneau through the relocation completion date, based on the state's past and current practice of providing public facilities at Juneau, which may reasonably be expected not to be incurred by the state, if the capital is relocated by the relocation completion date. These costs and the net proceeds from land disposal, together with the total costs of relocation, as estimated under (b) of this section, shall be included in the explanation in the Official Election Pamphlet (AS 15.58) of the proposition prepared under (a) of this section.

(e) In making its estimates, the commission shall neither overstate nor understate the costs, but rather shall make the most realistic estimates possible with the evidence available to it.

(f) The commission shall, on August 16, 1982, provide the legislature, the governor, the lieutenant governor, the director of elections, and the public with its updated plan and a report setting out the cost estimate required by this section and the number of central government employees to be relocated from existing, named locations to the new capital.

(g) After receipt of the report of the commission, the director of elections shall prepare a ballot proposition in accordance with (a) of this section and place it on the ballot at the 1982 general election.

(h) In this section

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(1) "functional state capital" means a city which has the public buildings, public utilities, access roads, streets, and other facilities necessary to meet the operational needs of state government and to accommodate the numbers and classifications of central state employees estimated in (b), the population estimated in (b), and the general public;

(2) "central state employees" means employees principally involved in matters which concern statewide activities of the state government rather than regional or local activities of the state government; and

(3) "relocation completion date" means the date which the commission, based on substantial evidence, estimates is the earliest practical date by which a functional state capital can be established in Willow.

Good

* Sec. 2. AS 44.06 is amended by adding new sections to read:

Sec. 44.06.270. GENERAL DEVELOPMENT PLAN. (a) Simultaneously with the update of the basic development plan, the commission shall begin preparation of a general development plan and preparation of a specific development plan for the new capital site at Willow. To the extent that they are not adequately covered by the 1978 basic development plan prepared by the commission, the general development plan shall include, but is not limited to,

(1) an estimate of the proposed uses of land throughout the entirety of the new capital site at Willow, with a general allocation of the amounts and proportions of land to be devoted to governmental, residential, commercial, industrial, institutional, and public uses, and indicating the anticipated population and building densities for the new capital site at Willow based on the proposed uses of the land;

(2) an estimate of the cost, number, nature, and general lo-

cations of governmental and institutional facilities relating to use of the site as the new capital of the state, public transportation and major arterial street systems, parks and recreational facilities, water, sewer and drainage systems, electric, telephone and other energy or communications systems or utilities, and health, educational and community facilities;

(3) the approximate time schedule for the stages of development of the new capital site at Willow with reference to both the various parts of the new capital site and to the various types or categories of land uses proposed;

(4) the means of financing the facilities described in (2) of this subsection, the anticipated sources of money for completion of the facilities, and the means by which borrowed money required to complete the facilities is to be repaid; and

(5) any additional statements or documentation the corporation considers necessary or appropriate.

(b) The commission shall include in the general development plan an estimate of

(1) the minimum acreage of land to be allocated for the location and construction of state offices and related state facilities; and

(2) the minimum acreage of land to be set aside and allocated for parks, lakes, recreation and open space use, which, when developed, is available for the use and enjoyment of the general public.

(c) The commission shall hold at least one hearing in each judicial district of the state to receive comments from interested parties on the general development plan proposed by the commission. Each hearing shall be held in a community of the state selected by the commission. Public notice of a hearing under this subsection shall be given

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by the commission by publication in a newspaper of general circulation in the community.

(d) Following the completion of public hearings, the commission shall approve the general development plan. The plan may be approved with or without amendment. To be adopted, the general development plan requires approval by at least two-thirds vote of the full membership of the commission upon a finding that the plan is in accordance with and furthers the purposes of this chapter. The commission shall submit the general development plan to the assembly of the Matanuska-Susitna Borough and becomes effective only after review and comment by the assembly. The assembly shall submit its comments on the general development plan to the commission not later than 60 days after submission of the plan to the assembly.

(e) Major amendments to the general development plan may be made in accordance with the same procedure set out in this section for approval of the plan. Minor amendments of limited application may be made without following the procedure of this section. However, when adopting a minor amendment, the commission shall publish notice of the proposed amendment which it considers appropriate and shall invite written comments on the proposed amendment before its adoption. An amendment to the general development plan takes effect on the date set by the commission. However, a major amendment may not take effect unless it is reviewed by the Matanuska-Susitna Borough in accordance with (d) of this section.

Sec. 44.06.280. SPECIFIC DEVELOPMENT PLANS. (a) After adoption of the general development plan, the commission shall also prepare one or more specific development plans for the new capital site at Willow. A specific development plan includes, but is not limited to,

(1) a description of the area to be developed;

COMMITTEE COPY

(2) a detailed and specific statement of the proposed uses in the area to be developed, including proposed locations of all buildings and structures;

(3) a general description of the land-use restrictions or covenants proposed for the area to be developed;

(4) a map of the existing and proposed transportation and utility systems in the area to be developed;

(5) a statement of the methods by which the property in the area to be developed may be disposed of;

(6) a statement of the relationship between the specific development plan and the general development plan; and

(7) any additional statements or documentation which the commission considers necessary or appropriate.

(b) A specific development plan shall be approved by the commission. A specific development plan becomes effective only after review and comment by the assembly of the Matanuska-Susitna Borough. The assembly shall submit its comments within 60 days of submission of the plan to the assembly.

(c) Amendments to a specific development plan may be made according to the procedure established in this section for approval of a specific development plan.

(d) The commission shall record a specific development plan and any amendments in the appropriate recording district.

(e) A specific development plan constitutes the controlling document and land use plan for the area to be developed.

(f) Approval of a specific development plan is an amendment to the relevant portion of the general development plan. A specific development plan which constitutes a substantial change from the general development plan is subject to the provisions applicable to amendments

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to the general development plan under AS 44.06.270(d) and (e).

Sec. 44.06.290. As used in AS 44.06.195 - 44.06.290, the word "commission" means the New Capital Site Planning Commission.

* Sec. 3. FILLING VACANCIES IN COMMISSION MEMBERSHIP; MEETING. Within 15 days after the effective date of this Act, the governor shall fill any vacancies in the membership of the commission and shall call the first meeting of the commission.

COMMITTEE COPY

JAY S. HAMMOND
GOVERNOR

SB 58 SP 5 L

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

June 3, 1981

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting two bills on capital relocation. The bills are options. Either will suffice. One or the other should be enacted.

The first bill does not amend the FRANK Initiative. It provides rather for an impartial, nonpartisan update of the cost data developed by the New Capital Site Planning Commission by a panel of certified public accountants. The panel is required to correct any assumptions in the plan or in the statutes which substantial evidence shows are erroneous. It also requires the panel not to overstate or understate costs, but rather to make the most realistic estimates possible with the evidence available. The panel is to report its results in August 1982, and the director of elections will place the costs on the ballot for voter approval or disapproval at the November 1982 general election.

The second bill amends the FRANK Initiative rather than merely updating it. It provides for a revitalized New Capital Site Planning Commission to revise its previous work and to go forward with its planning in much the same manner as provided by the latest version of Senate Bill 86. As with the panel of certified public accountants, the commission is under a duty to correct the false assumptions, if any, which are shown to exist in its previous plan or in the statutes, and it is also under a duty not to overstate or understate costs.

Because this option amends the FRANK Initiative, the ballot question will include additional information on the cost of the relocation. But the basic question on costs remains the same under either option: all of the costs. That is what the voters want to vote on.

I urge prompt passage of one of these measures.

Sincerely,

Jay S. Hammond
Governor

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

By CAROLYN BURG

We have read about what many people have written about the Capital Move issue and respected all of their views because we believe people should be able to express themselves to the full. We thank the Juneau Empire for granting us that privilege.

We are now going to express ourself about the Capital Move issue, and our opinion is based on many months of research and study.

We wish this community to take notice that the Capital Move issue is pending in the United States District Court in Juneau, Alaska, and that we have all intention of resolving it once and for all to everyone's satisfaction. We will never let it die until it is. We are firm on this. We are still searching for a constitutional trial lawyer who can help us.

We are alleging that we have the capital and that it cannot be moved anywhere because of its private character. This statement is based on Alaskan and other settled law. This Capital is property which cannot be reached by an initiative because we are still under territorial law and are considered a "federal district within a state". Territorial law is different from state law. They are two different sovereignties.

Private property does not change from territory to state; it remains the same.

For the people who have been here since 1974 you will recall we had what is called a so-called "vote of the people" to move this Capital from Juneau to Willow, Alaska, but from its inception we have always alleged that this vote was put through in too much of a hurry and was without due process.

So at the first meeting of the first Capital Committee in the Gold Room of the Baranof Hotel, we stood at the podium before a microphone and challenged this vote, stating that we were going to study it. Besides the committee and the press, the whole room was full of people, including Frank Harris, one of the prime sponsors of the initiative, from Anchorage.

At that time we gave Frank Harris public notice that we were challenging this issue, and the press reported this in the Southeast Alaska Empire the next day. The tape of this hearing however, was not saved.

The present Lt. Governor Terry Miller was a member of this first committee, as he was then Senate President, and we find it difficult to remember all of the names of all of the other members, but the then Senator Terry Miller questioned us when we finished with our presentation.

He asked us what the legislature could do in this instance, and we stated that there was nothing the legislature could do because any money spent on this issue would be "money down the drain". This made it a judicial question.

Since then, according to our former Juneau City Manager Mar Winegar's figure, around $605,000 was spent out of the city's tax funds to so-call "help this community keep the capital through the use of the Alaska Committee, to whom these funds were given.

Seventy thousand more of our tax dollars were recently also put aside by this city for this purpose, but in meetings before the Assembly we are keeping track of this money, for this is the money we hope to use for a competent constitutional trial lawyer to help us resolve this issue.

According to our State of Alaska Department of Revenue, over $5,000,000 has been spent on the Capital Move (including more tax dollars from this community) with more spent in the form of "loans" as we understand it. We want these "loans" repaid into the fund from whence they came.

All of this means that Juneau has been triply taxed. On top of the taxes we now pay to run this community, money collected for the Alaska Committee and the State of Alaska are other taxes that this community has been burdened with, and surely this is a burden that cannot be lawfully sustained. McCulloch v. Maryland, 4 Wheat. 17 US 316 (1819)

Around November of last year we wrote our congressional delegation asking them how patented land was treated in the new Alaska Lands Bill S.9. We got no answer from Senator Mike Gravel, but Senator Ted Stevens and Representative Don Young wrote back that all patented land is private property.

This Capital is all patented property!

In the Alaska Statehood Act, you will recall Congress gave Block No. 18 (on which the Capital Building sits), Block No. 32 (on which the Governor's Mansion is located) and other property in Juneau to the State of Alaska, when AS 29.73.030 states that a municipality may not be divested of its private property by adverse possession.

The granting of a patent by Congress is an act of sovereignty. Atlas Glass Co. V. Simonds MFG. Co., 101 Fed 643, 42 CCA 354 (cert. den. 179 US 684 mem. 21 S Ct 916 mem., 45 L ed 386 mem.), so this case, in effect, is a challenge of an entire vote of the people of this state versus Congress' setting of this Capital under this patented private land 74 years ago! Both sovereign acts, so to speak. Both have "the people" in it, because as far as Congress is concerned "the people" gave Congress the power to act for us in a territory such as ours.

Another important research tool we found besides the above is the article called "Property Which Cannot be Reached by the Power of Eminent Domain to a Public Use or Purpose" in the University of Pennsylvania Law Review, Vol. 78, No. 2, December 1929 by Milton Colvin, which on page 151 states:

"Although the sovereign power in free government may appropriate all the property, public as well as private, for public use, making compensation therefor, yet it has never been understood, at least in our republic, that the sovereign power can take the private property of A and give it to B by the right of eminent domain."—Mr. Justice Storey

This is an article which we xeroxed and gave to our Mayor William Overstreet and he told us he "threw it away." Now, why would our Mayor Overstreet throw away a valuable tool such as this which helps to retain our Capital in Juneau.

Wouldn't you think he would at least give it to a constitutional scholar or our Borough Attorney Lee Sharp? Why would he just "throw it away" as he told us he did?

This article is full of examples of cases where it states that taking the private property of A and giving it to B to use for the same purpose for which it is being utilized is forbidden in America. Private property, in other words, cannot be "taken" by an initiative. It is forbidden to do this.

If this were allowed, we would have absolute chaos in our country. No corporation with a private character, nor your home nor ours, would be safe from being "taken" by an initiative.

Once "the people" are in it, such as in the case of this Capital where Congress puts it under patented property, "the people" cannot be in it again.

To Whom It May Concern — January 16, 1981

Welcome, members of the 12th Alaska State Legislature! This will bring the new members up to date on the Capital Move Issue which we have been challenging.

As Alaska allows a person to have a competent attorney if he wishes one, this case is in abeyance until we find one. We are not a constitutional trial lawyer competent to litigate international law, which we have found this Capital to be under. Bolshanin v. Zlobin, 11 Alaska 539, 76 F. Supp.281

So we are challenging Sen. Bill No. 1 and any other actions by anyone to wrest this Capital away from Juneau, whoever they are, and any appropriations made by this or any future legislature will be considered a "tax" against this community. This Capital is a federal corporation made so by Congress, still under territorial law, and not subject to state taxing. If the State of Alaska has a different idea, it will be able to bring forth its facts in this litigation, which is the reasonable way to settle this issue. And we intend to settle it one way or the other so a constant cloud will not be hanging over this Capital repressing its economic development.

This is going to be a very famous case. It will prove that "this is a new invention for a Capital under United States Patents," and that one cannot take private property by an initiative for the same purpose for which it is being utilized.

Respectfully submitted, Carolyn Burg

cc: All legislators, 12th Alaska Legislature, Governor Jay Hammond, Lt. Gov. Terry Miller, Attorney General's Office, U.S. Solicitor General, U.S. Senator Ted Stevens, U.S. Rep. Don Young, U.S. Senator Frank Murkowski, Washington, D. C. and others

6-16 1981 - ~~Before the Senate State Affairs Committee~~ Given before the Sen. State Affairs Com. re: SB 585 & CSfor SB 586

We respectfully disagree with all state legislation to "take" or "fund" a new Capital of Alaska as NOTHING HAS CHANGED WITH RESPECT TO OUR POSITION.

First of all we wish to thank all of those legislators who voted with us and supported us during the period we have been researching this issue and looking for a constitutional trial lawyer. We still need a constitutional trial lawyer to close this issue once and for all, as we want the State of Alaska to sign a release on the Capital Issue. We are holding firm to everything we have stated in the civil suit placed with the U.S. District Court in Juneau, Alaska in 1979.

This Capital is a trust under the dominance of the Nation, is still under territorial law and the State of Alaska has no jurisdiction in it. Congress made this Capital a federal grant 75 years ago, Juneau owns it, and a state statute enacted subsequently to a federal grant cannot operate to vest in the State rights which either remained in the U.S. or passed to its grantee. U.S. v. Oregon, 295 US 1, 28 (1935)

We want a hearing on this in a competent court with a competent judge or judges and a ruling thereon, and we want everything we have said to be judicially noticed.

With all due respect to everyone getting this statement, we have done our homework well, and until someone can overcome our authorities, we respectfully disagree with them. This means we expect them to work backward from our authorities.

We are fighting the fight of the PRIVATE PROPERTY OWNER. To "take" private property by an initiative would "x" out everything that the government stands for - to protect us in our life, liberty and property, and put in jeopardy your home or private business or ours, and make Alaska the laughing stock of the Nation. Bolshanin v. Zlobin, 11 Alaska 539, 76 F.Supp28

We repeat - all initiatives, including the FRANK initiative, are unconstitutional and void and have nothing at all to do with this Capital.

Thank you. If you have any questions we would be most happy to answer them.

Respectfully submitted,
Carolyn Burg
(Mrs. Amos) Carolyn Burg

Copies to the same people listed above, and others

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

DATE: 6-16-81

SENATE STATE AFFAIRS COMMITTEE -- HEARING SIGN-IN SHEET LOCATION: Juneau

AGENDA: Proposed CSSB586 (State Affrs)

NAME	AFFILIATION/POSITION	ADDRESS/PHONE	TESTIFYING ON:
Kent Spaulding	Gov office		Capital Move Legislat
Jim Clark	Alaska Committee		"
Virginia Talley	none	Anchor Point, AK	Capital relocation legislat
Frank Harris	none	272-8406 Anchorage	✓
Ron Larson	Mayor - Mat-Su	Box B Palmer, Alaska	CS SB 586
Rod Pegues	A. G.'s Office	3606	CS SB 586

CAPITAL MOVE STATEMENT

MAY 26, 1981

GOVERNOR JAY S. HAMMOND

I COMMEND THE HOUSE FOR ATTEMPTING TO ACCOMMODATE MY CONCERNS THAT THE INTENT OF THE MAJORITY OF ALASKANS WHO SUPPORTED THE FRANK INITIATIVE ARE CLEARLY MET. HOWEVER, THEIR BILL WOULD AMEND THE FRANK INITIATIVE IN 3 RESPECTS.

THE HOUSE VERSION FIRST FAILS TO MEET MY PRIME STIPULATION THAT "TRUE AND FULL" COSTS, WHETHER TO BE MET BY BONDS, GENERAL FUND APPROPRIATIONS, OR LAND VALUES BE CLEARLY REVEALED TO THE PUBLIC FOR THEM TO VOTE UPON. SECOND, IT REDUCES SUBSTANTIALLY THE CAPITAL CONCEPT FOR WHICH "BONDABLE" COSTS MUST BE DETERMINED UNDER "FRANK", AND THIRD IT AMENDS "FRANK" TO REPLACE THE CAPITAL SITE PLANNING COMMISSION, UPON WHICH "FRANK" PROPONENTS HAD VIRTUALLY EQUAL REPRESENTATION, WITH A CAPITAL SITE DEVELOPMENT CORPORATION SO CONSTITUTED AS TO OVERW[illegible]LM FRANK INITIATIVE ADVOCATES.

SINCE 69,414 ALASKANS VOTED FOR THE FRANK INITIATIVE, WHILE ONLY 46,659 VOTED FOR THE CAPITAL MOVE INITIATIVE, IT SEEMS

RATIONAL TO CONCLUDE THAT "FRANK" ADVOCATES SHOULD BE BETTER REPRESENTED ON AN ENTITY WHICH IS SUPPOSED TO DETERMINE HOW BEST TO COMPLY WITH "FRANK'S" INTENT.

REPRESENTATIVE COTTEN IN FLOOR DEBATE YESTERDAY ADMITTED THAT THE FINANCE COMMITTEE VERSION WAS "STACKED WITH PRO-MOVERS". I CANNOT ACCEPT HIS RATIONALIZATIONS FOR WHY THAT IS BENEFICIAL. FOR THE COST ESTIMATES TO HAVE ANY INTRINSIC VALUE AND BE ACCEPTED AS VALID BY THE ELECTORATE, THEY MUST BE DEVELOPED BY A PREDOMINATELY NEUTRAL PLANNING COMMISSION.

I HAVE SAID FREQUENTLY THAT I AM NOT CONCERNED OVER THE NAME OF A NEW PLANNING BODY, BUT RATHER ITS COMPOSITION AND WHAT PROCEDURES THE COMMISSION WOULD FOLLOW TO DETERMINE THE "TRUE" COST OF A "FUNCTIONAL" CAPITAL CITY -- AS REQUIRED BY THE FRANK INITIATIVE. THE HOUSE MAKEUP OF THE CAPITAL CITY DEVELOPMENT CORPORATION WOULD INSPIRE LITTLE PUBLIC FAITH AS TO THE OBJECTIVITY OF THE GROUP OR THEIR COST ESTIMATES.

HOW CAN A GROUP WHICH IS CLEARLY AN ADVOCATE FOR CREATION OF A NEW CAPITAL CITY PROVIDE COST ESTIMATES WHICH MUST BE PERCEIVED BY ALL SIDES AS UNBIASED? IF THIS ISSUE IS EVER

TO BE LAID TO REST BOTH SIDES MUST PERCEIVE COST ESTIMATES AS VALID AND JUST.

AS ONE OBLIGATED TO REPRESENT THE VIEWS OF ALL ALASKANS, I CANNOT PERMIT A PUBLIC INITIATIVE FOR WHICH MOST ALASKANS VOTED TO BE SO DRASTICALLY AMENDED BY OTHER THAN THE PEOPLE THEMSELVES. TO PERMIT ANYTHING LESS WOULD BE TO BOW TO THE ASSERTION OF SOME THAT THE PUBLIC DID NOT KNOW WHAT THEY WERE VOTING UPON.

MAKE NO MISTAKE, I WANT THIS ISSUE RESOLVED. ACCORDINGLY, I PROPOSED TWO MEANS BY WHICH IT CAN BE RESOLVED ON THE 1982 BALLOT. TIME AND AGAIN, INCLUDING ONCE FOR OVER TWO HOURS ON SUNDAY, I MET WITH LEGISLATORS ON BOTH SIDES OF THE ISSUE AND ADVISED THEM WHAT I FELT WOULD BE ACCEPTABLE TO THE PUBLIC AND HENCE TO MYSELF. IN FACT, MY OFFICE EVEN PROVIDED LEGISLATORS WITH COPIES OF TWO DRAFT VERSIONS WHICH WOULD PASS MUSTER.

THOSE LEGISLATORS WHO CLAIM TO BE IN FAVOR OF THE CAPITAL MOVE WILL DO THEIR CAUSE NO GOOD BY SENDING ME A BILL WHICH THEY KNOW I WILL BE FORCED TO VETO.

THE HOUSE VERSION IS A BASIS FOR SATISFACTORILY RESOLVING THIS QUESTION; HOWEVER, IT SHOULD GO TO CONFERENCE FOR FURTHER REFINEMENT.

I AM MORE THAN WILLING TO COOPERATE WITH LEGISLATIVE LEADERS TO PRODUCE A FAIR AND ACCEPTABLE BILL. BUT TO SEND ME AN UNACCEPTABLE BILL AT THIS LATE DATE IN THE SESSION WILL SIMPLY PERPETUATE A CRUEL HOAX ON THE PUBLIC AND WILL BE BUT ONE MORE EXERCISE IN THE "GAME-PLAYING" WHICH HAS ALL TOO FREQUENTLY ATTENDED LEGISLATIVE CONSIDERATION OF THE CAPITAL MOVE ISSUE. THEREFORE, BECAUSE I DO NOT WANT TO VETO A BILL AND THUS PROLONG THE AGONY WHICH WILL ATTEND THIS ISSUE SO LONG AS IT REMAINS UNRESOLVED, I AM DEPARTING FROM MY USUAL PRACTICE OF NOT ANNOUNCING IN ADVANCE WHETHER OR NOT I WILL VETO A BILL. BE ASSURED THAT IF GIVEN THE HOUSE PASSED VERSION OF THE BILL, IT WILL BE VETOED!

June 1, 1981

INDEMNIFICATION

INDEMNIFICATION

It is the purpose of this act to carry out the will of the people as expressed in three state-wide votes: after the people have approved the cost, to move the capital to Willow, and to do so without unnecessarily reducing the number of state employees in Juneau. The will of the people is considered binding on the executive, legislative and judicial branches.

No later than 15 days after the convening of the second session of the Twelfth Legislature the governor shall furnish to the legislature:

1. an estimate of the cost of moving the capital to Willow. The estimate shall be based on a maximum of 1,000 state employees at the new capital, exclusive of elected officials.

2. a plan to decentralize state government, assigning authority, responsibility and personnel to regional and district offices to the maximum extent possible. The plan shall clearly specify the authority, responsibility and functions reserved for employees at the capital.

Cost of remaining in Gus

STATEMENT: HAMMOND COMMENTS ON COMPROMISE CAPITAL MOVE BILL

6-15-81

#101

FOR IMMEDIATE RELEASE

JUNEAU--Governor Jay Hammond earlier this afternoon released the following acceptance by all sides of a proposed draft of a bill which will reactivate the New Capital Site Planning Commission and charge it with producing plans for a new state capital -- plans and cost estimates which will be voted on by state voters at the November 1982 election.

The statement follows:

FOLLOWING MY VETO OF THE LEGISLATURE'S RECENT CAPITAL MOVE COST BILL I INTRODUCED TWO ALTERNATIVE BILLS, EITHER OF WHICH, I STATED, WOULD BE ACCEPTABLE. SINCE THEN, CONSTRUCTIVE NEGOTIATIONS HAVE TAKEN PLACE BETWEEN KEY PRO AND ANTI MOVE ADVOCATES WITH THE STATE'S DEPARTMENT OF LAW ACTING AS INTERMEDIARY.

I'M PLEASED TO BE INFORMED BY PARTICIPANTS THAT THEY HAVE AGREED TO A VERSION OF THE BILL WHICH SET FORTH THE 5

CRITERIA I HAVE STIPULATED AS NECESSARY TO SECURE MY APPROVAL.

HOPEFULLY, THE LEGISLATURE WILL ACT QUICKLY TO PASS THIS MEASURE PROVING THAT, CONTRARY TO THE ASSERTIONS OF SOME, A FAIR AND EQUITABLE BILL CAN BE CRAFTED WHICH CAN BE SUPPORTED BY MOST ALASKANS.

SINCE MY STATE OF THE STATE ADDRESS, I HAVE URGED LAWMAKERS TO PASS A BILL THIS YEAR WHICH WILL REACTIVATE THE CAPITAL SITE PLANNING COMMISSION AND GIVE THE COMMISSION THE CHANCE TO RESTUDY THE ISSUE OF THE CAPITAL MOVE AND PRODUCE UPDATED, ACCURATE COST ESTIMATES OF THE MOVE. I HAVE SAID REPEATEDLY THAT TO RESOLVE THIS ISSUE - ONE OF THE MOST DIVISIVE IN STATE HISTORY - IT IS NECESSARY FOR ALL ALASKANS TO VOTE ONCE MORE ON A BALLOT PROPOSITION WHICH WOULD ELIMINATE CONFLICTS PRODUCED BY VOTER PASSAGE IN 1974 OF A INITIATIVE TO MOVE THE CAPITAL, FOLLOWED IN 1978 BY PASSAGE OF THE "FRANK" INITIATIVE WHICH BARRED THAT MOVE UNTIL ALASKANS APPROVED THE FULL COSTS OF SUCH A MOVE. WHEN THE MAJORITY OF ALASKANS SUBSEQUENTLY DISAPPROVED THOSE COSTS, THE MOVE WAS EFFECTIVELY STALEMATED. DIVISIVENESS AND CONTENTION, HOWEVER, CONTINUED TO ESCALATE.

TO RESOLVE THIS ISSUE AND END THE DIVISIVENESS, I HAVE SAID IT IS VITAL THAT ALASKANS BE PERMITTED TO UNDERSTAND AND THEN AGAIN VOTE ON THE TRUE AND FULL COSTS OF A MOVE. MOREOVER, THOSE COST FIGURES HAD TO BE GENERATED BY A COMMISSION WHICH MOST ALASKANS BELIEVED HAD PRODUCED REALISTIC ESTIMATES OF THE TOTAL STATE COSTS OF THE MOVE.

TODAY I AM PLEASED TO SAY THAT KEY PEOPLE FROM BOTH SIDES HAVE AGREED TO JUST SUCH AN APPROACH -- ONE WHICH SETS UP THE MECHANISM FOR ALASKANS TO RATIONALLY SETTLE A COMPLEX ISSUE WHICH FOR THE PAST DECADE HAS THREATENED TO TEAR THIS STATE APART.

THE BILL, BASICALLY AN AMENDED VERSION OF ONE OF THE TWO BILLS I PROPOSED TO LAWMAKERS JUNE 2, FULLY MEETS THE FIVE CRITERIA I STIPULATED IN MY STATE OF THE STATE ADDRESS AND LATER CLARIFIED ON MARCH 13. (1) IT REQUIRES A NEW CAPITAL SITE PLANNING COMMISSION TO DETERMINE THE TRUE COSTS TO THE STATE FOR MOVING A FUNCTIONAL CAPITAL TO WILLOW SOUTH.

(2) IT REQUIRES THAT THE BALLOT IDENTIFY THE NUMBER OF CENTRAL STATE POSITIONS TO BE MOVED TO WILLOW FROM ELSEWHERE;

(3) IT ALLOWS THE PUBLIC TO KNOW THE TOTAL COSTS OF A FUNCTIONAL MOVE;

(4) TO APPROVE OR REJECT THE STATE'S SHARE OF THAT COST, AND

(5) IT DOES LAY THE ISSUE TO REST INSOFAR AS POSSIBLE. IF THE VOTERS APPROVE THE COSTS OF RELOCATION IN NOVEMBER 1982, THE CAPITAL CAN COMMENCE MOVING TO WILLOW AS QUICKLY AS POSSIBLE. IF THE MOVE IS NOT APPROVED ALL PRIOR INITIATIVES ARE REPEALED AND THE CLOUD OF CONFUSION WHICH HAS HUNG OVER SUCH THINGS AS JUNEAU'S ECONOMIC FUTURE WOULD BE LIFTED.

THIS BILL IS FAIR. IT DOES NOT HIDE THE REVENUE THE STATE MAY MAKE OFF SELLING LAND AT WILLOW TO OFFSET THE COST OF A MOVE. BUT NEITHER DOES IT OVERSTATE THAT VALUE. IT DOES NOT IGNORE THE COST OF NEW CAPITAL CONSTRUCTION WHICH WILL BE NEEDED IN JUNEAU SHOULD REMAIN THE CAPITAL, BUT

NEITHER DOES IT OVERLOOK THE COST OF MOVING EMPLOYEES FROM JUNEAU AND ANCHORAGE NOR INDEMNIFICATION COSTS SHOULD THE CAPITAL MOVE TO A NEW CITY AT WILLOW SOUTH.

THE BILL PERMITS THE COMMISSION THE LATITUDE IT NEEDS TO CORRECT THE PERCEIVED ERRONEOUS ASSUMPTIONS MADE IN DRAFTING THE 1978 PLAN, BUT ALSO GIVES THE COMMISSION THE ABILITY TO LOOK AT NEW EVIDENCE RELATING TO COSTS WHICH THE EARLIER COMMISSION DID NOT HAVE.

KEY PLAYERS FROM ALL SIDES SHOULD BE CONGRATULATED FOR TAKING TIME TO LOOK SERIOUSLY AT THE TWO BILLS I DEEMED ACCEPTABLE AND THEN WORKING TOGETHER TO RESOLVE THIS ISSUE IN A WAY WHICH I BELIEVE THE VAST MAJORITY OF ALASKANS WILL AGREE IS FAIR AND EQUITABLE. I MUST GIVE SPECIAL CREDIT BY NAME TO JIM CLARK, AN ATTORNEY REPRESENTING THE ANTI-MOVE ALASKA COMMITTEE, AND GENERAL AND MRS. B.B. TALLEY, LEADING PRO-MOVE EXPERTS. TOGETHER WITH ASSISTANT ATTORNEY GENERAL ROD PEGUES THEY WORKED IN AN EXEMPLARY MANNER TO FASHION A GOOD, WELL WRITTEN BILL.

WHEN TWO WEEKS AGO I VETOED AN UNACCEPTABLE BILL I BELIEVED IT WAS POSSIBLE FOR MEN AND WOMEN OF REASON TO

FASHION A BILL WHICH MOST ALASKANS COULD AGREE PRESENTED A FAIR AND EQUITABLE SOLUTION TO THIS PROBLEM. IT IS WITH GRATIFICATION THAT I LEARNED THAT HAD RESULTED.

FOLLOWING ACCEPTANCE#$ OF THIS BILL BY BOTH HOUSES, I WILL MOVE QUICKLY TO APPOINT THE THREE NEW MEMBERS OF THE COMMISSION NEEDED FOR IT TO AGAIN BE ABLE TO CONDUCT ITS WORK. THE COMMISSION WILL HAVE A COMPLEX TASK, BUT ONE WHICH I AM SURE IT WILL CARRY OUT THOUGHTFULLY AND HONESTLY.

IN A DEMOCRACY THE BEST WAY TO SOLVE COMPLEX ISSUES IS TO FULLY INFORM THE PUBLIC OF ALL THE OPTIONS IT FACES, THE COSTS AND RAMIFICATIONS OF ITS ACTIONS AND THEN LET AN INFORMED ELECTORATE DECIDE THE PROPER COURSE. ALASKANS WILL HEAR MUCH ABOUT THE CAPITAL MOVE FOR THE NEXT 17 MONTHS, BUT THAT IS NOT BAD. ONLY BY FULLY UNDERSTANDING THE CHOICES INVOLVED WILL ALASKANS HAVE AN OPPORTUNITY TO GAIN THE WISDOM THEY WILL NEED TO MAKE A DECISION ON AN ISSUE OF CONSIDERABLE COMPLEXITY.

IT IS GOOD THAT ALASKANS WILL NOW GET A CHANCE TO MAKE A REASONED COLLECTIVE DECISION. NO ONE ELSE IS BETTER

QUALIFIED TO MAKE SUCH A DECISION THAN THE PEOPLE WHO MUST

LIVE WITH THE RESULT.

6-16-81

SUMMARY OF CS FOR SB 586 (State Affairs)
RELOCATION OF STATE CAPITAL

1) Ballot proposition for November 1982 election includes total cost to the state of relocating a functional state capital to Willow; this includes all items in (c)(1) through (c)(7).

2) Ballot will also show:
   a) Net proceeds from land sales/leases which will defray total costs;
   b) cost of new or expanded facilities in Juneau and elsewhere that will be required if capital is not moved;
   c) number of central state employees to be relocated from Juneau and elsewhere (as determined by CSPC);
   d) estimate of population at Willow site on the relocation completion date;
   e) estimated cost of capital improvements, relocation of personnel and equipment, and indemnification.

3) Relocation completion date is the earliest practical date by which a functional state capital can be established at the Willow site.

4) Functional state capital is a city with public buildings, public utilities, access roads, streets and other facilities necessary for operation of state government and to accomodate central state employees.

5) Resurrects the Capital Site Planning Commission, with vacancies to be filled and the first meeting to be held within 15 days of effective date of the act.

6) CSPC is to revise 1978 plan, revising erroneous assumptions and using average rate of growth and rate of inflation for construction costs for the preceding 10 years. Also eliminates requirement of 30,000 population for new capital.

7) Allows CSPC to go forward with general and specific development plans and the ballot cost estimate simultaneously, and to fit the plan to the ground. This will speed development if relocation costs are approved by voters.

8) CSPC reports to governor, presiding officers of the legislature and chief justice of supreme court, and the public by April 15 and August 16, 1982.

9) Repealers contingent on November 1982 vote.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

M E M O R A N D U M

June 12, 1981

SUBJECT: Capital relocation appropriation (Work Order No. 12-1870)

TO: Senator Vic Fischer
Chairman, Senate State Affairs Committee
Attn: Laura Fleming

FROM: John B. Chenoweth
Legislative Counsel

I note that the title of the companion bill mentioned in * Sec. 3 of this appropriation does not conform to the title of the last draft version of CSSB 586 (State Affairs) provided to you on June 9th. Do you plan to revise the latter draft?

JBC:ljb

Enclosure

3837

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE BILL 586

Title Relating to the Relocation of the State Capital

Requested by Governor Date 6/3/81

II. FISCAL DETAIL

Agency Affected

Program Category Affected

BRU, Program, or Subprogram(s) Affected

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
800		2,400.0*				
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	--	2,400.0*	--			
FEDERAL FUNDS	--	--	--			
OTHER (Specify Fund Source)	--	--	--			

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Due to extensive research conducted in estimating costs relative to CSSB86, those figures have been used for this Fiscal Note.

*Due to the nature of the project, this should be funded as a continuing appropriation.

IV. DATE June 4, 1981 PREPARED BY Rod Mourant

AGENCY Office of the Governor

PHONE 465-3500

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

SB

587

587

FRANK for Juneau

Introduced: 6/3/81
Referred: State Affairs and Finance

IN THE SENATE BY KELLY

SENATE BILL NO. 587

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to expenditure of money for state government facilities in the state capital."

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

* Section 1. PURPOSE. The purpose of this Act is

(1) to assure that the people of the state will have the opportunity to make an intelligent and objective decision on expanding state government facilities located at the state capital in Juneau, having available to them all pertinent data concerning the costs to the state of expanding state government facilities at Juneau, including but not limited to social, economic and environmental costs; and

(2) to assure that costs of expanding state government facilities at Juneau will not be incurred by the state without the approval of the people of the state.

* Sec. 2. AS 44.06 is amended by adding a new section to article 1 to read:

Sec. 44.06.015. EXPENDITURES FOR FACILITIES AT THE STATE CAPITAL IN JUNEAU. (a) State money may be expended to purchase, lease, construct, or occupy state government buildings and facilities which are not, on the effective date of this Act, owned, leased, or occupied by the state government at the state capital in Juneau only after a majority of those voting in a statewide election have approved a bond issue which includes all bondable costs to the state of new buildings and facilities through December 31, 1992. The bondable costs to the state of new buildings and facilities at the state capital in Juneau shall be

COMMITTEE COPY

? What commission?

determined by a commission established by law to plan for the new buildings and facilities in the capital city at Juneau.

(b) In addition to determining the bondable costs under (a) of this section, the commission shall determine the total costs to the state of new buildings and facilities in the capital city at Juneau through December 31, 1992. For purposes of this section, "total costs" includes but is not limited to

(1) costs to the state of planning, building, furnishing, and financing new buildings and facilities in the capital city at Juneau;

(2) social, economic, and environmental costs of new buildings and facilities expense will be incurred regardless of move. and of maintaining the buildings and facilities which are owned, leased, or occupied for state government purposes in the capital city at Juneau on the effective date of this Act; and

(3) costs of moving offices and personnel from buildings and facilities which are owned, leased, and occupied for state government purposes in the capital city at Juneau on the effective date of this Act to new buildings and facilities.

(c) In this section, "new buildings and facilities" means state buildings and facilities which are not, on the effective date of this Act, owned, leased, or occupied by the state.

Tim Kelly - prefers an acceptable effort to force reconsideration of capital move.
Hold til next session?

Introduced: 6/3/81
Referred: State Affairs and Finance

IN THE SENATE BY KELLY

SENATE BILL NO. 587

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

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FOOTNOTE

COMMITTEE COPY

Juno Cap Expansion Commission

?

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(1) costs to the state of planning, building, furnishing, and financing new buildings and facilities in the capital city at Juneau;

INCL.

(2) social, economic, and environmental costs of new buildings and facilities and of maintaining the buildings and facilities which are owned, leased, or occupied for state government purposes in the capital city at Juneau on the effective date of this Act; and

(3) costs of moving offices and personnel from buildings and facilities which are owned, leased, and occupied for state government purposes in the capital city at Juneau on the effective date of this Act to new buildings and facilities.

(c) In this section, "new buildings and facilities" means state buildings and facilities which are not, on the effective date of this Act, owned, leased, or occupied by the state.

- what Adm plans for new/additional constr. + leasing in Juno?
- when?

? - any plans to lease Totem Twin theatre
- New off bldg? - old Munic bldg
SB 587

FISCAL NOTE - ?

COMMITTEE COPY

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C
JUNEAU, ALASKA 99811

465-2200

June 4, 1981

Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Fischer:

This Department has been requested to do a fiscal note on Senate Bill 587 for the Senate State Affairs Committee. However, since costs of purchasing, leasing, constructing and occupying State government facilities in Juneau are to be determined by a commission, it does not seem as though it would be appropriate for this Department to estimate those costs in a fiscal note. Also, since this bill would not establish the commission to determine those costs, nor does it detail any parameters for the operation of the commission, it is not possible for us to write a fiscal note for the establishment of the commission. After discussions with staff in your office and Senator Kelly's office, we are still unsure of what a fiscal note for this bill should include.

We are available to answer any questions you have pertaining to this.

Respectfully,

Richard A. Hudson for

W. R. Hudson
Commissioner

WRH/mjc
cc: Keith Specking
George Elgee
Judy Crondahl

02-B9LH

SB

591

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S
JUNEAU, ALASKA 99811

June 17, 1981

The Honorable Vic Fisher
Chairman
Senate State Affairs Committee
Room 205 - Behrends Building
Juneau, Alaska

Dear Senator Fisher:

Re: Senate Bill No. 591

Senate Bill No. 591, an Act relating to the Alaska permanent fund, was introduced in the Senate on June 8, 1981 and was referred to the Senate State Affairs, Resources and Finance Committees.

For the consideration of the Senate State Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Ms. Mary Ellen Frank, Research Section, Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

RDS/rdh

cc: The Honorable Bettye Fahrenkamp
Chairperson
Senate Resources Committee

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

Thomas K. Williams
Commissioner
Department of Revenue

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Mary Ellen Frank
Research Section
Department of Revenue

04-D2LH

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB591
Title Relating to the Alaska Permanent Fund
Requested by Senate State Affairs Committee Date June 16, 1981

II. FISCAL DETAIL
Agency Affected Department of Revenue
Program Category Affected
BRU, Program, or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

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

FUNDING (~~Thousands~~ Millions of Dollars)

GENERAL FUND (decrease)		(1043.7)	(1271.3)	(1430.1)	(1607.8)	(2141.7)
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
Permanent Fund (increase)		1043.7	1271.3	1430.1	1607.8	2141.7

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The assumption is made that 75% of royalties, royalty sale proceeds, mineral lease rents, and federal mineral revenue sharing payments received by the state from mineral leases is placed in the permanent fund. The increase from 25% to 75% must be offset by a corresponding decrease in the general fund.

The assumption is also made that no new bonuses are forthcoming during the period covered in this fiscal note.

Mary Ellen Frank

IV. DATE June 16, 1981 PREPARED BY Mary Ellen Frank
AGENCY Revenue
PHONE 465-2173

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

33-001 (Rev. 12/80)

SB

621

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

STATE OF ALASKA
DEPARTMENT OF REVENUE
OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH S
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

February 3, 1982

The Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Room 423 - Capitol Building
Juneau, Alaska

Dear Senator Fischer:

Re: Senate Bill No. 621

Senate Bill No. 621, an Act providing tax credits for employers of persons over 60 years of age, was introduced in the Senate on January 11, 1982 and was referred to the Senate State Affairs and Finance Committees.

For the consideration of the Senate State Affairs Committee, I am enclosing copies of Fiscal Notes prepared by Robert R. Kessel, Director, Audit Division and Vincent Wright, Chief, Research Section of the Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

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

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Robert R. Kessel, Director
Audit Division
Department of Revenue

Vincent Wright, Chief
Research Section
Department of Revenue

TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill 621
Title An Act providing tax credits for employers of persons over 60 years of age.
Requested by Senate State Affairs & Senate Finan Date 1/20/82

II. FISCAL DETAIL
Agency Affected
Program Category Affected
BRU, Program, Or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL						

FUNDING (~~Thousands~~ Millions of Dollars)

GENERAL FUND		(4.7)	(19.3)	(21.9)		
FEDERAL FUNDS						
OTHER (Specify Source)						
Additional Appropriations to Pay Refundable Credit			8.0	9.1		

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Section 1 of the proposed bill provides for refundable credits equal to 10% gross salary paid for those over 60 years of age. There is no limitation as to the amount of credit applied for under this section. Payment of these credits requires approval in the form of legislative appropriation.

Section 2 provides for the same type of credit but is limited to the amount of tax due under the income tax chapter. The credits in this section would reduce general fund revenues.

IV. DATE Jan. 20, 1982 PREPARED BY Vincent Wright, Chief of Research
AGENCY Department of Revenue; Research Section
PHONE 465-2173

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

33-001 (Rev. 12/81)

TO: R. D. Stevenson
Special Assistant

DATE: January 21, 1982

FILE NO:

TELEPHONE NO:

FROM: Robert R. Kessel RK
Director, Audit Division

SUBJECT: SB 621 - An Act providing tax credits for employers of persons over 60 years of age; and providing for an effective date.

Section 1 of the Act would provide a tax credit to those resident individuals paying salaries to an employee who is a) over 60 years of age, b) a resident of Alaska and c) who has worked for the resident individual for at least one year before the calendar year for which the credit is authorized. The credit is equal to 10 percent of the gross salary paid and is a refundable credit. There is no limitation as to the amount of the credit such as exists for the current political contribution tax credit.

Section 2 of the Act provides for the same type of credit for corporate taxpayers, but the credit is limited to the amount of tax due under the income tax chapter and is therefore not a refundable credit.

The Act is apparently effective for all taxable years beginning on or after January 1, 1983.

The credit would be very difficult to administer. The Department of Revenue should require affidavits from the individuals or taxpayer requesting the credit. The affidavit should state that the employee has met the three requirements and should be signed by the employee. The affidavit would serve as an audit on attest function since the Department could ill afford auditors investigating inconsequential credits.

The bill should be redrafted to clarify:

1) When the 60 years of age requirement is met: year end, at time of payment, time of service, etc.;

2) Who qualifies? Does a parent qualify?

3) How much employment is required in previous year to qualify? One month, six months, etc.

It might be suggested that the individual or taxpayer claiming the credit must have contributed to the employee's supplementary benefits program or social security account.

RRK/gb

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 621
Title An Act providing tax credits for employers of persons over 60 years of age Date January 21, 1982
Requested by: Bradley

II. FISCAL DETAIL
Agency Affected Department of Revenue
Program Category Affected Revenue Collection and Management
BRU, Program, Or Subprogram(s) Affected Audit Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES				25	27	29.5
200 TRAVEL				2	2.2	2.4
300 CONTRACTUAL						
400 COMMODITIES				.5	-	-
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL				27.5	29.2	31.9

FUNDING (Thousands of Dollars)

GENERAL FUND				27.5	29.2	31.9
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME				1	1	1
PART TIME						
TEMPORARY						

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

See attached memorandum.

Robert R. Kessel

IV. DATE January 21, 1982 PREPARED BY Robert R. Kessel
AGENCY Audit Division
PHONE 465-2320

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

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

POSITION PAPER/Department of Health & Social Services

POSITION PAPER

SENATE BILL NO. 867

"An Act providing for an incentive to hire older Alaskans."

This Bill would entitle employers to an annual reimbursement from the State to equal 10 percent of the gross salary of an employee who is 65 years of age or older. This program is established in the Department of Health and Social Services.

The federally and State funded senior employment programs which had been administered by the Department of Health and Social Services were transferred to the Older Alaskans Commission in the Department of Administration in January, 1982.

Although the Department endorses the concept of providing incentives to hire older Alaskans, establishment of such a program in the Department of Health and Social Services would result in fragmentation of employment programs which benefit seniors.

RECOMMENDATION: The Department recommends that the Bill be amended to establish this program in the Older Alaskans Commission.

RECOMMENDED BY: John R. Pugh

John R. Pugh, Director
Division of Family and
Youth Services

DATE: 3/23/82

APPROVED BY: Helen D. Beirne

Helen D. Beirne
Commissioner

DATE: 3/23/82

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill No. ~~867~~ 621
Title "An Act providing incentive to hire older Alaskans."
Requested by State Affairs Committee Date 03/18/82

II. FISCAL DETAIL
Agency Affected Department of Health and Social Services
Program Category Affected Social Services
BRU, Program, Or Subprogram(s) Affected Adult Services
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.		1,155.0	1,155.0	1,155.0	1,155.0	1,155.0
TOTAL		1,155.0	1,155.0	1,155.0	1,155.0	1,155.0

FUNDING (Thousands of Dollars)

GENERAL FUND		1,155.0	1,155.0	1,155.0	1,155.0	1,155.0
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

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

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

According to the 1980 census figures there are 11,547 Alaskans age 65 and over. We estimate that potentially ten percent (1,155) of these older Alaskans would be affected by this Bill.

IV. DATE 3/23/82 PREPARED BY John R. Pugh, Director
AGENCY Division of Family and Youth Services
PHONE 465-3170

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

Colvin
4/1/82

Original sponsor: Bradley

IN THE SENATE BY THE STATE AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 621 (State Affairs)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing an incentive for employment of older Alaskans."

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

* Section 1. AS 47 is amended by adding a new chapter to read:

CHAPTER 67. REIMBURSEMENT FOR EMPLOYERS OF OLDER ALASKANS.

Sec. 47.67.010. REIMBURSEMENT AVAILABLE TO EMPLOYERS; ELIGIBILITY. (a) An employer is entitled to annual reimbursement from the state equal to 10 percent of the gross salary paid in the preceding calendar year to an employee who is

(1) 65 years of age or older; and

(2) a resident of the state.

(b) An employer is eligible for and may apply to the Department of Administration, Older Alaskans Commission for reimbursement under (a) of this section for a calendar year if

(1) the total number of hours, excluding overtime, for which that employer paid compensation to employees in the calendar year for which reimbursement is requested is at least five percent higher than the total number of hours for which that person paid such compensation in the previous calendar year; and

(2) the employee for whose employment reimbursement is requested is not

(A) self-employed; or

(B) a parent, spouse, brother or sister of the employer.

(c) An employer may not request reimbursement under this section

for employing a particular employee if the employer has obtained reimbursement for that employee for two previous calendar years.

Sec. 47.67.020. LIMITATIONS ON REIMBURSEMENT. (a) The maximum amount of reimbursement available under AS 47.67.010 to an employer for the employment of each person 65 years of age or older is $1,000 for a calendar year. The total amount of reimbursement available to an employer under AS 47.67.010 for the employment of persons 65 years of age or older is $5,000 for a calendar year.

(b) Reimbursement is not available under AS 47.67.010 for a calendar year unless in each quarter of that calendar year the total number of persons employed in the state exceeds the number of persons employed in the state in each quarter of the previous calendar year.

Sec. 47.67.030. ADMINISTRATION. The Department of Administration, Older Alaskans Commission shall administer this chapter and shall adopt regulations necessary to carry out the purposes of this chapter.

Sec. 47.67.040. DEFINITIONS. In this chapter "employer" means a person who employs one or more employees in the state in connection with a private business or industry organized for profit.

SB

630

ANN GARDINER METCALFE
KIMBERLY METCALFE HELMAR

LEGISLATIVE REPORTING SERVICE

(907) 586-6672 P.O. BOX 1376 JUNEAU, ALASKA 99802

January 25, 1982

REPORT NO. 2

INTRODUCTION OF BILLS (Senate)

Sunset Laws (amendments to)

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 630, (see page 6). Only change from original bill is that the Alcoholic Bev. Control Board and the Alaska Transportation Commission are not deleted from the list of those agencies, boards, and commissions which must periodically be reviewed for possible termination.

Introduced January 18 and referred to State Affairs and Labor & Commerce.

Appropriation (supplemental) (Low Income Weatherization Program)

SENATE BILL NO. 665, by Senator Ferguson. Would appropriate $1.5 million from the general fund to the Department of Commerce and Economic Development for the low income weatherization program. Effective immediately.

Introduced January 18 and referred to Labor & Commerce and Finance.

Mining Loan Fund (money in)

SENATE BILL NO. 666, by Senators Fahrenkamp, Bennett and Parr. Amends law pertaining to the Mining Loan Fund by adding: "The mining loan fund is a revolving fund consisting of appropriations made to the fund by the legislature and repayments of principal and interest on loans made from the fund. Money appropriated to or repaid into the fund does not lapse in accordance with AS 37.25.010." Effective immediately.

Introduced January 19 and referred to Resources and Finance.

Adult Preparatory Education

SENATE BILL NO. 667, by the Rules Committee by request of the Governor. Amends statute describing secondary schools in general (AS 14-.03.060(b) to delete a provision which allows secondary schools in the state to establish one or two grades beyond the 12th at the option of the governing body of the school district. Adds language which instead allows secondary schools to "offer noncredit programs of adult preparatory education." (See Governor's letter.)

Adds definitions of "adult preparatory education" and "noncredit program" to AS 14.03 (Public Schools Generally). Adult preparatory education is described as "instruction, including basic academic

Appropriation (supplemental) (Student Loan Fund)

SENATE BILL NO. 629, by Senators Stimson, Bradley, Bennett, Colletta, Eliason, Fahrenkamp, Ferguson, Fischer, Kelly, Rodey, Sturgulewski Ziegler, Gilman and Mulcahy. Makes a supplemental appropriation in the amount of $7 million to replenish the Scholarship Revolving Loan Fund. Provides that appropriation is for capitalization of a loan fund and does not lapse. Effective immediately.

Introduced January 11 and referred to Finance. (Passed this week, p. 25.)

Sunset Laws (amendments to)

SENATE BILL NO. 630, by Senator Sturgulewski. Proposes various changes to the state Sunset Laws for agencies, boards, and commissions (AS 44.66). Deletes the Alcoholic Beverage Control Board and the Alaska Transportation Commission from the list (in AS 44.66.010) of those agencies, boards, and commissions which must periodically come under sunset scrutiny. Both agencies are set to terminate on June 30, 1983 unless extended by the Legislature.

Amends AS 44.66.010(b) which allows an agency, board, or commission, upon termination, to remain in existence until June 30 of the following year. Adds: "During this period, termination does not reduce or limit the powers or authority of the state agency, board, or commission."

Deletes provision in 44.66.010(c) which limits the Legislature to extending the life of a board or commission a maximum of four years before it must be examined again.

Adds new subsection to AS 44.66.050 to read: "(f) Notwithstanding (a) - (e) of this section, a failure on the part of the committee of reference to comply with the requirements of this section does not affect the termination date established under AS 08.03.010 or AS 44.66.010 for a state agency, board, or commission." Provides for an immediate effective date.

Introduced January 11 and referred to State Affairs and Labor & Commerce.

U of A Board of Regents (terms of members)

SENATE BILL NO. 631, by Senators Sturgulewski and Fischer. Shortens the term of a member of the Board of Regents of the Univ. of Alaska from eight to five years. Provides that a member of the Board of Regents appointed before the effective date of the bill may serve for the remainder of the eight-year term for which appointed. Regents appointed after effective date serve five-year terms. Does not provide for an effective date.

Introduced January 11 and referred to Health, Education & Social Services.

Pull-Tabs & Punchboards

SENATE BILL NO. 632, by Senators Parr, Ray, Dankworth, Bennett, Gilman, Hohman, Ferguson, Mulcahy, Ziegler and Fahrenkamp. Would allow pull-tabs and punch-boards as permissible games of chance for which the Commissioner of Revenue may issue a permit. Adds definition of "game of chance" to definitions section for AS 05.15 (Bingo, Raffles & Ice Pools) to read: ". . . a game in which the skill and experience of the player is secondary to purely fortuitous or acci-

SB 632 (cont'd)

dental circumstances incidental to the game and includes pull-tabs, punchboards , and raffles and lotteries." Above change would be retroactive to January 1, 1982.

Adds to AS 05.15.130: "(b) Notwithstanding (a) of this section, the commissioner may not limit the amount or type of prizes awarded in a raffle or lottery."

Amends definition of "labor organization" contained in AS 05.15.210 (19) to read: ". . . an organization, not for pecuniary profit, constituted wholly or partly to bargain collectively or deal with employers or employees, including the state and its political subdivisions, concerning grievances, terms, or conditions of employment or other mutual aid or protection in connection with employees or employers;" Provides for an immediate effective date. (Note: similar to HB 623 and HB 640.)

Introduced January 11 and referred to State Affairs and Judiciary.

Prisoner Work Programs

SENATE BILL NO. 633, by Senator Parr. Re-writes existing section (AS 33.30.225) relating to voluntary work performed by prisoners in state institutions. Currently law reads that a prisoner not on furlough may not be required to perform work other than personal housekeeping. Those prisoners who volunteer to participate in institutional work programs are eligible for a maximum $3 per day gratuity payment.

New section (Work Programs; Remuneration) would allow the Commissioner of Health & Social Services, "in his discretion," to "direct that a prisoner participate in non-institutional work projects and in institutional work programs, including personal housekeeping . . ." while in prison. Prisoner would receive a credit or gratuity payment of up to $3 per day for work performed on a non-institutional work project (government or public projects outside prison), and the $3 gratuity for work performed in prison. Allows the Commissioner to adopt regulations which establish disciplinary measures to be used against those prisoners who refuse to work when directed to do so.

Amends provisions contained in AS 33.30.250 relating to Work Furloughs to give the Commissioner of Health the Soc. Services the power to require a prisoner to be released on work furlough (now reads that the Commissioner may direct that the person "be permitted to" continue in his regular job or find a job). Adds provision which would allow the Commissioner to impose disciplinary measures upon any prisoner who refuses to go on a work furlough.

Amends AS 41.20.110(b) which relates to the use of volunteer prisoner labor to construct or maintain campsites. Reworded to allow the Commissioner of Health & Soc. Services to require a prisoner to participate and adds language which would allow Commissioner to discipline those who refuse.

SB 663 (cont'd)

of the value of the article must be derived from hand labor (currently not specified). Makes other minor changes in wording. Adds definition of "made in Alaska." Does not provide for an effective date.

Introduced January 15 and referred to Labor & Commerce.

Driving While Intoxicated

SENATE BILL NO. 664, by Senators Dankworth and Sturgulewski. Makes clarifying amendments to AS 28.35.030(c) relating to sentencing for the crime of drunk driving. Changes wording so that minimum sentence for first conviction reads "72 consecutive hours" instead of "three consecutive days" and minimum sentence for subsequent convictions reads "240 consecutive hours" rahter than "10 consecutive days." Does not provide for an effective date.

Introduced January 15 and referred to Health, Education & Social Services and Judiciary.

INTRODUCTION OF RESOLUTIONS (Senate)

Pioneers' Homes (teleconference facilities)

SENATE RESOLUTION NO. 20, by Senator Fischer. Requests the Alaska Legislative Council to direct the Legislative Affairs Agency to provide teleconference facilities at each Pioneers' Home site.

Introduced January 14 and referred to State Affairs and Finance.

Terms of Legislators (constitutional amendment)

SENATE JOINT RESOLUTION NO. 55, by Senator Colletta. Proposes an amendment to the state constitution which would place a limit on the terms a legislator may serve. Would limit Senators to two consecutive full four-year terms and Representatives to four consecutive full two-year terms. A legislator ineligible for reelection in one body could be elected to the other body at any time and could be elected to the same body if four years have elapsed. The limit would apply to legislative terms that begin after the effective date of the amendment. Provides that proposed amendment be placed before the voters in the November, 1982 general election.

Introduced January 11 and referred to State Affairs and Judiciary.

Elected State Auditor (constitutional amendment)

SENATE JOINT RESOLUTION NO. 56, by Senator Kelly. Proposes an amendment to the state constitution relating to the election of a State Auditor. Would require the election of the first State Auditor in 1984. Auditor would be elected to a four-year term and could not serve more than two full successive terms. Provides: "The state auditor shall be the auditor of the accounts of all departments, offices, and agencies of the State including the Legislature, the Executive, and the Judiciary and the University of Alaska and shall perform other duties prescribed by law. The state auditor constitutes an agency independent of the executive branch agencies named in Section 22 of Article III." (Note: See SB 645.) Provides proposed

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

M E M O R A N D U M January 20, 1982

SUBJECT: Sunset of state agencies, boards and commissions -- SSSB 630

TO: Senator Arliss Sturgulewski

FROM: Edward H. Hein
Legislative Counsel

Merle Jensen — auditor

You have asked for a section-by-section analysis of SSSB 630.

Sec. 1. The language of the title of the section, the first sentence of subsection (a) and the first sentence of subsection (b) has been amended to include state agencies, and in subsection (b) also state boards. The last half of the first sentence of subsection (a) has been reworded for purposes of clarity. In Paragraph (11) the statutory reference to the Council on Domestic Violence and Sexual Assault has been renumbered in accordance with changes made during the interim by the Revisor of Statutes. In the first sentence of subsection (b) the phrase "for the purpose of concluding its affairs" has been deleted and a new sentence has been added in an attempt to make clear that during the year in which a "terminated" agency, board or commission is "winding down", it may carry on business as usual. Subsection (c), which purported to give the legislature authority to continue or reestablish a state board or commission for a period not to exceed four years has been deleted.

Sec. 2 provides in a new subsection (f) even if a committee of reference fails to comply strictly with every requirement in AS 44.66.050(a) - (e), the state agency, board or commission will terminate on schedule. For example, if a report required by AS 44.66.050(d) were to be submitted to the presiding officer on the 61st day of the legislative session, instead of the 60th day, such a failure to comply

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

M E M O R A N D U M

February 24, 1982

SUBJECT: Sunset of state agencies, boards and commissions -- CSSSSB 630 (SA)

TO: Senator Arliss Sturgulewski

FROM: Edward H. Hein
Legislative Counsel

You have asked for a section-by-section analysis of CSSSSB 630 (SA).

Sec. 1. The title of AS 44.66.010 and the first sentence of subsections (a), (b) and (c) have been amended to include state agencies, and in subsections (b) and (c) also state boards. The last half of the first sentence of subsection (a) has been reworded for purposes of clarity. In Paragraph (11) the statutory reference to the Council on Domestic Violence and Sexual Assault has been renumbered in accordance with changes made during the interim by the Revisor of Statutes.

In subsection (b) a new sentence has been added to provide that during the year for which a "terminated" agency, board or commission is extended for the purpose of concluding its affairs, its powers and authority are not reduced. The meaning of this sentence is not clear. One interpretation is that it means that the agency, board or commission may exercise its powers and authority only for the purpose of concluding its affairs. Another interpretation is that the agency, board or commission may continue to exercise all its powers and authority and carry on "business as usual".

Subsection (c) provides that the legislature has authority to continue or reestablish a state agency, board or commission for a period not to exceed four years unless it decides to continue or reestablish the agency, board or commission for a period exceed for years.

Sec. 2 provides for an immediate effective date if the section is approved by a two-thirds vote of each house. The act would take effect on 12:01 am on the day after it is signed by the governor or the day after he gives written notice that he is allowing the act to become effective without his approval.

EHH:ljb

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CS SB 630
Title Act.relat.to legis.oversite proced./state agencies.boards.comm.AS08.03,44.66
Requested by STATE AFFAIRS COMMITTEE Date 3/18/82

II. FISCAL DETAIL
Agency Affected Department of Public Safety
Program Category Affected Administration of Justice
BRU, Program, Or Subprogram(s) Affected Council on Domestic Violence & S/A
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE 3/18/82 PREPARED BY Betsey W. McGuire, Exec. Director
AGENCY Council on Domestic Violence
PHONE 465-4356

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

Merle Jensen

Introduced: 1/18/82
Referred: State Affairs and
Labor & Commerce

IN THE SENATE BY STURGULEWSKI

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 630

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the legislative oversight procedures relating to state agencies, boards, and commissions under AS 08.03 and AS 44.66; and providing for an effective date."

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

* Section 1. AS 44.66.010 is amended to read:

Sec. 44.66.010. TERMINATION OF STATE AGENCIES, BOARDS, AND COMMISSIONS. (a) A state agency, board, or commission [BOARDS AND COMMISSIONS] listed in this subsection is terminated on the date established by this subsection [EXPIRE ON THE DATE SET OUT AFTER EACH]:

(1) Alcoholic Beverage Control Board (AS 04.06.010) -- June 30, 1983;

(2) Alaska Transportation Commission (AS 42.07.011) -- June 30, 1983;

(3) State Board of Parole (AS 33.15.010) -- June 30, 1982;

(4) Alaska Public Utilities Commission (AS 42.05.010) -- June 30, 1985;

(5) (repealed)

(6) Alaska Council on Science and Technology (AS 44.21.241 - 44.21.255) -- June 30, 1983;

(7) Alaska Renewable Resources Corporation (AS 37.12.010) -- June 30, 1982;

(8) Alaska Code Revision Commission (AS 24.20.075) -- June 30 1982;

(9) Rural Development Council (AS 44.47.160 - 44.47.190) -- June 30, 1987;

(10) Older Alaskans Commission (AS 44.21.200 - 44.21.240) -- June 30, 1985;

(11) Council on Domestic Violence and Sexual Assault (AS 18.66.010) -- June 30, 1985.

(b) Upon termination, a state agency, board, or commission listed in (a) of this section shall continue in existence until June 30 of the next succeeding year [FOR THE PURPOSE OF CONCLUDING ITS AFFAIRS]. During this period, termination does not reduce or limit the powers or authority of the state agency, board, or commission.

[(c) A COMMISSION SCHEDULED FOR TERMINATION UNDER THIS CHAPTER MAY BE CONTINUED OR REESTABLISHED BY THE LEGISLATURE FOR A PERIOD NOT TO EXCEED FOUR YEARS,

* Sec. 2. AS 44.66.050 is amended by adding a new subsection to read:

(f) Notwithstanding (a) - (e) of this section, a failure on the part of the committee of reference to comply with the requirements of this section does not affect the termination date established under AS 08.03.010 or AS 44.66.010 for a state agency, board, or commission.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.070(c).

SB

632

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

United States Coast Guard
CHIEF PETTY OFFICERS ASSOCIATION
P. O. BOX 3-5000
JUNEAU, AK 99802

10 December 1981

Charles H. Parr
Alaska State Senator
S. R. Box 50599
Fairbanks, Alaska 99701

Dear Mr. Parr:

The U. S. Coast Guard Chief Petty Officers Association, Juneau Chapter is presently quite concerned over notice from the Alaska Department of Revenue concerning action aimed at prohibiting for sale after 31 December 1981 any games of chance known widely as "Pull-Tabs."

As a non-profit organization dependent on these games as a source of revenue to support many worthwhile community activities, I would respectfully request that you would initiate appropriate legislation to reinstate the present regulation so that "Pull-Tabs" would remain a source of revenue for those organizations holding valid Games of Chance and Skill Permits.

Revenues from the sale of "Pull-Tabs" has enabled my organization to help fund the following projects or activities with monetary donations, and which we would no longer be able to support should we lose this source of revenue.

1.	Senior Citizens Christmas Dinner	1980 - $1750.00
	(Estimated)	1981 - $2000.00
2.	Juneau Youth Football	1980 - $2500.00
		1981 - $ 250.00
3.	Juneau Little League Baseball	Annual $ 300.00
4.	Boy Scouts of America	Annual $ 25.00
5.	Delegate to CPOA Nat'l Convention	Annual $ 750.00
6.	Little League Bowling	1981 $ 40.00

This is only a partial list of activities which we help support monetarily, or to better and strengthen our own National Organization. We are a small Chapter of only 67 active members, but these revenues are vital to our present programs if we are able to continue or expand.

Sincerely yours,

John D. Nylen, President
Juneau Chapter, CPOA
U. S. Coast Guard

Kenaitze Indian Tribe

P. O. BOX 988
KENAI, ALASKA 99611
(907) 283-3633

January 27, 1982

Senator Charles Parr
Pouch V
Juneau, Alaska 99811

Dear Senator Parr,

The Kenaitze Indian Tribe has only been conducting Bingo games since the 29th of October on a twice weekly basis (Tuesday and Thursday), so we have not had any profit so far. But the money we made with pull-tabs did pay for most of our equipment before they were stopped. At the present time, without pull-tabs, we are just managing to pay expenses.

We had definite plans to utilize any profits from pull-tabs and Bingo to assist our educational program here at K. I. T. and also for employment training for our tribal members. We also are very concerned with the loss of our culture and language and would have used some of the profits to assist our work in retaining some vestiges of our language.

Please make every effort to see that Senate Bill 632 is passed.

Thank you very much for your efforts and we are looking forward to having pull-tabs back on our tables in the near future.

Sincerely,

June Lindgren-Gagnon
Bingo Director

January 25, 1982

Dear Sir:

As many other organizations, we also would not like to see the use of pull-tab's stopped. It has helped us in many way's with our bingo. We have helped many people with the profit of pull-tabs. We've helped the Kake City Schools, cheerleaders, band, Indian dancer's, and we helped also with high school scholarship fund. We also help Kake Health Council, police department, fire department, churches and Alaska Native Sisterhood. We would appreciate it if you would help make them legal again. Thank you.

Sincerely,

Lena Skeek

Kake Head Start Bingo

MIDNIGHT SUN LIONS

FAIRBANKS, ALASKA 600 Steese Hwy 99701

January 28, 1982

State Senator Charlie Parr
Pouch V
Juneau, Alaska 99811

Dear Senator Parr:

The Midnight Sun Lions Club of Fairbanks, Alaska was established on February 11, 1955. Since that time we have contributed to many charitable projects within our community.

Most of the years since 1955 we have solicited funds from the public such as individuals and businessess through Lotteries or Raffles or in some cases just asking for donations. we were able to raise money to help many worthwhile community projects that were not able to get the assistance they needed from Government .

Several years ago we adopted Bingo and through Bingo have been able to raise money necessary to help our community such as listed below.

1. We donated about 25 baskets of food each Thanksgiving and each Christmas to those that were recommended to us as needing help. This past Thanksgiving we gave out over 30 baskets totaling over $2000.00.

2. We support the Fairbanks Health Center who operates our Lions Revolving Fund to procure eye glasses for those that cannot to afford them or who does not qualify from the Gov't. Our donations have been averaging about 1500.00 per year.

3. Donation to Santa Calls, sponsored by Fbks News-Miner, $1000.00

4. Donated to Fbks Memorial Hosp and optional piece of equipment for the Lazer Beam Machine that will remove Birthmarks estimate cost $10,000.00.

5. PRIOR TO DISCONTINUATION OF THE PULL TABS, HAD ENTERED INTO AGREEMENT WITH THE NORTH STAR BOROUGH TO PLAN TO SPEND AT LEAST $43,000.00 ON THE PLAYGROUND THAT WE DONATED TO THE BOROUGH LATELY SO THAT IT COULD BE UPDATED AND BE SIMILAR TO OTHER PLAYGROUNDS. (THIS WILL HAVE TO BE POSTPONED FOR NOW)

6. There are many other charitable things we contribute to each month such as , People that have been burned out, Special Olympics, Boy Scouts, Girl Scouts, Senior Citizens to name a few, in fact this past year we contributed to our community over $28,000.00 that either would not have been possible or the people would go without unless the Government Helped.

We intend to help our community as much as possible regardless, however we have been able to do so much since we have been able to have Bingo and Pull Tabs. We hope you will be able to help us continue with our Bingo as operated in the past so we can help even more.

Sincerely,

Jim Thompson
Bingo-Coordinator
Midnight Sun Lions

The American Legion
For God and Country

JACK ALLMAN POST 17
☆ P.O.BOX 687 ☆ KODIAK, ALASKA 99615 ☆ (907) - 486 - 5757 ☆

January 28, 1982

Honorable Senator Charlie Parr
Pouch V
Juneau, Alaska 99811

Dear Senator Parr:

Enclosed is a copy of the information you requested as back-up material for SB 632. We are very pleased that you have introduced this bill to assist all service organizations within the State.

We consider passage of this bill vital to our continuing efforts to assist worthwhile organizations and needy individuals.

We have testified before the Teleconference Committee on a companion bill introduced in the House (HB 640). If we can be of further assistance to assure passage of this bill, please let us know.

Again, we would like to thank you for your efforts on our behalf.

Sincerely,

Raye E. Wilson

Raye E. Wilson
Post Commander

REW/pm

encl.

SCHEDULE D: DEDICATIONS OF NET PROCEEDS

American Legion
Jack Allman Post #17

Permit Number
81-258

List in detail all dedications of net proceeds. Give the full name of each recipient and indicate the reason or purpose of the payment. Use additional pages as necessary, or any reasonable facsimile that contains all of the requested information.

Failure to report dedications of net proceeds in detail may result in the nonrenewal of your games of chance and skill permit.

AS 05.15.150 LIMITATION ON USE OF NET PROCEEDS. (a) The authority to conduct the activity authorized by this chapter is contingent upon the dedication of the net proceeds of the games or contests to the awarding of prizes to contestants or participants and to political, educational, civic, public, charitable, patriotic, or religious uses in the state. "Political, educational, civic, public, charitable, patriotic, or religious uses" mean uses benefiting persons either by bringing them under the influence of education or religion or relieving them from disease, suffering, or constraint, or by assisting them in establishing themselves in life or by providing for the promotion of the welfare and well-being of the membership of the organization within their own community, or through aiding candidates for public office or groups which support candidates for public office, or by erecting or maintaining public buildings or works, or lessening the burden on government, but do not include the erection, acquisition, improvement, maintenance or repair of real, personal or mixed property unless it is used exclusively for one or more of the uses stated.

(b) The net proceeds derived from the activity must be devoted within one year to one or more of the uses stated. An organization desiring to hold the net proceeds for a period longer than one year must apply to the Commissioner of Revenue for special permission, and upon good cause shown, the Commissioner may grant the request.

NAME OF RECIPIENT OF DEDICATION	REASON OR PURPOSE	AMOUNT GIVEN
The Flower Pot	Flowers to the Sick - 1981	$ 810.05
Kodiak Cable T.V.	T.V. for Hope House	$374.85
National Emblem Sales	Patches for Baseball Jackets	$ 19.35
Bill Hatch Sporting Goods	Caps for Baseball Team	$ 87.26
L & S Travel	American Legion Baseball Team	$2195.00
American Legion Baseball	Team Fees - State Tournment	$ 110.00
American Legion Baseball Manager	Expenses-Baseball State Tournment	$2550.00
Hertz	Delegate Travel	$ 805.60
Kitchen American Legion	Delegate Convention Fees	$ 819.00
Travelers Inn	Department Convention-Hotel Room	$ 49.68
Bovey Trophies	1980&1981 Donation 4th of July Activities	$3745.50
George W. Parker Sr.	Aid to Veteran	$ 100.00
Genevieve Still	Aid to Family of Deceased Vets	$ 665.00
Coronary Heart Research	Donation	$ 25.00
Tona Perez	Aid to Veteran	$ 200.00
American Legion Auxiliary	Movie for Children's Christmas Party	150.00
B.P.O.E. Elks	Donation	$ 50 00
U.S.O.	Donation	$ 25.00
C.A.R.E.	Donation	$ 25.00
TOTAL DEDICATION OF NET PROCEEDS. Enter here and on page 1, line 11.....		$ CONT.

Authorized Games of Chance and Skill

SCHEDULE D. DEDICATIONS OF NET PROCEEDS

Name of Organization: American Legion Jack Allman Post #17

Permit Number: 81-258

List in detail all dedications of net proceeds. Give the full name of each recipient and indicate the reason or purpose of the payment. Use additional pages as necessary, or any reasonable facsimile that contains all of the requested information.

Failure to report dedications of net proceeds in detail may result in the nonrenewal of your games of chance and skill permit.

AS 05.15.150 LIMITATION ON USE OF NET PROCEEDS. (a) The authority to conduct the activity authorized by this chapter is contingent upon the dedication of the net proceeds of the games or contests to the awarding of prizes to contestants or participants and to political, educational, civic, public, charitable, patriotic, or religious uses in the state. "Political, educational, civic, public, charitable, patriotic, or religious uses" mean uses benefiting persons either by bringing them under the influence of education or religion or relieving them from disease, suffering, or constraint, or by assisting them in establishing themselves in life or by providing for the promotion of the welfare and well-being of the membership of the organization within their own community, or through aiding candidates for public office or groups which support candidates for public office, or by erecting or maintaining public buildings or works, or lessening the burden on government, but do not include the erection, acquisition, improvement, maintenance or repair of real, personal or mixed property unless it is used exclusively for one or more of the uses stated.

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NAME OF RECIPIENT OF DEDICATION	REASON OR PURPOSE	AMOUNT GIVEN
March of Dimes	Donation	$ 25.00
Hope	Donation	26.00
American Kidney Fund	Donation	25.00
Federation of the Blind	Donation	20.00
L & S Travel	S.E. Distric Convention Delegates	684.00
William Bishop	TO: Reimburse Western District Convention Delegate Fees & Housing	700.00
Kodiak Chamber	Donation	150.00
James Stewert	Aid to Veteran	300.00
Shelikoff Lodge	Lodging for Veterans Funeral	262.71
March of Dimes	Donation	25.00
L & S Travel	Donation: Transportation Spelling Bee	202.00
Hertz	Delegate Travel	768.00
National Glaucoma Research	Donation	25.00
Guiding Eyes for Blind	Donation	25.00
L & S Travel	Western District Convention Delegates Travel	388.05
National Cancer Center	Donation	25.00
Blinded Veterans Association	Donation	25.00
Attu Memorial Fund	Donation	200.00
American Legion Auxiliary	Donation	300.00
TOTAL DEDICATION OF NET PROCEEDS. Enter here and on page 1, line 11.....		$ Cont.

SCHEDULE D. DEDICATIONS OF NET PROCEEDS

Name of Organization	Permit Number
American Legion Jack Allman Post #17	81-258

List in detail all dedications of net proceeds. Give the full name of each recipient and indicate the reason or purpose of the payment. Use additional pages as necessary, or any reasonable facsimile that contains all of the requested information.

Failure to report dedications of net proceeds in detail may result in the nonrenewal of your games of chance and skill permit.

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NAME OF RECIPIENT OF DEDICATION	REASON OR PURPOSE	AMOUNT GIVEN
Vietnam Veterans Memorial Fund	Donation	$ 100.00
Blair & Hickman	11 Tickets to Ketchikan Department Convention	2849.00
Gullivers Travel	Donation - Baseball trip	1920.00
Child Welfare	Donation	200.00
Kodiak 4-H	Donation	300.00
Eggemeyers, Inc.	Clothing Fire Victims	200.00
Sentry Insurance	Insurance for Baseball Team	65.00
St. Judes	Donation	245.00
American Legion Dept. of Alaska	Convention Registration Fees	40.00
Erickson	Donation: Jackets for Baseball Team	770.00
V.F.W.	Donation	551.14
George Parks Sr.	Aid to Veteran	100.00
The Wash Tub	Donation: Cleaning Baseball Uniforms	136.62
Salvation Army	Donation	500.00
Ruben A. Meeks	Aid to Veteran	200.00
Brent Sngita	Donation: Baseball Camp Tuition	325.00
Jack Couchy	Donation - Memorial Services	40.00
L & S Travel	Transportation: Conference in Anchorage for Delegates	830.00
Santa To The Villages	Donation	100.00
TOTAL DEDICATION OF NET PROCEEDS. Enter here and on page 1, line 11.....		$ CONT.

Authorized Games of Chance and Skill

SCHEDULE D. DEDICATIONS OF NET PROCEEDS

Name of Organization	Permit Number
American Legion Jack Allman Post #17	81-258

List in detail all dedications of net proceeds. Give the full name of each recipient and indicate the reason or purpose of the payment. Use additional pages as necessary, or any reasonable facsimile that contains all of the requested information.

Failure to report dedications of net proceeds in detail may result in the nonrenewal of your games of chance and skill permit.

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(b) The net proceeds derived from the activity must be devoted within one year to one or more of the uses stated. An organization desiring to hold the net proceeds for a period longer than one year must apply to the Commissioner of Revenue for special permission, and upon good cause shown, the Commissioner may grant the request.

NAME OF RECIPIENT OF DEDICATION	REASON OR PURPOSE	AMOUNT GIVEN
L & S Travel	Aid to Veteran	$ 250.00
Waldo's	Donation: Thanksgiving Turkeys	182.40
James Stewart	Aid to Veteran	300.00
American Kidney Fund	Donation	100.00
Blinded Veteran Association	Donation	100.00
Mel Wheeler	Aid to Veteran	500.00
U.S.O.	Donation	100.00
Coronary Heart	Donation	50.00
George Morrell	Aid to Veteran	500.00
Patricia Lozinric	Donation for: Aid to Polish Immigrants	300.00
American Legion Emblem Sales	Donation: Flags	37.60
Blumenfeld Sport Comapny	Equipment American Legion Baseball	160.00
Bill Hatch Sporting Goods	Balls & Shirts American Legion Baseball Team	290.84
TOTAL DEDICATION OF NET PROCEEDS. Enter here and on page 1, line 11.....		$ 29,324.65

Ft. Yukon Lions Club

Box [illegible] Ft. Yukon, Alaska 99740

January 27, 1982

Charlie Parr
Pouch V
Juneau, Alaska 99811

Mr. Parr:

Received your letter and copy of SB 632 and appreciate you letting the club know what's happening with the "Pull-Tabs".

Below is a listing of projects that were completed by the selling of "Pull-Tabs".

A. Donated to city of Ft. Yukon 4 th of July Parade	$ 200.00
B. Registration fee for Youth Camp in Fairbanks	130.00
C. Disaster Fire Victims Burned Out	400.00
D. Lions Park and Playground and controll center	18,657.07
E. Elderly eye-glasses	243.00
Totel	$ 19630.07

We would appreciate knowing the results of SB 632 whenever it comes on the floor to vote on.

Sincerely,

Nels R Petersen
Secretary Ft. Yukon Lions

LOYAL ORDER OF MOOSE

FAIRBANKS LODGE No. 1392
CLELAND P. DUNBAR • SECRETARY
507 GAFFNEY RD. • FAIRBANKS, AK 99701

The following is a list of the organizations which have received donations from the Fairbanks Loyal Order of Moose within the last three years.

Girl Scouts	$ 2,780.00
Boy Scouts	2,780.00
Campfire Girls	2,780.00
U S O	5,000.00
Alaska Crippled Children	2,780.00
Red Cross	1,500.00
Literary Council	1,865.00
Santa's Clearing House	6,000.00
Youth Hockey	3,300.00
United Way	1,500.00
M S	1,000.00
Special Olympics	1,000.00
Close-Up Foundation	1,169.00
Northern Region Volleyball	300.00
West Valley Band	870.00
Fireman's Association	950.00
M D A	525.00
Fairbanks Junior Bowling	980.00
North Pole Wrestling	1,750.00
Fairbanks Softball	1,950.00
Cancer Fund	500.00
West Valley Basketball	1,500.00
Little League	1,250.00
Youth Soccer	450.00
Lions	1,600.00
Fairbanks Women's Softball	175.00
Four H	150.00
Shrine Crippled Children	500.00

Cont.

LOYAL ORDER OF MOOSE

FAIRBANKS LODGE No. 1392
CLELAND P. DUNBAR • SECRETARY
507 GAFFNEY RD. • FAIRBANKS, AK 99701

React	300.00
Alaska Peace Officers	125.00
Fairbanks Junior Basketball	856.00
Youth Bowling	992.00
Sweet Adelines	500.00
Acalia Chapter #5	100.00
Moosemeart Bowling	750.00
Kids Christmas	200.00
West Valley Yearbook	280.00
Delta Yearbook	110.00
Blizzard	96.00
Fairbanks Men's Softball	450.00
Fairbanks Youth Hockey	300.00
Safety, Inc.	605.00
Astro Little League	200.00
Randy Talui	300.00
Nothern Lights Jaycees	100.00
	$53.168.00

SEWARD LODGE No. 1773

B. P. O. Elks

P. O. BOX 426
SEWARD, ALASKA

December 16, 1981

TO THE LEGISLATORS, STATE OF ALASKA

We members of Seward Elks Lodge #1773 urge you to either include legislation or change the law thereby permitting the legality for sale of Pull Tabs for non-profit organizations. As many of you probably know, letters have been received from Ervin Jones, Office Audit Manager, stating " Pull Tabs" and other such devices will be disallowed under authorized permittee's permit as of December 31, 1981.

During our weekly Bingo games and at our non-profit Club, both under auspices of the Elks Lodge, Pull Tabs have been sold. All of the profits derived from Bingo and Pull Tabs are allocated for charitable purposes under our Games of Chance and Skill permit. From these sources the major share of our Lodge donations for charity have been derived.

WE urge you to use your good Office to change this provision thereby allowing the sale of Pull Tabs to be legal for non-profit organizations.

Thank you for your indulgence and consideration.

Sincerely yours,

Harold W. Davis

Harold W. Davis
Secretary

COOK INLET NATIVE ASSOCIATION

670 West Fireweed Lane
Anchorage, Alaska 99503
(907) 278-4641

January 22, 1982

Senator Charles H. Parr
Alaska Legislature
Pouch V
Juneau, AK 99811

Dear Senator Parr:

Thank you for your letter and the copy of Senate Bill No. 632. We support Senate Bill No. 632 as we feel that pull-tabs should be legal. They are a large fund raiser for organizations such as ours and therefore enable us to make donations to other organizations and to carryout certain functions on behalf of the Native population of the Cook Inlet Region. Without the funds we could not perform any of these functions.

The following is a partial list of the worthy causes for which we use funds raised through the use of pull-tabs:

1. Twenty - thirty scholarships per year awarded to Native students enrolled in colleges and universities throughout the United States.

2. Annual Christmas Baskets Program which gives one hundred twenty-five baskets of food to low income families each year.

3. Annual Christmas party for two hundred Native children from low income families.

4. Support for the annual Miss CINA Scholarship Pageant.

5. Donations to organizations such as the Association for the Deaf, Association for the Blind, Multiple Sclerosis, Cerebral Palsy, etc.

6. Donations to Native families who have had deaths in their families and do not have funds for transportation, funerals, etc.

7. Donations to various programs for Native Arts.

8. Donations to school programs which teach Native culture.

The list is longer than this, but these are the items funded every year. With the decline in Bingo revenue (due to no pull-tabs) that we are currently experiencing, few of these items, if any, will be funded in 1982 or in future years. We feel that without these donations to the community that many Native families and programs will suffer greatly.

If there is any further information that we can furnish to you, please let us know. Our telephone number is 278-4641. Thank you.

Sincerely,

Sharon D. Sobocienski
Deputy Director

SDS:klm



RAILBELT SCHOOL DISTRICT

Drawer 129. Healy, Alaska 99743 • (907) 683-2278
James W. Paul, Superintendent

January 20, 1982

The Honorable Charles H. Parr
Alaska State Legislature
Pouch V (MS3100)
Juneau, Alaska 99811

Dear Senator Parr:

Thank you for your recent letter regarding SB 632 and use of pull-tabs.

Our school district has not used any pull-tabs in connection with our Games of Chance and Skill permit. However, we appreciate your concern and your keeping us up-to-date on this issue.

Sincerely,

James W. Paul
Superintendent

JWP:ca

Al Aska Shrine Temple

A.A.O.N.M.S.
Oasis of the Midnight Sun
Desert of Alaska

274-4344

P. O. Box 1293
Anchorage, Alaska 99510

January 21, 1982

Charles H. Patt
Alaska Legislature
Pouch V
Juneau, AK 99811

RE: Your letter of January 19 on Senate Bill #632

Dear Senator Patt,

For many years we have used our permit for games of skill and chance for a bingo concession. The monies received have gone for the transportation of Alaska children from their home to the Shrine Hospital in Portland, Oregon for free treatment of Orthopedic or burns conditions.

The bingo is an important part of our revenue, and we have been told that without pull tabs it could cease to be so. Consequently, it is our hope that Senate Bill #632 will be passed.

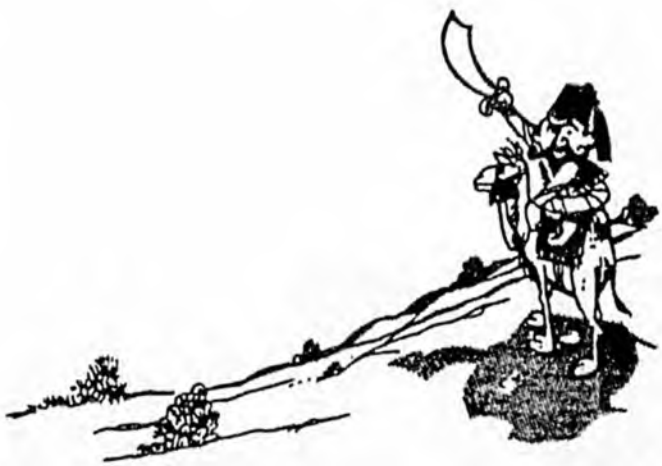
Sincerely yours,

Roger O. Purcell

Roger O. Purcell
Recorder

ROP:brh





SENIOR CENTER
1424 MOORE STREET

NORTH STAR COUNCIL ON AGING, INC.
P.O. BOX 73888 • FAIRBANKS, ALASKA 99707
AREA CODE 907-452-1735

January 21, 1982

Senator Charles H. Parr
Pouch V, MS 3100
Juneau, Ak 99811

Re: Permit No. 82-181

Dear Senator Parr:

Your letter of January 14th with reference to the "pull-tab" problem was received by this agency as the holder of the above permit number. Though this agency, at the present time, is not fortunate enough to have a sponsor for a bingo game (which would of course include pull-tabs), I am most concerned about the Governor's decision to make these games of chance illegal. North Star Council on Aging at the present time has only been having small raffles to help promote cash to meet our federal matching funds requirements. However, as the money situation grows tighter we may have to resort to other types of income producing methods and the bingo, together with pull-tabs, would, of course, be our next avenue.

As an additional bit of information together with support for the continuance of pull-tabs - I am presently serving as vice-president of the Fairbanks USO Council, having served three previous terms as president. Since 1977 when Fairbanks lost the support of the National USO (since Alaska is no longer considered an overseas USO operation) I have been very much involved in the fundraising for this organization. The USO was barely able to keep its head above water during these lean years and during 1980 the local Eagles Lodge came forward to assist us with our plans for bingo operation. This has saved the life of the USO in its day to day operational costs. We anticipate experiencing many more military being served presently through the future as the result of the all the bases carrying almost maximum population. The sale of pull-tabs is a most vital part of a bingo operation and must be continued for any of the organizations' operational survival.

As a further aside - we find that many of our elderly people are avid bingo players as it provides for them a means of socializing with their friends, relieving their isolation and providing a means of recreation. If the pull-tabs are allowed to be eliminated, this will also mean the demise of the bingo operations and for many this would be an all-time disappointment as well as depriving them of the joys of being a winner at times.

All of us very much appreciate your and the other legislators efforts in behalf of our community organizations.

Sincerely,

Genevieve Reininger
Executive Director
CC: Alice Thompson, President, Fairbanks USO

FARTHEST NORTH AERIE
MEETINGS 1ST & 3RD THURSDAYS

FRATERNAL ORDER OF EAGLES NO. 1037

200 First Avenue – Fairbanks, Alaska 99701

CHARITY FUND DONATIONS
For the Year 1981

Close UP Program	$650.00
West Valley Student Council	$500.00
March of Dimes	$500.00
J. Durante Children's FUnd	$1,000.00
Max Baer Heart Fund	$1,000.00
Art Erhman Cancer Fund	$1,000.00
Fbks, Memorial Pediatric Ward	$458.00
Tanana Chiefs Conference	$250.00
Fbks. Memorial Hosp.	$1,000.00
Gold Kings	$693.00
Girls State	$1,000.00
A.F. of L. Local 481	$250.00
Fbks. Youth Baseball Assn.	$500.00
Fbks. Softball Assn.	$200.00
Fbks. Softball Assn.	$550.00
Fbks. Softball Assn.	$125.00
Gynmastics, Inc.	$1,000.00
Fbks. Youth Boxing	$500.00
Fbks. Youth Football	$1,000.00
Interior City Girls Softball Assn.	$500.00
Alaska Crippled Children's Fund	$1,040.00
Alaska Goldpanners	$785.00
Fbks. Softball Assn.	$100.00
Sons of Norway	$250.00
No. Star Little League	$200.00
Fbks. Memorial Hosp.	$1,620.00
Luthern Pacific U.	$1,250.00
U. of Alaska	$1,250.00
Carleton College	$1,250.00
U. of Oregon	$1,250.00
Muscular Dystrophy	$500.00
Fbks. Memorial Burn Center	$1,000.00
Little Dribblers Girls	$500.00
West Valley Student Council	$250.00
Fbks. Hockey Merchant	$300.00
Art Erhman Cancer Fund	$500.00
Breast Cancer Detection Center	$500.00
Turning Point Boys Ranch	$1,000.00
Fire Fighter's Assn;	$240.00
Jr. Bowling League:	$500.00
Pioneer's of Alaska	$200.00
Young Life	$500.00
The United Way Fund	$3,000.00
	$30,661.00 total

NATIONAL FEDERATION OF THE BLIND OF ALASKA

242 East 5th Avenue
Anchorage, Alaska 99501
272-0000

January 22, 1982

Charles H. Parr
Alaska State Legislature
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Mr. Parr:

In response to your letter of January 14, 1982 concerning pull-tabs, I reply that once the Department of Revenue cleans up the games of chance by only non-profit organizations totally running the games themselves, then and only then will I be in agreement with your proposed legislation on pull-tabs etc.

We have in the past tried to run games and lost considerably, mainly, because we could not compete with that element involved in Bingo who run it for other organizations.

Furthermore, I'm of the opinion that the Governor will veto any and all attempts to further gambling in any manner in the State.

Sincerely,

Allen Sanderson
President

LOYAL ORDER OF MOOSE

PETERSBURG LODGE No. 1092
BOX 222
PETERSBURG, ALASKA 99833

DEAR MR PARR

WITHOUT PULL-TABS THIS PARTICULAR LODGE WILL BE HARD PRESSED TO STAY IN OPERATION & WE WILL CERTAINLY NOT BE ABLE TO COMPLY WITH THE GOALS FOR WHICH WE ARE COMMITTED BY JOINING & PARTICIPATING IN MOOSE LODGE 1092.

THE STATE HAS ALSO DEEMED IT APPROPRIATE THAT WE SPEND APPROX $60,000.00 FOR FIRE & SAFETY CODES AT THIS TIME. IN ORDER TO OBTAIN SOME TIME NEEDED TO ACCOMPLISH THIS WE HAVE HAD TO CLOSE OUR BASEMENT FACILLITIES. OTHER THAN 4 - 6 DINNER FUNCTIONS ANNUALLY THE MAIN LOSS IS WE HAD TO EVICT THE BOY SCOUTS & CAN NO LONGER HOLD TEEN DANCES ETC.

THE LODGE ITSELF OR ANY MEMBERS AS INDIVIDUALS DO NOT CARE WHAT THE INTEREST RATES FOR TCD'S OR ANYTHING LIKE THAT. OUR PROFITS ARE USED IN SUPPORT OF THE YOUNG PEOPLE OF THE COMMUNITY & IT'S SENIOR CITIZENS.

THE FOLLOWING IS A LIST OF ITEMS WE HAVE USED OUR PROFITS FOR IN THE PAST AND WOULD LIKE TO CONTINUE IN THE FUTURE.

SCHOLORSHIPS BOTH LOCAL & STATEWIDE

TEEN DANCES & ANY OTHER FUNCTIONS THAT CAN PROVIDE THEM SOME SMALL MEANS OF STAYING OUT OF TROUBLE.

BOY SCOUT FACILITIES & DONATIONS

GIRL SCOUT DONATIONS

SALVATION ARMY DONATIONS

CHILDRENS PICNICS & PARTIES

SENIOR CITIZENS PICNICS AND DINNERS

TRANSPORTATION FOR ANY EVENT

DONATIONS FOR SOCCOR & LITTLE LEAGUE BALL

SUPPORT OF CHILDRENS FACILLITIES AT MOOSEHEART & SENIOR CITIZENS AT MOOSEHAVEN

CHILDRENS MOVIES AT LOCAL THEATRE

A PLACE FOR FAMILIES TO CONGREGATE WITH A PLEASANT ATMOSPHERE NOT FOUND IN TOO MANY OF THE PRIVATELY OWNED LOUNGES OR SALOONS

Thank
Bill Snider Secretary

SOLDOTNA
LIONS CLUB

District 49A, Box 1823, Soldotna, Alaska99669

January 26, I982

CHARLIE PARR
Alaska Legislature

Pouch V
Juneau, Alaska 998II

Dear Sir:

The Soldotna Lions have taken on the task of purchasing for our community a community building. We decided to do this on our own instead of asking for funds from State or Federal Government. This is a badly needed building in our area and will be for use by all non-profit organizations on a free basis. Our Bingo and Pull-Tab operation would eventually pay for this building but when Pull-Tabs were declared illegal our program practically stopped.

The Soldotna Lions also have various programs going on at all times, eye examz and glasses for needy persons, eye freezing unit for Peninsula Hospital, Scholarships, Kiddee Park, Bus Shelters for students and many and any other service we are asked to perform.

The Pull*Tabs are a very vital fund raiser and the community seems to accept them and recognize our need of them as a fund raising means.

Yours Truly,

Don C. Buchanan
Bingo Chairman

NORTH SLOPE BOROUGH
VILLAGE COORDINATOR Box 173
PT. HOPE, ALASKA 99766

January 22,1982

Alaska Legislature
Sen.Charlie Parr
Pouch V
Juneau,Alaska 99811

RE: Senate Bill 632

Dear Sen.Parr,

On behalf of City of Point Hope, not only am I a Mayor representing the organizations concerning the worthy causes with pull-tab monies, I also represent other civic affairs that I belong to which have created many projects and activities just for the purpose of good cause.

The list which I will give isn't all. The records of financial statement should be provided for at the State Revenue or Audit office at Juneau. It shows how much monies the clubs have spent,using these pull-tabs as a means of raising funds.

The clubs have donated for a good cause not only to the community itself but also to other areas where needed or requested. Pull-tabs is a must to raise that kind of money due to inflation and lack of opportunities of jobs. The clubs have purchased eye-glasses, providing medical assistance if PHS cannot provide transportation from point to point, donating food or fuel to a low-income poor family, donating to other civic committees to help in recreation or religious activities, sponsoring Basketball teams, sponsoring Boys Scout and Cubs Scout, donating to Thanksgiving and Christmas events,etc..the list goes on.

With these means of raising funds using pull-tabs, it helps secure charity to a family and the community.

I support the Senate Bill 632 that would make pull-tabs legal again.

Sincerely,

Morris Oviok, Club Liaison

C/c: Local Women Dog Musher's
Local Health Committee
Local Lioness Club
Local Lions Club
Local Tikiqaq Search & Rescue
file

St. Joseph Catholic Church

BOX 101
NOME, ALASKA 99762

Telephone: (907) 443 - 2675

October 15, 1981

Department of Revenue
Audit Division
Pouch S
Juneau, Alaska 99811

Dear Department of Revenue:

As pastor of the Catholic Church in Nome, Alaska, I strongly disagree with your position not intending to make permanent emergency regulation, 15AAC 105.120(5) L & M, regarding the sale of pulltabs and punchboards.

Our Church has a very small income with huge expeditures for utilities. Frankly our weekly collection is given by very few donors--usually about $300.00 per week for a parish with well over five hundred people. We have a full time staff of three and four part-time staff serving our people. Obviously this weekly income needs to be supplemented.

Our bingo program supplements our revenue and makes it possible for us to provide many services for our community: religious education, home visits, professional counseling, religious services, support to community service projects, and social activities. We see these activities as alternates to the bars and drinking, one of the major problems in Nome.

In our bingo program, pull-tabs account for about half our income and gives the people something to do between games for a good cause. We agree that pull-tabs could be abused, but we follow strict self-imposed limitations and guidelines--for example, any of our winners over $25.00 sign for their winnings plus social security number for an IRS report. We agree that the 50¢ limit you directed us to follow be kept enforce--it prevents an over-dependency on pull-tabs and minimizes the income from the bingo.

In conclusion, pull-tabs are a great source of revenue for us to continue community service programs. The options without pull-tabs are few proven with th consistent success of this option. If you rule out pull-tabs you w so little to stop illegal gambling and abuse. But you will hurt lots of non-profit community service organizations like our Church. You will especially hurt native groups in western Alaska. I'm sure much of the money not spent on pull-tabs will go for alcohol. And what community service will this lead to?

Please do your best to make sure the use of pull-tabs for validly licensed groups in Alaska can continue. Your decision will have a great effect on our church and many social service groups. We hope to cooperate with you in the following of all laws and

...DEPT. OF REVENUE, PAGE TWO

...plications and welcome your inspection and advice at anytime.
...will be higher if you do not respond favorably to our request:
...your legislators, the governor, and to the people of Alaska. Please
...don't get all caught up in a phoney "legalism" that
...moral implications and looks like you are interested in
protecting the public from the horrible abuses of false gambling
when you are in fact hurting the very people you say you are helping.

...personal response to this letter would be greatly welcomed.

Sincerely,

Paul B. Macke, S.J.

Rev. Paul B. Macke, S.J.
Pastor
Games of Chance & Skill Permit
81-123

St. Joseph Catholic Church

BOX 101
NOME, ALASKA 99762

Telephone: (907) 443 - 2675

January 25, 1982

Charles H. Parr
Alaska State Legislature
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Legislature:

The governor's decision to make pull-tabs illegal is hurting many non-profit groups around the state. We urge you to pass SB 632 or a similar bill and over-ride the governor's veto. Enclosed is a letter that I sent to the department of revenue giving the reasons why continued use of pull-tabs is important to us.

Any help you can give the non-profit groups hurting around the state as a result of our governor's decision will be appreciated.

Sincerely,

Fr. Paul B. Macke, S.J.

Rev. Paul B. Macke, S.J.
Pastor

BRISTOL BAY NATIVE ASSOCIATION
P.O. BOX 169
DILLINGHAM, ALASKA 99576
PHONE 907/842-5257 — 842-5258

January 27, 1982

Senator Charlie Parr
Alaska Legislature
Pouch V
Juneau, Alaska 99811

SUBJECT: Senate Bill 632

Dear Senator Parr:

Thank you for introducing SB 632.

In response to your request for information regarding the worthy causes that have been aided through the use of the sale of pull tabs, first of all it has helped the Bristol Bay Native Association's Regional Senior Citizens' Program.

Our Region covers 25 villages outside of Dillingham, plus the Senior Citizens (60 years or older) in Dillingham. We offer transportation services in Dillingham (otherwise there is only air travel to the rest of the villages); nutrition services in Dillingham, Togiak, Manokotak, and New Stuyahok; and we also provide services in the area of home repair, information and referral, home-delivered meals, and other support services to enable elders to remain independent and in their own homes.

The Federal and State grants we receive to operate these programs require a local match. We have used our pull-tab revenues to meet our required local match. Otherwise our area has a small tax base and it is very difficult to always go to the private sector when there are just not that many stores, etc. in this area to solicit local support. The pull-tab revenues have really helped us continue and expand our programs. Now there is a projected cut in program grant funds and we do not know where we will be able to make up the difference.

If you have lived in a rural area in Alaska, you realize that support services are truly needed for the elderly person on a fixed income.

We are trying to be as independent as possible. We work hard (all volunteer time) at our Bingo and Pull-tab games. We are not asking anyone for a hand-out, but just the chance to offer a form of entertainment where the money does go to a good cause.

I strongly support legislation to return pull tabs to the non-profit groups in Alaska. I would suggest that the 50c limitation per chance, however, be raised to $1 per chance.

Thank you for this opportunity to comment.

Kathy Hand
Regional Director, Senior Citizens' Program

November 30, 1981

Thomas K. Williams, Commissioner
Department of Revenue
Pouch S
Juneau, Alaska 99811

Dear Commissioner Williams,

I am the Chairperson of the Fraternal Order of Eagles Bingo, and the United Service Organization Bingo.

Your Department recently declared the sale of pull-tabs at our Bingo games illegal. You gave us an extension of time to January 1, 1982, to sell out our pull-tab inventory.

Bingo game profits go to charity and we have many requests for donations to charitable causes. We are not able to fill all of them. I am enclosing a list of the donations the F.O.E. have made in 1981. Because Bingo is a marginal operation, 85% of our donations are from the sale of pull-tabs, 15% from Bingo. It is easy to see that without pull-tab sales, many requests for help would go without.

I can say with some pride, that the USO in Fairbanks is solvent today because of the Bingo games and pull-tab sales. As Chairperson of the USO Bingo games, I have receipts for $46,000.00, from the USO Director, to date for 1981. As 1980 was not a full year's operation, I only have receipts totalling to $28,000.00.

I am sure that you agree that the F.O.E. and the USO Bingo games, with pull-tab sales, give this community a valuable service.

We request, and I hope that you will give us a 120 day extension for the sale of pull-tabs. This would be enough time for the Legislature to meet and pass legislation legalizing the sale of pull-tabs.

Thank you for your consideration.

Sincerely,

Martha Johnson

Martha Johnson
Chairperson: Bingo
USO
516 1st Avenue
Fairbanks, Alaska 99701

cc: Governor Jay Hammond

encl:

EAGLES LODGE, AERIE 1037

CHARITY FUND DONATIONS
1981

Close Up Program	$650.00
West Valley Student Council	500.00
March of Dimes	500.00
J.Durante Children's Fund	1,000.00
Max Baer Heart Fund	1,000.00
Art Erhman Cancer Fund	1,000.00
Fairbanks Memorial Pediatric Ward	458.00
Tanana Chiefs Conference	250.00
Fairbanks Memorial Hospital	1,000.00
Gold Kings	693.00
Girls State	1,000.00
A.F. of L. Local 481	250.00
Fairbanks Youth Baseball Association	500.00
Fairbanks Softball Association	200.00
Fairbanks Softball Association	550.00
Fairbanks Softball Association	125.00
Gymnastics, Inc.	1,000.00
Fairbanks Youth Boxing	500.00
Fairbanks Youth Football	1,000.00
Interior City Girls Softball Association	500.00
Alaska Crippled Childrens	1,040.00
Alaska Goldpanners	785.00
Fairbanks Softball Association	100.00
Sons of Norway	250.00
North Star Little League	200.00
Fairbanks Memorial Hospital	1,620.00
Lutheran Pacific University	1,250.00
University of Alaska	1,250.00
Carleton College	1,250.00
University of Oregon	1,250.00
Muscular Dystrophy	500.00
Fairbanks Memorial Burn Center	1,000.00
Little Girls Dribblers	500.00
West Valley Student Council	250.00
Fairbanks Merchant Hockey	300.00
Art Erhman Cancer Fund	500.00
Breast Cancer Detection Center	500.00
Turning Point Boys Ranch	1,000.00
Firefighters Association	240.00
Junior Bowling League	500.00
Pioneers of Alaska	200.00
Young Life	500.00
United Way	3,000.00
	$30,661.00

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

ANCHORAGE FUR RENDEZVOUS ALASKA

PHONE 277-8615 ● P.O. BOX 773 ● ANCHORAGE, ALASKA 99510
● LOCATION: 737 WEST 5TH AVENUE

A NON-PROFIT CIVIC ORGANIZATION

NANCY

January 12, 1982

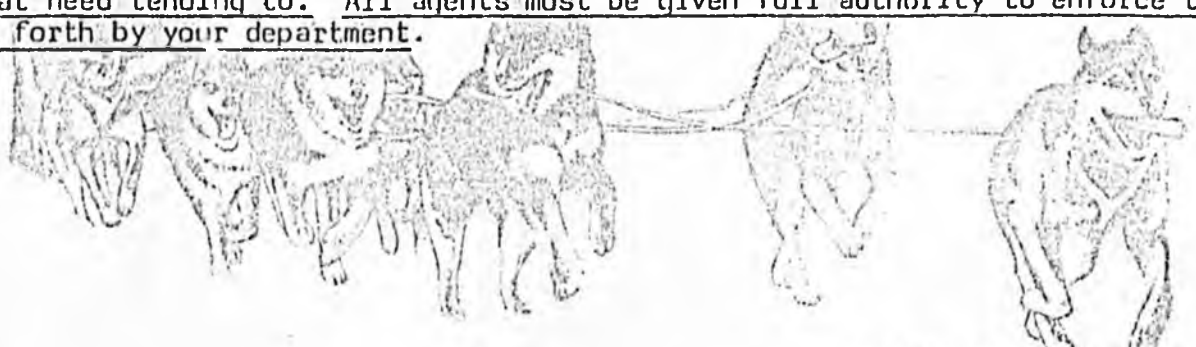
Thomas K. Williams,
Commissioner
Department of Revenue
State Office Building
Pouch SA
Juneau AK 99811

Dear Commissioner Williams:

This letter will inform you that as of December 31, 1981, Greater Anchorage Inc., d/b/a/ Anchorage Fur Rendezvous closed its Rondy Palace Bingo Hall. After careful review, in order to comply with State rules and regulations governing the use of "pull tabs" we found we would be unable to operate without considerable losses and therefore made the difficult decision to cease all Bingo operations.

Fur Rendezvous, for the first time in several years, is now facing financial problems. Our organization, however, was not built or has become successful without having pit-falls along it's 47 years in existence. We, therefore, will dig in once again, fall back, regroup and find alternative methods to solve what currently appears "very black".

Our organization has conducted its Bingo operations over the years completely within the compliance of the Alaska statues. We would like to feel that all the halls in the Anchorage area have operated under these same conditions. We feel this is not the case, however, as some of the halls are continuing to use pull tabs. Not in the same manner of course, but nevertheless they are in use and it is our total understanding they are to be NON-EXISTENT. If we are incorrect, and this is not the case, please let us know so we may re-open our operation. On the other hand, if we are correct we request the statutes be enforced so all are treated equal. Our concern is that your department enforce the rules and regulations you have set forth and that all abide by them. We do not feel Fur Rendezvous should suffer just because it does not want to take the chance of "being caught". It is the enforcement rather than the rules that need tending to. All agents must be given full authority to enforce the laws set forth by your department.



CONTINUED.....

In the future, if and when the "rules and regulations" become a matter for legislative decision, we strongly urge restrictions on the permit holders. They should be issued to non-profit organizations who are actually engaged in running the games. For it is those permit holders who "sell" their permits to individuals who have personal, profitable gain that are causing the legitimate operations difficulties.

Please know we pledge our support to your department and offer any assistance you might require.

Sincerely,

Farrel J. Vail,
Executive Director

FJV:rc

cc: Wilson L. Condon, Attorney General
Dick Randolph, Chairman, Administrative Regulation Review Committee
Rep. Mitch Abood
Rep. Charles G. Anderson
Rep. Ramona Barnes
Rep. M.F. Beirne
Rep. Thelma Buchholdt
Rep. Bernie Bylsma
Rep. Sam Cotten
Rep. David Cuddy
Rep. Joe L. Hayes
Rep. Terry Martin
Rep. Russ Meekins, Jr.
Rep. Ray H. Metcalfe
Rep. Joe Montgomery
Sen. Brad Bradley
Sen. Mike Colletta
Sen. M. Ed Dankworth
Sen. Vic Fischer
Sen. Tim Kelly
Sen. Patrick Rodey
Sen. Terry Stimson
Sen. Arliss Sturgulewski

An Inside Look

By

Charlie Parr



By Sen. Charlie Parr

A matter which has not yet attracted much attention – but will – is that of pull-tabs, which are, for those who don't know, little devices with cornered numbers. The right number wins a prize. They seem to me to perform the same function as punchboards, but some members of the administration by strange logic consider them "paper slot machines."

Pull-tabs have been used for some time by a number of fraternal, social and philanthropic organizations in the state. They have been sold at the weekly or bi-weekly bingo nights, and information available indicates that they have raised more money than bingo itself.

Because of reported abuses in the Anchorage area the Department of Revenue last year to ban pull-tabs. A memo sent to all holders of bingo permits in the state would have cut them off immediately. Organizations in the Fairbanks area quickly, and properly, contacted the Fairbanks delegation.

When I followed up on this matter it turned out that revenue had not bothered to get an attorney general's opinion on pull-tab legality. I pointed out the good causes being assisted by organizations affected, and questioned the advisability of the prohibition. Other legislators raised a ruckus, too.

As a result of the protests the attorney general was asked for an opinion. Stripped of all the legal pros, cons and whereases, it said the revenue could make pull-tabs legal or illegal – the law is flexible enough for either. Revenue then bucked the problem upstairs to the governor, who decided that pull-tabs would be illegal after Dec. 31, 1981.

SB 632, which I introduced, would clearly state that pull-tabs are legal. It would remove them from arbitrary action by the governor or Department of Revenue. Why do I believe this to be necessary?

First, a few abuses in the Anchorage area is insufficient reason for abolishing the practice. If there are abuses then regulations can be changed and/or effective enforcement action taken. If there is fraud or personal enrichment at the expense of the organizations and the good causes they support – prosecute.

Second, purchase of pull-tabs is voluntary. We have not had one reported instance in which a buyer was handcuffed, dragged in, and forced to spend his money.

Third, the amount of good done by fraternal, social and philanthropic organizations is incalculable and pull-tabs have been a primary source of their income. Here are only a few of the good causes which have been helped:

20-30 scholarships are awarded annually to Native students enrolled in colleges and universities throughout the nation by the Cook Inlet Native Association, which has used pull-tabs. The Eagles Lodge, Aerie 1037, contributed $30,661 to various organizations including the United Way, Fairbanks Memorial Hospital as well as 41 other organizations. The Alaska Black Caucus also uses pull-tabs as a fund-raising device.

It is too bad that the governor regards the sale of pull-tabs as somehow "immoral." It is too bad that he decided to impose his own standards on the rest of Alaska. It is too bad that he is threatening to veto the bill if it passes.

One can only wonder how many Alaskans would be here if they didn't take chances. In many bush areas they take chances with their lives – over and over again. Many people in the construction and transportation fields take chances.

On a lower level – how many Alaskans who came here from somewhere else had guaranteed security when they came? (We didn't. We had three teen-agers, a dog, a nine-year-old car, less than a $1,000 – and no job when we came).

I'm afraid the administration is getting too conservative, too unwilling to admit risk into Alaskan life. When it comes to handling public money that's not a bad approach. When we are talking about the individual decisions made by individual Alaskans it's time to draw the line.

"Where there is shouting, there is no true knowledge."
Leonardo Da Vinci

House Judicial Comm
Constitutional Sessi

A slightly muddled House Judiciary Committee wrestled valiantly with compound-complex grammatical problems before wording a committee substitute for House Joint Resolution (HJR) 12, which would constitutionally limit legislative sessions to 120 days, with a possible one-time extension of up to ten days. And a slightly cynical committee member suggests that even a constitutional provision may not be an absolute bar to longer sessions.

Citing practices of the Oregon Legislature – which is constitutionally supposed to meet for only 60 days every other year, but routinely calls itself into special session time after time – Rep. Russ Meekins said of Alaska's proposed constitutional session limit, "The first time, you violate it; after that, it's easy."

Meekins explained later that he fully supports the popular session limit idea, but also pointed out that the public may at some other time think the Legislature should meet for as long as it takes to get the work done. Since the Constitution allows the Legislature to call itself into special session by a two-thirds vote, legislators special session limit un journment allowed the half of that sentence (ing recesses longer than without the agreement houses) to apply to both and regular sessions with ing to repeat the l

If you feel a bit c by this, you would hav with most committee n who asked that the bill come and explain this r to them. But the drafte 12 was John Chenoweth now the State Omb There was a delay while bill drafter was sun

Rep; Pat O'Connell out that the proposed ment allowed regular se tensions only after "a at least two-thirds of eac but did not specifica "an affirmative vote" o curring vote." Rep. Rick cited three sections of stitution on required v later agreed that each he had cited contained tional qualifying word what kind of vote it was

Bill drafter Diane C peared and suggested proposed amendment most simply go in unde 8 of Article II. Everyon



Ring Around Seat

For as little a

ES EFFECTIVE THROUGH JAN. 30, 1982

NANCY

State tells Lions to stop bingo games

by Patti Epler
Times Writer

Two Anchorage Lions clubs could lose up to $400,000 a year in revenue, most of which is donated to charities, if a Superior Court judge agrees with a state ruling prohibiting the club's bingo games.

Friday, the Fairview Lions and Government Hill Lions were notified by the state Department of Revenue that their darts game and pull tab or "rippies" game were illegal under state law. The state suspended their permits to conduct games of chance and skill — permits which also include the bingo games.

The clubs — and Taurus Inc., owners of the Lions' Plaza Bingo on Minnesota Drive — filed a lawsuit that afternoon. They succeeded in obtaining a court order temporarily allowing them to continue the operation until Superior Court Judge Daniel Moore can rule on the case.

A hearing before Moore is scheduled for 3 p.m. today.

The lawsuit — which names Commissioner of Revenue Tom Williams and revenue investigator Gilbert Hjellen as defendants — contends that the Lions and the community will suffer substantial loss if the state order to shut down the bingo operation is ruled valid. The Lions were never given a chance to discuss the suspension with state officials, the lawsuit said.

The state's decision to suspend the Lions' permits apparently surrounds the legality of the darts game and pull tab game, both of which the state contends are illegal games of chance.

The suspension is effective for 90 days. The state said it would then seek to revoke the permit for a one-year period.

Fred Zimmerman, president of the Fairview Lions, said Wednesday the bingo game and other games bring in about $400,000 annually to the Lions. About $360,000 of that, Zimmerman said, is given to charities, including the Lions' Eye Bank, which matches donors with potential eye recipients.

Zimmerman said the Lions have been sponsoring the bingo games for about a year and a half. "We have to report where our money goes," he said. "There's just no way of putting money in our own pockets. It's always been a good service and now they're (the state) saying it's not a good service."

The pull tab game involves small paper cards with strips covering rows of three pictures similar those found on slot machines. Players pull away the strips and win if the objects — lemons, apples, gold bars and other items — match up.

Doctors call Right to Life 'offensive'

by Patti Epler
Times Writer

Doctors who perform abortions are just as aware of the moral, philosophical and spiritual problems involved in terminating pregnancy as [illegible] attorney for

Prices Effective Thursday Thru Sunday

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Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

M E M O R A N D U M

TO: Sen. Pat Rodey

FROM: Sen. Vic Fischer

DATE: March 3, 1982

RE: SB 632, games of chance

In approving a committee substitute, the State Affairs Committee omitted a section initially proposed by Sen. Parr that eliminated a ceiling on the amount of prizes that could be awarded in a lottery.

We did not really address this issue, the principal response being that we should not remove any limit.

At the same time, there was recognition that the current $30,000 limit is too low. You might consider a provision increasing the present limit to $80,000 or $100,000.

Thanks for your consideration.

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH S
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

January 27, 1982

The Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Room 423 - Capitol Building
Juneau, Alaska 99801

Dear Senator Fischer:

Re: Senate Bill No. 632

Senate Bill No. 632, an Act relating to games of chance and contests of skill, was introduced in the Senate on January 11, 1982 and was referred to the Senate State Affairs and Judiciary Committees.

For the consideration of the Senate State Affairs Committee, I am enclosing copies of Fiscal Notes prepared by Mr. Joseph K. Donohue, Deputy Commissioner, Taxation, Department of Revenue for the Enforcement and Public Services Divisions concerning the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

RDS:mc

Enclosure

cc: The Honorable Patrick M. Rodey
Chairman
Senate Judiciary Committee

Joseph K. Donohue
Deputy Commissioner, Taxation
Department of Revenue

Marilla Gemmer, Director
Enforcement Division
Department of Revenue

P. A. Wall, Director
Public Services Division
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 632
Title An Act relating to games of chance & contests of skill; and providing for an effective date
Requested by Senate State Affairs Date Jan. 13, 1982

II. FISCAL DETAIL
Agency Affected Department of Revenue
Program Category Affected Revenue Collection & Management
BRU, Program, Or Subprogram(s) Affected Enforcement
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		64.7	71.1	78.3	86.1	94.7
200 TRAVEL		5.0	5.5	6.1	6.7	7.3
300 CONTRACTUAL		3.0	3.3	3.6	4.0	4.4
400 COMMODITIES		.8	.9	1.0	1.1	1.2
500 EQUIPMENT		2.5	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES		-0-	-0-	-0-	-0-	-0-
700 GRANTS,CLAIMS,ETC.		-0-	-0-	-0-	-0-	-0-
TOTAL		76.0	80.8	89.0	97.9	107.6

FUNDING (Thousands of Dollars)

GENERAL FUND		76.0	80.8	89.0	97.9	107.6
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME		2	2	2	2	2
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)
One Revenue Enforcement Officer III is needed for field compliance work, and one Clerk Typist III is needed for clerical support. This legislation will expand the number of permits issued each year and the types of games and/or contests available. Relaxing prize limitations will bring about an interest from professional gaming entrepreneurs.

IV. DATE January 26, 1982 PREPARED BY Joseph K. Donohue, Deputy Commissioner, Taxation
AGENCY Department of Revenue
PHONE 465-2301

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 632
Title An Act relating to games of chance & contests of skill; and ~~Requested by~~ providing for an effective date Date January 13, 1982
Requested by: Senate State Affairs

II. FISCAL DETAIL
Agency Affected Department of Revenue
Program Category Affected Revenue Collection and Management
BRU, Program, Or Subprogram(s) Affected Public Services Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		26.7	29.4	32.3	35.5	39.1
200 TRAVEL		1.0	1.1	1.2	1.3	1.4
300 CONTRACTUAL		4.5	5.0	5.5	6.0	6.6
400 COMMODITIES		.4	.4	.5	.5	.6
500 EQUIPMENT		1.0				
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL		33.6	35.9	39.5	43.3	47.7

FUNDING (Thousands of Dollars)

GENERAL FUND		33.6	35.9	39.5	43.3	47.7
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

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

See attached memo to R. D. Stevenson from E. Jones dated January 25, 1982.

Joseph K Donohue

IV. DATE January 26, 1982 PREPARED BY Joseph K. Donohue, Deputy Commissioner, Taxation
AGENCY Department of Revenue
PHONE 465-2301

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

MEMORANDUM

State of Alaska
Department of Revenue

TO: R.D. Stevenson
Legislative Assistant

DATE: January 25, 1982

FILE NO:

TELEPHONE NO:

FROM: Ervin Jones
Office Audit Manager
Audit Division

SUBJECT: SB 632
State Affairs and Judiciary

This bill proposes to amend five sections of AS 05.15. The effect of these proposed changes is to considerably broaden the privileges granted with the issuance of a games of chance and skill permit.

The original language of AS 05.15.100 limited the games of chance to only those activities listed (i.e., bingo, raffles, lotteries, ice classics, rain classics, dog mushers' contests and fish derbies). New games of chance would have to then be allowed under one of those listed. The proposed language removes that limitation and taken in context with sections 2 and 3 of the bill, would allow any game of chance which could be contrived where the element of chance and luck is foremost, regardless of whether those games of chance existed in Alaska prior to statehood. Since the original intent of the legislation was to permit continuance of those gaming activities after statehood which existed in territorial days, this change is a considerable divergence.

The only remaining limitation would be the limitation on use of gambling implements found in AS 05.15.180(a). This would presumably prevent the introduction of casino type hardware and coin operated video games as games of chance, but would not prevent the legal introduction of games of chance such as can be contrived by profit-seeking individuals and nonprofit organizations striving to maximize their take in an extremely competitive industry.

Section 2 of the bill would serve to supercede the existing administrative regulation 15 AAC 105.120(4) which reads:

> "(4) In holding, operating and conducting raffles or lotteries, a permittee may not raffle prizes of personal property, including cash or a negotiable instrument, the aggregate total of which is in excess of the sum or value of $30,000 in any one calendar year and real property in excess of the sum or value of $50,000 in any one calendar year."

Lifting this limit would obviously permit substantially larger raffles to be held in Alaska, and would just as obviously invite the interest and participation of profit-seeking individuals into an activity which was originally designed for nonprofit, community oriented organizations. This profit opportunity is exactly what led to the all-too-frequent situation that exists in bingo in Alaska today, i.e. the nonprofit organization which holds a permit receiving a mere fraction of the gross receipts, with the control and use of the proceeds going to the profit-seeker who runs the games.

Section 4 would amend the statutory definition of "labor organization" to apparently include any organization constituted "wholly or partly to bargain collectively or deal with employees..." It should be pointed out that this includes virtually any trade group, or industry conference. If this is the intent, it would be far better in my opinion to draft a new section called "trade group", or whatever.

Also, the way it reads now, possibly any state agency or political subdivision of the state would be entitled to a permit. Although many cities and villages would like to have permits, it seems unlikely that it is intended for a state agency to hold such a permit.

This bill should be referred to counsel for a simple, straightforward approach to achieve the desired purpose.

EJ:jg

Ballott Expand -
Reg - Full Tap
Punch BD -

HB 6/6

February 1, 1982

The Honorable Ramona Barnes, Chairman
House Judiciary Committee
Pouch V
Juneau, AK 99811

Re: Suggested changes in HB 640 so that only pull-tabs and punchboards are added to authorized games of chance and skill

Fiscal Note?

Dear Madam Chairman:

At your request the following language is suggested for HB 640 so that only pull-tabs and punchboards of one dollar or less are added to the currently authorized games of chance and skill:

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

* Section 1. AS 05.15.210(16) is amended to read:

(16) "raffle and lottery" means the selling of rights to participate, and the awarding of prizes, in the specified kinds of games of chance sometimes known as pull-tab and punchboard games in which the price of each chance is $1 or less and in the specified kind of game of chance sometimes known as a raffle or lottery, conducted by the drawing for prizes by chance.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.070(c)."

In order to satisfy the Governor's requirement that the issue be placed before the voters before pull-tabs and punchboards are authorized, Section 2 in the preceding draft would have to be replaced by the following two sections:

* * Sec. 2. The Lieutenant Governor shall place the following question on the next general election ballot:

Shall this Act, amending the Bingo, Raffles and Ice Pools Act to extend the definition of raffles and lotteries so as to include games of chance sometimes known as pull-tab and punchboard games, in which the price of each chance is $1 or less, take effect?

Yes _____

No _____

"* * Sec. 3. This Act takes effect upon certification of the election results by the Lieutenant Governor, showing that the majority of the voters casting ballots voted in favor of enactment, but no sooner than January 1, 1983."

I hope these suggestions will be of assistance to your Committee in your deliberations on HB 640. Please do not hesitate to contact me if you or the Committee have any further questions on this matter.

Very truly yours,

Thomas K. Williams
Commissioner of Revenue

TKW:tw

cc: Governor Jay S. Hammond

Rep. Dick Randolph

Last year the Department of Revenue asked the Attorney General for an opinion as to whether or not municipalities qualifed under AS 05.15 as qualified organizations. Susan Burke, assistant attorney general, in an opinion dated February 4, 1981, said that they did not. This change would include municipalities as organizations eligible for permits under Title 5.

Sec. 05.15.100. COMMISSIONER OF REVENUE MAY ISSUE PERMITS. The commissioner of revenue may issue a permit to a qualified organization or municipality. The permit gives the organization the privlege of conducting games of chance and contests of skill including bingo, raffles and lotteries, ice classics, rain classics, dog musher's contests, and fish derbies [AND CONTESTS OF SKILL].

Sec. 05.15.140. PROOF NECESSARY TO QUALIFY FOR PERMIT. The commissioner of revenue may not issue or renew a permit except upon proof, satisfactory to him, that the applicant is a qualified organization or municipality, and activity may be permitted under this chapter....

require person, not less than 50%

Introduced: 1/11/82
Referred: State Affairs and Judiciary

HB 640

IN THE SENATE

BY PARR, BENNETT, DANKWORTH, FERGUSON, GILMAN, HOHMAN, MULCAHY AND RAY

SENATE BILL NO. 632

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to games of chance and contests of skill; and providing for an effective date."

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

* Section 1. AS 05.15.100 is amended to read:

Sec. 05.15.100. COMMISSIONER OF REVENUE MAY ISSUE PERMITS. The commissioner of revenue may issue a permit to a qualified organization. The permit gives the organization the privilege of conducting games of chance and contests of skill including bingo, raffles and lotteries, ice classics, rain classics, dog mushers' contests, and fish derbies [AND CONTESTS OF SKILL].

ALIVE

* Sec. 2. AS 05.15.130 is amended by adding a new subsection to read:

(b) Notwithstanding (a) of this section, the commissioner may not limit the amount or type of prizes awarded in a raffle or lottery.

* Sec. 3. AS 05.15.180(b) is amended to read:

(b) With the exception of games of chance [RAFFLES, LOTTERIES AND RAIN CLASSICS], no activity may be licensed under this chapter unless it existed in the state in substantially the same form and was conducted in substantially the same manner before January 1, 1959.

* Sec. 4. AS 05.15.210(19) is amended to read:

(19) "labor organization" means an organization, not for pecuniary profit, constituted wholly or partly to bargain collectively or deal with employers or employees, including the state and its political subdivisions, concerning grievances, terms, or conditions of employment or other mutual aid or protection in connection with employees

set limit [30/50K]

* trade group incl CHAR

or employers;

* Sec. 5. AS 05.15.210 is amended by adding a new paragraph to read:

(22) "game of chance" means a game in which the skill and experience of the player is secondary to purely fortuitous or accidental circumstances incidental to the game and includes pull-tabs, punchboards, and raffles and lotteries.

* Sec. 6. Sections 1, 3, and 5 of this Act are retroactive to January 1, 1982.

* Sec. 7. This Act takes effect immediately in accordance with AS 01.10.-070(c).

SB

637

SB 633 (cont'd)

Repeals AS 36.10.060 (Employment of Prisoners) which prohibits the employment of prisoners in any public works project subject to the provisions of AS 36.10 (employment preference for residents of Alaska). Does not provide for an effective date.

Introduced January 11 and referred to Health, Education & Social Services and Judiciary.

Community Work

SENATE BILL NO. 634, by Senators Ray, Dankworth, Fischer, Bradley, Colletta and Sturgulewski. Amends provisions contained in AS 12.55-.055 relating to mandatory community work as a sentence for a violation of a misdemeanor or as a condition of probation. Prohibits the state from requiring a defendant to perform such work unless the defendant agrees to and a state agency or local government has agreed to accept the defendant for work. Requires the court to order the defendant to perform work in an area as close to the defendant's residence as possible. Would direct the court to fix the period of time during which work shall be performed and, if appropriate, fix the time to allow the defendant to continue at his regular employment and to care for dependents. Sets limits for such periods of time based on the severity of the crime. (Amends AS 12.55.100(a)(4) relating to community work as a condition of probation.) Does not provide for an effective date.

Introduced January 11 and referred to Health, Education & Social Services and Judiciary.

Public Employees (immunity)

SENATE BILL NO. 635, by Senator Ray. Amends the Probation Administration Act (AS 33.05) and the Parole Administration Act (AS 33.15) by adding provisions which would hold a public employee not liable for an injury resulting from a determination (1) to grant or deny probation or parole; (2) to revoke probation or parole; or (3) setting the conditions of probation or parole. Does not provide for an effective date.

Introduced January 11 and referred to Health, Education & Social Services and Judiciary.

Appropriation (special) (Gravina Is. crossing)

SENATE BILL NO. 636, by Senator Ziegler. Appropriates $1 million from the General Fund to the Dept. of Transportation and Public Facilities for an engineering study of a Gravina Island crossing. Provides that appropriation is for a capital project and does not lapse. Effective immediately.

Introduced January 11 and referred to Transportation and Finance.

AK Historical Commission (membership)

SENATE BILL NO. 637, by Senator Eliason. Increases from four to six the membership on the Alaska Historical Commission (AS 44.27). Deletes: "In the first year of the commission the list of nominees shall contain at least eight names and in each subsequent year the list shall contain at least four names." Does not provide for effective date.

Introduced January 11 and referred to State Affairs and Finance.

DE ARMOND
422 CALHOUN AVENUE
JUNEAU, ALASKA 99801
PHONE: 586-3165

January 29, 1982

Senator Richard Eliason
Pouch V
Juneau, Alaska 99811

Dear Dick:

Thank you for your letter of the 27th and for the copy of your Senate Bill 637.

Main reasons for the bill are to make it easier to get a quorum for meetings and to broaden the knowledge base of the Commissioners on the Historical Commission.

No increased appropriation request is anticipated as a result of the increase - the Commission will either hold fewer meetings or schedule its meetings at central locations to reduce cost.

If you feel that the bill will need active support from a Commissioner when it is before the Senate State Affairs Committee, I shall be glad to testify. In that event, please advise me when it comes up.

I am very grateful for your support in this matter.

Sincerely,

Bob

R. N. De Armond
Member, Alaska
Historical Commission

SB

652

TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. proposed (Dept. of Law File #J-77-046-82
Title "An Act relating to confidentiality of trade secrets supplied to DEC."
Requested by the Dept. of Environmental Conservation Date 1/6/82

II. FISCAL DETAIL
Agency Affected there is potential for all State agencies to be affected
Program Category Affected see above
BRU, Program, Or Subprogram(s) Affected see above
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-0-	-0-	-0-			
200 TRAVEL	-0-	-0-	-0-			
300 CONTRACTUAL	-0-	-0-	-0-			
400 COMMODITIES	-0-	-0-	-0-			
500 EQUIPMENT	-0-	-0-	-0-			
600 LAND & STRUCTURES	-0-	-0-	-0-			
700 GRANTS,CLAIMS,ETC.	-0-	-0-	-0-			
TOTAL	-0-	-0-	-0-			

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-			
FEDERAL FUNDS	-0-	-0-	-0-			
OTHER (Specify Source)	-0-	-0-	-0-			

POSITIONS

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

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

IV. DATE January 5, 1982 PREPARED BY Lynn H. Suksdorf
AGENCY Dept. Environmental Conservation
PHONE 465-2640

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

COMMENTS ON SENATE BILL 652

"An Act relating to confidentiality of trade secrets supplied to the Department of Environmental Conservation"

Senate Bill 652 would allow DEC to maintain confidential certain types of information supplied to us. It would apply to all DEC programs. The Department currently has confidentiality clauses for our air, hazardous waste, radiation, and oil pollution control programs.

However, our wastewater disposal statute requires that we send permit applications to other agencies, and our own regulations provide that "all Department records are available to the public unless they are exempt by law."

Why is this bill needed?

The basic purpose of this statute is to allow the Department to keep confidential from potential competitors information we need from permit applicants to assure that their operations will meet Alaska's environmental standards. This bill was drafted by the Department as a result of public hearings throughout the state last June, regarding the possible development of a petrochemical industry in Alaska.

If you recall, the Department's report concluded that certain types of petrochemical development could be carried out in Alaska without major adverse environmental effects, if available methods of pollution control were employed. It was emphasized that the Department would require information on processes and wastes to determine if state standards could be met. Such information in the chemical industry could be of value to competitors. Mr. Arch Cook, a Dow engineer supervising the construction of Alberta Gas Ethylene's polyethylene plant in Red Deer, Alberta, told me that the catalyst to be used there is a company secret and a definite competitive advantage.

If spent catalyst is proposed for disposal under our current hazardous waste statute, we can keep that information confidential. If it somehow becomes involved in a wastewater disposal, we cannot.

This issue is not limited to the petrochemical industry. The Department has been, for several months, working with a corporation regarding the future development of a mining property within Alaska. This corporation wishes to prevent future air and water pollution from the operation and has involved us in their work. They have a considerable amount of information developed at great cost. If copies of their reports are provided to

us, they could be the subject of a public information request to us from other leaseholders in the area. To avoid duplicating their work in our environmental quality monitoring program, we have requested and have received from them a summary of what they have done, and they have discussed its significance with us. This process would be easier, however, if we had an overall ability to protect genuine proprietary information.

Another case recently occurred on the Kenai Peninsula where a septage pumper asked us not to release the engineering design for a disposal facility he was proposing.

The state technical team which worked on the petrochemical project frequently encountered a need for information which may be proprietary. Information was needed on processes and by-products to determine the needs for safety precautions, spill prevention and cleanup, treatment requirements, and overall environmental impact.

This Department has no interest in keeping pollutant emission levels confidential. The components of waste streams being released to the state's lands, air or water will be provided to the public. Our air statute is worded to specifically exclude emission data from confidentiality provisions. But such public disclosure need not require provision of detailed process flow charts or engineering designs.

We would have no objection to providing information to another agency, if that agency could maintain its confidentiality. It may be appropriate to amend such a provision into the bill. We encourage your enactment of Senate Bill 652.

By Glenn Akins, Deputy Commissioner
Department of Environmental Conservation

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K–STATE CAPITOL
JUNEAU, ALASKA 99811

April 2, 1982

Senator Vic Fischer, Chairman
Senate Affairs Committee
Alaska State Senate
Pouch V
Juneau, AK 99811

Re: Proposed changes to SB 652 (Confidentiality of trade secrets)

Dear Senator Fischer:

At the committee hearing on SB 652, you asked me to draft suggested changes to the bill to take care of two problems in the current version. Enclosed is a redraft which deals with two areas: 1) it clears up the definition of what type of information is entitled to confidentiality, by substituting language which is used in the caselaw to define "trade secrets"; and 2) it provides a procedure for allowing the department to dispute a designation of information as a trade secret.

In the draft, the new material is underlined and deleted material is bracketed.

Let me know if there is anything more I can do.

Sincerely,

WILSON L. CONDON
ATTORNEY GENERAL

By: Douglas K. Mertz
Douglas K. Mertz
Assistant Attorney General

DKM/jb

Enclosure

03-C5LH

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 11, 1982

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to preservation of the confidentiality of trade secrets and other proprietary information submitted to the Department of Environmental Conservation. The bill improves access by the department to confidential information by assuring the person supplying the information that confidentiality would be preserved. This is especially important to effectively regulate air and water quality and solid waste discharges.

The bill is very similar to the provisions of SB 90 and HB 7 which are currently in the Senate Rules and House Judiciary committees, respectively. The provisions of AS 46.03-.865(a), (b), (c) and (e) in sec. 1 of the bill are nearly identical to the provisions of AS 40.25.015(e)(11), (f), (g), and (h), respectively, which would be enacted by SB 90.

The primary differences between this bill and SB 90 are that this bill (1) deals only with trade secret information submitted to the Department of Environmental Conservation; (2) includes trade secrets voluntarily submitted to the department; (3) requires a written request of confidentiality; (4) allows release of the confidential information sooner than 20 years after submittal, upon authorization of the person supplying the information; and (5) requires the department to provide a general description of all information which it is keeping confidential.

Sincerely,

Jay S. Hammond
Governor

IV. DATE January 5, 1982 PREPARED BY Lynn H. Suksdorf
AGENCY Dept. Environmental Conservation
Original: Legislative Finance PHONE 465-2640
cc: Budget and Management
(First Legislator Named)

Introduced: 1/12/82
Referred: State Affairs and
Labor & Commerce

IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

SENATE BILL NO. 652

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to confidentiality of trade secrets supplied to the Department of Environmental Conservation."

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

* Section 1. AS 46.03 is amended by adding a new section to read:

Sec. 46.03.865. CONFIDENTIAL INFORMATION. (a) The department shall, upon written request of the person supplying the information, preserve the confidentiality of trade secrets, privileged information, and confidential commercial, financial, or engineering information furnished voluntarily or in compliance with a statute or regulation.

(b) Information kept confidential by the department under (a) of this section becomes public 20 years after submittal unless the person who supplied the information authorizes earlier release in writing.

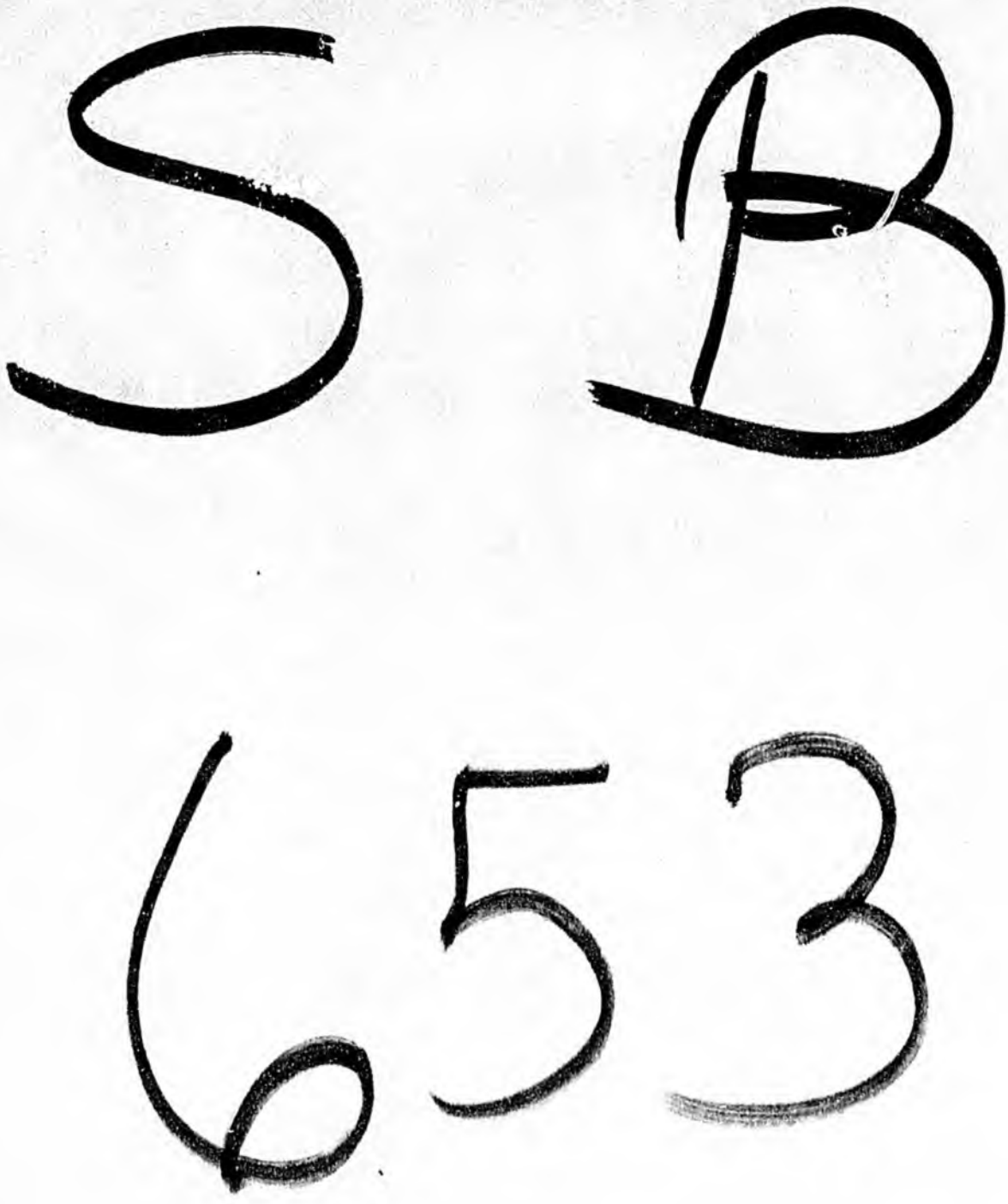
(c) Information kept confidential by the department under (a) of this section may be released for valid statistical or other information gathering purposes if

(1) information which would tend to identify the person to whom the record pertains is deleted; and

(2) disclosure is made in a manner which would not compromise or defeat the purposes of a statute designed to maintain the confidentiality of the information.

(d) A general description of information kept confidential by the department under (a) of this section must be available to the public upon request.

(e) Nothing in this section prohibits the release or production of subpoenaed records or information to a court or state or municipal agency.


SB
653

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

THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for Senate Bill 653

Title "An Act relating to public employees under the Public Employment Relations Act."

Requested by Senate State Affairs Date April 2, 1982

II. FISCAL DETAIL

Agency Affected Labor

Program Category Affected Public Protection

BRU, Program, or Subprogram(s) Affected Wage and Hour

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

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		87.0	95.7	105.3	115.8	127.4
200 TRAVEL		22.9	25.2	27.7	30.5	33.5
300 CONTRACTUAL		43.0	47.3	52.0	57.2	63.0
400 COMMODITIES		3.5	3.9	4.2	4.7	5.2
500 EQUIPMENT		2.6	0	0	0	0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	159.0	172.1	189.2	208.2	229.1

FUNDING (Thousands of Dollars)

GENERAL FUND	0	159.0	172.1	189.2	208.2	229.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		2.0	2.0	2.0	2.0	2.0
PART TIME						
TEMPORARY						

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

Other states which have enacted PERA type laws that cover teachers have advised us that during the first few years the laws were in effect, management or employee representatives of 50% of the affected school districts filed unfair labor practice charges each year which resulted in hearings before the labor relations agency. The average hearing lasted six hours (or one day).

Assuming that the contracts of approximately 26 of Alaska's 52 school districts come up for renegotiation each year and that our experience would be comparable to that of other states, we can expect that 13 of the school districts will generate unfair labor practice charges requiring hearing before the labor relations agency. (Continued)

IV. DATE April 2, 1982 PREPARED BY Nico Bus

AGENCY Labor

PHONE 465-2720

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

The Legislature of the State of Alaska
Twelfth Legislature
Fiscal Note
Bill/Resolution No. CS SB 653

III. Analysis (Continuation)

In addition to the charges associated with the two Wage and Hour Investigators are costs to contract for a hearing officer on 13 occasions ($9,750) and court reporting services including transcripts ($5,325), plus printing ($1,600) and legal costs ($6,000). A total of $5,600 has been included in travel for the hearing officer's transportation and per diem (10 trips of 2 days each = (400 + 80 [2]) 10 = 5,600).

Assumes an inflation rate of 10% per annum.

Assumes an effective date of July 1, 1982.

	POSITION TITLE			RANGE/STEP	BARG. UNIT	LOCATION		APPROV.	DISAPP.
1	Wage and Hour Investigator II			18A	G	Anchorage	GOV.		
	TYPE OF POSITION	STAFF MONTHS	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE			
2	PFT	12	CS SB 653	Not assigned			LEG.		

	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES: SALARY 2838/month	34,056	
5	BENEFITS .1592	5,422	
6	SBS	2,088	
7	FIXED BENEFITS	1,920	
8	TOTAL PERSONAL SERVICES 01		43,486
9	TRAVEL 02		8,640
10	CONTRACTUAL 03		10,150
11	COMMODITIES 04		1,750
12	EQUIPMENT 05		1,300
13	OTHER		
14	TOTAL COST		65,326

	RECEIPT CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17	100	GEN. FUND 1004	65,326
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

4A KEY NUMBER ..... COLUMN NO. .....

JUSTIFICATION:

This position will conduct investigations and informal hearings of unfair labor practices complaints filed with this agency. The Investigator will travel extensively throughout the state performing these investigations and hearings.

Personal Services calculations are based on the salary schedule effective 3/16/82.

Travel funds allow for 12 - 4 day trips costing an average of $400 @ for transportation and per diem of $320 (4 days X $80)

Contractual services costs are comprised of telephone charges, equipment rent, word processing costs, management services support of $3,900, and $3,200 for space rent.

The equipment costs for a desk, file, recorder, transcriber, partitions, and bookcase are one-time charges.

AGENCY Labor PROGRAM Worker Protection

BRU Wage and Hour Administration

COMPONENT Wage and Hour Adminsitration

13 REQUEST FOR NEW POSITION

Page 1 of 2 REVISED DATE

FY 83

	POSITION TITLE			RANGE/STEP	BARG. UNIT	LOCATION		APPROV.	DISAPP.
1	Wage and Hour Investigator II			18A	G	Anchorage	GOV.		
	TYPE OF POSITION	STAFF MONTHS	RP No.	FCN No.	PRIORITY	FORM 12 PAGE/LINE			
2	PFT	12	CS SB 6[illegible]3				LEG.		

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES: SALARY 2838/month	34,056	
5	BENEFITS .1592	5,422	
6	SBS	2,088	
7	FIXED BENEFITS	1,920	
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10	CONTRACTUAL 03		10,150
11	COMMODITIES 04		1,750
12	EQUIPMENT 05		1,300
13	OTHER		
14	TOTAL COST		65,326

	RECEIPT CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17	100	GEN. FUND 1004	65,326
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

4A KEY NUMBER ..... COLUMN NO. .....

JUSTIFICATION:

This position will conduct investigations and informal hearings of unfair labor practices complaints filed with this agency. The Investigator will travel extensively throughout the state performing these investigations and hearings.

Personal Services calculations are based on the salary schedule effective 3/16/82.

Travel funds allow for 12 - 4 day trips costing an average of $400 @ for transportation and per diem of $320 (4 days X $80)

Contractual services costs are comprised of telephone charges, equipment rent, word processing costs, management services support of $3,900, and $3,200 for space rent.

The equipment costs for a desk, file, recorder, transcriber, partitions, and bookcase are one-time charges.

AGENCY Labor PROGRAM Worker Protection

BRU Wage and Hour Administration

COMPONENT Wage and Hour Administration

13 REQUEST FOR NEW POSITION

REVISED DATE

FY 83

01-1136 (7/81)

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

FISCAL NOTE

I. REQUEST

Bill/Resolution No. None assigned at present

Title Amendment to Sect. 1 AS 23.40.200 (b)

Requested by Division of Emergency Services Date 03 Dec 1981

II. FISCAL DETAIL

Agency Affected Division of Emergency Services, Department of Military Affairs

Program Category Affected Life and Property Protection

BRU, Program, or Subprogram(s) Affected Disaster Planning and Control

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

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

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

This legislation is an amendment to existing statute Sect. 1 AS 23.40.200 (b).

The designation of Division of Emergency Services personnel as emergency services employees under the Public Employment Relations Act would assure the continuation of services assigned to the Alaska Division of Emergency Services (ADES) during any labor unrest or strike situation.

These assigned duties include 24 hour ADES duty officers, statewide warning (24 hour) system, disaster response and recovery and other related actions made necessary by natural or man caused emergencies or disasters. The impact on the citizens of Alaska could be an increase in loss of life and property damage if adequate and timely response is not available during disaster situations.

Enactment of this legislation will not result in an increase of funding currently authorized for the Division of Emergency Services.

IV. DATE 03 Dec 1981 PREPARED BY Lloyd D. Turner, Deputy Director

AGENCY Division of Emergency Services

PHONE 376-3061

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/80)

Bill No. Senate Bill No. 653

Date January 21, 1982

Title "An Act relating to emergency services employees under the Public Employment Relations Act; and providing for an effective date."

Contact: Judy Knight
465-2700
Dale Cheek
465-4870

Section 1. The amendment to AS 23.40.200(b) adds the Department of Military Affairs' emergency services employees to the list of those public employees who are prohibited from striking.

This amendment has no programmatic effect on the Department of Labor, as the Labor Relations Agency for political subdivisions of the state, because Department of Military Affairs' emergency services employees are state employees.

The department supports this amendment.

POSITION PAPER/Department of Labor

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 11, 1982

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

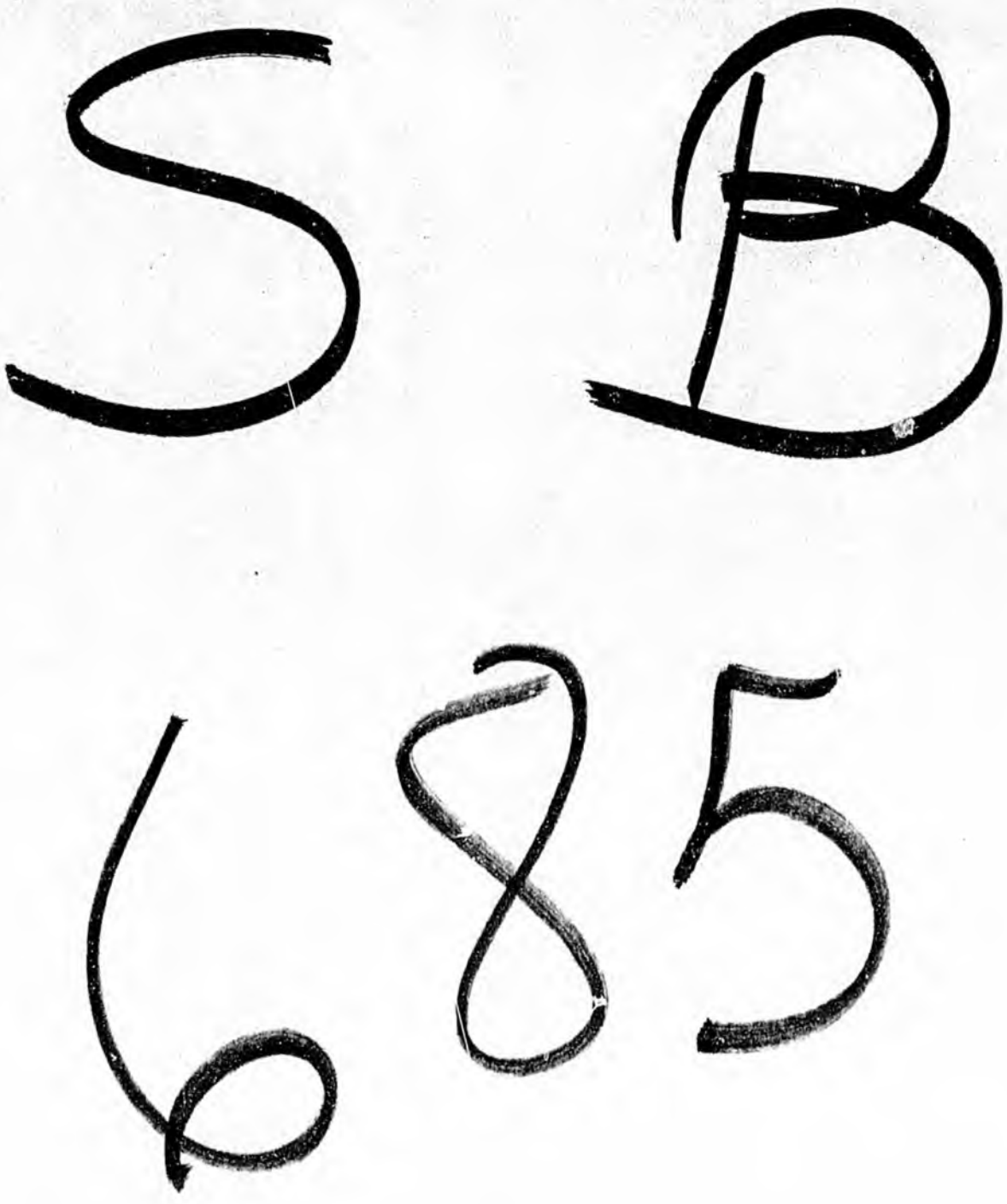
Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill which would prohibit strikes by employees of the division of emergency services of the Department of Military Affairs. This amendment to AS 23.40.200(b) would put those employees in the same category as police, fire, correctional, and hospital employees. It is necessary for the people of the state to be assured that these employees will be on the job, especially in times of emergency.

Sincerely,

Jay S. Hammond
Governor

Enactment of this legislation will not result in an increase of funding currently authorized for the Division of Emergency Services.


SB
685

MEMORANDUM State of Alaska

TO: Senator Victor Fisher

DATE: April 16, 1982

FILE NO:

TELEPHONE NO:

FROM: Dana Fabe
Public Defender

SUBJECT: SSSB 685

Thank you for inviting me to comment on the sponsor substitute for Senate Bill No. 685, "An Act relating to unlawful conduct of minors." Our agency is appointed to represent juvenile offenders who cannot afford to retain an attorney. It is my personal opinion that the bill has a number of problems.

The statutory scheme for juvenile offenders now provides that where the court finds any juvenile offender to be untreatable, juvenile jurisdiction may be "waived" and the offender tried as an adult. SSSB 685 would change the law to automatically waive juvenile jurisdiction for all children 16 or over who have been charged with Class A or unclassified felonies. The bill further provides that if the child wishes to petition the court to retain juvenile jurisdiction over him, he may do so but the burden of proving amenability to treatment is his. I see the following problems with this approach:

1. Shift of focus from treatability of offender. The presumptive sentencing provisions of the adult criminal code focus the court's attention almost entirely on the circumstances of the offense rather than the offender. Such factors as the defendant's age, his family background, any drug or alcohol problems which he might have, and his attitude towards treatment and rehabilitation are ignored by the presumptive sentencing provisions of the adult criminal code. These factors are routinely focused upon in the juvenile justice system. It would appear that if there is any place in the system that the rehabilitation of the individual offenders should be emphasized it is in the juvenile justice system.

Many of our juvenile clients have been physically and psychologically abused by their parents. Many have drug and alcohol problems. Many are simply immature and unduly subject to peer pressure. These factors are not recognized as mitigating factors for sentencing under the adult criminal code. Yet, they may be the primary motivators for an offense such as robbing a liquor store in order to obtain alcohol. Thus, my first problem with this bill is that it would radically shift the focus from treating juveniles and preventing them from re-entering the system, to punishing them as adults without concern for the motivating factors behind the offense or amenability to treatment.

2. Increased jail sentences. The adult criminal code establishes severe sentences of presumptive or mandatory incarceration for many persons convicted of Class A or unclassified felonies. A 16 year old who robs a liquor store in order to obtain alcohol and has a firearm in his possession would receive a mandatory presumptive term of six (6) years without the possibility of parole under the adult criminal code.

The bill provides that that 16 year old would remain in a juvenile institution for a period before being transferred at the age of 19 to an adult penetentiary. This sentencing scheme would certainly alter the current treatment emphasis at a juvenile facility such as McLaughlin. Persons with lengthy periods of incarceration would be mixed with juvenile runaways and other kids who do not have serious problems.

Furthermore, a 19 year old youth who is transferred into an adult correctional facility and incarcerated with adult offenders may find himself abused physically and pyscholo-gically by the adult inmates. In my opinion, incarceration of youthful offenders who committed crimes as juveniles with adults would be counter-productive to the goals of rehabilitation and reducing recidivision.

3. Waiver hearings -- increased court time. Because this bill sets up a procedure by which any juvenile may challenge his being waived into adult court, the number of waiver hearings are going to increase drastically.

As the law presently stands, professionals from the juve-nile intake division and Health and Social Services make a screening determination regarding whether a child is a serious enough offender to be waived into adult court. The primary focus is his amenability to treatment. Waiver hearings are held in the cases where those professionals feel that a juvenile is not amenable to treatment. The revised law will necessitate waiver hearings in virtually every case.

A defense attorney who represents a 16 year old charged with a serious felony will most certainly have to challenge the waiver into adult court in order to effectively represent his client and protect his client's exposure. If the presumptive waiver procedure were not challenged, and the child were later incarcerated for a lengthy period of time, post-conviction relief actions regarding the effec-tiveness of counsel would certainly result, taking up the time of the appellate courts. Waiver hearings would probably involve psychiatric testimony and testimony of family and friends of the juvenile. These hearings would

be time consuming, would occur in almost all cases, and would often result in appeals. This is not an obstructionist view of the system; it is a realistic one, since post-conviction relief challenges on the effectiveness of counsel would certainly result where no attempt was made to keep the child within the juvenile justice system.

The courts do waive juvenile offenders who are not amenable to treatment under the present law. For example, I represented a client charged with killing two taxi drivers who was waived into adult court in a summary fashion based on his prior contact with the juvenile justice system and the nature of the offense. See: J.R. v. State, 616 P.2d 865 (Alaska 1980). This is not an isolated case. See e.g. N.P.A. v. State, 604 P.2d 599 (Alaska 1980). If the legislature wishes to waive more juvenile offenders into the adult court system, changes should be made in the waiver standards, perhaps to make it easier to waive a 16 year old charged with Class A or unclassified felony into adult court.

Again, I appreciate your asking my opinion on this very important matter. If I can answer questions about the specific workings of our office, particularly in terms of juvenile offenders, please do not hesitate to call me.

SUMMARY OF SSSB 685

There are three separate and distinct concerns addressed by this legislation; 1.) the prosecution of certain minors in adult criminal court, 2.) the disclosure of the final disposition of cases involving minors to victims and 3.) adjusting the maximum allowable recovery amount to victims of juveniles who destroy property.

*Sec. 1. provides that juveniles convicted in adult court may be sentenced to juvenile facilities until age 19. Further provides that the juvenile may be transfered to an adult facility at age 19 if more than one year remains for the term of imprisonment.

*Sec. 2. allows victims of juveniles to know the disposition of cases informally adjusted.

*Sec. 3. repeals and reenacts the provisions relating to waiver of juvenile jurisdiction. Provides that minors 16 years or older shall be tried as adults for unclassified and Class A felonies in addition to the waiver standards in current law.

*Sec. 4. provides method for juveniles waived under 47.10.060(a)(1) to petition the court to reopen the case as a juvenile proceeding.

*Sec. 5. provides that victims may know the disposition of cases adjudicated under juvenile hearings.

*Sec. 6. allows information discussed in Sections 2, 5, and 7 to be released.

*Sec. 7. provides that victims may know the dispositon of juvenile detention hearings.

*Sec. 8. raises the recoverable amount from $2000 to $5000 in civil actions against parents of minors who destroy property.

*Sec. 9. sets out exemptions for parents of emancipated minors or minors not under parental control from provisions of Section 8. Also allows for civil recovery from emancipated juveniles.

CLASSIFICATION OF OFFENSES IN REVISED CRIMINAL CODE

UNCLASSIFIED FELONIES

Murder in the First Degree
AS 11.41.100
20-99 years

Murder in the Second Degree
AS 11.41.110
5-99 years

Kidnapping
AS 11.41.300
5-99 years

CLASS A FELONIES

Attempted Murder or Kidnapping
AS 11.31.100(d)(1)

Solicitation of Murder or Kidnapping
AS 11.31.110(c)(1)

Manslaughter
AS 11.41.120

Assault I
AS 11.41.200

Sexual Assault I
AS 11.41.410

Robbery I
AS 11.41.500

Arson I
AS 11.46.400

Escape I
AS 11.56.300

Criminal Possession of Explosives with Intent to Commit Murder or Kidnapping
AS 11.61.240(b)(1

* SECTION 8

PERCENT CHANGE IN CONSUMER PRICE INDEX

	Year Average	Dec.- to Dec.		Year Average	Dec.- to Dec.
1970	5.9%	5.5%	1976	5.8%	4.8%
1971	4.3%	3.4%	1977	6.5%	6.8%
1972	3.3%	3.4%	1978	7.7%	9.0%
1973	6.2%	8.8%	1979	11.3%	13.3%
1974	11.0%	12.2%	1980 est	13.4%	12.5%
1975	9.1%	7.0%	1981 est	10.0%	10.5%

The original limit ($2000) was adopted in 1967. The cumulative rate of inflation since that time exceeds 100 %. In order, therefore, to reflect the value of 1967 dollars the limitation should be approximately doubled. The proposed amendment to $5000 anticipates a continued decline in the value of dollars in the future.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

ALASKA CHAPTER

NATIONAL ASSOCIATION OF SOCIAL WORKERS, INC.

P.O. BOX 10430
FAIRBANKS, ALASKA 99701
907 - 456 - 5914

April 13, 1982

Senator Vic Fischer
Chairman- State Affairs Committee
Juneau, Ak. 99811

Dear Senator Fischer:

The Alaska Chapter of the National Association of Social Workers believes the community is adequately protected by a juvenile court which is empowered to waive a hardened juvenile offender to adult court. Rather than binding all juveniles accused of Class A felonies over to adult court, the statute should be amended to provide clearer direction as to when such waivers should occur. The Alaska Chapter of NASW opposes SB 685 on the basis that a less cumbersome remedy to the problem of protecting the public from hardened juvenile offenders is in order.

We support that section of the bill which would disclose information concerning the disposition of the case to the victim of the juvenile crime committed. However, we oppose the release of the names of juvenile offenders to the victim on the basis that juvenile offenders should be provided with the maximum opportunity for rehabilitation and a chance to start over again.

If SB 685 in its present form is passed or similar legislation, we strongly recommend that juvenile offenders be sent to juvenile institutions rather than being incarcerated with adult offenders because of the potential for them to be sexually or physically abused.

We also recommend that Section 47.10.060 be amended by adding the consideration in the judge the best interests of the minor.

Finally, we strongly oppose the piecemeal approach in changing juvenile laws and recommend the reconstruction of a juvenile task force to take a comprehensive look at juvenile law and recommend changes to the legislative body.

Sincerely,

Marilyn Schneider, MSW
Executive Director
Alaska Chapter - National Association of Social Workers

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

LANGDON PSYCHIATRIC CORPORATION
A PROFESSIONAL CORPORATION

PSYCHIATRY
ARON S. WOLF, M.D., F.A.P.A.
JAMES McGUIRE, M.D.
JERRY SCHRADER, M.D.
CLINICAL PSYCHOLOGY
JAMES HARPER, Ph.D.
BRUCE N. SMITH, Ph.D.
PSYCHIATRIC SOCIAL WORK
NICKI J. NIELSEN, M.S.W., A.C.S.W.
HELEN CRAIG, M.S.W., A.C.S.W.
DONALD SPARROW, M.S.W., A.C.S.W.
RANDALL JONES, M.A.
ELIZABETH ROBINSON, M.S.W., A.C.S.W.
READING THERAPY
TROY SULLIVAN, Ed.D.

Anchorage Office
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Anchorage, Alaska 99504
(907) 279-0461

Valley Office
Wasilla Village Center
Suite 202
Wasilla, Alaska 99687
MAILING ADDRESS:
P. O. Box 540
(907) 376-2447

April 13, 1982

Senator Vic Fischer
Senate State Affairs
Pouch V
Juneau, AK 99811

Dear Senator Fischer:

We the undersigned urge you to oppose passage of Senate Bill 685 which addresses the issue of treating juveniles as adults in the criminal system.

In reality, juveniles can be waived into the adult system under the present statute at the discretion of the judge. Rather than instituting new statutes to solve the problem, it may be more worthwhile re-evaluating the way the present law is used. This is where the changes should occur.

Thank you for your consideration of this matter.

Sincerely,

Elizabeth Robinson, A.C.S.W.

Jerry L. Schrader, M.D.

Aron S. Wolf, M.D., F.A.P.A.

Helen Craig, M.S.W., A.C.S.W.

Bruce N. Smith, Ph.D.

Troy Sullivan, Ed.D.

Nicki J. Nielsen, M.S.W., A.C.S.W.

Donald L. Sparrow, M.S.W., A.C.S.W.

Randall Jones, M.A.

James R. McGuire, M.D.

James F. Harper, Ph.D.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill No. 685
Title "An Act relating to unlawful conduct of minors."
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Department of Public Safety
Program Category Affected Administration of Justice/Public Protection
BRU, Program, Or Subprogram(s) Affected Alaska State Troopers
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

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

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

No fiscal impact is anticipated.

IV. DATE February 3, 1982 PREPARED BY Francis C. Allan
AGENCY Department of Public Safety
PHONE 269-5691

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

33-001 (Rev. 12/81)

April 13, 1982

Senate State Affairs Committee
Senator Vic Fisher, Chairman,
Pouch V
Juneau, AK 99811

Cecilia Kleinkauf
4201 McInnes
Anchorage, AK

Dear Senator Fisher and Members of the Senate State Affairs Committee:

I am writing to express my concerns about Sponsor Substitute for SB 685 which is now before you. This legislation proposes changes in present state law relating to the court's jurisdiction over minors who are charged with certain crimes. At present, the statutes provide that any minor regardless of the crime he/she has committed, is dealt with by the juvenile court unless a hearing determines that the minor should be prosecuted as an adult. In that event, the court "waives" jurisdiction of the juvenile over to the adult courts. In my opion, present statutes provide adequately for the protection of both the juvenile and society, and do not need to be changed.

Section 3 of Sponsor Substitute for SB 685 changes the present statute to provide an automatic waiver to adult court for juveniles accused of certain felonies without a hearing. Section 4 provides for hearing only upon petition by the juvenile within 10 days of the waiver. The hearing is not automatic and requires that a juvenile have legal counsel in order to assure he/she can take advantage of this provision. I have great concern that the juvenile's right to an attorney under juvenile statutes will expire under the present version of the bill, and also that a public defender might not yet be appointed, leaving the juvenile without legal representation during the short, 10-day period during which he/she can petition for a hearing.

Should the juvenile secure a hearing under Section 4, the considerations of the court do not include a requirement to consider the best interests of a minor -- an amendment I believe should be made to Section 4.

Sections 5 and 6 of the Bill provide for information to the victim of the crime, which should not include release of the name of the juvenile, in my opinion. Section 6 appears to repeal that protection and I oppose it.

If, in the legislature's wisdom, it believes this legislation is needed, then at all costs I urge you to see to it that juveniles are not confined in adult prisons -- where research has confirmed they become immediate victims of homosexual rape. Sponsor Substitute for SB 685 does provide in Section 1 that a juvenile waived to adult court shall be confined in a juvenile facility until reaching the age of majority. If you approve this Bill, please retain that section and make it mandatory for the court, not discretionary.

If the legislature believes that present children's statutes need to be amended, then I suggest a more thoughtful and comprehensive approach. In 1975 and 1976 when reform of children's law was deemed necessary, the legislature established the Children's Code Task Force to review those statutes, study other State's laws and recommend coordinated and comprehensive revisions. I had the privilege to be a member of that Task Force and believe it to be a rational and progressive method of statute review which has obvious advantages over a piecemeal approach. I urge you to consider establishing a similar commission or task force to recommend needed statute changes to the legislature. The issues addressed in Sponsor Substitute for SB 685, together with other issues legislators believe need attention, could be assigned to such a task force with requirements for a report to the First Session of the 13th Alaska Legislature.

In closing, may I reiterate that the very small number of juveniles represented by this legislation and the adequacy of present statutes for dealing with these cases in my opinion make this legislation unnecessary.

Sincerely,

Cecilia Kleinkauf

Cecilia Kleinkauf, MSW, ACSW
Associate Professor
Chair, Social Work Department
University of Alaska

CK:jf

cc: Senator Rodey

NASW POSITION PAPER

Anchorage Unit of the Alaska Chapter of the National Association of Social Workers was actively involved in the 1975-76 Children's Code Task Force and continues its strong interest in the area of children and the law.

The Anchorage Unit of NASW wants to repeat the Chapter's position on the prosecution of juveniles, which is that the community can be adequately protected and juvenile crime addressed by a juvenile court which is empowered to waive a hardened juvenile offender to adult court and when the juvenile court has clear direction from the statutes when such waivers should occur.

Sponsor Substitute for SB 585 addresses the concerns that juveniles not be held in adult court for every offense; however, the Anchorage Unit believes that the proposed legislations indulges in "overkill." Very few children would be affected by SSSB 585. The justice system should be asked to provide accurate statistics, but it is our sense that the numbers of children involved are very low. With so few children involved, we feel that the present statute should adequately allow the court system to address the few cases that this bill seems concerned with.

Additionally, the philosophy of the juvenile court has been to allow for some deviance and experimentation on the part of young people before they assume adult responsibilities. While there may be some justification for propelling a very few juveniles into adult status, we believe that this should be done only after careful, individual attention is given to such a case. An automatic waiver is not in the best interests of the community.

Finally, we suggest that the time has come for a reactivation of a Children's Code Task Force by the Legislature, in order to effect a comprehensive, systematic examination and possible revision of laws affecting children in this state.

L Worley for Elizabeth M. Robinson

Elizabeth M. Robinson, ACSW
Co-Chair, Anchorage Unit
South Central Representative, State Board
National Association of Social Workers

2061 Cliffside Drive
Anchorage, AK 99501
907-279-8873

MSG 82-00020776 PRTY 1 04/13/82 17:44:04 ORIG: LA01 IN= 0006 OUT= 01
FROM: CINDY, ANCH TO: JNU INFO
TARGET: LJH2 SUBJ: POM PAGE 0(

TO: SENATOR FISCHER

FROM: LIANNE WESLEY, P.O. BOX 1251, ANCH. 99510 349-1478 HM

URGE THAT YOU REJECT SSSB 685. THE PRESENT STATUTE IS ADEQUATE TO DE
WITH MINORS WHO SHOULD BE BOUND OVER TO ADULT COURT. SENDING JUVENILES TO
ADULT JAILS DOES NOT PROTECT THE COMMUNITY OR THE JUVENILES. URGE YOU REC
A JUVENILE JUSTICE TASK FORCE.

MSG 82-00020799 PRTY 1 04/13/82 18:05:34 ORIG: LA02 IN= 0017 OUT= 0136
FROM: CHERYL/ANCH TO: JNU INFO
TARGET: LJH2 SUBJ: POM PAGE 0001

TO: SENATORS FISCHER, COLLETTA, BRADLEY, ELIASON, STIMSON

FROM: FRED BECKER
3601 E 15TH
ANCHROAGE AK 99504 272-9957

Fingerprint

I SUPPORT SB 688 AND VERY SINCERELY HOPE THAT YOU DISTINGUISHED GENTLEMEN DO SO ALSO.

FROM: RONALD IRVINE, 926 W. 26TH APT 202, ANCH. 99503 279-4422 EX 210

I FULLY SUPPORT HB 344 AND WISH YOU LUCK ON GETTING IT PASSED.

FROM: BARBARA MC CULLOUGH, 30-330 A CHERRY DR., ELMENDORF A.F.B. 99506
279-4422 EX 210

I FULLY SUPPORT HB 344. I AM A VICTIM OF RAPE AND EVEN THOUGH I WAS ABLE TO IDENTIFY THE ASSAILANT, HE WAS NOT APPREHENDED DUE TO A LACK OF INTEREST FROM THE STATE POLICE.

FROM: HELEN ORMSBY, 2921 MEADOWCREEK DR., EAGLE RIVER, 99577 694-2823

SSSB 685

THE PRESENT STATUTES REGARDING JUVENILE OFFENDERS ARE ADEQUATE. JUVENIL CAN ABE WAIVED TO CRIMINAL COURT BY THE JUDGE AFTER A HEARING. PLEASE DO NOT AUTOMATICALLY TURN CHILDREN OVER TO THE ADULT COURT WITHOUT A HEARING. I URG YOU TO VOTE AGAINST THIS BILL.

N file

MSG 82-00019442 PRTY 1 04/06/82 17:34:31 ORIG: LA01 IN= 0006 OUT= 011
FROM: CINDY, ANCH TO: JNU INFO
TARGET: LJH2 SUBJ: POM
PAGE 000

TO: SENATORS FISCHER, COLLETTA, ELIASON, BRADLEY, RODEY, STIMSON, BENNETT
PARR, AND RAY

FROM: ROBERT SYTHE, SRA BOX 37, ANCH. 99507 344-1735 HM

PLEASE DO NOT SUPPORT SB 685. THE IMPACT OF PROSCUTING ALL JUVENILE OFFENDERS, AGE 16 AND OLDER, IN THE ADULT CRIMINAL JUSTICE SYSTEM HAS NOT BEEN ADQUATELY EXPLORED.

MSG 82-00015389 PRTY 1 03/19/82 15:17:59 ORIG: LA02 IN= 0002 OUT= 0077
FROM: JEAN, ANCH INFO TO: POM, JUNEAU INFO
TARGET: LJH2 SUBJ: POM PAGE 0003

TO: SENATORS FISCHER AND RODEY

FROM MIRIAM NERZ
1340 E. 12TH
ANCHORAGE 99501 (H) 279-6287

I DO NOT SUPPORT SB 685. PLEASE STRENGTHEN CURRENT WAIVER SYSTEM FOR TRYING JUVENILES.

MSG 82-00020905 PRTY 1 04/14/82 11:13:17 ORIG: LF00 IN= 0004 OUT= 0048
FROM: DEBBIE/FBX TO: JUNO INFO
TARGET: LJH2 SUBJ: POMS

TO: SEN. FISCHER

FR: TIM BUTLER, REGIONAL CENTER FOR ALCOHOL AND OTHER ADDITIONS
333 DUNBAR APT. A , FAIRBANKS, AK 99701 H. 456-2088 W. 452-6411

RE: SB 685

MS. PLEASE NOTE MY OPPOSITION TO PASSAGE OF THIS BILL.

FR: FLOY ANN MAC RHEE, SR BOX 40591, FAIRBANKS, AK 99701 H. 452-3968 W.452-184

MS. I OPPOSE SB 685

EOM

MSG 82-00020905 PRTY 1 04/14/82 11:13:17 ORIG: LF00 IN= 0004 OUT= 0048
FROM: DEBBIE/FBX TO: JUNO INFO
TARGET: LJH2 SUBJ: POMS

TO: SEN. FISCHER, COLLETTA, BRADLEY, ELIASON, STIMSON

FR: JERRY W. CALDWELL, 4371-R 9TH STREET, FT. WAINWRIGHT, AK 99703
356-1061 W. 353-1212

RE: SB 685

MS. I WISH TO OPPOSE THE PASSAGE OF SB 685 BECAUSE IT WOULD TAKE AWAY THE LEEWAY OF AN INFORMED JUDGE TO DECIDE WHETHER A PARTICULAR JUVENILE SHOULD BE REMANDED TO ADULT COURT. THE LAW AS IT STANDS SEEMS TO ALREADY ALLOW FOR SELECTIONS WAITING FOR JUVENILE PROSECUTION.

----------EOM

MSG 82-00015016 PRTY 1 03/18/82 14:00:34 ORIG: LA00 IN= 0007 OUT= 0093
FROM: EFFIE TO: JNU INFO
TARGET: LJH2 SUBJ: P.O.M. PAGE 0002

TO: SENATORS BENNETT, BRADLEY, COLLETTA, ELIASON, FISCHER
PARR, RAY, RODEY, STIMSON

FR: PAMELA MONTGOMERY, SRA BOX 37, ANCHORAGE 99507 344-1735

DO NOT SUPPORT SB 495. THE IMPACT OF PROSECUTING ALL OLDER TEENAGERS IN THE ADULT JUDICIAL SYSTEM HAS NOT BEEN ADEQUATELY EXPLORED.

MSG #2-00015053 PRTY 1 03/18/82 15:13:37 ORIG: LA00 IN= 0011 OUT= 0110
FROM: CAROL, ANCH. TO: JUNEAU INFO
TARGET: LJH2 SUBJ: POM

TO: SEN. VIC FISCHER

FROM: MICHAEL DONAHUE
838 W. 23RD AVENUE
ANCHORAGE 99503 (H) 276-2259 (W) 277-0533

RE: SB 685

PLEASE, WE DO NOT WANT ACROSS THE BOARD TREATMENT OF JUVENILES AS ADULTS UNDER SB 685. THE CURRENT WAIVER SYSTEM IS A GOOD SYSTEM - 16 YEAR OLDS SHOULD BE INDIVIDUALLY SCREENED FOR AMENABILITY FOR TREATMENT. NOT ACCEPTABLE IS TREATMENT OF ALL AS ADULTS.

MSG 82-00015053 PRTY 1 03/10/82 15:13:37 ORIG: LA00 IN= 0011 OUT= 0110
FROM: CAROL, ANCH. TO: JUNEAU INFO
TARGET: LJH2 SUBJ: POM PAGE 0002

TO: SENATORS FISCHER AND RODEY

FROM: CAROL HOGGINS WOLFE
PO BOX 1535
PALMER 99645 (H) 688-3882 (W) 279-0551

RE: SB 685

I DO NOT SUPPORT SB 685. PLEASE UTILIZE CURRENT WAIVER SYSTEM.

POSITION PAPER/Department of Health & Social Services

POSITION PAPER
SPONSOR SUBSTITUTE FOR SENATE BILL NO. 685

"An Act relating to unlawful conduct of minors."

Sponsor Substitute for Senate Bill No. 685 would add additional provisions to AS 12.55, AS 47.10, and AS 34.50. The amendments can be organized into the following topic areas. Section 3 of the act amends AS 47.10 to require the court to order a children's proceeding closed and jurisdiction over a minor waived if the court finds that there is probable cause for believing that the minor is 16 years of age or older and delinquent because he committed an unclassified or Class A felony. Section 4 further amends AS 47.10 to allow a minor, if a case is closed, to petition the court within 10 days to reopen the case and to require the court to grant the petition if it finds by a preponderance of the evidence that the interests of justice would be best served if the minor is not prosecuted as an adult. Section 1 of Sponsor Substitute for Senate Bill No. 685 amends AS 12.55 to require the court to order a minor defendant waiver under AS 47.10.060 to be confined in an institution designated by the Department of Health and Social Services for offenders under age 18 years of age and to be transferred to an adult correctional facility when the defendant reaches 19 years of age if more than one year remains of the offender's term of imprisonment. Sections 2, 5, 6, and 7 of Sponsor Substitute for Senate Bill No. 685 would require that the court disclose to the victim of a minor the manner in which the court informally or formally disposed of a matter concerning the minor and the results of any hearing held to determine the need to detain the minor. In addition, the parents, guardians, and other immediate members of the victim's family would be entitled to receive the same information from the court. Finally, Section 8 of Senate Bill No. 685 would amend AS 34.50 by raising from $2,000 to $5,000 the amount of damages which may be recovered in a civil action from the parents or legal guardian of a minor who destroys real or personal property. In addition, Section 8 of the Bill provides for civil action to be brought against an emancipated minor to recover damages caused by the minor and relieving the parents or legal guardian of the minor from legal responsibility for those damages.

The affect of Section 3 [AS 47.10.060(a)] contained in Sponsor Substitute for Senate Bill No. 685 would be an increase in the number of juveniles subject to prosecution under the adult criminal statutes and an increased liability of juveniles so convicted to sanctions which are more severe, both in nature and duration, than those to which they would have been liable under the juvenile code. Thus, the focus in dealing with older juveniles accused of serious violent crimes would be primarily upon increasing the accountability of the offender for his actions. The Department supports this change in focus, as under present law, the accountability of older, violent juvenile offenders is insufficient and the ability of the Department to provide rehabilitation of an adequate duration is too severely restricted. In addition, the Department supports Section 4 [AS 47 10.060 (f)] which allows some flexibility for unusual cases by providing the youthful offender a period of 10 days to request a "transfer back" of the case from the adult court to the juvenile court.

Section 1 (AS 12.55.015) of Sponsor Substitute for Senate Bill No. 685 which requires the court to order waived juveniles to serve their terms of imprisonment in juvenile correctional facilities until the offender reaches the age of 19 is generally supported by the Department. However, the Department would recommend that (d)(2), Line 16 of this section be amended to change the age from 19 to 18.

This change would make the age in this section consistent with the age of majority. An analysis of the most recent available arrest data indicates that an estimated 28 juvenile offenders would have been subjected to prosecution as adults during CY 1981 as a result of the waiver of jurisdiction provisions in Sponsor Substitute for Senate Bill No. 685. If Section 1, Line 16, is not amended to reduce the age from 19 to 18, this Bill will result in a substantial fiscal impact to the juvenile corrections system. It is estimated by analyzing adult sentencing data, as well as data on length of time served, that the Division will need to add 10 new beds to the McLaughlin Youth Center's Closed Treatment Unit to house 18 and 19 year old sentenced offenders.

Sections 2, 5, 6, and 7 of Sponsor Substitute for Senate Bill No. 685 would amend AS 47.10 to mandate the disclosure of information about informal or formal children's proceedings concerning minors to the victims of offenses committed by those minors. This would alter present law which prohibits any such disclosure without specific order of the court. This provision would infuse clarity and uniformity into the matter of disclosure of information to victims which is presently treated variously by courts in the four judicial districts depending upon the differing circumstances of each specific case. The Department is supportive of the concept of informing the victim of an offense of the outcome, either formal or informal, of court proceedings concerning delinquent minors. The Department believes that the provisions contained in Sponsor Substitute for Senate Bill No. 685 would accomplish this purpose satisfactorily.

Sections 8 and 9 of Sponsor Substitute for Senate Bill No. 685 which increases the civil monetary liability of parents for property damage caused by their minor children and which render an emancipated minor civilly liable for his actions are supported by the Department as a means of insuring that innocent victims do not suffer a loss when payment of restitution by a minor is not feasible or forthcoming.

In summary, the Department supports Sections 2 through 9 of Sponsor Substitute for Senate Bill No. 685. In addition, the Department supports Section 1 of Sponsor Substitute for Senate Bill No. 685, but recommends amending (d)(2), Line 16, by changing the age from 19 to 18.

RECOMMENDED BY: John R. Pugh

John R. Pugh, Director
Division of Family and
Youth Services

DATE: 4/15/82

APPROVED BY: Helen D. Beirne

Helen D. Beirne
Commissioner

DATE: 4-20-82

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Sponsor Substitute for Senate Bill No. 685
Title "An Act relating to unlawful conduct of minors."
Requested by Senate Judiciary Date April 12, 1982

II. FISCAL DETAIL
Agency Affected Health and Social Services
Program Category Affected Offender Confinement, Reformation, & Supervision
BRU, Program, Or Subprogram(s) Affected Adult Confinement; Youth Services
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES			352.2	666.4	713.0	762.9
200 TRAVEL			4.0	10.4	11.3	12.4
300 CONTRACTUAL			45.9	121.1	132.0	143.9
400 COMMODITIES			30.1	97.0	105.7	115.2
500 EQUIPMENT			3.2	5.6	-	-
600 LAND & STRUCTURES		2,818.0				
700 GRANTS,CLAIMS,ETC.			38.6	68.5	74.7	81.4
TOTAL	- 0 -	2,818.0	474.0	969.0	1,036.7	1,115.8

FUNDING (Thousands of Dollars)

GENERAL FUND	- 0 -	2,818.0	474.0	969.0	1,036.7	1,115.8
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME	- 0 -	- 0 -	8	15	15	15
PART TIME						
TEMPORARY						

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

A. Enactment of Sponsor Substitute for Senate Bill No. 685 will have a fiscal impact on both Youth Services within the Division of Family and Youth Services and Adult Confinement within the Division of Adult Corrections. Since the new language would treat individuals sixteen years and older as adults for unclassified and class A felonies, the time served by convicted sixteen and seventeen year-olds would increase substantially.

It is the estimate of the Department of Health and Social Services that ultimately an additional 42 beds will be needed to care for this group of individuals in a secure setting. Detail of this estimate follows.

Roger C. Lange

IV. DATE April 15, 1982 PREPARED BY Roger C. Lange
AGENCY Division of Adult Corrections
PHONE 465-3376

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

fcc

33-001 (Rev. 12/81)

B. Youth Services Impact

Enactment of this bill would require the construction of a 10-bed brick and steel addition to the McLaughlin Youth Center. Construction should be completed for opening in FY 1984. The unit would be separated from other units of the detention center so that the older inmates could be separate from the younger, less sophisticated offenders.

Eight additional staff would be required to supervise this unit: 2 Youth Counselors III and 6 Youth Counselors II.

Costs

1) Capital Expenditure - FY 1983
10 beds @ approximately $130,000 per bed.
10 x $130,000 = $1,300,000

2) Operating Expenditures - Begin FY 1984

Personal Services	$ 352,200
Travel	4,000
Contractual Services	45,900
Commodities	30,100
Equipment	3,200
Benefits to Individuals	38,600
Total	$ 474,000

C. Adult Confinement

It is assumed that no appreciable bed impact will be experienced by the Division of Adult Corrections until FY 1985. This is based on the assumption that the average age of offenders affected by this legislation will be 17 years, and will serve one year in a juvenile facility prior to transfer to an adult facility. This fiscal note identifies a need for 22 additional beds, although the legislation will result in 10 additional beds being needed at the rate of 1 bed per year after FY 1987. This is a result of the average period of confinement of 15 years for persons convicted of unclassified felonies.

Based upon arrest data indicating 28 persons 16 and 17 years of age being arrested annually for crimes in the unclassified and Class A felony categories, and using conviction rates and average sentence lengths for adult offenders, the following is predicted:

1) Unclassified Felony

One conviction per year with an average sentence of 15 years to serve (20 years less good time) will require 13 additional beds. It is noted that only 3 of these beds will be required during the period covered by this fiscal note and that is the number requested. The additional 10 beds will have to be considered for capital projects planned for completion after FY 1987, if this proposed legislation is enacted.

2) Class A Felony with Gun

Five convictions per year with one waived to juvenile status and one sentenced so as to serve all time in a juvenile facility. Therefore, it is estimated there will be three individuals who will serve a period of 2.5 years each in an adult facility.

3 x 2.5 = 7.5 person years or beds

3) Class A Felony without Gun

Eight convictions per year with one waived to juvenile status and two sentenced so as to serve all time in a juvenile facility. Therefore, 5 individuals will serve an average of 2.4 years in an adult facility.

5 x 2.4 = 12 person years or beds

4) Total beds required through FY 1987 is 22.

5) Cost Estimates

a) Capital expenditures:

22 beds at $69,000 per bed
22 x $69,000 = $1,518,000

b) Operating expenditures:

It is estimated that 7 positions will be required to provide security and support for these 22 beds: 1 Correctional Officer III, 5 Correctional Officers II, and 1 Institutional Counselor. Costs for these positions will not occur until FY 1985, the anticipated opening date for the new beds.

FY 1985 Costs

Personal Services	$ 289,500
Travel	6,000
Contractual Services	71,000
Commodities	64,200
Equipment	5,600
Inmate Gratuities	26,400
Total	$ 462,700

Inflation of 7% for Personal Services and 9% for all other expenditure object groups was assumed when calculating subsequent fiscal years.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K–STATE CAPITOL
JUNEAU, ALASKA 99811

April 19, 1982

Nancy Grozek, Aide
Senator Fischer's Office
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Ms. Grozek:

I discussed with the Attorney General my testifying for the Department of Law on SB 685. We both agreed that my testimony would be redundant as Barry Stern can speak for the Department of Law while John Pugh would be able to present statistical information.

I'm sorry that I cannot be of more direct assistance at this time.

Sincerely,

WILSON L. CONDON
ATTORNEY GENERAL

By: Elizabeth L. Shaw
Elizabeth L. Shaw
Assistant Attorney General

WLC:ELS:vrb

03-C5LH

Page 3, Line 15

Insert after "felony" and before ";" the following: "however, the court may retain jurisdiction if the court finds by a preponderance of the evidence that the interests of justice would be best served if the minor is not prosecuted as an adult."

Lear
4/22/82

Original sponsors: Rodey, Bradley, Dankworth, et al

IN THE SENATE BY THE STATE AFFAIRS COMMITTEE

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 685 (State Affairs)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to unlawful conduct of minors."

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

Section 1. AS 12.55.015 is amended by adding a new subsection to read:

(d) If the court sentences a defendant to a term of imprisonment and the defendant is a minor over whom children's court jurisdiction is waived under AS 47.10.060, the court shall

(1) order that the defendant be confined in an institution designated by the Department of Health and Social Services for offenders under 18 years of age; and

(2) order that the defendant be transferred to an adult correctional facility when the defendant reaches 19 years of age if more than one year then remains of the defendant's term of imprisonment.

{Minor Sentenced as an Adult Can be Placed in Juvenile Institution}

* Sec. 2. AS 34.50.020(a) is amended to read:

(a) Except as provided in (e) of this section, a [A] person, municipal corporation, association, village, school district or religious or charitable organization, incorporated or unincorporated, may recover damages in a civil action in an amount not to exceed $5,000 [$2,000] and court costs, from either parent or both parents or the legal guardian or person having the legal custody of an unemancipated minor under the age of 18 years, who maliciously or wilfully destroys real or personal property belonging to the person, municipal corporation, association, village, school district or religious or charitable organization.

* Sec. 3. AS 34.50.020 is amended by adding new subsections to read:

(c) For the purposes of this section a minor is considered emanci-

pated and a parent or legal guardian or person having legal custody is not liable for property damage caused by the minor if the court determines that

(1) the disabilities of minority have been removed under AS 09.55.590;

(2) the minor is a resident of the state, is at least 16 years of age, is living separate and apart from the minor's parents or legal guardian or person having legal custody, and is capable of self-support and of managing personal financial affairs; or

(3) the minor is living separate and apart from the minor's parents or legal guardian or person having legal custody and engages in conduct that results in a judgment under AS 47.10.080(a) that the minor is a delinquent minor and that also is the basis for a civil action for damages to property under this section.

(d) If the court determines that a minor is emancipated under (c) of this section, the minor may be sued in a civil action for injuries caused by the minor as if the minor were an adult.

(e) The provisions of (a) of this section do not apply to destruction of property by an unemancipated minor under the age of 18 years who maliciously or wilfully destroys property at the time the minor is a ward of the state under AS 47.10.080(f).

* Sec. 4. AS 47.10.020(a) is amended to read:

(a) Whenever a person informs the court of the facts which bring a minor within this chapter, the court shall appoint a competent person or agency to make a preliminary inquiry and report for the information of the court to determine whether the interests of the public or of the minor require that further action be taken. Upon the receipt of the report, the court may informally adjust or dispose of the matter without a hearing, or it may authorize the person having knowledge of the facts

of the case to file with the court a petition setting out the facts. Where the court informally adjusts or disposes of the matter, the minor may not be detained or taken into the custody of the court, and the matter shall be closed by the court upon adjustment or disposition. Upon request of the victim or the victim's parent or guardian, the court shall disclose to the victim of the minor or to the victim's parent or guardian the manner in which it informally adjusted or disposed of the matter. The court may not disclose the identity of the minor.

* Sec. 5. AS 47.10.060(a) is repealed and reenacted to read:

(a) The court shall order a case closed and, subject to the provisions of AS 12.55.015(d), the minor may be prosecuted as if the minor were an adult if the court finds at a hearing on a petition

(1) that the minor was 16 years of age or older at the time of the offense and that there is probable cause to believe that the minor has committed an unclassified felony or a class A felony; or

(2) that the minor is not amenable to treatment under this chapter and there is probable cause to believe that the minor is delinquent.

* Sec. 6. AS 47.10.060 is amended by adding a new subsection to read:

(f) If a case is closed under (a)(1) of this section, the minor may petition the court within 10 days to reopen the case. The case shall be reopened if the court finds by a preponderance of the evidence that the interests of justice would be best served if the minor is not prosecuted as an adult. In making this finding, the court shall consider

(1) the criminal and personal history of the minor and the likelihood of rehabilitation;

(2) the seriousness of the minor's present offense in relation to other offenses committed by the minor;

(3) the need to confine the minor to prevent further harm to the public;

(4) the circumstances of the offense and the extent to which the offense harmed a victim or endangered the public safety or order;

(5) the effect of prosecuting the minor as an adult in deterring the minor or other minors from future criminal conduct;

(6) the best interest of the minor.

* Sec. 7. AS 47.10.080(a) is amended to read:

(a) The court, at the conclusion of the hearing, or thereafter as the circumstances of the case may require, shall find and enter a judgment that the minor is or is not a delinquent or a child in need of aid. The court shall disclose the results of the hearing in accordance with AS 47.10.020(a).

* Sec. 8. AS 47.10.090 is amended by adding a new subsection to read:

(d) The provisions of this section prohibiting disclosure of information relating to a minor do not apply to a disclosure to a victim or the victim's parent or guardian under AS 47.10.020(a), 47.10.080(a), and 47.10.140(d).

* Sec. 9. AS 47.10.140(d) is amended to read:

(d) If the court finds that probable cause exists, it shall determine whether the minor should be detained pending the hearing on the petition or released. It may either order the minor held in detention or order the minor [HIM] to be released to the custody of a suitable person pending the hearing on the petition. If the court finds no probable cause, it shall order the minor released and close the case. The court shall disclose the results of the hearing in accordance with AS 47.10.020(a).

Prosecution of Minors -

Heinous -

Disposition of Juveniles -

Inflationary Adjustment -

B. Adult Confinement

It is assumed that no appreciable bed impact will be experienced by the Division of Adult Corrections until FY 1984. This is based on the assumption that the average age of offenders affected by this legislation will be 17 years, and will serve one year in a juvenile facility prior to transfer to an adult facility. This fiscal note identifies a need for 32 additional beds, although the legislation will result in 10 additional beds being needed at the rate of 1 bed per year after FY 1986. This is a result of the average period of confinement of 15 years for persons convicted of unclassified felonies.

Based upon arrest data indicating 28 persons 16 and 17 years of age being arrested annually for crimes in the unclassified and Class A felony categories, and using conviction rates and average sentence lengths for adult offenders, the following is predicted:

1.) Unclassified Felony

One conviction per year with an average sentence of 15 years to serve (20 years less good time) will require 14 additional beds. It is noted that only 4 of these beds will be required during the period covered by this fiscal note and that is the number requested. The additional 10 beds will have to be considered for capital projects planned for completion after FY 1986, if this proposed legislation is enacted.

2.) Class A Felony with Gun

Five convictions per year with one waived to juvenile status and one sentenced so as to serve all time in a juvenile facility. Therefore, it is estimated there will be three individuals who will serve a period of 3.5 years each in an adult facility.

3 x 3.5 = 10.5 person years or beds

3.) Class A Felony without Gun

Eight convictions per year with one waived to juvenile status and two sentenced so as to serve all time in a juvenile facility. Therefore, it is estimated there will be five individuals who will serve a period of 3.4 years each in an adult facility.

5 x 3.4 = 17 person years or beds

4.) Total beds required through FY 1986 is 32.

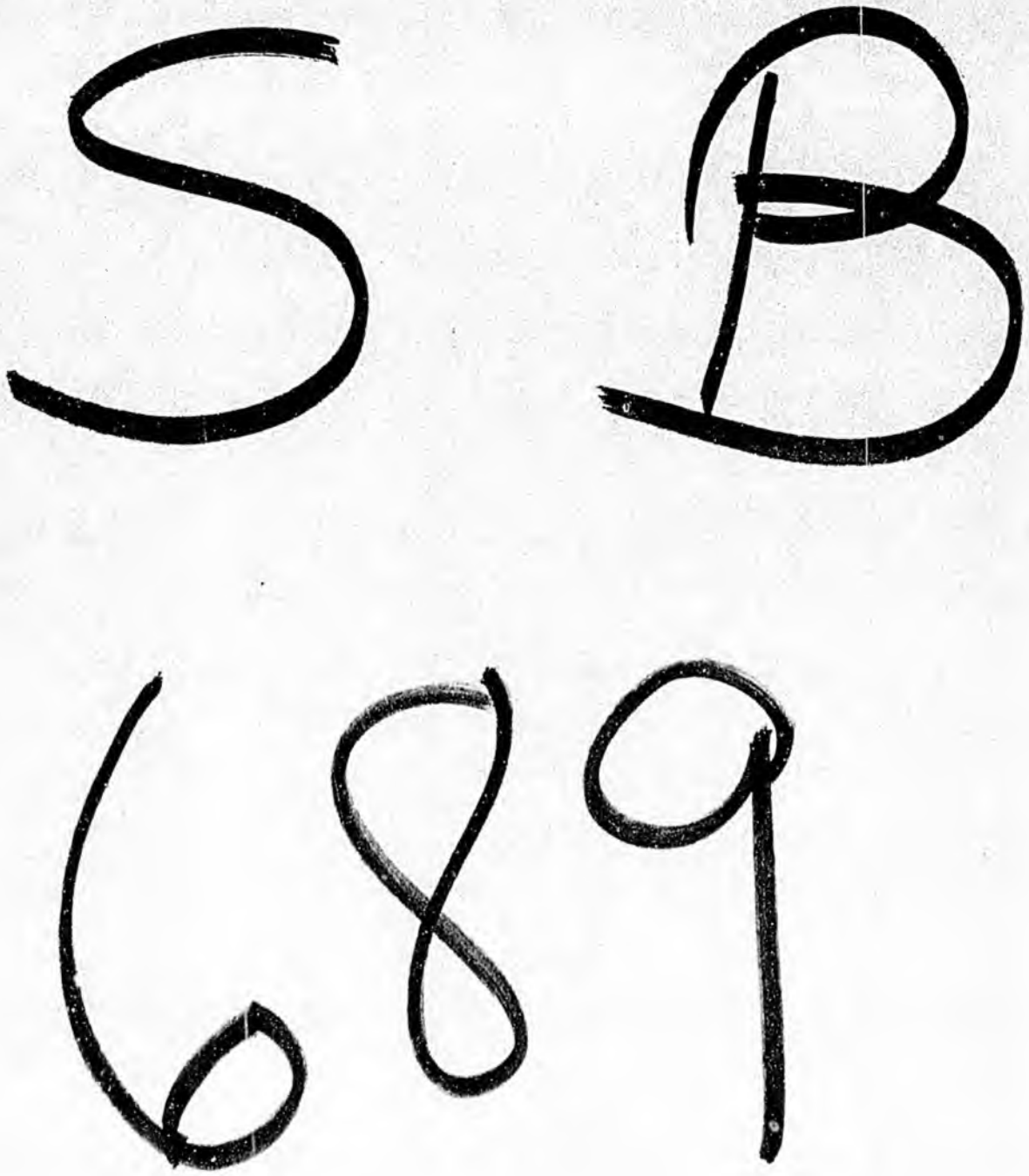
5.) Cost Estimates

a) Capital expenditures:

32 beds at $69,000 per bed
32 x $69,000 = $2,208,000

b) Operating expenditures:

It is estimated that 7 positions will be required to provide security and support for these 32 beds: 1 Correctional Officer III, 5 Correctional Officer II, and 1 Institutional Counselor. Costs for these positions will not occur until FY 1984, the anticipated opening date for the new beds.


SB
689

STATE OF ALASKA
DEPARTMENT OF REVENUE
OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH S
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

March 2, 1982

The Honorable Vic Fisher
Chairman
Senate State Affairs Committee
Room 423 - Capitol Building
Juneau, Alaska

Dear Senator Fischer:

Re: Senate Bill No. 689

Senate Bill No. 689, an Act relating to appropriations and general obligation bonds for capital projects, was introduced in the Senate on January 27, 1982 and was referred to the Senate State Affairs and Finance Committees.

For the consideration of the Senate State Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. Anselm Staack, Treasury Comptroller, Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

Enclosure

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

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Anselm Staack
Treasury Comptroller
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA SB 689
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 689 (1/27/82)
Title Operating Cost Fund for Capital Projects
Requested by Senate State Affairs Committee Date 3/1/82

II. FISCAL DETAIL
Agency Affected Department of Revenue
Program Category Affected Revenue Collection and Management
BRU, Program, Or Subprogram(s) Affected Treasury Management
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		46.3	92.6	101.9	112.1	123.3
200 TRAVEL		3.0	6.0	6.6	7.3	8.0
300 CONTRACTUAL		65.5	130.0	143.0	157.3	173.0
400 COMMODITIES		1.5	3.0	3.3	3.6	4.0
500 EQUIPMENT		6.0				
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL		122.3	231.6	254.8	280.3	308.3

FUNDING (Thousands of Dollars)

GENERAL FUND		122.3	231.6	254.8	280.3	308.3
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME		2	2	2	2	2
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)
Establishes an Operating Cost Fund for capital projects in Department of Revenue. Fund consists of monies appropriated to it and interest earned on fund balance.

Administrative costs to invest and manage fund balances and account for disbursement to appropriate department. Personal Services for Investment Officer II (R22,X) to invest and manage assets; Accounting Tech. II (R14,G) for associated accounting and reporting. Contractual Services (FY 84 base): Comm. $5.0; Print & Adv. $5.0; Safekeeping and related accounting/reporting $100.0; Audit $15.0; Misc. $5.0. Equipment is for new positions. Effective 1/1/83.

valid for $60m to $1B

Anselm C. Staack

IV. DATE March 1, 1982 PREPARED BY Anselm C. Staack, Treasury Comptroller
AGENCY Department of Revenue, Treasury Division
PHONE 465-2350

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

Mgt. invested fund portion

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

BILL ANALYSIS - SB 689 (1/27/83)

1. Establishes an Operating Cost Fund (OCF) for capital projects in Department of Revenue.

2. Fund consists of money appropriated to it and interest earned on fund and balance.

3. Account to be established in fund for each capital project for which an appropriation is made.

4. Revenue to transfer funds to department which operates capital project, each year, to pay operating costs.

5. Operating costs of projects, for which general obligation bonds are to be sold, are to be estimated to provide a schedule of expected cost of operating the proposed capital project. Net present value (NPV) of the operating cost of a project to be determined. NPV of operating cost is to be placed, as information for the voters to review, on the ballot.

6. Provisions do not apply to project with an NPV of operating costs of less than $100,000.

7. Takes effect January 1, 1984.

(2/1/83)

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

SB 686 (cont'd)

Outlines requirements for proper entries in property book.

Chapter 39 relates to the disposition of property used as evidence in court, and the return of that property after final determination of the case. In the case of property used in the commission of a crime for which the accused is convicted or that is considered unlawful property the court shall order the destruction, sale, or other appropriate disposition. Provides "Nothing in this chapter affects the rights of a person aggrieved by an unlawful search and seizure to seek redress under the provisions of Rule 37, Rules of Criminal Procedure.

Repeals AS 12.35.080 - 12.35.110 (current laws relating to disposal of property).

Does not provide for an effective date.

Introduced January 27 and referred to Judiciary.

Search Warrants (issuance by telephone testimony)

SENATE BILL NO. 687, by Senators Rodey, Bradley, Dankworth, Kelly, Kerttula and Ray. Permits issuance of a search warrant upon sworn oral testimony conducted by telephone or other appropriate means if if judicial officer finds there is probable cause to believe personal testimony would result in delay and delay might result in loss or destruction of evidence subject to seizure. Person testifying to be placed under oath, and conversation to be recorded. Testimony is to be transcribed and certified as to accuracy, then filed. The bill states: "Absent a finding of bad faith, evidence obtained under a warrant issued under this section is not subject to a motion to suppress on the ground that the circumstances did not support its issuance under (a) of this section." (subsection (a) states warrant may be issued upon sworn oral testimony and outlines reasons for believing there is probable cause to issue the warrant). Provides language added has the effect of changing Rule 37, Rules of Criminal Procedure, by allowing search warrants to be issued upon sworn oral testimony communicated by telephone or other appropriate means. Does not provide for an effective date.

Introduced January 27 and referred to Judiciary.

Appropriation (special) (computerized fingerprints)

SENATE BILL NO. 688, by Senators Rodey, Bradley, Dankworth, Kelly and Ray. Makes a special appropriation in the amount of $4,282,900 to the Department of Public Safety for a computerized fingerprint system. Provides appropriation is for a capital project and does not lapse. Provides Act takes effectimmediately.

Introduced January 27 and referred to Judiciary, then to Finance.

Capital Projects (operating cost fund)

SENATE BILL NO. 689, by Senators Sturgulewski, Ferguson, Fischer and and Stimson. Sets up an operating cost fund in the Department of Revenue for capital projects financed by the Legislature. Each project financed is to have a separate account consisting of the unexpended amount of the appropriation, and a proportional amount of income earned through investment of the capital project fund. The Commissioner of Revenue is responsible for withdrawing amounts

SB 689 (cont'd)

annually for each project and shall pay that amount to Departments responsible for the project.

Provides any capital project funded by the state that is not financed by bond sales shall include an appropriation for operating costs for up to 30 years. Commissioner of Department responsible for the project is to set up a schedule for operating costs. Defines "cost of operating" and "operating cost" as in section below.

Section relating to bondable projects provides the Commissioner of responsible department shall prepare a schedule of the expected cost of operating the proposed project for its useful life. The schedule is to serve as the basis for calculating the net present value of the operating cost of the project. Defines "cost of operating" and "operating cost" to mean the normal, anticipated costs of maintenance and operation of a capital project, including expenses for routine maintenance, minor repairs, utilities, local charges, fees and payments in place of taxes; and exclude costs offset by fees imposed on users, and for contributions from federal, municipal, and private sources. Provides election pamphlet contain a statement of the net present value of the operating cost for bondable projects.

Provides Act takes effect January 1, 1983.

Introduced January 27 and referred to State Affairs, then to Finance.

Tax Credits (property taxes & rentals)

SENATE BILL NO. 690, by Senator Kelly. Provides for a tax credit for property taxes and for rents of up to $300, depending upon the amounts paid. Outlines formula for determining tax credit. Provides credit for individual who paid only part of the property taxes or rent during the year (up to $150). States only one dwelling at a time may be claimed as the principal place of abode, and provides for separate calculations if taxes or rents were paid on more than one abode. Outlines procedure for individual or joint filing. Provides Act retroactive to January 1, 1982, and authorizes a credit for taxes or rent paid after December 31, 1981. Act terminates January 1, 1985. Provides Act takes effect immediately.

Introduced January 27 and referred to Community & Regional Affairs, then to Finance.

Appropriation (special) (Fairbanks hospital)

SENATE BILL NO. 691, by Senators Fahrenkamp, Bennett and Parr. Makes a special appropriation in the amount of $20,000,000 for payment as a grant to the Fairbanks North Star Borough for expansion and improvement of Fairbanks Memorial Hospital. Provides Act takes effect immediately. (Identical to HB 700, this report.)

Introduced January 28 and referred to Health, Education & Social Services, then to Finance.

Coroners (duties/ inquests)

SENATE BILL NO. 692, by the Judiciary Committee. Makes changes in the duties of the coroner and those duties of the district judges and magistrates as coroner. Under this bill:

3-5-82

RESOLUTION

Life time

Loans.

? 2 year cycle process for capital budgeting

Life cycle costing

pilot project – eg rural schools

- gradual phasing in
- consider infl. impacts of capit. proj's
  - new projects cost more, & fut. M&O
  - affect bus costs

→ incl bonded projects
  → municipal grants.

→ house life cycle costing in B&M

- require enough project planning to provide accurate cost est.'s

- rel. to spending limit

Mark Seegers

Pete McD.

state of the art — M+O acctg.

- did for all school distr. in AK.

? could add program costs ?

→ think as annuity

Capital Costs

			Source
F.Y. 1981	Capital Expenditures including general fund, special revenue fund and capital project fund	*1,595,545,000	1983 Executive Budget Summary
F.Y. 1982	Capital Expenditures inclusive	unknown	
F.Y. 1982	Capital Expenditures general fund only	*1,380,000,000	Budget & Management, estimate
F.Y. 1981	Capital Appropriations including General Appropriations Act, excluding new legislation, loan funds, special appropriations and bond measures	*779,655,100	1981 Free Conference Committee Report
F.Y. 1982	Capital Appropriations including General Appropriations Act, excluding new legislation, loan funds, special appropriations and bond measures.	*782,793,100	1982 Free Conference Committee Report
F.Y. 1982	DOTPF Capital Appropriations Data Base. Including General Appropriations, excluding new legislation ($46,849,400), loan funds ($25,800,000), special appropriations ($2,862,447,400), bond measures ($1,012,000,000) and road rehabilitation costs.*	*727,566,500	F.Y. 82 CIP Lifetime Ownership Costs

The DOTPF data base is probably one half of total FY82 Capital Expenditures

* These appropriations have not been separated into capital and operations categories.

Mark Kissel

VALUE OF EXPECTED RETURNS FROM EXISTING HATCHERIES
OPERATING AT FULL CAPACITY 1/

Southeast	-	$26,911,222.66
Prince Wm. Sound	-	7,776,976.34
Cook Inlet	-	7,739,775.80
Kodiak and Ak. Peninsula	-	3,749,469.40
Bristol Bay and AYK	-	641,691.80
TOTAL	-	$46,819,136.00

Commercial fisheries

1/ Bases upon 1981 ex-vessel prices per pound.

VALUE OF EXPECTED RETURNS FOR 1982 1/

Southeast	-	$ 779,670.35
Prince Wm. Sound	-	1,047,737.00
Cook Inlet	-	986,654.65
Kodiak and Ak. Peninsula	-	1,228,905.00
Bristol Bay and AYK	-	63,820.00
TOTAL	-	$ 4,126,787.00

$438 million
Net Present Value
all fisheries over 20 years
Net state income in 1982 dollars
B:C ratio 2.8:1

VALUE OF EXPECTED RETURNS FROM EXISTING HATCHERIES
OPERATING AT FULL CAPACITY

Southeast	-	$ 23,323,000
Prince Wm. Sound	-	9,600,000
Cook Inlet	-	57,167,000
Kodiak and Ak. Peninsula	-	3,488,000
Bristol Bay and AYK	-	19,226,000
TOTAL	-	$112,804,000

commercial plus sport value

VALUE OF EXPECTED RETURNS FOR 1982 1/

Southeast	-	$ 779,670.35
Prince Wm. Sound	-	1,047,737.00
Cook Inlet	-	986,654.65
Kodiak and Ak. Peninsula	-	1,228,905.00
Bristol Bay and AYK	-	63,820.00
TOTAL	-	$ 4,126,787.00

1/ Sport fish values not included.

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

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954
Interim office: 511 West 4th Ave., Suite 5,
Official Business Anchorage, Alaska 99501 phone: 278-3654

M E M O R A N D U M

TO: All senators

FROM: Sen. Vic Fischer

DATE: November 24, 1981

SUBJECT: Funding, maintenance and operation for future capital projects

I have become increasingly concerned about the ease with which we fund capital projects without much concern, if any, for meeting the cost of maintaining and operating each project. The problem exists at both the state and local levels.

I would appreciate your considering the attached analysis of and proposal for controlling capital project maintenance and operation costs.

The state has embarked on an ever increasing volume of public works and other construction programs, and there is a growing concern about the impact that the cost of maintaining and operating capital projects will have on future state operating budgets. The prospective constitutional limit on operating budgets may cause a real squeeze on ongoing programs when new capital projects come on line.

Maintenance and operations expenses can, over the life of a capital project, exceed original construction costs by as much as 400%. Although authorizing a capital project guarantees that the state will incur future maintenance and operating expenditures, the legislature does not provide for the financing of such future expenses. It is quite possible that in future years the state might not be able to afford to meet costs that are being committed at this time.

The burden of future maintenance and operation expenses

can be controlled by: (1) not constructing capital projects with excessive maintenance and operation costs and (2) providing current appropriations to meet future maintenance and operation expenses. The second course is discussed in the attached paper. This paper, prepared at my request by Ira Winograd and Anne DeVries of the House Research Agency, examines a proposal for creating a Maintenance and Operation Fund that would require state government to take realistic fiscal responsibility for the full costs of capital projects, including both the construction and the maintenance and operation expenses.

I believe we have to establish such an approach or some other method if the projects we build today are to serve us effectively in the future. Otherwise we may have jails that we can't afford to operate, transportation facilities that can't be maintained, or other projects that don't serve the function for which they were developed. And although this paper deals strictly with state level projects, I believe we must also make sure that attention is given to a similar situation existing at the municipal level, frequently encouraged by state grants to localities.

I would greatly appreciate your comments on the alternatives in this report and any suggestions about other options that ought to be considered to control the capital project maintenance and operations component of operating budgets.

Thanks for your consideration, and best regards.

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

August 24, 1981

TO: Senator Vic Fischer

FROM: Ira Winograd IW and Anne DeVries AD
Research Staff

RE: Feasibility of a Maintenance and Operation Fund

In response to your request, this memorandum discusses issues surrounding the creation of a fund to finance future maintenance and operation (M&O) expenditures on State capital projects. We have circulated a review draft of this memorandum to staff of the executive and legislative branch agencies that are involved in the capital budgeting process. Many of their comments are reflected in this final memorandum; in addition, we have attached a letter from Kit Duke, Regional Director for Planning and Programming in DOTPF's Central Region with her comments (Appendix A).

Our discussion is divided into five sections covering:

- the problem of financing future maintenance and operations expenditures for those capital projects currently being planned or built;
- the mechanics of how an M&O fund might be structured and funded;
- the problems associated with financing future M&O expenditures through a special fund; and,
- a summary of findings and a discussion of other M&O research.

Definition of M&O Costs

Maintenance and operating costs are not well-defined in the State's capital budgeting process. For the purposes of this memorandum, M&O costs will be those associated with: 1) the day-to-day operation of the physical plant of a capital project, such as lights, heat, plumbing, cleaning and garbage pick-up; and, 2) those associated with routine maintenance, such as replacement of broken windows, roof repairs, road and dock repairs. Program costs associated with the operation of a facility, such as additional State troopers to service highways, nurses and therapists in Pioneers' Homes, teachers and administrators in school buildings, and biologists in fish hatcheries, are not included within the definition of M&O costs used in this paper.

THE PROBLEM OF MAINTENANCE AND OPERATING COSTS

As a result of the rapid growth in oil lease and tax revenues, the State has embarked on a substantial capital construction program. There is a growing concern about the impact that the costs of maintaining and operating these capital projects will have on the State's operating budget.

This concern has been prompted by three inter-related factors:

1) the anticipated decline in State revenues due to production declines on the Prudhoe Bay oil field later in this decade;

2) the proposed constitutional spending limit, which would limit growth in the State's operating expenditures to the cumulative growth in inflation and population; and,

3) uncertainty about the size of future M&O expenditures.

Given the projected decline in real revenues from oil and gas taxes as production from Prudhoe Bay falls later in the decade, the State is expected to incur large budget deficits if the current rate of spending continues. Such deficits would require decisionmakers to reduce agency budgets. It is not clear how expenditures for maintaining and operating the State's capital stock will fare in a highly competitive contest for State funds.

The proposed constitutional amendment to limit State spending also raises concern regarding the funding of M&O costs. Under the terms of the proposed amendment, the operating budget may only grow as fast as the combined growth of population and inflation. Given that the State will soon be incurring new M&O expenses for the capital projects nearing completion or in the planning stages, it would appear some other elements of the budget would have to grow at a slower rate in order to absorb these costs within the proposed budget constraints.

In addition, the proposed constitutional amendment may not place an effective limit on capital spending. Not only does it require that at least one-third of the budget be used for capital projects, it permits unlimited use of bond issues to finance these projects. Passage of the amendment may create a situation where the State's capital investment increases while its ability to operate and maintain that investment is not permitted to expand accordingly.

The third factor giving rise to concern is simply that the magnitude of these future M&O costs cannot be estimated. The State's capital budgeting system does not have any reliable way of projecting M&O costs for all projects funded through State appropriations. The implications

of this lack of information are noted by the General Accounting Office, in its study of capital budgeting practices in different governmental and private organizations:

> Several of the [organizations] we surveyed were not only unaware of the condition of their existing capital infrastructure, they had also failed to make the connection between adding capital assets and the corresponding costs of operations and maintenance. Failure to grasp this connection is important because the relationship between the two is not linear. Accumulated physical capital can magnify the longterm effects of operations and maintenance, particularly when more staff are needed. Also, without careful advance planning, requirements for repairs can peak, causing a heavy financial burden when many assets are acquired in a relatively short space of time. [1]

Clearly, the uncertainty regarding the size of future M&O expenditures creates a serious problem for fiscal planners, particularly in light of uncertainty regarding both the amount of future State revenues and restrictions on how they may be spent.

The State has the following options for dealing with this anticipated problem of funding M&O costs:

1) Construction of some new capital projects might be curtailed, thereby reducing additions to future M&O obligations;

2) The budgets for other State programs might be decreased to insure that sufficient revenues are available for M&O expenditures;

3) Current revenues might be set aside in an income-producing fund which could be used solely for future M&O expenditures, thereby reducing competition for funds in the future;

4) Facilities might be: closed; operated at a reduced level of service; and/or allowed to deteriorate as required maintenance expenditures are deferred.

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[1] U.S. General Accounting Office, Federal Capital Budgeting: A Collection of Haphazard Practices, A Report to Congress, February 26, 1981, page 47. This study evaluates the successfulness of the capital budgeting process at different levels of government and in private industry.

Given the low priority usually given to M&O expenditures in governmental organizations across the country, there is speculation that the State's approach to these future funding requirements may rely primarily on the fourth option - that of spending fewer maintenance and operating dollars than are really needed because the funds cannot be diverted from other programs. Unfortunately, many local and state governments, as well as the federal government, are treating M&O expenses in this way, as noted by the GAO study:

> They [unsuccessful capital budgeting organizations] tended to add capital items inexorably with no thought as to how they would pay for operations and maintenance in the future. They are now finding it difficult to make repairs and renovations, and their bridges, roads, and other capital assets show signs of serious deterioration.[2]

The remainder of this paper discusses the feasibility of the third option mentioned above: that of setting aside current revenues into an income-producing fund for the purpose of funding future M&O expenditures.

THE MECHANICS OF AN M&O FUND

This section describes how an M&O fund might be structured and operated. The following section discusses whether or not such a fund would be able to achieve its objective of meeting future M&O funding needs.

Funding Options

A fund to finance future M&O costs could be structured in one of two ways:

1) an amount equal to the present value of estimated future M&O costs for a particular capital project(s) could be appropriated into a self-liquidating fund. Over the life of the project, principal and income from this fund would be used to pay M&O costs; a self-liquidating fund is not designed to finance the M&O expenses of capital projects having an indefinite life, such as highways.

2) an amount sufficient to generate annual income equal to projected M&O costs for a project(s) could be appropriated into a permanent

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[2] GAO, page 47.

> fund. Only the income off invested principal would be used to pay M&O costs. As only the earnings from this fund would be used, the initial appropriation would be much larger than that for a self-liquidating fund. For example, if the fund earns 10% on its principal and it must finance annual future M&O expenditures of $100 million, then its principal balance would need to be $1 billion.

Either a self-liquidating or permanent fund may be financed by a one-time appropriation or an annual appropriation; clearly, a fund receiving a one-time appropriation has a fixed amount of financial resources which limits its ability to finance increasing M&O costs.

An annual appropriation might consist of dedicated revenues or General Fund appropriations which are automatically transferred to the fund. Annual appropriations into a self-liquidating fund would ideally be calculated to cover all or part of the present value of the future M&O costs associated with that year's capital expenditures. Funds would be provided for those projects on a fixed liquidation schedule approximating the life of the project.

Legal Basis

Either legislation or a constitutional amendment could be used to create a self-liquidating fund. Although there is no guarantee that future legislation would not abolish the fund, AS 37.25.010 provides for the creation of "valid obligations", such as an endowment fund. If a fund is considered a valid obligation the unexpended balance is automatically reappropriated, as stated below:

> The unexpended balance of a one year appropriation authorized in an appropriations bill lapses on June 30 of the fiscal year for which appropriated. However, a valid obligation (encumbrance) existing on June 30, is automatically reappropriated for the fiscal year beginning the succeeding July 1, if it is recorded with the Department of Administration by August 31 of the succeeding fiscal year. (AS 37.25.010)

In order to insure the continuation of a self-liquidating fund for its planned life, it might be preferable to adopt a constitutional amendment. However, constitutional amendments creating legal provisions with a fixed liquidation date are seldom adopted; in addition, the creation of several funds through amendments to the constitution is a cumbersome process.

A "permanent M&O fund" also could be created by either legislation or a constitutional amendment. However, a constitutional amendment would

be required to guarantee the continued existence of a "permanent" fund, fund, as future legislatures are not bound by prior legislation. In addition, a constitutional amendment is required to dedicate revenues: "The proceeds of any state tax or license shall not be dedicated to any special purpose except as provided in section 15 of this article..." (Art. IX Sec. 7)

Allocation

A permanent or a self-liquidating fund might finance the entire amount, or a portion of M&O expenses for single projects (e.g. Susitna), single entities (e.g. University of Alaska, Juneau), or single types of capital projects (e.g. airport runways).

In order to allocate funds, the M&O expenses of the selected projects must have their own budget classification. Legislation would be needed which required separate M&O accounts for specific capital projects or operating entities. A separate classification would allow monies to be allocated strictly for maintenance and operations. This data is needed to evaluate the accuracy of both expense projections and revenue allocations to the fund. If these estimates are inaccurate and the inaccuracy is not corrected, specified capital project(s) might not be funded at the level desired. In this event, it is likely that individual accounts would have to be revised by supplemental appropriations making corrections for inaccurate projections.

A formula for allocating funds to specific projects could be established by legislation and administrative responsibility could then be given to an executive branch agency. Allocation might also be considered a legislative or executive perogative. Direct allocation by a policy-making body would allow for more discretionary use of the fund. The allocations might be readily adjusted to reflect policy changes or earnings performance.

Administration

Administration includes management of the principal, and management of allocations to endowed projects. Although ultimate responsibility for managing a fund rests with State officials, the day to day management responsibility might rest with agency staff or professional financial managers. For instance, the principal of the Alaska Permanent Fund is administered by the Department of Revenue. The Commissioner of Revenue is advised by a committee appointed by the Governor and he may enter into contracts for services providing investment advice.

ISSUES ASSOCIATED WITH M&O FUND FINANCING

It would appear that setting aside current funds so that the State's growing capital stock can be adequately operated and maintained in the future is prudent fiscal policy. However, there are a number of problems involved in implementing such a concept which detract from its usefulness in practice. This section discusses these potential problems.

Accounting Constraints

In order to implement a "fund" approach to financing M&O expenditures, it is necessary to: 1) project these expenditures with some confidence; and, 2) isolate these costs in operating budgets so that the funds can be allocated properly. During the course of our research it became apparent that an M&O fund could not be implemented at this time in Alaska because:

1) existing budget procedures do not record M&O expenses by the project for which they are incurred; consequently, there is no cost history by project, under Alaskan conditions, on which to base a projection;

2) costs vary widely in different parts of the state for the same type of M&O activity; this makes "rules of thumb" less useful as a way of estimating M&O costs; and,

3) M&O expenses currently are not broken out as a budget category, so there is no straightforward way of matching M&O fund monies allocated for a capital project to the costs incurred. (A description of the State's capital budgeting process is found in Appendix B).

As Jay Hogan, the Director of the Legislative Finance Division, noted, 'it is technically impossible to make accurate maintenance and operation projections and it would be difficult to keep track of extensive supplemental appropriations.'

Under current procedures, it would not be possible to determine the amount of money which should be appropriated to the fund, nor would it be possible to distribute those funds as needed to different capital projects. Implementing an M&O fund concept given these limitations in accounting practices would result in either 1) some capital projects receiving more money than they needed while others received less, if the fund allocates on a project basis, or 2) M&O expenditures as a whole being overfunded or underfunded, if the fund is used for all M&O costs regardless of project.

Flexible Priorities

Advocates of M&O funds argue that the dedication of revenues to provide a consistent source of financing for financial obligations incurred now is an act of fiscal responsibility. Opponents, however, argue that fiscal responsibility is better maintained through the ongoing legislative process than through a dedication which is binding on the future. They argue that there should be competition for funding among diverse public needs on a regular basis, because such competition and repeated evaluation permit changing priorities to be accommodated through the budget process. Problems might be created in the future if an M&O fund has more revenues than it requires while other programs have to sustain budget cuts.

Increased Future Revenues Through Investment Earnings

Advocates of endowment funds argue that they have the potential to appreciate in value through profitable investment of the principal. However, endowment funds also have the potential to depreciate in value; if their yield is below the inflation rate, the real value of the principal would be decreased. For example, during fiscal year 1980 the Alaska Permanent Fund had a rate of return of 11.3 percent, which provided little if any real growth.

Greater investment risk generally yields greater rewards and a strong profit motive, not present in the public sector, is necessary for successful investing. Therefore, it can be argued that public bodies are not well suited to make profitable investments as they tend to avoid risk. At the same time that the Permanent Fund was earning 11.3 percent, many private sector financial managagement firms, including those with low risk investment policies, have obtained rates of return far superior to the rates of return earned by some of the largest publicly administered funds.

It is generally recognized that large financial markets provide better opportunities for conservative investment than smaller markets. As the large financial markets are external to Alaska, the best opportunities for profitable low risk investment are often outside the state. However, many Alaskans object to external investments as they result in less money being made available for in-state use.

Limitation of Current Expenditures

While endowment funds do provide an opportunity to save current excess revenues and limit current expenditures, opponents of such funds see two problems: 1) limiting current spending does not allow the State to take the opportunity to make up for years of insufficient

revenues which created a backlog of unmet needs; and 2) there are other ways of limiting current spending (such as the Permanent Fund) which do not lead to future distortions in the operating budget.

SUMMARY AND DISCUSSION OF OTHER M&O RESEARCH

Summary of Findings

Our research on the creation of a maintenance and operating fund has led to the following conclusions:

1) Maintenance and operating costs for capital projects under construction and in the planning stage will place a large but indeterminate financial burden on the State in future years.

2) Setting aside current revenues into a fund from which future M&O obligations could be met is one way the State has of coping with this problem.

3) Unfortunately, the State's current system of capital budgeting and accounting for costs related to capital projects would not facilitate the implementation of such a concept. If a fund were established under such conditions, it would lead to future distortions in the allocation of State funds.

Further Research

Advocates of M&O funds argue that a large appropriation to the fund would attract attention to the future costs associated with capital projects. Currently a number of State agencies, as well as the University of Alaska, are considering ways, other than the creation of an M&O fund, of increasing the public's awareness of these costs and their fiscal implications. The remainder of this paper discusses some of these efforts, as well as those by DOTPF to improve the accounting process.

Expanded Budget Process. We discussed the merits of amending budgetary reporting requirements for the M&O component of the capital budget with staff from DOTPF, the Division of Budget and Management, the Legislative Finance and Budget and Audit. There was general consensus among the people we interviewed that M&O projections could, and should, be given greater visibility in the capital budgeting process, but that the projections are not considered accurate enough to be used for budget purposes. Some of the ways to increase visibility are discussed in greater detail below.

The Director of the Legislative Finance Division, Jay Hogan, reports that the potential of the existing budget process is not fully realized. He suggests that the Capital Budget and Six Year Capital Program could be expanded to include the projected operation cost information contained on the Form 35's as amended by the Division of Budget and Management under the direction of the Governor. Each legislator would then receive an enlarged Capital Budget and Six Year Program which would contain most of the M&O information which is available to the Governor.

The Legislative Finance Division has distributed blank Form 35's to each legislator and is encouraging them to complete these forms for each project which they propose. Jay Hogan states that the capital projects with the least M&O cost information tend to to be the ones which are added during a legislative session by the legislature, especially those that are added towards the end of the session. Requiring legislators to complete Form 35's could place greater emphasis on the M&O cost components of capital projects and the long-term financial commitments resulting from capital expenditures. However, given the difficulty that DOTPF has in making accurate M&O projections, it is likely that legislators will also experience problems.

A study could also be performed to determine the actual M&O costs of existing capital projects. Results from this study could be used as the basis for projecting operating costs of projects proposed during the 1982 session. If a rule-of-thumb technique is established ,legislators could use it to analyze the M&O component of both their own projects and those contained in the executive budget.

M&C Rankings. In discussions with the Governor's Division of Budget and Management we discussed the possibility of ranking proposed capital projects by the ratio of projected M&O costs to capital construction costs, and including this information in the executive capital budget. The capital budget might also contain a subtotal of projected M&O costs for each budget category. Until more accurate M&O data is generated, the existing estimates could be used as long as their limitations are explained.

A ranking of capital projects by M&O costs might be designed to separate projects into general categories of low, medium, and high ratios of M&O costs to construction costs. Projects in the high ratio category could be flagged for further analysis and explanation. An average ratio might be computed for each capital budget category and this could be used to highlight budget categories containing large M&O cost commitments.

Comparisons of Budgeted versus Actual Expenditures. Subtotals of M&O costs could be used to make comparisons between budget categories in a

current budget year. Specific budget category M&O estimates could also be compared to prior year budget category M&O estimates to look for changes in M&O commitments. A running total of current and prior year M&O cost projections could be used as a rough estimate of total M&O commitments. If the basic accounting system is improved and M&O expenditures attributable to specific capital projects become available, these costs could be added to current year capital budget M&O projections to estimate total future M&O commitments attributable to capital projects.

Accounting Improvements. In 1980, the accounting firm of Peat, Marwick, Mitchell completed a "Conceptual Design of a Management Information System" for DOTPF. The report recommends changes in the M&O cost reporting system to provide management with basic operational cost and historical cost comparison reports which could be monitored periodically. These reports would be designed to provide a basis for forecasting future costs.

In conjunction with the Department of Administration, DOTPF has employed the acounting firm of Price-Waterhouse to redesign the State's accounting system and to implement the management information system proposed by the Peat, Marwick and Mitchell study. The design and implementation of the new system is expected to take approximately three years, and when it is completed DOTPF expects each regional office to initiate an on-line computerized maintenance and operation information base which would be used to make life cycle cost projections for a wide variety of capital projects.

Chuck Gant, the Chief of Life Cycle Cost Analysis in DOTPF's Capital Program Office, reports that the new accounting system is expected to be a definite improvement over the existing system, but there are special Alaska circumstances which may continue to limit the usefulness of M&O cost projections.

According to Mr. Gant, the short summer construction season, especially in many rural communities, necessitates flexibility between accounts. The highest maintenance priorities receive immediate attention even if they are not properly budgeted because a delay might mean postponement to the following construction season. Mr. Gant also notes that the domestic contracting market is very thin as there are only about a half dozen large contractors in the state and a large project might keep a firm tied up for one or more years. Even if the DOTPF makes a good projection of repair or renovation expenses, the actual cost may be inflated by the premium which Alaska bidders charge when there is a scarcity of available labor.

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IW:AHD

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

August 19, 1981

APPENDIX A

Ann DeVries
Research Agency
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Ms. DeVries:

I am sending these preliminary comments, but encourage you to contact Burt Wagnon, our Assistant Deputy Commissioner for the Maintenance and Operations Unit at 266-1443, for further comments. He will return from annual leave on August 24, 1981 (I have previously given him a copy of your draft memorandum for review).

In summary, let me say that I believe that you have done very thorough research, and have obviously contacted the appropriate sources within the Department of Transportation for the background history on the development of the Life Cycle Costing System and the development of the Management Information System. It might also interest you to know that the department has previously investigated the possibility of establishing standards for amounts of and quality of maintenance for given facility types. No firm conclusions were reached and no manual was produced; however, there has been considerable research accumulated that resides within our library in Juneau. I believe that to achieve the benefits you have described, the state would have to adopt some standards so that, as you suggest, there could be clear distinctions made as to what was eligible to be paid for from the Maintenance fund.

The only two substantial comments I believe we have to make relate to the method by which the fund would be endowed and the fact that one considerable portion of the Capital Budget has not been included for consideration in the endowment fund.

1) We suggest that consideration could be given to the idea of developing a percentage to be applied by facility type as a method of determining the amount of money to be entered into the endowment fund in any given capital budget year. This would have the added advantage of causing careful consideration of the long term impact that a capital facility will make on the state's operating budget as a part of the normal capital budget review process.

25A-T2LH

2) We also suggest that, since a considerable portion of the capital budget for the previous two years has gone to local governments in the form of municipal grants, consideration should be given to entering a percentage into the endowment fund to cover any obligation that the state might have in future years toward these facilities. Even though, under present statutes, a municipality which accepts a grant under the provisions of this program cannot request maintenance and operating funds from the state, it is conceivable that a future legislature could change that situation and put responsibility on the state for maintaining and operating facilities built under this program.

Again, I would like to commend you on the thoroughness of this paper, and would also like to state that I think the concept of a maintenance and operation fund is an excellent way to focus attention on the fact that the effect on the operating budget of building capital facilities is a considerably more significant portion of the financial burden that the state will bear in upcoming years than has previously been recognized. Perhaps you found, when reading the Life Cycle Cost Report, that the consultant determined the initial capital cost of the facility to be a very small percentage (between 15% and 20%) of the overall lifetime cost of owning and operating a facility.

If you have any questions, please contact me. I will be in Juneau on the second and third of September, and could possibly be available to discuss this further if you desire.

Sincerely,

Kit Duke by ann

Kit Duke
Regional Director
Planning and Programming
Central Region

cc: Bert Wagnon

KD/g

APPENDIX B

This appendix reviews the shortcomings of the State's capital budgeting and accounting processes in relation to the use of a fund to finance M&O costs.

Budget Background

The executive budget currently includes M&O cost estimates for new capital projects. Each State department summarizes its proposed projects on a 'Form 35' which contains an operations cost section (see Attachment A). Form 35 is used to record projected annual operating cost, first year operating cost, ultimate annual operating cost and operational funding source. The forms are consolidated into nine program categories which contain a significant proportion of the capital project requests received by the Governor.

The Governor directs his Budget and Management Division to analyze the budget requests and prepare the executive budget which is summarized in two volumes, Book 1 - Operating Budget and Book 2 - Capital Budget and Six Year Program. The Capital Budget and Six Year Program contains an abbreviated summary of the Governor's recommended capital projects.

Each project is summarized on a form which contains only one reference to annual operating cost. The form does not include any explanation or qualification of the operating cost estimate. The summarized capital budget includes construction cost subtotals for each budget category and geographic region but it does not subtotal projected operation costs. The annual operating budget is divided into nine budget categories corresponding to the capital budget categories.

Maintenance expenditures over $25,000 are generally included in the capital budget with the exception of the transportation category. Transportation maintenance expenditures are classified by transportation mode. Each mode may include several different facilities and their total maintenance cost is included in the operations budget even if the allocation to a particular facility is more than $25,000.

Although many operating expenses are in some way related to specific capital projects, the operating budget does not aggregate operations costs which are attributable to specific facilities. Instead, operations costs are classified by budget program categories. Unfortunately, existing budget procedures do not list maintenance and operation expenses attributable to capital projects as an item in the budget categories of the operating budget.

Senator Fischer
August 24, 1981

M&O Cost Projections

When the Department of Public Works merged with the Department of Highways in 1977, a Life Cycle Costing Section was created and the new Department of Transportation and Public Facilities (DOTPF) initiated a major effort to devise a system of calculating life cycle costs for public facilities. The Department employed a consulting team (Maynard N.B.B.J., Hanscomb Assoc., Boeing Computer Services, and Industry Service Inc.) to assist in the project; the consultants submitted their report entitled "Alaska Life Cycle Cost System Users Manual," in 1979. The Department's data base was not adequate to operate the proposed system and it proved unworkable.

In 1979, legislation was passed requiring DOTPF to "... develop life cycle costs of public facilities...." describing, "... the first cost of procurement of the public facilities and the maintenance cost, operation cost, and occupancy cost of the facilities" [AS 35.10.175 (5) and AS 35.35.10.200 (1)]. In 1980, responsibility for capital project maintenance and operation cost projections was transferred to the regional offices of DOTPF.

Cost estimates are now prepared by facility planners at each regional office. However, the regional offices have a limited M&O data base for buildings and lack systematic data for roads, harbors and other facilities. The Southeast Regional Office is participating in an experimental program to develop an improved M&O program planning system (MOPPS) based on some of the original life cycle cost system recommendations.

DOTPF is also responsible for assisting other departments in their preparation of M&O projections for proposed public facilities. Alaska Statutes do not contain a clear definition of public facilities and Dick Brandt, the transportation analyst in the Office of Budget and Management, reports that life cycle costing is not performed on all capital projects.

Chuck Gant, the Chief of Life Cycle Cost Analysis in DOTPF's Capital Program Office reports that a combination of accounting limitations and special Alaska circumstances limit the accuracy of M&O cost projections so that the average projection has a 20 percent variation from actual expenditures. He estimates that the current cost accounting system is 25 years out of date. It was designed to record expenditures by program category, and this was considered adequate until the recent increase in capital expenditures.

The current accounting system does not allocate M&O expenditures to specific facilities. Supplies are typically purchased in bulk for a

group of facilities and are distributed as needed by each facility. The payment system is not standardized so it is even difficult to compare one group of facilities to another. Mr. Gant estimates that as much as 30 to 50 percent of building M&O costs may not be attributable to specific projects. Thus, it is very difficult to develop a useful data base for projecting M&O costs for specific capital construction projects based on historical experience.

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

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

MEMORANDUM

TO: Senate State Affairs Committee Members

FROM: Senator Vic. Fischer

RE: S.B. 689, An Act Relating to Appropriations and General Obligation Bonds for Capital Projects. SCHEDULED FOR THURSDAY, MARCH 4th.

Date: March 2, 1982

Public wealth is not managed with the same planning considerations as private wealth. Oil revenue is the common property of all citizens and the size of each citizens share is dependent on the actions of other citizens. Common property imparts a tremendous incentive for each participant to take what he can, and for each legislator to obtain what he can, because if he does not someone else will. In the process, unprecedented numbers of ill thought out capital projects have been cast in cement. Last year, $1,595,545,000 was allocated for capital projects. Although future operations could easily exceed construction costs by 1,000%, no one has calculated the expense of operating and maintaining these projects. The management of common property does not require or encourage economic planning.

Several solutions to the problem of inadequate planning have been proposed: transfer of wealth to private ownership or imposition of arbitrary spending limits. These solutions seek to avoid the need to plan and they have not worked. Inadequate planning continues and the service sector of the operating budget is sacrificed to finance ever increasing operating costs created by prior year capital budgets. An alternative solution is to stop trying to avoid the need to plan and to start planning.

S.B. 689 would force the budget process to include economic planning. The present value of future maintenance and operating costs would have to be considered for each capital project. When a capital project is budgeted, the present value of future maintenance and operations would be budgeted. Total project costs, not just construction costs, could be compared for each project, and at any point in time we would know the size of outstanding maintenance and operations committments. S.B. 689 is a viable way to institute basic economic planning. The private sector uses economic planning to manage private wealth and the public sector should use economic planning to manage public wealth.

MEMORANDUM

State of Alaska
Department of Transportation & Public Facilities

TO: John Bates, Deputy Commissioner
Division of Planning & Programming
Department of Transportation &
Public Facilities

DATE: February 24, 1982

FILE NO: 300C

TELEPHONE NO: 2[illegible]

FROM: Kit Du[illegible] Director
Division of Planning & Programming
Central Region

SUBJECT: FY'82 CIP
Appropriation -
Lifetime Ownership
Costs

Attached is the FY'82 CIP Appropriations Lifetime Ownership Costs report you requested. The Lifetime Ownership Cost term has been used to differentiate the report from a Life Cycle Cost analysis. A Life Cycle Cost analysis assumes no inflation and costs are discounted at 10% per year. Lifetime Ownership Costs assume a 10% per year inflation rate and no discounting is involved. A Life Cycle Cost analysis presents a comparative index only. Lifetime Ownership Costs more effectively show the annual impact of capital appropriations on future operating budgets because of the compounding effect of inflation.

The Transportation Component contains several project types which we currently do not have a data base to develop Lifetime Operating Costs -- docks, bridges, runways, aprons, bike paths, pedestrian overpasses, etc. However, we have assumed 2% of the appropriations amount as the first year M&O cost and then projected this figure over the estimated life of the project.

Attachment

ESTIMATED LIFETIME OWNERSHIP COSTS
FY '82 CIP APPROPRIATIONS

The attached analysis shows the estimated lifetime ownership costs for the FY '82 CIP appropriations by budget component. These costs are defined as the capital and M&O (maintenance and operating) costs of a capital project for an anticipated 30 year life. This analysis can help determine the fiscal impact of the FY '82 capital appropriations on future operating budgets.

The data base for the Life Cycle Cost System was used in preparing this analysis; however, estimated lifetime ownership costs differ from life cycle costs in that life cycle costs have no inflation factor included. In addition, life cycle costs follow the United States Bureau of the Budget practice of discounting the costs at 10% per year. On the other hand, estimated lifetime ownership costs contain a 10% per year inflation factor and do not include discounting. In both cases, the estimated project life is 30 years.

The following is a detailed explanation of the Estimated Lifetime Ownership Cost Analysis. ~~Please refer to Exhibit "A" as the example for this review~~.

The "Component" column refers to the budget component of the appropriation. The "Appropriation Type/#" column divides the appropriations into three categories: State, Grant, and Other.

"State" includes non-grant project appropriations in each budget component. "Grants" are listed because the State may incur indirect M&O costs for these projects thru revenue sharing. "Other" includes projects listed in the CIP appropriations for which lifetime ownership costs may not apply or currently cannot be determined. Representative examples are loan programs, studies, equipment, code upgrades, engineering, land survey, water and sewer projects. Lifetime onwership costs for Transportation component projects such as docks, bridges, runways, aprons, bikepaths, and street lights have been estimated by assuming 2% of the appropriation as the basis for determining the 30 year M&O costs. Road rehabilitation costs are essentially deferred M&O costs and not subject to lifetime ownership cost analysis.

The number in parenthesis next to the appropriation type refers to the number of appropriations included for each appropriation type. For example, Exhibit "A" shows 40 appropriations in the "State", 30 appropriations in the "Grant", and 100 appropriations in the "Other" categories.

The "Appropriation ($K)" column is the appropriated amount for each type: State, Grant or Other. All figures are in thousands ($K) of dollars. The "Total" is the sum of the appropriations for each type which equals the CIP appropriation for each budget component.

The "Est. Lifetime Ownership Costs ($K)" column expresses the aggregate lifetime costs (capital and M&O costs) by budget component in thousands of dollars. The life of each project is assumed to be 30 years. The Department's Life Cycle Cost System data base was used to derive these costs. Estimates assume a 10% per year inflation factor. If inflation exceeds 10% per year, the lifetime ownership costs will be substantially higher because of the effects of compounding.

It should be noted that since these costs are for the aggregate of projects for a 30 year period, it is not possible to determine a "per year" cost by dividing by 30. To do this would result in a severely distorted figure.

The dollar amount in the "Other" appropriation type under the "Estimated Lifetime Ownership Costs ($K)" column will be the sum of the appropriations for this category. There are ownership costs involved with many of these appropriations; however, it is not currently possible to estimate these costs. The result is that the total lifetime ownership costs may be underestimated.

ESTIMATED LIFETIME OWNERSHIP COSTS
FY'82 CIP APPROPRIATIONS

COMPONENT	APPROPRIATION TYPE/#	APPROPRIATION ($K)	EST. LIFETIME OWNERSHIP COSTS ($K)
Education	State (36)	51,574.5	608,332.0
	Grant (27)	38,746.0	457,021.0
	Other (106)	46,753.4	46,753.4
	Total (169)	137,073.9	1,112,106.4
Social Services	State (4)	3,836.2	66,922.0
	Grant (16)	8,108.0	97,307.0
	Other (17)	2,717.6	2,717.6
	Total (37)	14,661.8	166,946.6
Health	State (1)	525.0	9,153.0
	Grant (14)	8,213.0	142,210.0
	Other (40)	4,453.3	4,453.3
	Total (55)	13,191.3	155,816.3

ESTIMATED LIFETIME OWNERSHIP COSTS
FY'82 CIP APPROPRIATIONS

COMPONENT	APPROPRIATION TYPE/#	APPROPRIATION ($K)	EST. LIFETIME OWNERSHIP COSTS ($K)
Nat. Resource Mgmt. & Environ. Conser.	State (3)	2,250.0	29,931.0
	Grant (14)	9,904.8	67,316.0
	Other (122)	67,388.2	67,388.2
	Total (139)	79,543.0	164,635.2
Public Protection	State (4)	9,335.9	112,044.0
	Grant (8)	1,904.0	33,461.0
	Other (73)	13,548.7	13,548.7
	Total (85)	24,788.6	159,053.7
Administration of Justice	State (6)	14,808.7	183,471.0
	Grant (6)	2,787.3	40,023.0
	Other (20)	18,149.0	18,149.0
	Total (32)	35,745.0	241,643.0

ESTIMATED LIFETIME OWNERSHIP COSTS
FY'82 CIP APPROPRIATIONS

COMPONENT	APPROPRIATION TYPE/#	APPROPRIATION ($K)	EST. LIFETIME OWNERSHIP COSTS ($K)
Development	State (2)	202.0	2,350.0
	Grant (65)	17,357.3	169,951.0
	other (117)	35,283.9	35,283.9
	Total (184)	52,843.2	207,584.9
Transportation	State (107)	115,348.0	575,806.4
	Grant (108)	82,612.1	394,844.4
	Other (172)	131,861.0	131,861.0
	Total (387)	329,821.1	1,102,511.8
General Government	State (3)	9,159.0	161,917.0
	Grant (1)	10,000.0	157,204.0
	Other (42)	20,739.6	20,739.6
	Total (46)	39,898.6	339,860.6

ESTIMATED LIFETIME OWNERSHIP COSTS
FY'82 CIP APPROPRIATIONS

	APPROPRIATION TYPE/#	APPROPRIATION ($K)	EST. LIFETIME OWNERSHIP COSTS ($K)
FY'82 Total	State (166)	207,039.3	1,749,926.4
FY'82 Total	Grant (259)	179,632.5	1,559,337.4
FY'82 Total	Other (709)	340,894.7	340,894.7
	FY'82 Grand Total (1134)	727,566.5	3,650,158.5

386,671.8

3,309,363.8

845.2%

868.1%

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

SB 689—An Act relating to appropriations and general obligation bonds for capital projects

Creating an Operating Cost Fund consisting of appropriations for the cost of operating and maintaining capital projects

Hearing: Senate State Affairs Committee
Thursday, March 4, 1:30 p.m.
Room 423 Capitol

Scheduled Witnesses	Topic
✓ Sen. Arliss Sturgulewski	Sponsor's introduction
✗ Ira Winograd	Background briefing
✓ Rep. Terry Gardiner	Overview
✓ Ron Lehr Director, Budget and Management	Administrative position
✓ John Bates DOTPF Deputy Commissioner Planning and Programming	Public Facilities Planning
• Annalee Stanek • Peter McDowell C.P.A. Management Consultant	Fiscal note Operations Cost Forecasting

STATEMENT ON CAPITAL SPENDING MANIA

BY SEN. VIC FISCHER, MARCH 4, 1982

THE IDEA SEEMS TO BE RAMPANT THESE DAYS THAT CAPITAL PROJECTS ARE GOOD WHILE OPERATING EXPENDITURES ARE BAD.

IT'S CRITICAL TO ACKNOWLEDGE WHAT WE ALL KNOW--CAPITAL PROJECTS BEGET MAINTENANCE AND OPERATING EXPENSES, AND THERE'S NO WAY WE CAN GET AWAY FROM THAT.

WHEN WE SPEND MONEY ON CAPITAL PROJECTS, IT'S NOT A ONE-TIME EXPENDITURE. WE WILL HAVE TO PAY TO RUN IT, YEAR AFTER YEAR AFTER YEAR. OVER AND OVER AGAIN WE'LL BE PAYING FOR IT NOT THROUGH THE POPULAR CAPITAL BUDGET CATEGORY, BUT THROUGH OPERATING EXPENDITURES.

IF WE IGNORE THIS SIMPLE FACT, OUR CRIME IS NOT JUST DELUDING OURSELVES. WE DECEIVE THE PUBLIC. WORSE, WE SADDLE THOSE WHO COME AFTER US WITH THE RESPONSIBILITY TO SUPPORT OUR PROJECTS, BE THEY NECESSITIES OR EXTRAVAGANCES.

TODAY, STATATE AFFAIRS COMMITTEE TAKES UP SB 689 -- TO CREATE AN OPERATING COST FUND TO RUN CAPITAL IMPROVEMENTS THE STATE CONSTRUCTS.

LAST NOVEMBER, DISTRIBUTED TO ALL MEMBERS A REPORT ON ESTABLISHMENT OF A MAINTENANCE AND OPERATION FUND TO COVER FUTURE COSTS OF CAPITAL PROJECTS. PREPARED BY IRA WINOGRAD AND ANNE DEVRIES OF HOUSE RESEARCH AGENCY.

IN TRYING TO EMPHASIZE THE IMPORTANCE OF THIS CONCEPT, MY TRANSMITTAL MEMO TO THE MEMBERS STATED: "MAINTENANCE AND OPERATIONS EXPENSES CAN, OVER THE LIFE OF A CAPITAL PROJECT, EXCEED ORIGINAL CONSTRUCTION COSTS BY AS MUCH AS 400%."

THIS WOULD MEAN THAT WHEN WE ALLOCATE $1 BILLION TO CAPITAL CONSTRUCTION, WE WOULD BE SADDLING OURSELVES WITH $4 BILLION IN FUTURE COSTS.

WELL, THE REALITY IS EVEN WORSE. IT LOOKS AS IF THE AVERAGE LIFETIME COSTS OF PROJECTS WILL EXCEED INITIAL INVESTMENT BY MORE THAN 8 1/2 TO 1. THAT IS, FOR EACH BILLION WE INVEST IN CAPITAL PROJECTS, OUR AVERAGE TOTAL OPERATING AND MAINTENANCE COSTS WILL BE EIGHT BILLION FIVE HUNDRED MILLION DOLLARS.

AT MY REQUEST, THE FIRST ESTIMATE OF LONG-TERM EFFECTS OF CAPITAL EXPENDITURES HAS BEEN PREPARED BY DOT/PF.

A SAMPLE OF FY 82 GENERAL FUND CAPITAL APPROPRIATIONS SHOWS THAT LIFETIME OWNERSHIP COSTS ARE 8.56 TIMES CAPITAL APPROPRIATIONS. (WE WILL BE EXAMINING THIS ANALYSIS DURING THIS AFTERNOON'S STATE AFFAIRS COMMITTEE MEETING.) TOTAL CAPITAL EXPENDITURES HAVE NOT BEEN CALCULATED FOR FY 82.

IN FY 81, TOTAL CAPITAL PROJECT EXPENDITURES EQUALED $1,595,545,000. APPLYING THE ABOVE PERCENTAGE, THE 1981 CAPITAL BUDGET WILL PRODUCE $13,657,865,000 IN BUDGET REQUIREMENTS FOR MAINTENANCE AND OPERATIONS OVER THE NEXT 30 YEARS.

THIS MEANS THAT THE 1980 LEGISLATURE HAS COMMITTED THE STATE OF ALASKA TO MEAN ANNUAL EXPENDITURES OF $455,262,160 PER YEAR!

IMAGINE THE KIND OF FUTURE BURDENS THAT HAVE BEEN IMPOSED BY THE CAPITAL EXPENDITURES MADE DURING THE LAST SESSION.

(THE RATIO BETWEEN CAPITAL EXPENDITURES AND LIFETIME M&O COSTS VARIES BY TYPES OF PROJECTS, RANGING FROM 1:3 TO 1:12)

IT'S CLEAR, THAT OUR BUDGETS WILL BECOME ASTRONOMICAL IF WE IGNORE THE CONSEQUENCES AND JUST KEEP POURING MONEY INTO CAPITAL PROJECTS.

LET ME NOW ADDRESS THE MORE SPECIFIC RELATIONSHIP BETWEEN CAPITAL EXPENDITURES AND OPERATING FUNDS BY CITING TWO EXAMPLES.

THE OPERATING BUDGET IS BEGINNING TO BEAR THE BURDEN OF INADEQUATE LONG-TERM FINANCIAL PLANNING. CUTS ARE BEING SUGGESTED IN THE OPERATING BUDGET WHICH WOULD CAUSE FULL OR PARTIAL ABANDONMENT OF CAPITAL PROJECTS OR SERVICES. IN 1982, WE MAY HAVE OUR FIRST ABANDONED NEW PROJECTS, SHINY CEMENT MONUMENTS TO GOVERNMENT INABILITY TO PLAN AHEAD.

EXAMPLE: STATE HATCHERIES

HATCHERIES ARE LIKE MACHINES; ONCE THEY ARE CONSTRUCTED, THE MORE THEY ARE USED, THE MORE VALUE THEY PRODUCE. THE STATE HAS CONSTRUCTED 20 HATCHERIES AT A COST OF $77 MILLION, YET NONE IS OPERATING AT ULTIMATE CAPACITY, AND THREE ARE NOT OPERATING AT ALL. THE THREE NON-OPERATING HATCHERIES, MAIN BAY, SIKUSUILAQ, AND TRAIL LAKES, COST OVER $16 MILLION. THEY HAVE JUST BEEN CONSTRUCTED AND WILL BE READY FOR OPERATION THIS SPRING. THESE THREE HATCHERIES REQUIRE $500,000 PER YEAR FOR OPERATIONS.

THE HOUSE FINANCE SUBCOMMITTEE ON NATURAL RESOURCES IS HAVING SECOND THOUGHTS ABOUT OPERATING ALL 20 HATCHERIES. THEY RECOMMEND A 65% CUT TO F.R.E.D., THE FISHERIES REHABILITATION SECTION OF FISH AND GAME. THIS CUT WOULD ELIMINATE ALL HATCHERY OPERATIONS.

THE ONLY ALTERNATIVE TO ABANDONMENT WOULD BE A TRANSFER OF OPERATING RESPONSIBILITIES TO PRIVATE NON-PROFIT HATCHERIES. MOST HATCHERIES ARE CONSTRUCTED ON FEDERAL LAND WITH THE STIPULATION THAT WHEN AND IF THE STATE ABANDONS OPERATIONS THE STATE IS RESPONSIBLE FOR REMOVING ALL STRUCTURES IN THEIR ENTIRETY. ANY CHANGES IN OPERATING RESPONSIBILITY WOULD HAVE TO BE APPROVED BY THE FEDERAL GOVERNMENT.

EVEN IF APPROVAL WERE POSSIBLE, THE PRIVATE NON-PROFIT HATCHERIES DO NOT HAVE ADEQUATE FUNDING TO OPERATE ADDITIONAL HATCHERIES. IN THE EVENT THAT BUDGET CUTS LEAD TO ABANDONMENT, DEMOLITION AND REMOVAL COSTS COULD BE SUBSTANTIAL.

THE COST OF AN ABANDONED HATCHERY PROGRAM INCLUDES THE VALUE OF LOST PRODUCTION. THE NET PRESENT VALUE OF HATCHERY CAUGHT FISH, OVER A 20 YEAR PERIOD, IS ESTIMATED TO BE $450 MILLION IN 1982 DOLLARS. THE DIRECT COST OF AN ABANDONED HATCHERY PROGRAM COULD BE $550 MILLION, NOT INCLUDING VALUE LOST TO SHORE BASED PROCESSORS AND LABORERS.

FISHERIES REHABILITATION NEEDS LONG-RUN FINANCIAL PLANNING. BUILD NOW, PLAN LATER, IS A FISHY POLICY INDEED.

EXAMPLE: PIONEER HOMES

NEW PIONEER HOME CONSTRUCTION PROJECTS WERE RECENTLY COMPLETED IN KETCHIKAN AND ANCHORAGE AT A COST OF $12.5 MILLION. CONSTRUCTION COSTS ARE ONLY A DROP IN THE BUCKET COMPARED TO THE COST OF OPERATING THESE FACILITIES. THE NEW FACILITIES REQUIRE 85 NEW FULL-TIME EMPLOYEES AND 32 PART-TIME EMPLOYEES. THERE CANNOT BE AN EFFECTIVE BAN ON NEW STATE EMPLOYEES WHILE NEW CAPITAL PROJECTS ARE BEING CONSTRUCTED.

THE TOTAL PIONEER HOME SYSTEM COST $42.5 MILLION TO CONSTRUCT. OVER A 30 YEAR PERIOD, IT WILL COST OVER $500 MILLION TO OPERATE THESE FACILITIES. IN TODAY'S DOLLARS, FOR EVERY SINGLE DOLLAR SPENT

ON CONSTRUCTION, $12 WILL BE SPENT ON OPERATIONS. IN OTHER WORDS, OPERATING COSTS ARE 1,200% OF CAPITAL COSTS.

THE CAPITAL BUDGET IS THE ENGINE WHICH DRIVES THE OPERATING BUDGET. IF WE CONTINUE TO CONSTRUCT CAPITAL PROJECTS, WITHOUT PLANNING FOR FUTURE OPERATIONS, WE WILL HAVE MANY MORE SURPRISES.

I'M NOT ADVOCATING THAT WE CUT OUT CAPITAL PROJECTS AND JUST SPEND MONEY ON OPERATIONS. THOUGH A CASE CAN BE MADE THAT PUTTING MONEY INTO OPERATING BUDGETS WILL HAVE A MUCH LESSER FISCAL AMPACT ON THE FUTURE THAN CONTINUOUSLY POURING MONEY INTO CONCRETE AND STEEL.

I SIMPLY BELIEVE THAT WE MUST THINK ABOUT THE LONG-TERM EFFECTS OF WHAT WE ARE DOING.

I'M APALLED AT THE EXTENT TO WHICH MANY LEGISLATORS SEEM TO IDOLIZE CAPITAL PROJECTS WHILE CONDEMNING OPERATING EXPENDITURES AS SOMETHING EVIL.

IF WE'RE EVER TO DEAL WITH STATE EXPENDITURES RESPONSIBLY AND EFFECTIVELY, WE'VE GOT TO THINK ABOUT THE FUTURE -- AND THAT REQUIRES BEING REALISTIC ABOUT THE RELATIONSHIP BETWEEN CAPITAL EXPENDITURES AND FUNDS NEEDED FOR MAINTENANCE AND OPERATION OF CAPITAL PROJECTS.

For cover - bond projects could include?

Introduced: 1/27/82
Referred: State Affairs and Finance

BY STURGULEWSKI, FERGUSON, FISCHER AND STIMSON

IN THE SENATE

SENATE BILL NO. 689

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to appropriations and general obligation bonds for capital projects; and providing for an effective date."

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

* Section 1. AS 37.10 is amended by adding a new section to read:

Sec. 37.10.067. OPERATING COST FUND. (a) An operating cost fund for capital projects is established in the Department of Revenue. The operating cost fund shall be managed in accordance with this section.

(b) The operating cost fund consists of

(1) all money appropriated to it by the legislature in accordance with AS 37.25.022; and

(2) appropriate interest earned by investment of the fund balance (of the fund)

(c) The commissioner of revenue shall invest and manage the money in the operating cost fund that the commissioner determines to be above an amount sufficient to meet current cash expenditure needs. An investment by the commissioner of revenue under this subsection shall be made in accordance with AS 37.10.070(b).

(d) The commissioner of revenue shall establish in the operating cost fund an account for each capital project for which an appropriation is made. The account consists of the unexpended amount of the appropriation for the capital project and income credited to the capital project under (e) of this section.

(e) Income earned from investment of money in the operating cost fund shall be allocated by the commissioner of revenue to the account

for each capital project for which an appropriation for the cost of operating the project has been made by the legislature. An allocation under this subsection shall be made to the account for each capital project specifically designated by the legislature by law in proportion to the account balance for that capital project as a percentage of the total amount in the operating cost fund.

(f) During each fiscal year, the commissioner of revenue shall withdraw and pay to the department that has responsibility for the operation of a capital project an amount equal to the operating cost of the capital project and the commissioner of revenue shall reduce the account balance of the capital project by the amount paid. The amount paid by the commissioner of revenue under this subsection shall be used by the department that has responsibility for the operation of the capital project for operating costs of the capital project. A withdrawal under this subsection may not exceed the account balance of the capital project.

(g) The commissioner of revenue may prescribe regulations applicable to withdrawal and payment of money from the operating cost fund to other departments for the operating cost of a capital project.

* Sec. 2. AS 37.15 is amended by adding a new section to read:

Sec. 37.15.013. OPERATING COSTS OF PROJECTS FOR WHICH GENERAL OBLIGATION BONDS MAY BE AUTHORIZED. (a) The commissioner of each department responsible for the operation of a proposed capital project for which general obligation bonds may be authorized shall prepare a schedule of the expected cost of operating the proposed capital project for its useful life. The schedule of the expected cost of operating the proposed capital project shall serve as the basis for calculating the net present value of the operating cost of the project.

(b) In determining the net present value of the operating cost for

a proposed capital project, the commissioner of each department responsible for the operation of the proposed capital project shall discount the total of all estimated future costs of operating the project to the construction completion date of the project. The discount factor to be applied is the estimated compound annual rate of return of the operating cost fund under AS 37.10.067 for the useful life of the capital project, or for the first 30 years of the useful life of the capital project, whichever is less.

(c) The provisions of this section do not apply to a proposed capital project in which the net present value of cost of operating the proposed capital project is less than $100,000.

(d) In this section, "cost of operating" and "operating cost" mean the normal, anticipated costs of maintenance and operation of a capital project. The terms

(1) include expenses for routine maintenance, minor repairs, utilities, local charges, fees and payments in place of taxes;

(2) exclude costs that will be offset by fees imposed on persons who use the project, and for contributions from federal, municipal, and private sources.

* Sec. 3. AS 37.25 is amended by adding a new section to read:

Sec. 37.25.022. OPERATING COSTS OF CAPITAL PROJECTS. (a) An appropriation for a capital project other than a project financed by general obligation bond proceeds that will be owned and operated by the state shall include an appropriation for the cost of operating the capital project. The appropriation for the cost of operating the capital project may not be less than

(1) the net present value of the estimated cost of operating the capital project for its expected useful life, if the expected useful life of the capital project is 30 years or less; or

(2) the net present value of the estimated cost of operating the capital project for 30 years, if the expected useful life of the capital project exceeds 30 years

(b) The commissioner of each department responsible for the operation of a proposed capital project shall prepare a schedule of the expected cost of operating the proposed capital project for its useful life. The schedule of the expected cost of operating the proposed capital project shall serve as the basis for calculating the net present value of the operating cost of the proposed capital project.

(c) In determining the net present value of the operating cost for a proposed capital project, the commissioner of each department responsible for the operation of the proposed capital project shall discount the total of all estimated future costs of operating the project to the date on which the appropriation for the cost of operating the project will be paid to the operating cost fund (AS 37.10.067) in the Department of Revenue. The discount factor to be applied is the estimated compound annual rate of return of the operating cost fund for the useful life of the proposed capital project, or for the first 30 years of the useful life of the proposed capital project, whichever is less.

(d) The provisions of (a) of this section do not apply to a proposed capital project in which the net present value of cost of operating the proposed capital project is less than $100,000.

(e) In this section, "cost of operating" and "operating cost" mean the normal, anticipated costs of maintenance and operation of a proposed capital project. The terms

(1) include expenses for routine maintenance, minor repairs, utilities, local charges, fees and payments in place of taxes;

(2) exclude costs that will be offset by fees imposed on persons who use the project, and for contributions from federal, muni-

cipal, and private sources.

* Sec. 4. AS 15.58.020(7) is amended to read:

(7) for each bond question,

(A) a statement of the scope of each project as it appears in the Bond Authorization Act; and

(B) a statement of the net present value of the operating cost for the project;

* Sec. 5. This Act takes effect January 1, 1983.

ESTIMATED LIFETIME OWNERSHIP COSTS

FY '83-'84 EXECUTIVE BUDGET
CAPITAL PROGRAM

MARCH 1982

Prepared By

STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
DIVISION OF PLANNING & PROGRAMMING

TABLE OF CONTENTS

		Page
PART I	INTRODUCTION	I-1
PART II	ESTIMATED LIFETIME OWNERSHIP COST SUMMARY FOR FY'83-'84 EXECUTIVE BUDGET CAPITAL PROGRAM	II-1
PART III	FY'83-'84 EXECUTIVE BUDGET COMPONENT ANALYSIS	III-1
	EDUCATION	III-2
	SOCIAL SERVICES	III-8
	HEALTH	III-11
	NATURAL RESOURCE MANAGEMENT	III-14
	PUBLIC PROTECTION	III-20
	ADMINISTRATION OF JUSTICE	III-23
	DEVELOPMENT	III-26
	TRANSPORTATION	III-30
	GENERAL GOVERNMENT	III-52

PART I

INTRODUCTION

ESTIMATED LIFETIME OWNERSHIP COSTS
FY'83-'84 EXECUTIVE BUDGET CAPITAL PROGRAM

This report analyzes the Estimated Lifetime Ownership Costs for the FY'83 Cash and FY'83-'84 Voter Approval Capital Programs as contained in the FY'83 Executive Budget. These costs are defined as the initial capital and M&O (Maintenance & Operations) costs of a capital project for an estimated 30-year life. This analysis can help determine the fiscal impact of these capital projects on future operating budgets.

The data base for the Life Cycle Cost System was used in preparing this analysis; however, Estimated Lifetime Ownership Costs differ from Life Cycle Costs in that Life Cycle Costs have no inflation factor included. In addition, a Life Cycle Cost Analysis follows the United States Bureau of the Budget practice of discounting costs at 10% per year. On the other hand, Estimated Lifetime Ownership Costs contain a 10% per year inflation factor and do not include discounting. In both cases, the estimated project life is 30 years.

A Life Cycle Cost Analysis provides a comparative index. Estimated Lifetime Ownership Costs more effectively show the potential fiscal impact of proposed capital projects on future operating budgets because of the compounding effects of inflation. If inflation exceeds 10% per year, the resulting estimated Lifetime Ownership Costs will be substantially higher than those presented in this report.

Estimated Lifetime Ownership Costs can be provided for public facilities if the request is for a new facility or complete facility addition. Facility

renovations and repair costs are actually a part of a facility's original Estimated Lifetime Ownership Cost. In these cases, the actual dollar amount of the capital request is listed as the Estimated Lifetime Ownership Cost. Estimated Lifetime Ownership Costs for new or upgraded roads, runways, and aprons have used the statistical information from the Compilation of Highway and Airport Maintenance Costs report (No. AK-RD-82-16) prepared by the Alaska DOT/PF Research Section. Rehabilitation costs are essentially deferred M&O costs and are not subject to Estimated Lifetime Ownership Costs Analysis. Estimated Lifetime Ownership Costs for Transportation component projects such as new docks, bridges, bike paths, and street lights have been estimated by assuming 2% of the appropriation request as a base figure for determining the 30-year M&O cost.

Each budget component has capital requests for which Estimated Lifetime Ownership Costs may not apply or cannot be determined. Representative examples are loan programs, studies, equipment, code upgrades, engineering, and land surveys. While there are ownership costs involved with these types of projects, it is not possible to determine these costs. As a result, the total Estimated Lifetime Ownership Costs presented in this report may be understated.

The report format is essentially the same as the Executive Budget. Part II of the report is the Estimated Lifetime Ownership Cost summary totals for all nine components of the FY'83-'84 Executive Budget Capital Program. Part III is the detailed analysis of each component. In each case, the request year and individual project requests are listed in the same order as in the Executive Budget. This format will allow easy comparison with the Executive Budget.

Please refer to Exhibit "A" for an explanation of the Executive Budget Component Analysis portion of the report. The "Budget Component" and "Total Funds" columns have all project information listed in the exact order as the Executive Budget. The third column lists the Estimated Lifetime Ownership Cost for each project. If the project is not subject to an Estimated Lifetime Ownership Cost Analysis, the amount of the request is entered. All monetary amounts are in thousands of dollars ($K).

The "General Fund", "Voter Approval", and "All Other Funds" columns show by an "X" how the project is to be approved and/or funded. For example, in Exhibit "A", all projects are a part of the FY'84 Voter Approval Package. The "Page Number" column refers to the page in the Executive Budget where project detail is provided.

As shown in Exhibit "A", each component will have a cost summary which gives totals for the FY'83 Cash, FY'83 and '84 Voter Approval Packages.

It should be noted that even though the Estimated Lifetime Ownership Costs are for a 30-year period, it is not possible to determine a "per year" cost by dividing by 30. To do this would result in a severely distorted figure.

EDUCATION

'84 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
University of Alaska						
University of Alaska						
UAF Student Housing				X		47
Renovation/Repair/Code Upgrade				X		47
UAJ-Student Housing				X		47
UAA Classroom				X		47
Agency Total						

EDUCATION COMPONENT SUMMARY

	Total Requests	Est. Lifetime Ownership Cost
FY'83 Cash		
FY'83 Voter Approval		
FY'84 Voter Approval		

EXHIBIT "A"

PART II

ESTIMATED LIFETIME OWNERSHIP COST SUMMARY

FY'83-'84 EXECUTIVE BUDGET CAPITAL PROGRAM

ESTIMATED LIFETIME OWNERSHIP COST SUMMARY
FY'83-'84 EXECUTIVE BUDGET CAPITAL PROGRAM

I. FY'83 CASH

Component	Request ($K)	Est. Lifetime Ownership Costs ($K)
Education	135,112.6	413,097.8
Social Services	4,317.6	7,031.6
Health	13,850.6	87,299.3
Nat. Resource Mgmt.	60,233.8	213,198.1
Public Protection	3,012.7	7,061.0
Admin. of Justice	81,446.1	900,723.3
Development	390,752.0	405,441.1
Transportation	393,987.4	775,418.4*
General Government	25,092.0	73,982.1
FY'83 Cash Total	1,107,804.8	2,893,252.7

II. FY'83 VOTER APPROVAL

Component	Request ($K)	Est. Lifetime Ownership Costs ($K)
Education	21,156.8	169,672.2
Social Services	0.0	0.0
Health	0.0	0.0
Nat. Resource Mgmt.	21,650.0	69,283.0
Public Protection	0.0	0.0
Admin. of Justice	0.0	0.0
Development	0.0	0.0
Transportation	254,815.8	511,110.2
General Government	0.0	0.0
FY'83 Voter Approval Total	297,622.6	750,065.4

III. FY'84 VOTER APPROVAL

Component	Request ($K)	Est. Lifetime Ownership Costs ($K)
Education	58,678.4	630,587.0
Social Services	0.0	0.0
Health	0.0	0.0
Nat. Resource Mgmt.	47,184.0	217,937.0
Public Protection	10,831.1	101,215.0
Admin. of Justice	0.0	0.0
Development	0.0	0.0
Transportation	406,522.1	1,292,472.3
General Government	660,000.0	660,000.0
FY'84 Voter Approval Total	1,183,215.6	2,902,211.3

* A significant portion of the Transportation component is for rehabilitating existing capital projects. In the long run, rehabilitation costs are much less than reconstruction costs for deteriorated roads, runways, etc.

PART III

FY '83-'84 EXECUTIVE BUDGET

COMPONENT ANALYSIS

EDUCATION

EDUCATION

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Elementary and Secondary Education						
Department of Education						
Statewide Emerg Repair/Renova	2000.0	2000.0	X			24
Rural Schools Lease Fund	200.0	200.0	X			24
St School Site Ownership Survey	200.0	200.0	X			24
Central Cor Stu-Develop Basic	240.0	240.0	X			23
Chatham Dist Maj Maint Phase II	16.0	16.0	X			23
SW Reg Dist Oil Tank Dyke Phase	230.4	230.4	X			23
Iditarod Flat-Minchom Site Acq	100.0	100.0	X			23
Bering St Steb/St Mich Const	600.0	600.0	X			23
Copper Riv Glennallen Land Acq	100.0	100.0	X			23
Ak Railb Tri-Val Coal Conv SF	700.0	700.0	X			23
AK Gateway Athl Fac Shortfall	450.0	450.0	X			23
Delta/Greely Delta Central Heat	700.0	700.0	X			23
NW Arctic Kotzebue Energy Retr	65.0	65.0	X			23
NW Arctic Deering Code Upgr/St	145.0	145.0	X			23
Low Kus Bethel Mikel Code Upgrade	280.0	280.0	X			23
Ak Gateway District W Code Upgrade	900.0	900.0	X			22
Delta/Greely Delta Restrooms	50.0	50.0	X			22
Southeast Kasaan School Addition	940.0	11145.0		X		22
Copper Riv Chistochina Elem Add.	534.6	6339.0		X		22
NW Arctic Buckland Remo/Add.	195.0	195.0	X			22
Yukon Flats Circle Elem/Sec Add.	2000.0	23713.0		X		22
Copper River Gakona Sch Rem/Add.	312.0	312.0	X			22
Bering St Savoonga High School Add	1200.0	14228.0		X		22
Whittier Multipurpose Addition	1200.0	14228.0		X		22
Iditarod McGrath Expansion Phase I	1000.0	11857.0		X		22
Northway Sec/Elem Classroom Remodel	1850.0	1850.0		X		22
Yukon Flats Ft Yukon Gym	1320.0	15651.0		X		22
Railbelt Tri-Valley Port Rep.	1125.0	13339.0		X		21
Ft. Greely Remodel Old Gym	600.0	600.0		X		21

EDUCATION

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Ft. Greely Multipurpose Addition	1100.0	13042.0		X		21
NW Arctic Kobuk School Upgrade	45.0	45.0	X			21
Bering St Teller School Site Eros	200.0	200.0	X			21
NW Arctic Shungnak School Upgrade	75.0	75.0	X			21
NW Arctic Ambler School Upgrade	719.0	719.0	X			21
NW Arctic Noatak Tankfarm Relo	283.0	283.0	X			21
Ak Railbelt Tri-Valley School	925.0	925.0	X			21
Chatham Districtwide Maj Maint	85.5	85.5	X			21
Lake & Peninsula Dist School Upgrade	2055.0	2055.0	X			20
Lower Kus Bethel Kilb School Upgrade	2200.0	2200.0		X		20
NW Arctic Kotzebue E/S Upgrade Ph 2	706.0	706.0		X		20
Yukon Flats Five Mile School	1200.0	14228.0		X		20
Southeast Island Long Island School	860.0	10197.0		X		20
Yukon Flats Central School	1200.0	14228.0		X		20
Yukon Flats Northern Lts School	185.0	2193.0	X			20
Atka School Phase II	2121.2	2121.2		X		20
Aleutian Akutan School Replacement	2168.6	25712.0	X			20
Bering St Brevig Mis Elem Safe	3485.0	41320.0	X			20
Bettles Field School Replacement	1420.0	16836.0	X			20
Bering St Golovin School Water	1000.0	4619.0	X			19
Lower Yukon Pitkas Pt School Rep	631.8	7491.0	X			19
Teller Water System Upgrade	1000.0	4619.0	X			19
Bering St Brevig Mis School Water	1000.0	4619.0	X			19
Koyuk School Water/Sewer Upgrade	1000.0	4619.0	X			19
Lake & Peni Port Alsworth Safe	2162.4	25639.0	X			19
Bering St Unalakleet Elem Safe	3800.0	45055.0	X			19
Ak Railbelt Dist Life Safety	100.0	100.0	X			19
SW Reg Life Safety Co Upgrade	2100.0	2100.0	X			19
Yukon/Koyukuk Dist. H&L Safety	2266.8	2266.8	X			19
Agency Total	55347.3	368731.9				

EDUCATION

'84 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Elementary and Secondary Education						
Department of Education						
Iditarod Anvik Kit/Food Sto Ad	1200.0	14228.0		X		25
Aleutain Nelson Lagoon Ad Phase 2	1377.5	16332.0		X		25
Bering St White Mt Lib/Media	1000.0	11857.0		X		25
Dot Lake Renovation & Addition	1800.9	21353.0		X		25
Yukon Fts Stev Vil Elem/Sec RP	2000.0	23713.0		X		25
SW Clarks Point Replacement	2100.0	24899.0		X		25
Iditarod Grayling Spec Insc Ad.	1200.0	14228.0		X		25
Agency Total	10678.4	126610.0				

EDUCATION

'83 Cash and '83 Voter Approval

Educ Info & Cult Services						
Department of Education						
St Lib-Auto Circ/Res System	160.0	160.0	X			32
St Lib-Microfilm Equipment	125.0	125.0	X			32
Ak Hist Com-Ak Hist Textbook	150.0	150.0	X			33
St Lib-Const/Remod Grt	500.0	500.0	X			33
St Lib-Rare Alaskana	30.0	30.0	X			33
St Lib-Winter/Pond Hist Photo	60.0	60.0	X			33
St Lib-Film Collection	100.0	100.0	X			32
St Lib-Video Duplication	135.0	135.0	X			32
Arts Council Cap Equip Grants	250.0	250.0	X			31
State Museum Compact Storage	91.1	91.1	X			31
State Museum Purchase Acquisi	120.0	120.0	X			31
State Museum Expansion Project	1000.0	11857.0	X			31
Agency Total	2721.0	13578.1				

EDUCATION

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Adult Postsecondary Education						
Department of Education						
Fairbanks Fire Training Equip.	132.0	132.0	X			38
Alaska Student Loan Program	67500.0	67500.0	X		X	39
Curbs and backtopping	150.0	150.0	X			38
80 Person Dormitory	3325.0	39423.0	X			38
Student Service Center	4975.0	58987.0	X			38
Agency Total	76082.0	166192.0				
University of Alaska						
University of Alaska						
Ccree Library Acquisitions	235.0	235.0	X			44
UAJ Library Books	429.0	429.0	X			44
UAJ Construction & Instruction	719.0	8525.0	X			43
Statewide Equipment	4000.0	4000.0	X			43
Upgrade of Uacn Computer	4753.0	4753.0	X			43
UAF-Student Resident Halls	4000.0	4000.0	X			43
Palmer Emergency Generator	33.0	33.0	X			46
UAA Bookstore Fixtures	300.0	300.0	X			45
UAF Coal Handling Facility	1200.0	5543.0	X			45
Telecommunications	1000.0	1000.0	X			45
UAF Water Treatment	450.0	450.0	X			45
Renovation/Repair/Code Upgrade	4000.0	4000.0	X			44
Campus Master Planning	1000.0	1000.0	X			44
Agency Total	22119.0	34268.0				

EDUCATION

'84 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
University of Alaska						
University of Alaska						
UAF Student Housing	10000.0	118566.0		X		47
Renovation/Repair/Code Upgrade	6000.0	6000.0		X		47
UAJ-Student Housing	12000.0	142279.0		X		47
UAA Classroom	20000.0	237132.0		X		47
Agency Total	48000.0	503977.0				

EDUCATION COMPONENT SUMMARY

	Total Requests	Est. Lifetime Ownership Cost
FY'83 Cash	135,112.6	413,097.8
FY'83 Voter Approval	21,156.8	169,672.2
FY'84 Voter Approval	58,678.4	630,587.0

SOCIAL SERVICES

SOCIAL SERVICES

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Social and Economic Assistance for the Aged						
Department of Administration						
Safety Upgrade-Palmer	949.3	949.3	X			55
Parking Lot-Anchorage	250.0	2964.0	X			56
Furnishings & Laundry-Sitka	150.0	150.0	X			55
Modernize Heat System-Sitka	884.8	884.8	X			55
Repairs-Fairbanks & Palmer	300.0	300.0	X			55
Building Repair-Palmer	600.0	600.0	X			56
Agency Total	3134.1	5848.1				
Employment Stabilization						
Department of Labor						
Juneau Telephone System	195.3	195.3	X			60
Operating System Upgrade	15.0	15.0			X	61
IBM-3350-B Acquisition	34.9	34.9			X	61
CPU Replacement-Juneau	527.1	527.1			X	61
Site Preparation-Juneau	190.0	190.0			X	60
Fix Rural Off - Beth Dill Kotz	74.6	74.6	X			60
Anchorage Consolidated Offices	146.6	146.6	X			60
Agency Total	1183.5	1183.5				

SOCIAL SERVICES COMPONENT SUMMARY

	Total Requests	Est. Lifetime Ownership Cost
FY'83 Cash	4,317.6	7,031.6
FY'83 Voter Approval	0.0	0.0
FY'84 Voter Approval	0.0	0.0

H E A L T H

HEALTH

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Public Health						
Department of Health & Social Services						
Juneau Health Center Plan	22.4	22.4	X			71
Fairbanks Health Center Plan	12.0	12.0	X			70
EMS Equipment	523.0	523.0	X			70
Anchorage Laboratory	539.0	6976.0	X			70
Ketch Health Center & Office Sp	315.6	315.6	X			70
Homer Health Center Plan	17.0	17.0	X			69
Palmer Health Center Plan	15.8	15.8	X			69
Wrangell Health Center	611.3	7912.0	X			69
PH Statewide Maintenance	219.4	219.4	X			69
Agency Total	2275.5	16013.2				
Mental Health & D.D.						
Department of Health & Social Services						
DD & MH Management Info Syst	208.9	208.9	X			76
Security Fencing - API	396.8	396.8	X			76
HDC Rebuild Mechanical System	750.0	750.0	X			76
HDC Roof Replacement	1400.0	1400.0	X			76
Energy Audit Mod HDC	380.0	380.0	X			79
Prediscbarge Unit Mod-HDC	300.0	300.0	X			79
Add Floors - API Plan	200.0	200.0	X			78
Waste Incinerator - API	175.0	175.0	X			78
Landscaping - Harborview	100.0	100.0	X			78
Warehouse Plan Const-API	331.2	331.2	X			78
Barrier Free Access-Harborview	160.0	160.0	X			77
Childrens Facility - API	5000.0	64711.0	X			77
Fire Code Update - API & HDC	150.0	150.0	X			77
Building Maint - API & HDC	200.0	200.0	X			77
Agency Total	9751.9	69462.9				

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
HSS Admin and Support						
Department of Health & Social Services						
Vital Records Automation	148.2	148.2	X			83
PA Eligibility System EIS	1500.0	1500.0	X		X	83
Health Fac Inv Phase II	75.0	75.0	X			83
Automated Vouchering System	100.0	100.0	X			83
Agency Total	1823.2	1823.2				

HEALTH COMPONENT SUMMARY

	Total Requested	Est. Lifetime Ownership Cost
FY'83 Cash	13,850.6	87,299.3
FY'83 Voter Approval	0.0	0.0
FY'84 Voter Approval	0.0	0.0

N A T U R A L R E S O U R C E M A N A G E M E N T

&

E N V I R O N M E N T A L C O N S E R V A T I O N

NATURAL RESOURCE MANAGEMENT & ENVIRONMENTAL CONSERVATION

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Management and Administration						
Department of Natural Resources						
Microfilming/Auto Drafting	890.0	890.0	X			91
ALARS	1100.0	1100.0	X			91
Offshore/Marine Boundary	2750.0	2750.0	X			91
Cadastral Land Surveying	8833.5	8833.5	X			91
Orthophoto Quad Mapping	944.0	944.0	X			92
Agency Total	14517.5	14517.5				
Land Management						
Department of Natural Resources						
Anch Land Deficiency Payment	4000.0	4000.0	X			94
Agency Total	4000.0	4000.0				
Mangement of Mineral Res						
Department of Natural Resources						
Resource Inven/Eval/Mapping	7956.2	7956.2	X		X	97
Geologic/Geophysical Inter	2846.0	2846.0	X			97
Agency Total	10802.2	10802.2				
Parks and Recreation						
Department of Natural Resources						
Haines Visitor Center	1047.5	13557.0	X			100
Wayside Drinking Water	200.0	924.0	X			100
Park Radio Communications	50.0	50.0	X			100
Kenai River Development	500.0	2309.0	X			100
Agency Total	1797.5	16840.0				

NATURAL RESOURCE MANAGEMENT &
ENVIRONMENTAL CONSERVATION

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Fish and Game Resource						
Department of Fish & Game						
Yakutat Housing and Warehouse	211.2	2733.0	X			103
Vessels Major Maintenance FY83	121.2	121.2	X			103
Petersburg Facilities	1330.6	17221.0	X			104
Bethel Office and Housing	1575.0	20384.0	X			103
Fairbanks Office Expansion	1568.7	20303.0	X			103
Eagle Project	100.0	100.0	X			111
Stikine River Studies	509.0	509.0	X			111
Fishpass Projects	250.0	250.0	X			110
Incubation & Rearing Equip	600.0	600.0	X			110
Lake Fertilization/Limnology	1000.0	1000.0	X			110
Cannery Creek Modification	350.0	350.0	X			110
Crystal Hatchery Improvements	170.0	170.0	X			109
Trout Fisheries Development	100.0	100.0	X			109
Shellfish Assessment Equip	94.0	94.0	X			109
Shellfish Pot Replacement	132.1	132.1	X			109
Potter Point Refuge Turnouts	30.0	30.0	X			108
Packers Lake Feasibility Study	75.0	75.0	X			108
Hatchery Equipment	365.0	365.0	X			108
Sonar Research & Maintenance	300.0	300.0	X			108
Copper River Sonar Substrate	240.6	240.6	X			107
Weirs Towers and Fishwheels	95.0	95.0	X			107
Aircraft Purchase	200.0	200.0	X			107
Russell Creek Remedial Work	2000.0	2000.0	X			107
Habitat Improvement	400.0	400.0	X			106
Hidden Falls Development	500.0	500.0	X			106
PWS Hatchery Transport	350.0	350.0	X			106
Data Management	2700.0	2700.0	X			106

NATURAL RESOURCE MANAGEMENT &
ENVIRONMENTAL CONSERVATION

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Communication Equipment	93.8	93.8	X			105
Cook Inlet Stock Management	704.1	704.1	X			105
Kodiak Crab Modeling	185.0	185.0	X			105
Field Station Facilities	168.5	778.0	X			105
Cordova Fencing & Fill	130.0	130.0	X			104
Delta Fish and Game Office	25.0	25.0	X			104
Glennallen Facilities	1210.2	15663.0	X			104
Agency Total	17884.0	17578.9				

NATURAL RESOURCE MANAGEMENT &
ENVIRONMENTAL CONSERVATION

'84 Voter Approval

Fish and Game Resource						
Department of Fish & Game						
Hidden Falls Development	2900.0	13395.0		X		112
Snettisham Hatchery Completion	2498.0	11538.0		X		112
Kitoi Hatchery Development	4200.0	19399.0		X		112
Klawock Hatchery Development	3900.0	18014.0		X		112
Beaver Falls Hatchery	3686.0	17025.0		X		113
Agency Total	17184.0	79371.0				

NATURAL RESOURCE MANAGEMENT & ENVIRONMENTAL CONSERVATION

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Fish and Game Resource						
Department of Public Safety						
Navigation System	58.1	58.1	X			114
Statewide Equipment	100.0	100.0	X			114
Two 28-32 Foot Patrol Vessels	362.0	362.0	X			114
Agency Total	520.1	520.1				
Environmental Conservation						
Department of Environmental Conservation						
Village Safe Water	6650.0	30715.0		X		121
Water, Sewer and Solid Waste	25000.0	115472.0	X	X		121
Laboratory Equipment	212.5	212.5	X			121
Data Management System	500.0	500.0	X			121
Agency Total	32362.5	146899.5				

NATURAL RESOURCE MANAGEMENT & ENVIRONMENTAL CONSERVATION

'84 Voter Approval

Environmental Conservation						
Department of Enviromental Conservation						
Village Safe Water	5000.0	23094.0		X		122
Water, Sewer, and Solid Waste	25000.0	115472.0		X		122
Agency Total	30000.0	138566.0				

NATURAL RESOURCE MANAGEMENT & ENVIRONMENTAL
CONSERVATION COMPONENT SUMMARY

	Total Requests	Est. Lifetime Ownership Cost
FY'83 Cash	60,233.8	213,198.1
FY'83 Voter Approval	21,650.0	69,283.0
FY'84 Voter Approval	47,184.0	217,937.0

PUBLIC PROTECTION

PUBLIC PROTECTION

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Consumer Protection						
Dept. of Commerce & Econ. Development						
Lab Equipment	49.5	49.5	X			128
Agency Total	49.5	49.5				
Consumer Protection						
Department of Enviromental Conservation						
Autoclave - Palmer Lab	25.0	25.0	X			128
Agency Total	25.0	25.0				
Life and Property Protection						
Department of Military Affairs						
Multi Unit Armory/Anch	250.0	250.0	X			130
Camp Carroll Upgrade/Anch	493.7	2280.0	X			131
CAP Facilities Upgrade	79.3	79.3	X			130
Road and Fence/Anch	625.0	2887.0	X			130
Upgrade State Facilities	1415.0	1415.0	X			130
Agency Total	2863.0	6911.3				
Life and Property Protection						
Department of Public Safety						
Microfilm Equipment	75.2	75.2	X			137
Agency Total	75.2	75.2				

PUBLIC PROTECTION

'84 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Life and Property Protection						
Department of Military Affairs						
Armory/OMS/Kotz	1915.2	8428.0		X		132
CAP Maintenance Hangar/Anch.	3918.8	50718.0		X		132
Multi Unit Armory/Anch.	4997.1	42069.0		X		132
Agency Total	10831.1	101215.0				

PUBLIC PROTECTION COMPONENT SUMMARY

	Total Requests	Est. Lifetime Ownership Cost
FY'83 Cash	3,012.7	7,061.0
FY'83 Voter Approval	0.0	0.0
FY'84 Voter Approval	10,831.1	101,215.0

ADMINISTRATION OF JUSTICE

ADMINISTRATION OF JUSTICE

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Offender Confine Ref & Super						
Dept of Health and Social Services						
Fairbanks CC Fire/Life Safety	707.5	707.5	X			143
Palmer CC Fire & Life Safety	408.2	408.2	X			143
Juneau CC Fire & Life Safety	581.9	581.9	X			143
McLaughlin/API-Entrance Street	1440.0	1440.0	X			143
Juneau-Max Unit Improvements	160.0	160.0	X			147
Juneau Prison Industries	1248.5	16158.0	X			147
Fairbanks Prison Industries	1542.0	19957.0	X			146
Eagle River Prison-Industries	1306.2	16905.0	X			146
Capital Construction Reserve	1855.0	1855.0	X			146
MYC Repairs and Renovation	965.6	965.6	X			146
Palmer CC Addition-Kitchen	825.0	10677.0	X			145
Fairbanks Youth Facility Wing	5358.5	69351.0	X			145
Prison for Long-Term Felons	41000.0	530633.0	X			145
Fairbanks Addition-80 Beds	6555.0	84837.0	X			145
Ketchikan Youth Fac (28 Beds)	7000.0	90596.0	X			144
Statewide CC Ren/Rep-Youth	150.0	150.0	X			144
Statewide CC Ren/Rep-Adult	1034.9	1034.9	X			144
Anchorage 3rd Ave CC Renovation	1600.0	1600.0	X			144
Agency Total	73738.3	848017.1				

ADMINISTRATION OF JUSTICE

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Crime Id & App						
Department of Public Safety						
Expand Sitka Training Fac.	35.0	453.0	X			152
Richardson Scale House	479.6	6207.0	X			154
Potter Scale House	610.0	7899.0	X			154
Safety Sight/Sound Fence-Sitka	150.0	150.0	X			154
VHF Microwave - Phase II	2000.0	2000.0	X			153
Repair/Modify Sitka Academy	37.0	37.0	X			153
Coldfoot Helicopter Hangar	305.2	3950.0	X			153
Hiller Helicopters	300.0	300.0	X			153
Dalton Highway Housing	1321.0	17097.0	X			152
Soldotna Garage and Equipment	410.8	5317.0	X			152
Info Sys Redesign & Conversion	226.1	226.1	X			152
Modifications-P.S. Bldg. Anch.	262.1	262.1	X			155
Statewide Equipment	150.0	150.0	X			155
Reconstruction of Haines Scale	1000.0	8237.0	X			155
Portable Scales	83.0	83.0	X			155
Anch. Communications Console	338.0	338.0	X			154
Agency Total	7707.8	52706.2				

ADMINISTRATION OF JUSTICE
COMPONENT SUMMARY

	Total Requests	Est. Lifetime Ownership Cost
FY'83 Cash	81,446.1	900,723.3
FY'83 Voter Approval	0.0	0.0
FY'84 Voter Approval	0.0	0.0

DEVELOPMENT

DEVELOPMENT

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Economic Development						
Dept of Commer. & Economic Development						
Fisheries By-Product	131.5	131.5	X			163
Delta I Loans	402.0	402.0	X			163
Delta I Road Linkage	630.0	8154.0	X			164
Pt. McKenzie Facilities	75.0	75.0	X			163
Delta II Expansion	4000.0	4000.0	X			163
Agency Total	5238.0	12762.5				
Department of Natural Resouces						
Plant Material Center	600.0	7765.0	X			164
Agency Total	600.0	7765.0				
Community Development						
Department of Community and Region. Affairs						
Regional Stratigies	600.0	600.0	X			167
Community Profiles	480.0	480.0	X			167
Agency Total	1080.0	1080.0				
State Loans						
Department of Revenue						
Home Ownership Assistance	90000.0	90000.0	X			169
Special Mortgage Loan Purchase	133000.0	133000.0	X			169
Agency Total	223000.0	223000.0				

DEVELOPMENT

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Dept. of Com. & Economic Development						
Commercial Fishing Loans	9400.0	9400.0	X			170
Rural Electrification Rev Loan	6500.0	6500.0	X			172
Residential Care Facil Loans	80.0	80.0	X			172
Child Care Facility Loans	200.0	200.0	X			172
Historical District Loans	500.0	500.0	X			171
Fishermens Mortgage & Note	1800.0	1800.0	X			171
Bulk Fuel Loans	1000.0	1000.0	X			171
Fisheries Enhancement Loans	15000.0	15000.0	X			171
Mining Loans	15000.0	15000.0	X			170
Residential Energy Const. Loans	4500.0	4500.0	X			170
Alt Tech & Energy Loans	4000.0	4000.0	X			170
Agency Total	57980.0	57980.0				
Department of Natural Resources						
Agricultural Rev Loan Fund	10050.0	10050.0	X		X	173
Agency Total	10050.0	10050.0				
Department of Community & Regional Affairs						
Nonconforming Housing Loans	40500.0	40500.0	X			173
Agency Total	40500.0	40500.0				

DEVELOPMENT

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Energy Development						
Depart. of Com. & Economic Development						
Kake-Petersburg Intertie	500.0	500.0	X			175
Long Term Energy Plan	350.0	350.0	X			177
Rural Feasibility Studies	2000.0	2000.0	X			176
Angoon Power Project	300.0	300.0	X			176
Lower Kuskokwim Power Plan	2000.0	2000.0	X			175
Susitna Hydro project	25600.0	25600.0	X			175
Rural Waste Heat Construction	2000.0	2000.0	X			175
Residential Energy Cons.	14078.5	14078.5	X			178
Aquifer Tap For Hydropower	430.0	430.0	X			178
Coal Distribution Studies	240.0	240.0	X			178
Village Reconnaissance Studies	1600.0	1600.0	X			178
Energy RD&D Program	2000.0	2000.0	X			177
Village Conservation Retrofit	150.0	150.0	X			177
Wind Cost Effectiveness	940.0	940.0	X			177
Waste Heat for Agriculture	115.0	115.0	X			173
Agency Total	52303.5	52303.5				

DEVELOPMENT COMPONENT SUMMARY

	Total Requests	Est. Lifetime Ownership Cost
FY'83 Cash	390,752.0	405,441.0
FY'83 Voter Approval	0.0	0.0
FY'84 Voter Approval	0.0	0.0

TRANSPORTATION

TRANSPORTATION

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
DOT/PF						
Central Highway Rehab.						
Seward Highway Rehabilitation	10000.0	10000.0	X			202
Sterling Highway Rehabilition	8500.0	8500.0	X			202
Glenn Highway Rehabilitation	20000.0	20000.0	X			202
Parks Highway Rehabilitation	5000.0	5000.0		X		202
North Kenai Highway Rehab.	3700.0	3700.0		X		202
C Street 9th to Dimond	500.0	500.0	X			202
Copper River Highway Overlay	2000.0	2000.0		X		202
Contingency	1000.0	1000.0	X			202
Agency Total	50700.0	50700.0				
Central Fed Aid Conversion						
Homer Air Carrier Apron	2500.0	8832.0		X		202
Aviation Program Contingency	500.0	500.0		X		202
South Birchwood Loop Phase II	700.0	3233.0		X		202
Town Creek Stream Crossing	2400.0	11085.0		X		202
Agency Total	6100.0	23650.0				
Central Bridge Replace/Rehab.						
Ship Creek Port Access-Bridge	1475.0	1475.0		X		203
Front Street Trestle-Bridge	1000.0	1000.0		X		203
Matanuska River-Bridge	2200.0	2200.0		X		203
Agency Total	4675.0	4675.0				
Central Region Highways						
Supplemental Ch 113/138/118/120	18735.0	18735.0	X		X	203
Boniface Interchange	13125.0	60623.0	X		X	203

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Boniface Pkwy Debarr to Tudor	2650.0	12240.0		X		203
Dimond Boulevard	25000.0	115472.0	X		X	203
Highway Program Contingency	4300.0	4300.0	X	X	X	203
Prelim Engr. projects	1050.0	1050.0	X		X	203
Kodiak Highway Improvements	1700.0	1700.0		X		203
Dillingham Local Roads	1000.0	4619.0		X		203
Kenai Road Improvements	2000.0	9238.0		X		204
Big Lake Road Paving	1000.0	4619.0		X		204
Seward Highway Avalanche Warni	300.0	1386.0		X		204
Near Island Bridge & Approach	17300.0	79906.0	X			204
New Koliganek Road/Bridge Supp	200.0	200.0		X		204
Twin Hills/Cannery Road Supp	200.0	200.0		X		204
Kuskokwim River Gravel Study	220.0	220.0		X		204
Materials Acquisition	400.0	400.0		X		204
Advanced Project Definition	650.0	650.0		X		204
Gravel Roads	365.1	365.1		X		204
Old Seward Hwy Dimond/Dowling	300.0	300.0		X		204
Sterling Highway Weigh Station	1300.0	1300.0		X		204
Traffic Control Improvements	1500.0	1500.0		X		205
Minnesota Drive Phase 2	20000.0	20000.0			X	205
Agency Total	113295.1	339023.1				
Central Region Aviation						
Kodiak Airport Improvements	4730.0	16711.0	X		X	205
King Salmon West Apron	3100.0	10952.0		X		205
Bethel Runway & Parking Repair	6500.0	22965.0		X		205
Homer Apron Expansion	2200.0	7773.0		X		205
Rural Airport Lighting	1250.0	5774.0		X		205
Aviation Project Contingency	1650.0	1650.0	X	X	X	205
Advanced Project Definition	250.0	250.0		X		205
Aviation Master Plan	650.0	650.0		X		206
Agency Total	20330.0	66725.0				

TRANSPORTATION

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Anchorage International Airport						
Domestic Terminal Renovation	18000.0	18000.0		X		
South Air Park Ext & Roads	5300.0	5300.0			X	206
North Air Park	5500.0	5500.0			X	260
Runway 6/L Overlay	3200.0	3200.0			X	206
Annual Improvements	500.0	500.0		X		206
Equipment	500.0	500.0		X		206
Master Plan Updating	100.0	100.0		X		206
Match for ADAP	390.0	390.0	X			206
Agency Total	33490.0	33490.0				
Central Region Marine Trans						
Ferry System Annual Improvement	2000.0	2000.0		X		206
Terminal Const. Contingency	500.0	500.0		X		206
Bartlett Solarium Extension	300.0	300.0		X		207
Agency Total	2800.0	2800.0				
Central Ports & Harbors						
Kodiak Harbor Supplemental	2000.0	2000.0		X		207
Homer Small Boat Harbor Supp	4100.0	4100.0		X		207
Cordova Boat Harbor (Supp)	2000.0	2000.0		X		207
Advanced Project Definition	100.0	100.0		X		207
Harbor & Marine Master Plan	300.0	300.0		X		207
Cherfornak/Nightmute Barge Imp.	400.0	400.0		X		207
Contingency	500.0	500.0		X		207
Agency Total	9400.0	9400.0				

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Central Region Facilities						
Central Material Lab Addition	500.0	4119.0		X		207
Facility Cost Estimations	100.0	100.0		X		207
St Marys Equipment Building	1280.0	10544.0		X		208
Seldovia Maintenance Facility	1430.0	11780.0		X		208
Cooper Landing Maint. Facility	700.0	5766.0		X		208
Soldotna Shop Renovation	925.0	925.0		X		208
Contingency	500.0	500.0		X		208
Replace Building Equipment	103.0	103.0	X			208
Agency Total	5538.0	33837.0				
Interior Highway Rehab.						
Alaska Highway Rehab.	14350.0	14350.0	X			208
Richardson Highway Rehab	16680.0	16680.0	X			208
Parks Highway Rehab.	10000.0	10000.0		X		208
Elliot Highway Rehab	1050.0	1050.0	X			208
Steese Highway Rehab	5125.0	5125.0		X		208
Edgerton Highway Rehab	5240.0	5240.0		X		209
Healy Road	700.0	700.0		X		209
University Avenue Rehab	695.0	695.0		X		209
Contingency	1000.0	1000.0	X			209
Agency Total	54840.0	54840.0				
Interior Fed Aid Conversion						
Weigh Scale Stations (3)	2000.0	2000.0		X		209
Transit Turnouts	900.0	900.0		X		209
Richardson Highway Mile 19-25	1200.0	1200.0		X		209
Tok Highway Mile 51-52	700.0	700.0		X		209
Contingency	500.0	500.0		X		209
Agency Total	5300.0	5300.0				

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Interior Bridge Replace/Rehab						
Denali Highway	2274.0	2274.0		X		209
Northway Road	797.0	797.0		X		209
Agency Total	3071.0	3071.0				
Interior Region Highways						
Richardson Hwy Mile 129 to 186	4220.0	4220.0	X			210
Parks Hwy Rex to McKinley	9150.0	9150.0	X			210
Richardson Hwy Mile 127 to 129	460.0	460.0		X		210
Tok Highway Mile 30 to 91	5030.0	5030.0	X			210
Parks Highway Nenana to Rex	7350.0	7350.0		X		210
Richardson Hwy Mile 192-208	1580.0	1580.0		X		210
Alaska Highway Yerrick Area	14160.0	14160.0	X		X	210
Nome Street Drainage Study	220.0	220.0		X		210
Airport Way Recycle	3950.0	3950.0		X		210
Contingency	5000.0	5000.0		X	X	210
Advanced Project Definition	400.0	400.0		X		210
Geist Road Peger to College	10540.0	48683.0		X		210
Dalton highway Resurface	5000.0	5000.0		X		210
Richardson Highway Miler 138 to 148	10760.0	10760.0	X		X	211
Local Transportation Planning	120.0	120.0		X		211
So. Fairbanks Exp Parks to Peger	12970.0	59907.0	X		X	211
Nome Council Hwy Mile 32 to 42	7470.0	34503.0	X		X	211
College Road I11 to Old Steese	320.0	320.0		X		211
Nome Council Hwy Mile 16 to 22	1140.0	1140.0		X		211
Kiana Airport Access Road	300.0	300.0		X		211
Pilgrim Hot Springs Road	722.0	3335.0		X		211
Stockpile Materials	380.0	380.0		X		211
Agency Total	101242.0	215968.0				

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Interior Region Aviation						
Kotzebue Runway Repair	2750.0	9716.0		X		211
Nome Runway Repairs & Fencing	1875.0	6624.0		X		211
Deadhourse Apron Seal Coating	110.0	110.0		X		212
Kotzebue Airport Master Plan	165.0	165.0		X		212
Advance Project Definition	150.0	150.0		X		212
Aviation Project Contingency	1125.0	1125.0	X	X	X	212
Yukon Crossing New Airport	6600.0	18539.0		X	X	212
Birch Creek Runway Extension	1610.0	4522.0	X		X	212
Barrow Apron Expansion	2750.0	9716.0		X		212
Deadhorse Airport Master Plan	200.0	200.0		X		212
Fairbanks Area System Eval.	270.0	270.0		X		212
Deadhorse CRF Pad/Taxiway	4015.0	14185.0	X		X	212
Agency Total	21620.0	65322.0				
Fairbanks International Airport						
Annual Improvements	200.0	200.0			X	212
Agency Total	200.0	200.0				
Interior Ports & Harbors						
Unalakleet Seawall Study	60.0	60.0		X		213
Kotzebue Erosion Control Recon	110.0	110.0		X		213
Advanced Project Definition	100.0	100.0		X		213
Barge Landing Ramps Phase I	1680.0	7760.0		X		213
Alaska Coal Marine Trans Study	100.0	100.0		X		213
Kotzebue Erosion Control	3000.0	3000.0		X		213
Amble Dock & Erosion Control	110.0	110.0		X		213
Boat Harbor Spec For NW Alaska	110.0	110.0		X		213
Point Hope Beach Matting	190.0	190.0		X		213
Golovin Small Boat Harbor	540.0	540.0		X		213
Contingency	1000.0	1000.0		X		213
Teller Erosion Control	500.0	500.0		X		213
Agency Total	7500.0	13580.0				

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Interior Region Facilities						
Jim River Camp Engr.	1000.0	1000.0		X		214
Ernestine Maintenance Shop	600.0	600.0		X		214
Fairbanks Court & Reg Bldg. Upgrade	1789.0	1789.0		X		214
Nome Airport Sand Building	486.0	4004.0		X		214
Advanced Project Definition	100.0	100.0		X		214
Deadhorse Crash Fire Rescue	1000.0	1000.0		X		214
Nome Materials Lab	265.0	2183.0		X		214
Barrow Airport Crash Rescue	1615.0	13304.0		X		214
Ch. 120 Interior Supplemental	400.0	400.0		X		214
Coldfoot Mobile Home Pads	600.0	4943.0		X		214
82 Mile Steese Maintenance Sta.	100.0	824.0		X		214
Manley Shop Upgrade	145.0	145.0		X		214
Galena Pump Station	275.0	275.0		X		214
Chitina Maintenance Station	375.0	3089.0		X		215
Valdez Equipment Storage	750.0	6178.0		X		215
Electrical System Upgrade	150.0	150.0	X			215
Agency Total	9650.0	39984.0				
Southeast Highway Rehab						
Glacier Highway: Paving	2000.0	2000.0	X			215
Mud Bay Road: Paving	1265.0	1265.0		X		215
Contingency	100.0	100.0	X			215
Haines Flood Repair & Dike	500.0	500.0	X			215
Agency Total	3865.0	3865.0				
Southeast Fed Aid Conversion						
Wrangell Runway Reconstruction	1706.3	1706.3		X		215
Klawock Runway Extension	926.6	2603.0		X		215
Contingency	100.0	100.0		X		215
Sitka Airport Improvement	1700.0	6006.0		X		215
Agency Total	4432.9	10415.3				

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Southeast Bridge Replacement						
Clover Pass Creek Bridge	850.0	850.0		X		216
Fish Creek Bridge	1071.3	1071.3		X		216
Peterson Creek Bridge	573.0	573.0		X		216
Contingency	100.0	100.0		X		216
Agency Total	2594.3	2594.3				
Southeast Region Highways						
Hydaburg Road	5000.0	23094.0	X			216
Sitka Harbor Bridge Painting	632.5	632.5		X		216
Mendenhall Loop Road	4000.0	18475.0	X			216
Old Glacier Highway	2500.0	11547.0	X		X	216
North Douglas Highway Overlay	1375.0	1375.0	X		X	216
Mitkoff Highway	2400.0	2400.0	X		X	216
Klondike Highway Paving	1800.0	1800.0	X		X	216
Lutak Road	2500.0	11547.0	X		X	216
Hoonah - Arterial Connector	3000.0	13857.0		X		216
Angoon - Arterial Connector	500.0	2309.0		X		217
Improved Surface Maintenance	360.0	360.0	X			217
Stikine - Evergreen - Wrangell	2000.0	2000.0	X			217
Petersburg Main Street	700.0	700.0		X		217
Trollers Creek Bridge	532.5	532.5		X		217
Hydaburg Creek Bridge	445.0	445.0		X		217
Klodike Highway Planning/Engr.	20.0	20.0		X		217
Highway Contingency	4000.0	4000.0		X	X	217
Advanced Project Definition	150.0	150.0		X		217
SE Trans Study Update	350.0	350.0		X		217
Starrgavin Creek Culverts	300.0	300.0	X		X	217
Lost River Bridge Replacement	310.0	310.0		X		217
South Tongass Highway Paving	500.0	2309.0		X		217
Glacier Highway Sunny Pt to Airport	345.0	1594.0		X		217
Mendenhall Pen Road Pave	345.0	345.0		X		217
Glacier Highway Norway to Egan	450.0	450.0		X		218
Agency Total	34515.0	100902.0				

TRANSPORTATION

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Southeast Region Aviation						
KTN Ferry Dock Relocation	2400.0	2400.0		X		218
Peninsula Pt Seadrome Repl.	782.0	782.0		X		218
Ketchikan Runway Overlay	2500.0	8833.0		X		218
Sitka Airport Vehicle Parking	500.0	1767.0		X		218
Angoon Airport Construction	7000.0	19663.0	X		X	218
Aviation Contingency	2500.0	2500.0		X	X	218
Agency Total	15682.0	35945.0				
Southeast Marine Transportation						
Major Vessel Component Replace	4600.0	4600.0		X		218
Matanuska & Malaspina Repower	3400.0	3400.0		X		218
Terminal Facilities Maintenance	500.0	500.0		X		218
Metlaktla Relocation Study	450.0	450.0		X		218
Feeder Vessel Improvements	650.0	650.0		X		219
Hoonah Terminal Water & Sewer	300.0	300.0		X		219
Prince Rupert Dock Improvement	800.0	800.0		X		219
Advanced Project Definition	50.0	50.0		X		219
Vessel Condition Survey	300.0	300.0		X		219
Mainline Vessel Replace Study	250.0	250.0		X		219
Repower M/V Columbia Supplement	1000.0	1000.0	X			219
Contingency	1225.0	1225.0	X	X		219
Agency Total	13525.0	13525.0				
Southeast Ports & Harbors						
Metlakatla Harbor Construction	1100.0	5081.0		X		219
Pelican Harbor Improvements	700.0	700.0		X		219
South Tongass Jetty	100.0	100.0		X		219
Juneau Launch Ramp	300.0	1386.0		X		219

TRANSPORTATION

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Kasaan Port and Harbor	1500.0	6928.0		X		219
Angoon Harbor Improvements	550.0	550.0		X		220
Tenakee Springs Harbor	1000.0	1000.0		X		220
Yakutat Port & Dock Supp	2000.0	2000.0	X			220
Refuge Floats	500.0	2309.0	X			220
Juneau Harbor Development Plan	100.0	100.0		X		220
Contingency & Repairs	200.0	200.0		X		220
Advanced Project Definition	30.0	30.0		X		220
Inventory and Condition Survey	100.0	100.0		X		220
Agency Total	8180.0	20484.0				
Subport Building Electrical RE						
Subport Building Electrical RE	250.0	250.0	X			220
Building HVAC Systems	233.0	233.0	X			220
Electrical Systems Maintenance	136.0	136.0	X			220
Roof Rehabilitation	211.0	211.0	X			220
State Office Building Carpet	184.0	184.0	X			221
Alaska Office Building Carpet	175.0	175.0	X			221
Carpet Replacement	102.0	102.0	X			221
SOB Elevator	200.0	200.0	X			221
Archives Center Foundation	462.0	462.0	X			221
Hydaburg Shop PE	158.4	158.4	X			221
Craig/Klawok Shop	1200.0	9885.0	X			221
Agency Total	3311.4	11996.4				

TRANSPORTATION

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Statewide Research Projects						
State Funded Research	500.0	500.0	X			221
New Products Testing/Spcl Project	165.0	165.0	X			221
Engineering Student Program	50.0	50.0	X			221
Rural Airport Edge Lighting	250.0	250.0	X			221
Vandalism to Trans Systems	50.0	50.0	X			221
Cost Effective Corrosion Prot	110.0	110.0	X			221
New Bridge Deck Repair Tech	20.0	20.0	X			222
Breakwater Monitoring Project	25.0	25.0	X			222
Rating/Inspection Marine Facility	210.0	210.0	X			222
Earthquake Hazards Study	18.0	18.0	X			222
Vtol Evaluation	100.0	100.0	X			222
Public Bldg Energy Standards	97.0	97.0	X			222
Energy Conservation	115.0	115.0	X			222
Foundation Materials Handbook	200.0	200.0	X			222
HR Radio Enhancement	45.0	45.0	X			222
Unit Electric Power System	123.0	123.0	X			222
Waste Heat Recovery	80.0	80.0	X			222
Energy System Conversion	30.0	30.0	X			223
Alaskan Solar School	75.0	75.0	X			223
Federal Highway Research PGM	700.0	700.0			X	223
Pavement Deflection Inventory	125.0	125.0	X			223
Thermal Properties Measurement	75.0	75.0	X			223
Roadway Failure Research	120.0	120.0	X			223
Bridge Deck Corrosion Analysis	83.0	83.0	X			223
Geophysical Soils Invest.	160.0	160.0	X			223
Dalton Hwy Performance Study	275.0	275.0	X			223
Truck Weigh in Motion Scales	200.0	200.0	X			223
Agency Total	4001.0	4001.0				

TRANSPORTATION

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Statewide Planning & Programming						
Contingency Transportation	26000.0	26000.0	X	X	X	224
Facilities Plan	100.0	100.0	X			224
Transportation Plan Statewide	600.0	600.0	X		X	224
Design & Construction Support	3000.0	3000.0	X			224
State Rail Plan	300.0	300.0	X		X	224
Inventory & Condition	1200.5	1200.5		X		224
Engr/Sci Computer Technology	2000.0	2000.0		X		224
Right Of Way Inventory	500.0	500.0		X		224
Management Information System	950.0	950.0		X		224
Federal HPR/HPL	5000.0	5000.0	X		X	224
Safety Improvement	8000.0	8000.0		X	X	224
Bridges	4000.0	4000.0		X	X	224
Safety & Bridges Contingency	2000.0	2000.0		X	X	224
Reimbursable Projects	10000.0	10000.0			X	225
Mapping	50.0	50.0		X		225
Rail & Grade Separation Study	250.0	250.0		X		225
Optics Lab Equipment	50.0	50.0		X		225
Statewide Aviation System Plan	200.0	200.0	X			225
Life Safety Halon System	500.0	500.0		X		225
Project Inspect Warranty Fund	250.0	250.0		X		225
Vessel Maintenance Facility	9000.0	9000.0		X		225
Traffic Data Study Implement	450.0	450.0	X			225
Local Govt Trans Planning	2000.0	2000.0		X		225
Local Govt Transit Planning	1000.0	1000.0		X		225
Alaska Railroad Transfer	1500.0	1500.0	X			225
Claims Contingency	3000.0	3000.0		X		226
Urban Systems	4000.0	4000.0			X	226
Agency Total	85900.5	85900.5				

TRANSPORTATION

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
State Equipment Fleet						
1983 Equipment Replacement	14254.0	14254.0			X	226
Juneau Shop Improvements	50.0	50.0		X		226
Anchorage Parts Room Addition	60.0	494.0		X		226
Soldotna Pole Shed	50.0	412.0		X		226
Dillingham Pole Shed	50.0	412.0		X		226
Haines Pole Shed	50.0	412.0		X		226
Juneau Pole Shed	50.0	412.0		X		226
Palmer Shop Addition	350.0	2883.0		X		226
Valdez Shop Addition	200.0	1648.0		X		226
Fairbanks Shop Addition	250.0	2059.0		X		226
Seward Shop Addition	250.0	2059.0		X		227
Anchorage Shop Addition	250.0	2059.0		X		227
Agency Total	15864.0	27154.0				
Statewide Maint Equip Purchase						
Dalton Highway	2838.0	2838.0	X			227
Interior Region	495.0	495.0		X		227
Southcentral Region	880.0	880.0		X		227
Southeast Region	619.0	619.0		X		227
Central Region	1584.0	1584.0		X		227
Western Region	765.0	765.0		X		227
Agency Total	7181.0	7181.0				

TRANSPORTATION

'84 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Central Highway Rehab						
DOT/PF						
Old Glenn Highway Overlay	2500.0	2500.0		X		228
Agency Total	2500.0	2500.0				
Central Fed Aid Conversion						
DOT/PF						
Tustumena Replacement	55000.0	55000.0		X		228
Agency Total	55000.0	55000.0				
Central Local Roads						
DOT/PF						
Naknek Beach Access Rd	4400.0	20323.0		X		228
Kenai Pen Area Road Reconstruct	3500.0	3500.0		X		228
Mat-Su Area Road Reconstuction	3000.0	3000.0		X		228
AC Couplet 6th Avenue - Tudor	15000.0	69283.0		X		228
Glenn Highway	1800.0	1800.0		X		228
Contingency	1000.0	1000.0		X		228
Boniface Pkwy Debarr/Tudor	10200.0	47112.0		X		228
Mill Bay Road	1200.0	1200.0		X		228
Agency Total	40100.0	147218.0				
Central Region Aviation						
DOT/PF						
Aniak Apron Expansion	2600.0	5653.0		X		229
Program Contingency	2600.0	2600.0		X		229
Dillingham Fencing and Storage	650.0	2296.0		X		229
Kokhanok Relocation Supp	3000.0	8427.0		X		229
Pedro Bay Runway Upgrade/Road	2800.0	7865.0		X		229

TRANSPORTATION

'84 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Alakanuk Runway Upgrade/Road	4000.0	11236.0		X		229
Mt Village Runway	2200.0	6180.0		X		229
St Marys Lease Lot Improvement	1700.0	6006.0		X		229
King Cove Runway Improvements	1300.0	3652.0		X		229
Lekoryuk Runway Extension	2200.0	6180.0		X		229
Rural Airport Lighting	4600.0	21247.0		X		229
Akiak Runway Extension	3800.0	10674.0		X		229
King Salmon Runway Reconstr	7000.0	24731.0		X		229
Ekwok Runway Extension	4000.0	11236.0		X		229
New Koliganek Runway Extension	3800.0	10674.0		X		229
Levelock Runway Extension	2540.0	7135.0		X		229
Manokotak Airport Extension	3150.0	8848.0		X		229
Agency Total	51940.0	154640.0				
Central Region Marine Trans						
DOT/PF						
Kodiak Passenger Facility	900.0	7414.0		X		230
Seldovia Passenger Facility	700.0	5766.0		X		230
Homer Passenger Facility	700.0	5766.0		X		230
Agency Total	2300.0	18946.0				
Central Ports & Harbors						
DOT/PF						
King Cove Dock	1000.0	4619.0		X		230
Valdez Small Boat Harbor	1000.0	4619.0		X		230
Newhalen Barge Facility	500.0	500.0		X		230
Levelock Dock Expansion	1000.0	1000.0		X		230
Cordova Small Boat Harbor P.E.	200.0	200.0		X		230
Seward Facilities	5000.0	23094.0		X		230
Contingency	500.0	500.0		X		230
Agency Total	9200.0	34532.0				

TRANSPORTATION

'84 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Central Region Facilities						
DOT/PF						
Bethel Snow Equipment Bldg.	330.0	330.0		X		231
Bethel Shop Repairs	150.0	150.0		X		231
St Marys Crash/Fire Station	1450.0	11945.0		X		231
St. Marys Shop Repair	1270.0	1270.0		X		231
Inventory & Condition Survey	200.0	200.0		X		231
Cordova Sand Bldg.	720.0	5931.0		X		231
DOT Regional Office Bldg. Expan.	7130.0	58735.0		X		231
Program Contingency	500.0	500.0		X		231
Kalsin Bay/Seward Fuel Tanks	150.0	150.0		X		231
Agency Total	11900.0	79211.0				
Interior Highways						
DOT/PF						
Old Steese Wendell Exp	4530.0	20923.0		X		231
McCarthy Road Spot Repair	3800.0	3800.0		X		232
Alaska 1270-1285	15680.0	15680.0		X		231
Rich 129-138 Reconstruction	7190.0	7190.0		X		232
Nome Bypass	1500.0	6928.0		X		232
Dalton Hwy Resurface & Culvert	6000.0	6000.0		X		232
Advanced Project Definition	600.0	600.0		X		232
Contingency	2000.0	2000.0		X		232
Nome-Taylor Highway 13-21	4719.0	4719.0		X		232
South Central Local Rd Upgrade	1650.0	7621.0		X		231
Airport Way Upgrade	1065.0	4919.0		X		231
Nome Steadman & Seppala	1320.0	1320.0		X		231
Fairbanks Area Paving	1180.0	5450.0		X		231
St. Michael-Stebbins Road	3000.0	13857.0		X		232
Agency Total	54234.0	101007.0				

TRANSPORTATION

'84 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Interior Region Aviation						
DOT/PF						
Golovin Improvements	730.0	2051.0		X		232
Chalkytsik Improvements	440.0	1236.0		X		232
Circle Relocation Study	165.0	165.0		X		232
Gambell Runway Rehabilitation	2080.0	2080.0		X		233
Chistochina Resurface	730.0	730.0		X		233
Copper Center Resurface	810.0	810.0		X		233
Chicken Airport Improvements	1029.0	2890.0		X		233
Lake Minchumina Rehab Engr	200.0	200.0		X		233
Eagle Airport Improvements	1863.0	5233.0		X		233
Nome Lease Lots Development	1500.0	5300.0		X		233
Wales/Stebbins Runways	6000.0	16854.0		X		233
Chitina Resurface	605.0	605.0		X		232
Nome Apron & Taxiway	1130.0	3992.0		X		232
Contingency	2400.0	2400.0		X		233
Dahl Creek Runway Improvements	1463.0	4110.0		X		233
Elim Airport Improvements	1870.0	5253.0		X		232
Kotzebue Airport Improvements	3982.0	14068.0		X		233
Kaltag Runway Extension	2359.0	6626.0		X		233
Security Fencing	2030.0	2030.0		X		234
Ambler Resurface	650.0	650.0		X		234
Unalakleet Improvements	2340.0	8267.0		X		234
Nome Airport Cargo Apron	2730.0	9645.0		X		234
Aviation Master Plan	325.0	325.0		X		233
Equipment Storage Buildings	1287.0	5944.0		X		233
Nome Helicopter Operations	1950.0	6889.0		X		233
Chandalar Improvement Engr	260.0	260.0		X		233
Wiseman Runway Widening/Apron	1651.0	4638.0		X		233

TRANSPORTATION

'84 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Hughes Runway & lighting	2359.0	6626.0		X		233
Nome General Aviation Parking	1560.0	5511.0		X		233
Barrow Airport Master Plan	234.0	234.0		X		233
Airport Lighting Phase 3	4110.0	18984.0		X		234
Utilities Nome & Kotzebue	3250.0	11482.0		X		233
Deadhorse Taxiway	4550.0	16075.0		X		233
Council New Airport	3003.0	8435.0		X		233
Agency Total	61645.0	180598.0				
Interior Ports & Harbors						
DOT/PF						
Kotzebue Erosion Control Supp	3600.0	3600.0		X		234
Contingency	500.0	500.0		X		234
Teller Small Boat Harbor	806.0	3723.0		X		234
Nome Port Construction Supp	5000.0	5000.0		X		234
Agency Total	9906.0	12823.0				
Interior Region Facilities						
DOT/PF						
82 Mile Steese Maintenance Sta	850.0	7002.0		X		234
Interior Security Fencing	250.0	250.0		X		235
Nome Outlying Maintenance Sta	1250.0	10297.0		X		235
Dalton Hwy Mod Housing Units	2600.0	21418.0		X		234
Fairbanks DOT/PF Building Addition	12500.0	102972.0		X		234
Interior Painting	250.0	250.0		X		235
Facilities Contingency	1000.0	1000.0		X		235
Interior Roof Repairs	350.0	350.0		X		235
Cantwell Maintenance Station	600.0	600.0		X		235
Gardiner Creek Camp Relocation	1200.0	9885.0		X		235
Agency Total	20850.0	154024.0				

TRANSPORTATION

'84 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Southeast Highway Rehab.						
DOT/PF						
Klondike highway: Paving	5000.0	23094.0		X		235
Agency Total	5000.0	23094.0				
Southeast Bridge Replacement						
DOT/PF						
Tongas Ave Bridge #997	500.0	500.0		X		235
Tongas Ave Bridge #797	500.0	500.0		X		235
Agency Total	1000.0	1000.0				
Southeast Highways						
DOT/PF						
Glacier Hwy Twin Lake Segment	690.0	690.0		X		236
Indian Point Rd.	172.5	797.0		X		236
Contingency	1000.0	1000.0		X		236
North Tongass Highway	7000.0	32332.0		X		236
Fish Creek Road	2875.0	13279.0		X		236
Alsek Road Yakutat	1150.0	1150.0		X		236
Agency Total	12887.5	49248.0				
Southeast Region Aviation						
DOT/PF						
Tenakee Airport Planning	300.0	300.0		X		236
Metlakatla Seaplane Float Exp.	86.3	242.0		X		236
Advanced Project Definition	25.0	25.0		X		236
Hydaburg Airport Planning	300.0	300.0		X		236
Contingency	300.0	300.0		X		237

TRANSPORTATION

'84 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Gustavus Airport Improvements	149.5	420.0		X		237
Yakatat Airport Drainage Imp.	800.0	2247.0		X		237
Ketchikan Seaplane Float	115.0	406.0		X		237
Tenakee Seaplane Float Exp.	115.0	323.0		X		236
Kake Airport & Access Road	8000.0	22472.0		X		236
Agency Total	10190.8	27035.0				
Shore Facilities Upgrade						
DOT/PF						
Shore Facilities Upgrades	7000.0	7000.0		X		237
Annual Vessel Maintenance	3000.0	3000.0		X		237
Agency Total	10000.0	10000.0				
Southeast Ports & Harbors						
DOT/PF						
Aurora Harbor Expansion	1380.0	1380.0		X		237
Shipwreck Cove Harbor Float	316.3	316.3		X		237
Petersburg Small Boat Harbor	1265.0	5843.0		X		238
Japonski Lagoon Small Boat Harbor	690.0	3187.0		X		238
Elfin Cover Harbor Float	230.0	230.0		X		237
Regional Harbor Refuge Floats	575.0	2656.0		X		238
Thorne Bay Small Boat Harbor	862.5	3984.0		X		238
Kupreanof Dock and Float	230.0	230.0		X		238
Contingency	1000.0	1000.0		X		238
Ketchikan Port Expansion	3000.0	13857.0		X		238
Shoemaker Bay Harbor	1400.0	1400.0		X		238
Gustavus Harbor Improvement	800.0	800.0		X		237
Craig North Cove Breakwater	1300.0	1300.0		X		237
Knudson Cove Breakwater	1750.0	1750.0		X		237
Agency Total	14798.8	37933.3				

TRANSPORTATION

'84 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Southeast Region Facilities						
DOT/PF						
New Regional Office Facility	6500.0	53545.0		X		238
Juneau Cold Storage Building	172.5	1421.0		X		238
Sitka Shop Building	1725.0	14210.0		X		238
Wrangell Cold Storage Building	172.5	1421.0		X		238
Contingency	500.0	500.0		X		238
Agency Total	9070.0	71097.0				
Statewide Planning & Program						
DOT/PF						
Vessel Maintenance Facility	15000.0	123566.0		X		239
State Building Life Safety	2000.0	2000.0		X		239
Muni Assump of Trunk Airports	2000.0	2000.0		X		239
Energy Retrofit	5000.0	5000.0		X		239
Agency Total	24000.0	132566.0				

TRANSPORTATION COMPONENT SUMMARY

	Total Requests	Est. Lifetime Ownership Costs
FY'83 Cash	393,987.4	775,418.4*
FY'83 Voter Approval	254,815.8	511,110.2
FY'84 Voter Approval	406,522.1	1,292,472.3

* A significant portion of the Transportation component is for rehabilitating existing capital projects. In the long run, rehabilitation costs are much less than reconstruction costs for deteriorated roads, runways, etc.

GENERAL GOVERNMENT

GENERAL GOVERNMENT

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Executive Operations						
Office of the Governor						
Special Projects	700.0	700.0	X			269
Office Equipment	70.0	70.0	X			269
Agency Total	770.0	770.0				
Legislative and Elective Oper						
Office of the Governor						
On-Line Voter Regis System	898.9	898.9	X			270
Agency Total	898.9	898.9				
Independent Operations						
Department of Administration						
Science and Technology Account	2500.0	2500.0	X			271
Agency Total	2500.0	2500.0				
Telecommunications						
Department of Administration						
APBC Equipment Grants	300.0	300.0	X			272
APBC Expanded Coverage Eq.	200.0	200.0	X			272
APBC Building/Renovation Grant	191.0	191.0	X			272
Agency Total	691.0	691.0				

GENERAL GOVERNMENT

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Building & Equipment Services						
Department of Administration						
Space Saving Equipment	1000.0	1000.0	X			278
Anchorage Office Complex	1222.0	12278.0	X			277
Housing Energy Conservation	1000.0	1000.0	X			278
Computerized Leasing Records	50.0	50.0	X			277
Housing Replacement	4719.0	47413.0	X			277
Housing Renovations	1000.0	1000.0	X			277
Agency Total	8991.0	62741.0				
Centralized Admin Services						
Department of Administration						
Additional Disk Storage	2875.0	2875.0	X			282
Financial & Related Systems	6500.0	6500.0	X			282
Additional CPU Memory	392.4	392.4	X			282
Microfilm Services	100.0	100.0	X			283
Supplemental Benefits System	125.0	125.0	X			282
Communications Controllers	264.2	264.2	X			283
Affirm Action Audit System	325.0	325.0	X			283
Anchorage Mainframe Support	245.0	245.0	X			283
Health Insurance Report System	75.0	75.0	X			284
On-Line Procurement Data	247.9	247.9	X			284
Deferred Compensation Plan	50.0	50.0	X			284
Central Mailroom Equipment	41.6	41.6	X			284
Agency Total	11241.1	11241.1				

GENERAL GOVERNMENT

FY'84 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Revenue Collection and Mgt.						
Department of Revenue						
Permanent Fund Contribution	660000.0	660000.0		X		288
Agency Total	660000.0	660000.0				

GENERAL GOVERNMENT COMPONENT SUMMARY

	Total Request	Est. Lifetime Ownership Cost
FY'83 Cash	25,092.0	73,982.1
FY'83 Voter Approval	0.0	0.0
FY'84 Voter Approval	660,000.0	660,000.0

SB

104, 705,

706 & 707

POSITION PAPER - SENATE BILL 707

Senate Bill 707 would allow the Legislature to name or change the names of geographic features in Alaska. This power currently resides with the Alaska State Geographic Names Board. In accordance with Alaska Statute Section 44.19.056 the Board is chaired by the Commissioner of Community and Regional Affairs, and consists of the Commissioners of the Department of Natural Resources, Transportation and Public Facilities, Education, the curator of the state museum, the state historical librarian, the director of the division of lands, and one private sector member appointed by the Governor.

The Board generally approves a proposal for a name selection if the proposal meets the following criteria:

1. Authenticity of the name can be established.
2. The name is clearly associated with the area proposed.
3. The name is, or was, in common local usage.
4. The name can be spelled according to established system of orthography.
5. The name is pronounceable without considerable difficulty.
6. The name of a stream is applied to an unnamed lake or glacier from which the stream originates.
7. The name of a mountain is applied to an unnamed glacier which is a part of that mountain.
8. The name is relevant and most descriptive to the feature.
9. The name is not in use elsewhere in the Region.
10. The name is not frivolous
11. The name is in good taste.
12. The Board generally approves a commemorative name selection if the individual made a highly significant contribution to Alaska.

It is the policy of the Board to contact local officials to ascertain support or opposition to each name proposal.

In as much as the Alaska State Geographic Names Board considers the interest of State agencies and local citizens in the name selection process, and has within its membership the expertise to determine the authenticity of name selections, the Board is opposed to the modification of Sections 44.19.060 and 44.19.062 relating to the naming of geographic features in the State.

Senate Bill 707 would also change the name of Byers Lake in the Denali State Park to Veterans Lake. The name Byers Lake was formally established by the U. S. Geological Survey (USGS) in 1958. This feature is located in the Denali State Park 28 miles North of Talkeetna. Byers Creek originates

from this lake and flows to the Chulitna River. Because Byers Lake, located at 62°44'20" N, 150°06'45" meets the criteria of the Board, and the name Byers Lake was determined to be in local usage more than twenty years ago, the Alaska State Geograpahic Names Board is opposed to renaming this feature. The Board is also opposed to the wording of S.B. 706 for the same reasons.

The members of the Alaska State Geographic Names Board understand that the sponsor of S.B. 707 is interested in commemorating the Veterans of Alaska. The Alaska Board would like to encourage a proposal in honor of the Veterans through the appropriate channels.

Respectfully submitted by members of:

The Alaska State Geographic Names Board
% Commissioner's Office,
Community and Regional Affairs
Pouch B
Juneau, Alaska 99801

Please contact Leanne Ellis Pilcher, Executive Secretary of the Alaska State Geographic Names Board (465-4700) if you have further questions.

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700

March 25, 1982

The State Affairs Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Attention Senator Fischer

Dear Members of the Committee:

RE: SENATE BILL 707 AND 706

The Alaska State Geographic Names Board is opposed to SB 707 and the wording of SB 706. Senate Bill 707 would allow the Legislature to name or change the names of geographic features in Alaska, and changes the name of Byers Lake in the Denali State Park to Veterans Lake. SB 706 refers to Byers Lake as Veterans Lake.

In an interview in 1958 with the late Don Sheldon, Tom Taylor of the Anchorage USGS office confirmed that the lake at 62°44'20" N, 150°06'45" was referred to as Byers Lake. Mr. Byers was an early settler, trapper and miner in the area. Mr. Taylor is an advisor to the Alaska State Geographic Names Board at the present time.

In accordance with Alaska Statute 44.19.060 the power to officially name features resides with the Alaska State Geographic Names Board. The Board considers the interest of State agencies, local citizens and legislators in the name selection process.

On behalf of the Board, we respectfully encourage a proposal to name an unnamed feature in honor of the Veterans of Alaska. The Board believes that it would be a proper gesture of respect and gratitude for our veterans to name an unnamed, prominent geographic features in their honor.

Sincerely,

William A. Egan

The Honorable William A. Egan
Public Member, Alaska State
Geographic Names Board

Lee McAnerney

The Honorable Lee McAnerney
Chairperson, Alaska State
Geographic Names Board

RV DeAnza 06-07

- opposed to changing name
name

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPARTMENT OF MILITARY AFFAIRS
OFFICE OF THE ADJUTANT GENERAL

ROOM 610 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501
PHONE: (907) 243-0656 AUTOVON: 862-7210

REQUEST FOR PROPOSAL
ALASKA VETERANS MEMORIAL

Open Competition: Design a veterans memorial to be erected at Byers Lake Rest Area, mile 147.1 on the Parks Highway as authorized by AS 44.35.030, a copy of which is inclosed. A contract for construction (Phase I only) will be awarded to the winner.

Theme: The memorial shall be multi-service, universal and a traditional representation honoring Alaskan veterans and those military personnel who have served in Alaska since 1867, including but not limited to, honoring the unique contributions made by the Eskimo Scout Battalion of the Alaska Territorial Guard.

Selection Criteria for Design:

a. Incorporates the theme

b. Compatible with the environment

c. Expandable (Phase I and Phase II)

d. Durable and Maintenance free

e. Deters defacing

f. Does not present a potential traffic or ground safety hazard

g. Preference will be given to either in-state or out-of-state firms or individuals with Alaska design experience.

Jury: Chaired by the Commissioner, Department of Military Affairs (The Adjutant General) with a veteran of each of the Armed Services.

General Rules:

a. Submittals will consist of concepts of both Phase I and Phase II including necessary site preparation.

b. Phase I will cost less than $190,000, stand by itself, and will fully incorporate the theme.

c. Phase II will cost less than $300,000 and will expand upon Phase I as funding becomes available in future years.

d. Some or all of the site preparation, labor and equipment will be provided by others. Site preparation by others will consist of clearing up to two acres and relocating no more than 1500 cubic yards of cut and/or fill.

e. The memorial will be within the boundary illustrated on the attached site plan at inclosure 2 and a description of the site at inclosure 3.

f. Submittals will include at least a scaled, spatial-relationship plot plan, area elevation(s), detailed cost estimate and a narrative design concept accompanied by a maximum 24" x 36" graphic illustration. Models are optional.

g. Submittals will identify all participating firms and/or individuals.

h. Military history information is available at:

Office of History, Alaskan Air Command
Bldg 2-900, Room 328
Elmendorf AFB, AK 99506
Phone: (907) 752-4763

i. Questions must be received in writing no later than 30 Dec 81 by:

The Committee to Build a Memorial to Alaska Veterans
610 MacKay Bldg., 338 Denali St.
Anchorage, AK 99501
Phone: (907) 243-0656

and will be answered by 14 Jan 82.

j. A predesign conference will be conducted 14 Jan 82 at 1:00 pm in the Conference Room, 6th Floor MacKay Bldg., 338 Denali St., Anchorage, AK.

k. Submittals must be received by the committee not later than 12:00 noon on 15 Mar 82.

l. All submitters will be notified of the time, date and place for announcement of the winner.

m. Submittals received are insured against loss, damage or destruction by the State of Alaska. Submittals will be retained by the committee for display for six months and then can be reclaimed by the submitter. Submittals not claimed by 31 Dec 82 will be disposed of.

n. An oral briefing may be required of the applicants. A two weeks notice will be provided.

Incl
1. AS 44.35.030
2. Site plan
3. Site Description
4. Military History
5. Bibliography

STATE OF ALASKA

DEPARTMENT OF MILITARY AFFAIRS

OFFICE OF THE ADJUTANT GENERAL

JAY S. HAMMOND, Governor

ROOM 610 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501
PHONE: (907) 243-0656 AUTOVON: 862-7210

AG

9 April 1982

Honorable Vic Fischer
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Fischer:

This letter is in reference to our phone conversation Wednesday evening, 7 April 1982. As discussed, I would like to give you a report on the progress of selecting an Alaska Veteran's Memorial.

In accordance with Senate Bill 133, I convened a selection committee. The qualifications of committee members are excellent and are available to you at Inclosure I. The Committee performed in a thorough manner and formulated a request for proposals of design. They worked closely with representatives from the Department of Natural Resources, Parks Division. As a result, five proposals were received for committee review and selection. The committee set up a written ballot process which narrowed the proposals down to a remaining two. A written closed ballot was then taken to determine which one of the two final proposals would be selected. The committee was unanimous on its first round of voting for a first choice selection. First choice selection is a design submitted by the Team of EDAW, Peratrovich, and Nottingham. A photograph of the winning proposal is attached. Second choice is a proposal by Hammond and Associates.

I am obligated to tell you that the committee's second choice was artistically professional, however, it portrayed five military figures representing a coast guardsman, an army soldier, a native scout, an army engineer and a navy pilot. The committee felt strongly that this representation would raise unnecessary questions about the other branches of service not represented, regardless of their contributions to military service in Alaska. The second choice proposal did recognize contributions of Alaskans to America's military history. The committee's first choice meets with the criteria established by Senate Bill 133, gives added emphasis to the Alaska Territorial Guard with a solid granite statue of an Alaskan Scout and provides for expansion ability that the State Legislature might determine in the future. The first choice selection does provide ample space for recognition plaques.

09-11LH

AG

9 April 1982

Honorable Vic Fischer

Needless to say, the committee's work is not done. Further work is needed to determine exactly what is appropriate for plaque inscriptions, size, conformity, and written content. Milestones have been set for these details as well as contract agreements.

In regard to site selection, the committee researched, visited the site and made a unanimous selection. As to the name of the lake, Byers Lake, we will retain the name due to citizen interest and already established, well recognized usage. The committee feels that this point is not detrimental to recognition of our Alaska Memorial.

In conclusion, progress to date stays within the appropriated fund limitation. The first choice selection will stand as a completed total project that could easily be expanded into a second phase of increased park development. I should mention that this was not true of the other proposals reviewed by the committee. We have indicated to the team of EDAW, Peratrovich and Nottingham that their proposal was the committee's first choice and that we would proceed to contract negotiation. I hope that this letter satisfies any concerns your committee may have. I would appreciate any comments you may have within the next 10 days. Seasonal construction requirements demand that we move ahead promptly if we are to use Air Force construction teams for site preparation work and complete the project this year.

Sincerely,

C.F. NECRASON
Major General, AK NG
The Adjutant General

2 Incl
as

APR 13 1982

MEMORIAL TO ALASKAN VETERANS COMMITTEE MEMBERS

1. Alaska National Guard

MAJOR GENERAL C.F.NECRASON

Established residence in Alaska in 1958. Holds a B.S. degree from the United States Military Academy, is a graduate of the Air War College. Served as Commander of the Alaskan Air Command 1958-61. Is the recipient of the Legion of Merit with two clusters, the Silver Star, Distinguished Flying Cross with three oak leaf clusters, Air Medal with four clusters, Purple Heart, Presidential Citation with three clusters, and various campaign and theater ribbons from the United Nations, Korea, Phillippines, Pacific, African and American theaters. Prior to present appointment was employed by Bechtel, Inc. Appointed to present position Dec 2, 1974.

2. U.S. Army

MR. RODNEY FINKLE

LTC U.S. Army, 27 1/2 yrs active duty. Architectural, Industrial and Interior Designer, Pratt Institute, NYC. Vice Chairman and Commissioner for Anchorage Arts Advisory Commission. Chairman for Arts Selection. Jury for Anchorage Sports Arena, Project 80. 12 yrs experience as an Army Engineer Officer in Civil Engineering construction.

3. Navy

MR. WILFRED L. PAINTER

BS Degree Civil Engineering, Princeton University, Princeton N.J. 4 yrs Active Duty U.S. Air Force, 1 tour in Viet Nam.Facilities Construction, Andrews AFB, Washington D.C., 1 1/2 yrs as Representative to National Capitol Planning Commission, Developed Presidential access route from the Capitol Building to Andrews AFB, Project Officer for Andrews Master Plan. Worked in Civil Construction Industry in Hawaii,Washington and in Alaska since 1974. Currently LT in Civil Engineer Corps, Navy Reserve, Command of a Seabee Detachment in Anchorage. Registered Professional Engineer in Civil Engineering , State of Alaska. Hold member grade in American Society of Civil Engineer. Hold membership in Society of American Military Engineer. Work for large construction company in Anchorage. Manager for Anchorage and South Central Alaska. Constructed 2 Calais buildings. Constructed 5th & I Otigan Office Building. Worked on Federal Building.

APR 13 19

MEMORIAL TO ALSAKAN VETERANS COMMITTEE MEMBERS (cont'd)

4. Army National Guard

JOHN H. CLOE

BA Degree in History Virginia Military Institute, Lexington, VA. 10 Years Active Duty, U.S. Army. 2 tours as an Infantry Officer in Viet Nam, one as an Infantry Company Commander and Advisor to the Army of Viet Nam. LTC AK ARNG National Guard. Command Historian for Alaska Air Command. Only trained Military Historian in Alaska. Belongs to Alaska Historical Society and Cook Inlet Historical Society.

5. Air National Guard

MR. JON D. VERLINDA

BA Civil Engineer, North Dakota State University Fargo, N.D. 5 years Active Duty U.S. Air Force, worked in Base Civil Engineer Office and Chief, Base Engineering Operations. Worked for Corps of Engineer of Alaska. Kulis Air National Guard Base Civil Engineer. Secretary, Anchorage Post Society of American Military Engineers.

6. Coast Guard

MR. RAYMOND H. SPOLTMAN

30 years in Coast Guard. 3rd assignment as a Commanding Officer. Currently Commander of Marine Safety Office in Anchorage. Professional Marine Surveyor.

7. Air Force

MR. JAMES D. DUNN

Retired Air Force Colonel. Former Base Commander, Elmendorf AFB. Currently employed by Municipality of Anchorage, Director of Transportation.

APR 16 1982

Original sponsor: Bradley

Funding Information
General Fund $300,000
Other Funds -0-
$300,000

IN THE SENATE BY THE STATE AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 705 (State Affairs)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Department of Military Affairs for construction of the Alaskan Servicemen's Memorial at Byers Lake in Denali State Park; and providing for an effective date."

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

* Section 1. The sum of $300,000 is appropriated from the general fund to the Department of Military Affairs for construction of phase II of the Alaskan Servicemen's Memorial at Byers Lake in Denali State Park that was initially funded by an appropriation in ch. 31, SLA 1981.

* Sec. 2. The appropriation made by this Act is for a capital project and is subject to AS 37.25.020.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Original sponsor: Bradley

IN THE SENATE BY THE STATE AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 704 (State Affairs)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to memorials for servicemen; and to the Alaskan Servicemen's Memorial at Byers Lake in Denali State Park; and providing for an effective date."

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

* Section 1. ALASKAN SERVICEMEN'S MEMORIAL AT BYERS LAKE. (a) The wayside area, including facilities, along Alaska Route 3 in Denali State Park at milepost A147.5 north of Anchorage shall be referred to as the Alaskan Servicemen's Memorial at Byers Lake.

(b) The Department of Natural Resources shall provide for the construction of a permanent park ranger and caretaker facility at the site described in (a) of this section and employ a caretaker to provide tourist information, security, and maintenance at the Alaskan Servicemen's Memorial at Byers Lake.

(c) The Department of Natural Resources shall consult with the Department of Military Affairs in the design of the permanent park ranger and caretaker facility described in (b) of this section.

* Sec. 2. AS 41.20.020(12) is repealed and reenacted to read:

(12) provide for the construction and maintenance of facilities in state parks and recreation areas to serve as memorials for servicemen as prescribed by law.

* Sec. 3. This Act takes effect July 1, 1982.

SB

127

CHUGACH NATIVES, INC.
903 WEST NORTHERN LIGHTS, SUITE 201 • ANCHORAGE, ALASKA 99503
(907) 276-1080 TELEX 26-497

February 17, 1982

Senator John Sackett
Pouch V
Juneau, AK 99811

Dear Senator Sackett:

Chugach Natives, Inc., strongly supports your proposal in S.B. 727 providing for the State Geographic Names Board to consider naming unnamed geographic features in Alaska with an appropriate Native name. In the Chugach Region we have worked closely with the Alaska Native Language Center at the University of Alaska in Fairbanks to collect these names over the past several years. We have gathered several hundred to date, and many more remain to be discussed among our older shareholders.

While your bill provides for the use of Native place names on currently unnamed geographic features, you might also consider imbuing the Geographic Names Board with the additional authority to re-name existing features with Native names. This authority would have to be exercised judiciously so as not to create widespread confusion. However, in many instances the Native names are more commonly used even today than the official names of places, and these are the cases which could be addressed under this additional authority.

Sincerely,

CHUGACH NATIVES, INC.

Carl Rogers for
Edgar Blatchford
Chairman of the Board

EB/ls

cc: State Affairs Committee members
Alaska Native Language Center

POSITION PAPER
SENATE BILL 727

Senate Bill 727, "An Act relating to the duties of the State Geographic Names Board; and providing for an effective date" would establish a policy to conduct research and to provide names for unnamed geographic features in Alaska utilizing Alaska Native place names.

Members of the Alaska State Geographic Names Board believe that S. B. 727 is unnecessary because Alaska Native place names are given full consideration under current Board policy. The Board is not responsible for proposing name selections; proposals are received from residents of Alaska, private interest groups, corporations and other organizations throughout the State. It is a procedure of the Board to contact the local officials and the appropriate Native organization to ascertain support or opposition to each name proposal. If an organization informs the Board that the feature in question has a traditional name, the original usage is given preference.

In accordance with Alaska Statute Section 44.19.056 the Board is chaired by the Commissioner of Community and Regional Affairs, and consists of the Commissioners of the Department of Natural Resources, Transportation and Public Facilities, Education, the curator of the state museum, the state historical librarian, the director of the division of lands, and one private sector member appointed by the Governor. The Board generally approves a proposal for a name selection if the proposal meets the following criteria:

1. Authenticity of the name can be established.
2. The name is clearly associated with the area proposed.
3. The name is, or was, in common local usage.
4. The name can be spelled according to established system of orthography.
5. The name is pronounceable without considerable difficulty.
6. The name of a stream is applied to an unnamed lake or glacier from which the stream originates.
7. The name of a mountain is applied to an unnamed glacier which is a part of that mountain.
8. The name is relevant and most descriptive to the feature.
9. The name is not in use elsewhere in the Region.
10. The name is not frivolous.
11. The name is in good taste.
12. The Board generally approves a commemorative name selection if the individual made a highly significant contribution to Alaska.

All Alaska place names should be evaluated according to these criteria and should come as needed so future generations will have an opportunity to submit geographic names. The Alaska Board would like to encourage Native organizations or individuals to submit names for features in their area as they have an opportunity to investigate and learn the Native names. The Board is not staffed or funded to conduct these investigations.

The Board feels it is appropriate to do a publication specifically on Alaska Native names that would encourage more Native people to participate in name submissions.

Respectfully submitted by members of:

The Alaska State Geographic Names Board
% Commissioner's Office
Community and Regional Affairs
Pouch B
Juneau, Alaska 99801

Please contact Leanne Ellis Pilcher, Executive Secretary of the Alaska State Geographic Names Board (465-4700) if you have further questions.

A M E N D M E N T

SENATE BILL 727

Sec. 44.19.059. ALASKA NATIVE PLACE NAMES. In carrying out its duties to name geographic features under AS 44.19.058 (2) the State Geographic Board shall ~~maintain a policy of~~ consider~~ing~~ the use of Alaska Native place names for geographic features in the state that have not previously been named, using Native language writing systems accepted by the Alaska Native Language Center of the University of Alaska at Fairbanks.

SB

753

*Section 1. AS 14.20.345(d) is amended to read:

(d) The governing body of the district may agree to continue the teacher's retirement contributions if the teacher agrees to pay the percentage required under AS 14.25.050 [REQUIRED SEVEN PERCENT] of the salary the teacher [HE] would have received during the [HIS] leave of absence and reimburse the district for the district's required retirement contribution. Each year of leave of absence then would count as a year of retirement service.

*Sec. 2. AS 14.25.050(a) is amended to read:

(a) Each [BEGINNING JULY 1, 1970, EACH] teacher shall contribute to the retirement fund an amount equal to nine [SEVEN] percent of his base salary accrued from July 1 to the following June 30. The contribution shall be deducted by the employer at the end of each payroll period.

*Sec. 3. AS 14.25.060(a) is repealed and reenacted to read:

(a) If a member has military service or Alaska Bureau of Indian Affairs (BIA) service, or if a member joined the system before July 1, 1978, and has creditable outside service, the member is indebted to the retirement fund as follows:

(1) for a member first hired before July 1, 1978, the arrearage indebtedness for creditable outside service is seven percent of the base salary multiplied by the total number of years of creditable outside service. Compound interest at the rate prescribed by regulation shall be added to the arrearage indebtedness beginning July 1, 1963, or at the time of first becoming employed as a member, whichever is later, to the date of payment or the date of retirement, whichever occurs first.

(2) for a member first hired before July 1, 1982, the arrearage indebtedness for creditable military and Alaska BIA service is

seven percent of the base salary multiplied by the total number of years of military and Alaska BIA service. For a member first hired on or after July 1, 1982, the arrearage indebtedness for military and Alaska BIA service is nine percent of the base salary multiplied by the total number of years of creditable military and Alaska BIA service. Compound interest at the rate prescribed by regulation shall be added to the arrearage indebtedness beginning July 1, 1963, or at the time of first becoming employed as a member, whichever is later, to the date of payment or the date of retirement, whichever occurs first.

*Sec. 4. AS 14.25.110(d) is repealed and reenacted to read:

(c) The monthly retirement benefit for a member is calculated as follows:

(1) for a member with credited service earned before July 1, 1982, the monthly retirement benefit is calculated by multiplying two percent of the member's average base salary, divided by 12, by the years of credited service.

(2) for a member with less than three years of membership service rendered after June 30, 1982:

(A) if the member has a total of at least 10 but less than 20 years of credited service, the member is entitled to the benefit calculated under (1) of this subsection for the credited service rendered before July 1, 1982, plus two and one-quarter percent of the member's average base salary, divided by 12, times the years of credited service earned after June 30, 1982;

(B) if the member has a total of at least 20 years of credited service, the member is entitled to the benefit calculated under (1) of this subsection for the credited service rendered before July 1,

1982, plus two and one-half percent of the member's average base salary, divided by 12, times the years of credited service earned after June 30, 1982;

(3) for a member with three or more years of membership service rendered after June 30, 1982:

(A) if the member has a total of at least 10 but less than 20 years of credited service, the member is entitled to a monthly retirement benefit equal to two and one-quarter percent of the member's average base salary, divided by 12, times the member's total years of credited service;

(B) if the member has a total of at least 20 years of credited service, the member is entitled to a monthly retirement benefit equal to two and one-half percent of the member's average base salary, divided by 12, times the member's total years of credited service;

(4) for a member who elects to receive an early retirement benefit, an actuarial adjustment must be made; and

(5) any indebtedness that exists at the time of retirement must be discharged in accordance with AS 14.25.063(b).

*Sec. 5. AS 14.25.125(d) is repealed and reenacted to read:

(d) The monthly amount of a conditional service retirement benefit shall be calculated on the years of fully paid credited service only, in accordance with AS 14.25.110(d), except that

(1) a member may irrevocably elect to substitute "average monthly compensation" as defined in AS 39.35.680(4) in place of the member's average base salary, divided by 12; and

(2) in determining the percentage multiplier for each year of service under AS 14.25.110(d) the years of credited service under AS 39.35 shall also be considered.

*Sec. 6. AS 14.25.143 is repealed and reenacted to read:

Sec. 14.25.143. POST-RETIREMENT PENSION ADJUSTMENT. (a) Once each year the administrator shall increase benefit payments to eligible persons age 65 or older receiving benefits under this system in the preceding calendar year.

(b) The increase in benefit payments applies to total benefit payments except for the cost-of-living allowance under AS 14.25.142. The amount of the increase is a percentage of the current benefit equal to the lesser of 75 percent of the increase in the cost of living in the preceding calendar year or nine percent, for recipients who on July 1 are at least 65 years old.

(c) If a recipient was not receiving benefits during the entire preceding calendar year, the increase in benefits under this section shall be adjusted by multiplying it by the fraction whose numerator is the number of months for which benefits were received in the preceding calendar year and whose denominator is 12.

(d) If at the time of first receiving a retirement benefit a member was receiving a disability benefit under this system, the administrator shall, at the time the member is appointed to retirement, increase the retirement benefit by a percentage equal to the total cumulative percentage increase which has been applied to the member's disability benefit under this section.

(e) When computing a spouse's pension under AS 14.25.164, adjustments granted to the deceased member under this section shall be included.

(f) An increase in benefit payments under this section is effective July 1 of each year and is based on the percentage increase in the consumer

price index for urban wage earners and clerical workers for Anchorage, Alaska during the previous calendar year as determined by the United States Department of Labor, Bureau of Labor Statistics.

*Sec. 7. AS 14.25.143(a) is repealed and reenacted to read:

Sec. 14.25.143. POST-RETIREMENT PENSION ADJUSTMENT. (a) Once each year the administrator shall increase benefit payments to eligible disabled members and persons age 60 or older receiving benefits under this system in the preceding calendar year.

*Sec. 8. AS 14.25.143(b) is repealed and reenacted to read:

(b) The increase in benefit payments applies to total benefit payments except for the cost-of-living allowance under AS 14.25.142. The amount of the increase is a percentage of the current benefit equal to

(1) the lesser of 75 percent of the increase in the cost of living in the preceding calendar year or nine percent, for recipients who on July 1 are at least 65 years old; and

(2) the lesser of 50 percent of the increase in the cost of living in the preceding calendar year or six percent, for recipients who on July 1 are at least 60 but less than 65 years old and for members receiving disability benefits who are less than 65 years old.

*Sec. 9. AS 14.25.143(a) is repealed and reenacted to read:

Sec. 14.25.143. POST-RETIREMENT PENSION ADJUSTMENT. (a) Once each year the administrator shall increase benefit payments to eligible disabled members and persons age 55 or older receiving benefits under this system in the preceding calendar year.

*Sec. 10. AS 14.25.143(b) is repealed and reenacted to read:

(b) The increase in benefit payments applies to total benefit

payments except for the cost-of-living allowance under AS 14.25.142. The amount of the increase is a percentage of the current benefit equal to

(1) the lesser of 75 percent of the increase in the cost of living in the preceding calendar year or nine percent, for recipients who on July 1 are at least 65 years old;

(2) the lesser of 50 percent of the increase in the cost of living in the preceding calendar year or six percent, for recipients who on July 1 are at least 60 but less than 65 years old and for members receiving disability benefits who are less than 65 years old; and

(3) the lesser of 25 percent of the increase in the cost of living in the preceding calendar year or three percent, for recipients who on July 1 are at least 55 but less than 60 years old.

*Sec. 11. AS 39.35.160 is amended to read:

Sec. 39.35.160. AMOUNT OF EMPLOYEE CONTRIBUTIONS. While participating in the system each peace officer and each fireman shall contribute seven [FIVE] percent and every other employee shall contribute six [FOUR] and one-quarter percent of their [HIS] compensation to the public employees' retirement system.

(b) If, upon termination of employment, an employee has credited service of less than five years and has less than $1,000 in the [HIS] employee contribution account, a refund of the employee contribution account and the employee savings account must be made unless the employee indicates in writing that future retirement is intended and contributions should not be refunded. An employee who is reemployed with an employer and whose contributions have not been refunded before reemployment [RE-EMPLOYMENT] is not eligible for a refund.

*Sec. 12. AS 39.35.340(b) is amended to read:

(b) In order to obtain credited service under this section, an employee shall make an election to do so and shall verify the [HIS] period of military service. When eligibility for credited service for military service has been established, an indebtedness shall be determined as follows: (1) the employee's actual compensation, or the calculated annual compensation for those employees working less than 12 months, during the calendar year 1976 or the year in which an employee first becomes vested under this chapter, whichever is later, multiplied by (2) [SIX PERCENT. THIS PRODUCT MULTIPLIED BY (3)] the number of years of military service credited under this section, and this product multiplied by (3) six percent for members who are first eligible to claim this military service before July 1, 1982, or eight percent for members who are first eligible to claim this military service on or after July 1, 1982. Interest as prescribed by regulation accrues on this indebtedness beginning [COMMENCING] on July 1, 1976, or one year following the date a person first becomes vested, whichever is later. Any outstanding indebtedness that [WHICH] exists at the time a person is appointed to retirement will necessitate an actuarial adjustment to the benefits payable based upon that military service.

*Sec. 13. AS 39.35.370(c) is repealed and reenacted to read:

(c) The monthly retirement benefit of an employee is calculated as follows:

(1) for an employee with credited service earned before July 1, 1982, the monthly retirement benefit is calculated by multiplying two percent of the average monthly compensation of the employee by the number of years of credited service.

(2) for an employee with less than three years of credited service rendered after June 30, 1982:

(A) if the employee has a total of at least 10 but less than 20 years of credited service, the employee is entitled to the benefit calculated under (1) of this subsection for the credited service rendered before July 1, 1982, plus two and one-quarter percent of the average monthly compensation times the years of credited service earned after June 30, 1982;

(B) if the employee has a total of at least 20 years of credited service, the employee is entitled to the benefit calculated under (1) of this subsection for the credited service rendered before July 1, 1982, plus two and one-half percent of the employee's average monthly compensation times the years of credited service earned after June 30, 1982;

(3) for an employee with three or more years of credited service rendered after June 30, 1982:

(A) if the employee has a total of at least 10 but less than 20 years of credited service, the employee is entitled to a monthly retirement benefit equal to two and one-quarter percent of the employee's average monthly compensation times the total years of credited service earned by the employee;

(B) if the employee has a total of at least 20 years of credited service, the employee is entitled to a monthly retirement benefit equal to two and one-half percent of the employee's average monthly compensation times the total years of credited service earned by the employee;

(4) for an employee who elects to receive an early retirement benefit, an actuarial adjustment must be made; and

(5) for an employee who rendered service as a peace officer or fireman before July 1, 1982, the monthly retirement benefit is calculated as follows:

(A) by multiplying two percent of the average monthly compensation of the employee by the years of credited peace officer or fireman service up through 10 years, plus two and one-half percent of the average monthly compensation of the employee by the years of credited peace officer or fireman service over 10 years. All other credited service shall be multiplied by two percent; or

(B) the formulas as provided in (1) through (4) of this subsection, if (B) is greater than (A).

*Sec. 14. AS 39.35.385(d) is repealed and reenacted to read:

(d) The monthly amount of a conditional service retirement benefit shall be calculated in accordance with AS 39.35.370(c), except that

(1) the member may irrevocably elect to substitute one-twelfth of the "average base salary" as defined in AS 14.25.220(5) in place of average monthly compensation; and

(2) in determining the percentage multiplier for each year of service under AS 39.35.370(c) the years of credited service under AS 14.25 shall also be considered.

*Sec. 15. AS 39.35.475 is repealed and reenacted to read:

Sec. 39.35.475. POST-RETIREMENT PENSION ADJUSTMENT. (a) Once each year the administrator shall increase benefit payments to eligible persons age 65 or older receiving benefits under this system in the preceding calendar year.

(b) The increase in benefit payments applies to total benefit payments exclusive only of the cost-of-living allowance under AS 39.35.480. The amount of the increase is a percentage of the current benefit equal to the lesser of 75 percent of the increase in the cost of living in the preceding calendar year or nine percent, for recipients who on July 1 are at least 65 years old.

(c) If a recipient was not receiving benefits during the entire preceding calendar year, the increase in benefits under this section shall be adjusted by multiplying it by the fraction whose numerator is the number of months for which benefits were received in the preceding calendar year and whose denominator is 12.

(d) If at the time of first receiving a retirement benefit a member was receiving a disability benefit under this system, the administrator shall, at the time the member is appointed to retirement, increase the retirement benefit by a percentage equal to the total cumulative percentage increase which has been applied to the member's disability benefit under this section.

(e) When computing a joint and survivor benefit under AS 39.35.450 or a survivor's benefit under AS 39.35.420 or 39.35.440, adjustments granted to the deceased member under this section shall be included.

(f) An increase in benefit payments under this section is effective July 1 of each year and is based on the percentage increase in the consumer price index for urban wage earners and clerical workers for Anchorage, Alaska during the previous calendar year as determined by the United States Department of Labor, Bureau of Labor Statistics.

*Sec. 16. AS 39.35.475(a) is repealed and reenacted to read:

Sec. 39.35.475. POST-RETIREMENT PENSION ADJUSTMENT. (a) Once each year the administrator shall increase benefit payments to eligible disabled members and persons age 60 or older receiving benefits under this system in the preceding calendar year.

*Sec. 17. AS 39.35.475(b) is repealed and reenacted to read:

(b) The increase in benefit payments applies to total benefit payments exclusive only of the cost-of-living allowance under AS 39.35.480. The amount of the increase is a percentage of the current benefit equal to

(1) the lesser of 75 percent of the increase in the cost of living in the preceding calendar year or nine percent, for recipients who on July 1 are at least 65 years old; and

(2) the lesser of 50 percent of the increase in the cost of living in the preceding calendar year or six percent, for recipients who on July 1 are at least 60 but less than 65 years old and for members receiving disability benefits who are less than 65 years old.

*Sec. 18. AS 39.35.475(a) is repealed and reenacted to read:

Sec. 39.35.475. POST-RETIREMENT PENSION ADJUSTMENT. (a) Once each year the administrator shall increase benefit payments to eligible disabled members and persons age 55 or older receiving benefits under this system in the preceding calendar year.

*Sec. 19. AS 39.35.475(b) is repealed and reenacted to read:

(b) The increase in benefit payments applies to total benefit payments exclusive only of the cost-of-living allowance under AS 39.35.480. The amount of the increase is a percentage of the current benefit equal to

(1) the lesser of 75 percent of the increase in the cost of living in the preceding calendar year or nine percent, for recipients who on July 1 are at least 65 years old;

(2) the lesser of 50 percent of the increase in the cost of living in the preceding calendar year or six percent, for recipients who on July 1 are at least 60 but less than 65 years old and for members receiving disability benefits who are less than 65 years old; and

(3) the lesser of 25 percent of the increase in the cost of living in the preceding calendar year or three percent, for recipients who on July 1 are at least 55 but less than 60 years old.

*Sec. 20. AS 14.25.143 and AS 39.35.475 as enacted in secs. 6-10 and 15-19 of this Act apply to persons receiving benefits under the retirement systems on and after July 1, 1982. Payment of an increase benefit under AS 14.25.143 or AS 39.35.475 that is effective July 1, 1982, shall begin no later than January 1, 1983, and shall be based on the percentage increase in the consumer price index for the calendar year 1981.

*Sec. 21. Sections 1-6, sections 11-15, and section 20 of this Act take effect July 1, 1982.

*Sec. 22. Sections 7, 8, 16 and 17 of this Act take effect July 1, 1983.

*Sec. 23. Sections 9, 10, 18 and 19 of this Act take effect July 1, 1984.

TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Attached Draft 3-01-82

Title

Requested by Date

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits

Program Category Affected Centralized Administrative Services

BRU, Program, or Subprogram(s) Affected Retirement & Benefits

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

EXPENDITURES (Thousands of Dollars)

		FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100	PERSONAL SERVICES						
100	RETIREMENT BENEFITS		24,632.3	43,702.5	60,864.2	66,960.6	73,656.6
200	TRAVEL						
300	CONTRACTUAL		25.0				
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		24,657.3	43,702.5	60,864.2	66,960.6	73,656.6

FUNDING (Thousands of Dollars)

GENERAL FUND							
FEDERAL FUNDS							
VETERAN'S FUND							
FISH & GAME FUND							
HIGHWAY FUND							
AIRPORT FUND							
CAPITAL FUND							
PERS							
TRS							

DRAFT

POSITIONS NONE

FULL TIME							
PART TIME							
TEMPORARY							

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

1. The State PERS payroll contribution rate must be increased by 7.13% in FY83; 11.50% in FY84; and 14.56% in FY85.

2. Estimate the FY83 covered State PERS payroll to be $345,475,000, increasing 10% annually.

3. Estimate long term inflation rate of 7.5%.

4. The cost to political subdivisions is estimated to be $18,728,600 in FY83; $32,228,100 in FY84; and $46,276,600 in FY 85.

IV. DATE March 1, 1982 PREPARED BY Paul B. Arnoldt, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Office of the Governor (Keith Specking)

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Attached Draft 3-01-82

Title

Requested by Date

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits

Program Category Affected Centralized Administrative Services & Secondary Education

BRU, Program, or Subprogram(s) Affected Retirement & Benefits

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

EXPENDITURES (Thousands of Dollars)

		FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100	PERSONAL SERVICES						
100	RETIREMENT BENEFITS		26,101.7	37,650.6	50,269.1	55,296.0	60,825.6
200	TRAVEL						
300	CONTRACTUAL		25.0				
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
700	STATE TRS MATCHING						
	TOTAL		26,126.7	37,650.6	50,269.1	55,296.0	60,825.6

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						

DRAFT

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. The TRS contribution rate must be increased by 14.84% in FY83; 19.46% in FY84; and 23.62% in FY85 (the TRS contribution rate is split 50/50 between the State and employers in the system).

2. Estimate FY83 covered payroll at $296,962,000, and increasing 10% annually.

3. Estimate long term inflation rate of 7.5%.

4. The cost to school districts is estimated to be $17,968,000 in FY83; $25,917,100 in FY84; and $34,603,000 in FY85.

IV. DATE March 1, 1982 PREPARED BY Paul B. Arnoldt, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Office of the Governor (Keith Specking)

SB 753 Charlie Parr

subst. 121 - lost: cost, jnd & leg off.
- teachers - pull empl. only
- red cost.

substantive changes:

→ PRPA - >65 yrs - 6% ceiling or 1/2 CPI change

① Sec 16 -

② Sec 42 - addit. cost - 1/2%

③ Sec 11 - TRS - credit for 2 yrs of Peace Corps service

- rest is "clean-up" language.

Paul Arnoldt

+ disability review board
+ premium tax by an insur. co's - repeal bill
- reduct. cost for temp. services

SECTIONAL ANALYSIS OF SB 753

Section 1 would increase the contribution rate for service credit for leave of absence without pay (LWOP) in conjunction with the PRPA provisions (Section 16) of this bill. (See the increase in normal contributions in Section 6.)

Section 2 would prevent abuse of the TRS by amending AS 14.20.345(f) so that LWOP would not be creditable unless certified by the school district as being for educational purposes.

Sections 3-5 would amend AS 14.25.020, 14.25.022, and 14.25.035 to state clearly the role of the Teachers' Retirement Board in the adoption and promulgation of regulations. The change makes the role of the TRS Board in this area identical to that of the Public Employees' Retirement Board. Under the existing language, the system administrator functions in this capacity without any clear mandate that he consult the Board.

Section 6 would increase the mandatory contribution rate for TRS employees from seven to seven and one-half percent; the increase represents the employee's share of the cost of the automatic PRPA in Section 16 of this bill.

Sections 7, 18-19 and 22-24 would alter the death/survivor benefit provisions of the TRS. Specifically, the supplemental contributions provision would be eliminated for all teachers hired on or after July 1, 1982, open enrollment for the supplemental contributions provision would be eliminated, and equitable occupational and nonoccupational death benefits and joint and survivor options, such as currently exist in the PERS, would be created.

Section 8 would increase the contribution rate for outside service credit to be in conformity with the increase of mandatory contributions in Section 6 of this bill.

Section 9 would amend the manner of discharging indebtedness under the TRS to bring it into conformity with the PERS.

Sections 10 and 60 would ensure that, in accordance with the Alaska Constitution, accrued benefits under the TRS and PERS may not be diminished by claiming service credit.

Section 11 would allow a TRS member to receive credit for up to two years of service in the Peace Corps.

Section 12 would bring the statutes into conformity with current practice. The sentence in question was inadvertently omitted when the TRS statutes were amended by Chapter 13, SLA 1980.

Section 13 merely corrects statutory references. These references should have been changed at the time the TRS statutes were amended by Chapter 13, SLA 1980.

Section 14 would amend Conditional Service Retirement Benefits to allow a member (1) to use his PERS salary if it is higher than his TRS salary, and (2) to figure his conditional service benefit based on all credited service rather than just membership service.

Section 15 would amend AS 14.25.130(a) to streamline the disability retirement application procedure. It provides a definite starting point in the procedure by setting as the first step the termination of employment due to the disability. Additionally, it resolves an existing inequity wherein a member has enough years of membership service to qualify for disability but is over 55 and does not qualify for normal retirement. Under present law, such an individual would be in a "Catch-22" situation -- disabled and unable to work, but needing to work to gain the necessary credit to qualify for normal retirement and being too old to qualify for disability.

Section 16 would create a mechanism for granting automatic, funded annual PRPA's to benefit recipients age 65 and over and to disabled members regardless of age; the amount of the increase would be 50% of the Anchorage CPI or 6%, whichever is less.

Sections 17 and 30 would amend the refund provisions of the TRS to conform with current practice and allow for the refunding of interest paid on an indebtedness. "Member contribution account" is defined to include all of the other accounts.

Section 20 would amend AS 14.25.160(b)(1) to agree with the changes in Sections 17 and 30 of this bill.

Section 21 would eliminate an existing inequity by amending AS 14.25.162(b)(1) to allow a dependent child to interrupt his schooling without permanently losing his survivor's allowance payment.

Sections 25, 34, and 59 would conform the statutes to the current practice of providing major medical insurance coverage to spouses and dependent children of retirees, as well as retirees themselves in the TRS, the PERS and the contributory and noncontributory Judicial Retirement Systems.

Section 26 adds the appropriate statutory references to AS 14.25.169 to be in agreement with the death/survivor benefit changes in Sections 7, 18-19 and 22-24 of this bill. In addition, Section 26 puts into law three previously unwritten principles of equity which have been at the heart of the TRS since its inception: a teacher may not receive 1) duplicate TRS credit for the same period of service; 2)

more than one year of credit during a school year; or 3) benefits while accruing service credit except as provided in AS 14.25.169.

Section 27 amends AS 14.25.175(a) to eliminate arbitrary, potentially detrimental requirements which must be met by persons wishing to appeal before the TRS Board.

Sections 28 and 65 would clarify what is and is not included in "compensation" for purposes of retirement in the TRS and PERS. This language is consistent with longstanding practice and does not constitute a change.

Section 29 expands the definition of "credited service" to include "territorial employment" as provided under AS 14.25.105, which should have been done in 1980 when AS 14.25.105 was passed, and Peace Corps credit in accordance with Section 11 of this bill.

Section 31 defines "territorial employment" as it is used in Section 29.

Sections 32-33 and 35-36 would add new sections to AS 22.25 and AS 26.05. The sections which should have been added when the sta[illegible]es were amended by Chapter 146, SLA 1980, set up accounting syste[illegible] for the Judicial Retirement System and the Alaska National Guard [illegible]irement System which are now on a funded basis. The sections are modeled after the one in place in the PERS, AS 39.35.100. The money in the funds may be invested in the same manner as money in the PERS, AS 39.35.110.

Section 37 would clarify the direction in AS 39.30 to the Department of Administration to include retired persons in the group insurance program. Also clarifies AS 39.30.090(9) in two respects: first, it deletes the provision for major medical insurance coverage for retirees since such coverage is now provided elsewhere; second, it provides that retirees under age 65 may continue the life insurance they have in force at the time of termination of their employment.

Section 38 would create a group insurance fund. It is included at the urging of the State's benefit consultants. The existence of a fund will provide the flexibility needed to negotiate for and procure more favorable terms from insurance companies. Our consultants inform us that such added flexibility has led to substantial savings in other systems. Any surplus in the fund may be invested by the Commissioner of Revenue under AS 39.35.110.

Section 39 removes outdated, irrelevant language from the PERS statutes.

Sections 40 and 41 would make minor changes in AS 39.35.100. The first change recognizes that actuarial calculations and transfers from individual retirement accounts to the retirement reserve account can be accomplished more effectively on an aggregate, annual basis.

This will not delay the actual payment of benefits to retirees. The second change allocates a portion of the investment income to the reserve account. This is considered appropriate since a substantial portion of the principal invested derives from the reserve account.

Section 42 would increase the mandatory contribution rate for PERS peace officers/firemen from five to five and one-half percent, and for all others from four and one-quarter to four and three-quarters percent; the increase represents the employee's share of the cost of the automatic PRPA in Section 54 of this bill.

Sections 43, 63, 64 and 67 would amend the refund provisions of the PERS to allow for the refunding of interest paid on an indebtedness. In addition, Section 43 would also amend AS 39.35.200(b) to eliminate a "Catch-22" situation. Currently, persons who terminate their employment having less than five years credited service and less than $1,000 in their employee account must be given a refund of retirement contributions even if they intend to retire later; when they do retire at a later date, they must repay the refunded contributions with interest. This proposed change would allow the employee the option of leaving the employee contributions in the individual account.

Section 44 would increase the contribution rate for military service credit in conformity with the increase in Section 42 of this bill.

Section 45 would entitle an additional group of surviving spouses to an increased benefit based on the deceased spouse's military service. Currently, surviving spouses receiving a monthly benefit from the system under AS 39.35.440 or 39.35.450 are entitled to this additional benefit. However, surviving spouses of members who die as a proximate result of an injury sustained or a hazard undergone while on the job (AS 39.35.430) are not. This section would correct this oversight and extend the additional benefit to this group of surviving spouses.

Section 46 would amend AS 39.35.350(c) to bring it into conformity with the rest of the PERS statutes regarding the manner of discharging an indebtedness.

Section 47 clarifies AS 39.35.360(b) to ensure that pre-1961 service credit is granted free of charge only to those employees who qualify under AS 39.35.360(a). This is consistent with current practice.

Section 48 clarifies AS 39.35.385 to ensure that the provision allowing reinstatement without reemployment applies only to paragraphs (a) and (b) and not to, for example, paragraph (f) which was added after the fact. This is not viewed as a substantive change.

Section 49 would amend Conditional Service Retirement Benefits to allow a member to use his TRS salary if it is higher than his PERS salary.

Section 50 would change the benefit reference in AS 39.35.420(b) because the description of the benefit is now found in subsection (c) of the section instead of in subsection (a). The amount of the benefit is not changed. In addition, Sections 50 and 51 would clarify the entitlement to death benefits when there is no surviving spouse. It would provide that, in the event of the death of a vested member who has no surviving spouse, a benefit shall be paid to the deceased member's designated beneficiary.

Section 52 would conform AS 39.35.440(b) to division practice. As the current law reads, a surviving spouse of a deceased, disabled employee is entitled to a benefit equal to 40 percent of the decedent's monthly compensation. It was not anyone's intent that the surviving spouse receive 40 percent of the relatively low disability benefit; it was intended that the surviving spouse receive 40 percent of the decedent's compensation before the disability. The amendment clarifies this. Section 52 would also provide for the disposition of death benefits in the event that a deceased member has no surviving spouse or dependent children, in which case a death benefit is paid to the designated beneficiary.

Section 53 would clarify the administration of the level income option under AS 39.35.460. In practice, it is not possible to predict exactly the amount of the eventual social security benefit or to make the income precisely level.

Section 54 would create a mechanism for granting automatic, funded PRPA's to benefit recipients age 65 and over and to disabled members regardless of age; the amount of the increase would be 50% of the Anchorage CPI or 6%, whichever is less.

Section 55 removes outdated statutory references from AS 39.35.485(a) and adds appropriate statutory references to bring the law into conformity with current practice. This is not viewed as a substantive change.

Section 56 updates incomplete statutory references; the designation of a beneficiary or beneficiaries is applicable to all benefits throughout the chapter.

Section 57 amends AS 39.35.522(a) to eliminate arbitrary, potentially detrimental requirements which must be met by persons wishing to appeal before the PERS Board.

Section 58 puts into law three previously unwritten principles of equity which have been at the heart of the PERS since its inception: an employee may not receive 1) duplicate PERS credit for the same period of service; 2) more than one year of credit during a calendar year; or 3) benefits while accruing service credit except as provided in AS 39.35.530.

Section 61 would delete from AS 39.35.560 a definitional reference to "public organization." That term is now defined in Section 71 of this bill, AS 39.35.680(39).

Section 62 adds AS 39.35.612 to bring the law into conformity with current practice; it would establish the same conditions for amending a Participation Agreement as are required when an employer begins participation in the PERS.

Section 66 clarifies the definition of "early retirement" and includes the appropriate statutory references.

Section 68 excludes EPORS members from membership in the PERS.

Section 69 clarifies the definition of "normal retirement" and includes the appropriate statutory references.

Sections 70 and 72 would amend AS 39.35.680(27) to exclude "qualified employees of the Department of Fish and Game" from peace officer/fireman coverage; allows employees currently classified as "qualified employees of the Department of Fish and Game" to continue their peace officer/fireman coverage when employed by the Department of Fish and Game.

Section 71 defines "public organization."

Section 73 applies the automatic annual PRPA formula contained in Sections 16 and 54 of this bill to persons receiving benefits on and after July 1, 1982. The first adjustment, effective July 1, 1982, for the calendar year 1981, shall be made no later than January 1, 1983.

Section 74 repeals obsolete laws.

Section 75 provides an effective date.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 753
Title An Act Relating to PERS, TRS, JRS, & NGRS and providing for an effective date.
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Administration - Division of Retirement & Benefits
Program Category Affected Centralized Administrative Services
BRU, Program, or Subprogram(s) Affected Retirement & Benefits
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

		FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100	PERSONAL SERVICES		18,596.4	20,200.7	21,940.0	23,825.1	25,867.8
100	RETIREMENT BENEFITS						
200	TRAVEL						
300	CONTRACTUAL		25.0				
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		18,621.4	20,200.7	21,940.0	23,825.1	25,867.8

SB 753 → HB-121

FUNDING (Thousands of Dollars)

	GENERAL FUND		15,230.5	16,544.4	17,968.9	19,512.8	21,185.7
	FEDERAL FUNDS		855.4	929.2	1,009.2	1,096.0	1,189.9
	VETERAN'S FUND		37.2	40.4	43.9	47.7	51.7
	FISH & GAME FUND		111.6	121.2	131.6	142.9	155.2
	HIGHWAY FUND		241.7	262.6	285.2	309.7	336.3
	AIRPORT FUND		539.3	585.8	636.3	690.9	750.2
	CAPITAL FUND		1,580.7	1,717.1	1,864.9	2,025.1	2,198.8
	PERS		25.0				

POSITIONS NONE

FULL TIME	12	18.4				
PART TIME	753	57.0				
TEMPORARY						

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

1. To fund this bill the contribution rate must be increased by 5.45% of the State PERS payroll in FY 83.

2. Included in the above figures are the cost savings as a result of curtailing peace officer coverage within the Department of Fish and Game. These savings are estimated to be $232.0 in FY 83, $510.5 in FY 84, $842.3 in FY 85, $1,235.4 in FY 86, and $1,698.7 in FY 87.

3. Estimate FY 83 covered State PERS payroll to be $345,475,000, and increasing 10% annually.

4. Estimate long term inflation rate of 7.5%.

5. The cost to political subdivisions is estimated to be $14,315,700 in FY 83.

IV. DATE February 25, 1982 PREPARED BY Paul B. Arnoldt
AGENCY Division of Retirement & Benefits
PHONE 465-4460

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named) Senator Parr
Office of the Governor (Keith Specking)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 753

Title An Act Relating to the PERS, TRS, JRS & NGRS; and providing for an effective date

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits

Program Category Affected Centralized Administrative Services & Secondary Education

BRU, Program, or Subprogram(s) Affected Retirement & Benefits

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

EXPENDITURES (Thousands of Dollars)

		FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100	PERSONAL SERVICES						
100	RETIREMENT BENEFITS		1,803.4	1,983.7	2,182.0	2,400.2	2,640.2
200	TRAVEL						
300	CONTRACTUAL		25.0				
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
700	STATE TRS MATCHING		9,770.0	10,747.0	11,821.7	13,003.8	14,304.2
	TOTAL		11,598.4	12,730.7	14,003.7	15,404.0	16,944.4

FUNDING (Thousands of Dollars)

GENERAL FUND		11,573.4	12,730.7	14,003.7	15,404.0	16,944.4
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS		25.0				

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. To fund this bill the TRS contribution rate must be increased by 6.58% of covered payroll (the TRS contribution rate is split 50/50 between the State and employers in the system).

2. Estimate FY 83 covered payroll at $296,962,000, and increasing 10% annually.

3. Estimate long term inflation rate of 7.5%.

4. The cost to school districts is estimated to be $7,966,700 in FY 83.

IV. DATE February 25, 1982 PREPARED BY Paul B. Arnoldt

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named) Senator Parr
Office of the Governor (Keith Specking)

ASSUMPTIONS:

1. Estimated FY83 Payroll (Total System) = $296,962,000
2. State Contribution Rate to Fund Bill = 3.29%
3. State TRS Matching Rate to Fund Bill = 3.29%
4. School District Rate to Fund Bill = 3.29%

COST ANALYSIS:

	Employer	Payroll		Rate	Cost	Appropriation
1.	Department of Education:	$ 5,133,000	X	3.29%	$ 168.9	To DOE Budget
2.	University of Alaska:	$ 49,681,000	X	3.29%	$ 1,634.5	To U of A Budget
					$ 1,803.4	
3.	State TRS Matching:	$296,962,000	X	3.29%	$ 9,770.0	To TRS Match
4.	Division of Retirement & Benefits Operating Budget:					
	Personal Services				$ -0-	To R&B Personal
	Travel				$ -0-	To R&B Travel
	Contractual				$ 25.0	To R&B Contractual
	Commodities				$ -0-	To R&B Commodities
	Equipment				$ -0-	To R&B Equipment
					$ 25.0	
	COST TO STATE IN FY83				$11,598.4	
5.	All School Districts:	$242,148,000	X	3.29%	$ 7,966.7	
	TOTAL COST IN FY83				$19,565.1	

REMARKS:

NEA - ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

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Field Staff
Juneau Office

Charles L. O'Connell
Deputy Executive Secretary
Anchorage Office

Dianne Anderson
Field Staff
Anchorage Office

Steve Pulkkinen
Field Staff
Anchorage Office

Mary Ann Elninger
Deputy Executive Secretary
Fairbanks Office

25 February '82

Re: Retirement Legislation

1. Issues of Concern to NEA-Alaska

   1. Post Retirement Pension Adjustment (PRPA) (14.25.143)
   2. Retirement Benefit Multiplier (14.25.110(d))
   3. Employee Contribution (14.25.050)

2. Current Law

   1. PRPA - 14.25.143 When administrator determines that cost of living has increased and that the financial condition of the fund permits, administrator may increase all annuitants and survivors benefits to reflect this cost of living

      - Amount of increase no more than 4% compounded for each year of retirement
      - Administrator authorized to implement by regulation

   2. Benefit - 14.25.110(d) The amount....of benefit....is two percent of average base salary during any three school years of membership service times the years of credited service....

   3. Contributions - 14.25.050(a) Each teacher shall contribute an amount equal to seven percent of base salary....by payroll deduction

3. HB 121: 1. PRPA - Once each year, the administrator shall increase benefits to disabled members and persons age 55 or older....

      a. Age 65 or over on July 1, the lesser of 75% of CPI or 9%
      b. Age 60 but less than 65 on July 1, the lesser of 50% of CPI or 6%
      c. Age 55 but less than 60 on July 1, the lesser of 25% pf CPI or 3%

      - based on previous calendar year Anchorage CPI for urban wage earners and clerical workers

2. Benefit:

   a. For members with less than ten years of credited service; 2%
   b. .... with at least 10 years but less than 20 years of credited service; 2¼%
   c. .... with 20 or more years of credited service: 2½%

3. Contribution: Increase employee rate to 9%

4. SB 557

1. PRPA: 14.25.143

   a. No Change: Administrator may increase
   b. the amount of increase in benefit payments may not exceed the lesser of the increase in CPI since retirement or 4% compounded for each year of retirement.

2. Benefits: No change

3. Contributions: No change

5. SB 753:

1. PRPA: Administrator shall increase benefits to eligible disabled members and persons 65 or older. The increase shall equal the lessor of 50% of CPI or 6%. - Anchorage CPI

2. Benefit: No change

3. Contribution: Increase employee rate to 7½%

6. *SB 813: The title to this Bill is misleading in that it does not explicitly include teachers, but the text of the proposed legislative changes specifically includes sections of the statuate which relate to the teacher retirement law.

1. PRPA: When administrator determines cost of living has increased and financial condition of the fund permits the administrator may increase benefit payments

   a. Age 65 or over on July 1, the lesser of 75% of CPI or 9%
   b. Age 60 but less than 65 on July 1, the lesser of 50% of CPI or 6%
   c. Age 55 but less than 60 on July 1, the lesser of 25% of CPI or 3%

   - uses Anchorage CPI, previous calendar year

*There seems to be an error on the bottom of page 1, in that these are two paragraphs (3)

2. Benefit: No change

3. Contribution: No change

7. NEA-Alaska Proposal

1. PRPA: Once each year, administrator shall increase benefits. Initially the changes shall be staged in over 3 years, after which the program shall be adjusted annually according to the Anchorage CPI

a. Effective 1 July '82; Age 65 or over on July 1, the lesser of 75% of CPI or 9%
b. Effective 1 July '83; Age 65 or over on July 1, the lesser of 75% of CPI or 9% and,
Age 60 but less than 65 on July 1, the lesser of 50% of CPI or 6%
c. Effective 1 July '84; Age 65 or older on July 1, the lesser of 75% of CPI or 9% and,
Age 60 but less than 65 on July 1, the lesser of 50% of CPI or 6% and
Age 55 but less than 60 on July 1, the lesser of 25% of CPI or 3%

2. Benefits: to be staged in

a. Effective 1 July 82 - leave benefit multiplier as is at 2%
b. Effective 1 July 83 - for members with at least 10 years of credited service, 2¼%
c. Effective 1 July 84 - for members with less than 10 years of credited service, 2%; for those with at least 10 but less than 20, 2¼%; for those with more than 20 years of credited service, 2½%.

3. Contibutions: employee contribution rate increase to be staged in

a. Effective 1 July 82 - continue 7% rate
b. Effective 1 July 83 - rate increase to 8%
c. Effective 1 July 84 - rate increase to 9%

Senator Charlie Parr Retirement Legislation

SB 753

This legislation will increase the post-retirement benefits to public employees and teachers through a pension adjustment which will be built into the system. After the age of 65, those who are retired or who retire in the Public Employees Retirement System (PERS) and Teachers Retirement System (TRS) will receive an annual adjustment to their retirement benefits which will be 50% of the Consumer Price Index (CPI) - not to exceed 6% annually.

This will systematically protect the benefits of those on fixed incomes and at a cost which is reasonable to the state.

The total cost of this proposal will be born by the three groups involved, the state, the employers and the employees. It has a "ball-park" price tag of $42 million. The state's direct contribution will be approximately $21 million, the employers $16 million and the employees $5 million. The employee contribution will result from an increase in retirement contributions of one-half (1/2) of one (1) percent of the base salary.

Another provision of this legislation will allow members of PERS and TRS who have up to two (2) years of service in the Peace Corps to use that as service credit in a similar fashion to those who are eligible for military or BIA service credit under existing law.

The bill also contains a number of "clean-up" sections which have no fiscal impact but which are designed to "make sense" out of certain areas of the retirement statute which are ambiguous or inconsistant. The intent here is to make the statutes clear in a manner which will protect the rights of the members of the retirement system and at the same time clarify the administration of the program.

In contrast with other proposed retirement legislation, my bill focuses on the retirees 65 and older. It eliminates the possibility for double-dipping of benefits and it does NOT provide:

- -additonal benefits for those retiring before age 65
- -increases in the benefit formula
- -retroactive increases in retirement benefits
- -increased benefits for judicial or elected public officials
- -temporary service credit

This retirement legislation will not completely satisfy everyone, and some of my colleagues may suggest changes, however, I beleive this bill strikes a fair balance between the recognized need to protect retirement income while also addressing the fiscal restraints which face the state.

2/11/82

HB 765 (cont'd)

Elementary School. Effective immediately.

Introduced February 12 and referred to Health, Education & Social Services and Finance.

Hunting & Sport Fishing Licenses (lifetime)

HOUSE BILL NO. 766, by Rep. Zharoff by request. Would allow 10-year residents to purchase lifetime hunting and sport fishing licenses. Those who have been convicted of federal or state fish or game violations would be ineligible to receive a lifetime license. If a person obtains a lifetime license and then is convicted of a fishing or hunting violation, his license must be forfeited. The fee for the license would be $200. Does not provide for an effective date.

Introduced February 12 and referred to Resources and Finance.

Public Emp., Teachers, Judicial, & Nat'l Guard Retirement

HOUSE BILL NO. 767, by Rep. Metcalfe. (Identical to SB 753 also introduced this week). Proposes various amendments to the retirement systems for public employees, teachers, judicial employees, and members of the Alaska National Guard and Naval Militia. Among changes proposed, the bill:

--Amends provisions relating to teacher contributions to the retirement system for leave taken without pay. Would allow a teacher to make contributions for a leave of absence without pay for educational purposes if the leave has been approved by the governing body of the district (amends AS 14.20.345(f)).

--Transfers from the Administrator of the Teachers' Retirement System to the Alaska Teachers' Retirement Board the responsibility for adopting regulations governing the operation of the system (amends AS 14.25.022 and 14.25.035).

--Increases teacher contributions to the retirement fund from 7% to 7-1/2% of base salary (amends AS 14.25.050(a)).

--Amends provisions relating to 1% supplemental teacher contribution to provide a spouse's pension or survivor's allowance. Adds that teacher must be a member of the teachers' retirement system before July 1, 1982 in order to elect to make the supplemental contribution (amends AS 14.25.055).

--Amends provisions in AS 14.25.060 relating to arrearage indebtness for military, BIA, or outside creditable service. Amendments necessary because of proposed increase in teacher contributions (for members first hired on or after July 1, 1982, the arrearage indebtedness would be 7-1/2% of base salary times the years of creditable service.

--Amends AS 14.25.063(b) relating to payment of indebtedness to the system. Rewritten to read: "Outstanding indebtedness that exists at the time a member is appointed to retirement necessitates an actuarial reduction in benefits payable." Currently there are two options. Bill repeals subsection (c) (result of revision to (b)). Adds new (d) to read: "If a benefit that has been actuarially

HB 767 (cont't)

reduced under (b) of this section would have been more if a member had not claimed credited service, the benefit shall be calculated and paid as if the member had not claimed the credited service."

--Would allow credit in the teachers' retirement system for service in the Peace Corps, up to a maximum of two years (adds new section AS 14.25.102).

--Adds to AS 14.25.110(i)(Retirement Benefits): "The last payment is for the month the member dies or becomes ineligible for a benefit under this section."

--Rewrites AS 14.25.125(d) relating to calculation of the amount of conditional service retuirement benefits (makes it the same as a regular retirement benefits as calcuated in AS 14.25.110(d)), and rewrites AS 14.25.130(a) relating to eligibility for disability benefits.

--Proposes to change the formula for calculating post-retirement pension adjustments (PRPA) for the teachers' and public employees' retirement systems. Rewrites AS 14.25.143 governing PRPA for teachers' retirement and AS 39.35.475 governing PRPA for public employees. New law would require a yearly increase in benefit payments to eligible disabled persons and those over 65 at the time of the increase. The amount of the increase would be a percentage of the current benefit equal to the lesser of 50% of the cost-of-living increase in the preceding calendar year or 6%.

--Amends provisions relating to the payment of death benefits. Adds new section which sets up death benefit for a member who dies before becoming eligible for retirement. Amends provisions in AS 14.25.160 (Death Benefits), 14.25.162 (Survivor's Allowance), and 14.25.164 (Spouse's Pension). Adds new section which would allow a member to opt for a "Joint and Survivor Option" in place of death benefits, survivor's allowance, or spouse's pension. New option would allow the member to receive a reduced benefit while he is alive, with payments continuing after the member dies at a reduced rate. Member would designate a spouse or a dependent as the contingent beneficiary for the continued payments.

--Amends provisions relating to medical benefits to allow the spouse of the member and any dependent children to receive medical coverage (rewrites AS 14.25.168). Makes same amendment to statute governing the Pub. Employees retirement system.

--Amends AS 14.25.169 (Duplicate Benefits). Adds that a teacher may not receive "(1) duplicate credit under this system for the same period of service; (2) more than one year of credited service during a school year; or (3) a benefit while accruing credited service under this system except as provided in this section." (Allows payment of death benefits, survivor's allowance, spouse's pension, or joint & survivor option.) (Identical language added to AS 39.35.530, Limit on Pension for Public Employees Retirement System.)

HB 767 (cont'd)

--Amends AS 14.25.175 relating to the waiver of adjustments in retirement benefits upon appeal by an affected member. Deletes that the board must determine: "(2) the member is retired or has submitted notification of impending retirement to his employer to be effective no later than 180 days after the adjustment was made, or the beneficiary was eligible to receive or was receiving benefits under this chapter before the adjustment; (3) the adjustment will result in a loss of eligibility for benefits for the member or beneficiary or result in a reduction of benefits received by the member or beneficiary of $50 per month or more;" (Identical amendment made to AS 39.35.522(a), Waiver of Adjustment for Public Employees Retirement System.)

--Amends the definition of "compensation" for the purposes of AS 14.25 (broadens definition considerably); amends definition of "credited service" to include territorial service and credit for Peace Corps service; amends definition of "mandatory contribution account" (changed to member contrib. account); adds definition of "territorial employment".

--Would establish a Judicial Retirement Fund for the Judicial Retirement System (currently contributions are made to the General Fund). Provides for accounting and investment of the fund. Would extend medical coverage to the spouse and dependent children of membersof the system who are receiving benefits.

--Would establish an Alaska National Guard Retirement Fund. Provides for accounting and investment of the Fund.

--Makes appropriate amendments to statute governing the procurement of group health insurance by the state for members of the teachers, judicial, and public employees retirement systems (AS 39.30.090) to reflect amendments extending coverage to a member's spouse and dependent children.

--Directs the Commissioner of Administration to establish a "Group Health and Life Benefits Fund" to provide group insurance benefits for group life and health insurance policies obtained for the various retirement systems. The fund would consist of employer and employee contributions, appropriations from the Legislature, and interest earned on investment of the fund.

--Would increase member contributions to Public Employees Retirement System (PERS), from 5% to 5-1/2% for peace officers and firemen, and from 4-1/4% to 4-3/4% for all other public employees.

--Amends provision relating to the refund of an employee's retirement account upon termination of employment with credited service of less than five years. Would make the refund automatic "unless the employee indicates in writing that future retirement is intended and contributions should not be refunded." (Amends AS 39.35.200.)

--Amends provisions relating to payment of indebtedness to PERS for prior military service (result of increase in member contributions--

HB 767 (cont'd)

amends AS 39.35.340(b)). Amends 39.35.350(c) relating to outstanding indebtedness for temporary service credit in PERS; 39.35.360(b) relating to credited service for earlier service; 39.35.385(c) & (d) relating to conditional service retirement benefits. Amends statutes governing the payment of death benefits (39.35.420, 39.35.430, and 39.35.440(b)).

--Adds new section to AS 39.35 relating to the adjustment of PERS benefits: "If, as a result of credited service claimed for which there is a corresponding indebtedness existing at retirement, the member's retirement benefit is actuarially reduced and the resultant benefit is less than it would have been if the credited service had not been claimed, the retirement benefit shall be calculated and paid as if the credited service had not been claimed."

--Makes less retrictive the section which allows public organizations to participate in PERS. Deletes that organization must have been created wholly or partly by, or derive its powers from, the legislature (Amends 39.35.560). Also adds new section which would allow an public organization which is participating in PERS to amend its participation agreement.

--Amends definition of "compensation" in AS 39.35.680(8) to broaden it. Amends definition of "early retirement" in (13), "employee contribution account" in (15), and "member or employee" in (21) to exclude members of the Elected Public Officers' Retirement System (rejected at referendum). Amends definition of "normal retirement" in (25), and amends definition of "peace officer" or "fireman" in (27) to exclude qualified employees of the Dept. of Fish and Game. Adds definition of "public organization" (created by the constitution or laws of the state for the purpose of administering state programs, whose officers and employees are not on the state payroll prepared by the Dept. of Administration, and whose employees are not required by law to participate in the system).

--Includes other sections which make technical or minor amendments. Effective on July 1, 1982.

--Introduced February 11 and referred to State Affairs and Finance.

Coal Transportation & Shipping

HOUSE BILL NO. 768, by Reps. Metcalfe and Beirne. Would provide for the issuance of $200 million in state general obligation bonds "for the purpose of paying the cost of development and construction of a transportation corridor, transportation facilities, port facilities, loading facilities, and shipping facilities for the transportation and shipment of coal from the Mat-Su, Susitna, and Beluga coal fields." Provides that question be placed on the next general election ballot. Act would be effective on the date of the acquisition of the Alaska Railroad by the state from the United States government.

Introduced February 12 and referred to Transportation and Finance.

PRPA

MSG 82-00010946 PRTY 1 03/01/82 15:57:43 ORIG: LL00 IN= 0009 OUT= 0096
FROM: DIANE/SOLDOTNA TO: JUNEAU
TARGET: LJH2 SUBJ: P.O.M. PAGE 0008

TO: SEN. BENNETT, DANKWORTH, MULCAHY, FISHER
REP. ADAMS

FROM: GEORGIA P. ALEXANDER
P.O. BOX 745 ROUTE 2
SOLDOTNA, ALASKA 99669
283-9228 (HOME) 283-4977 (WORK)

RE: SB 753

I AM VERY WILLING TO CONTRIBUTE 9% OF MY GROSS SALARY TO THE TEACHERS RETIRME
FUND, IN SUPPORT OF THE 2 1/2 % MULTIPLIER, AS DESCRIBED IN SB 753. I URGE YO
TO VOTE IN FAVOR OF THIS BILL.

PRPA

MSG 82-00010946 PRTY 1 03/01/82 15:57:43 ORIG: LL00 IN= 0009 OUT= 009
FROM: DIANE/SOLDOTNA TO: JUNEAU
TARGET: LJH2 SUBJ: P.O.M. PAGE 000

TO: SEN. BENNETT, DANKWORTH, MULCAHY, FISHER
REP. ADAMS

FROM: GEORGIA P. ALEXANDER
P.O. BOX 745 ROUTE 2
SOLDOTNA, ALASKA 99669
283-9228 (HOME) 283-4977 (WORK)

RE: SB 753
I AM VERY WILLING TO CONTRIBUTE 9% OF MY GROSS SALARY TO THE TEACHERS RETIRMI
FUND, IN SUPPORT OF THE 2 1/2 % MULTIPLIER, AS DESCRIBED IN SB 753. I URGE Y
TO VOTE IN FAVOR OF THIS BILL.

Introduced: 2/18/82
Referred: State Affairs and Finance

IN THE SENATE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

CS SENATE BILL NO. 813

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to post-retirement pension adjustments ~~and retirement benefits for peace officers, marine transportation employees and Department of Fish and~~ Game employees; and providing for an effective date."

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

* Section 1. AS 14.25.143 is repealed and reenacted to read:

Sec. 14.25.143. POST-RETIREMENT PENSION ADJUSTMENT. (a) When the administrator determines that the cost of living has increased and that the financial condition of the retirement fund permits, he may increase benefit payments to eligible disabled members and persons age 55 or older who both received benefits in the preceding calendar year and are receiving benefits under this system at the time the increase is granted.

(b) The increase in benefit payments applies to total benefit payments except for the cost-of-living allowance under AS 14.25.142. The amount of the increase is a percentage of the current benefit and may not exceed

(1) the lesser of 75 percent of the increase in the cost of living in the preceding calendar year or nine percent for recipients who are at least 65 years old on July 1;

(2) the lesser of 50 percent of the increase in the cost of living in the preceding calendar year or six percent for recipients who on July 1 are at least 60 but less than 65 years old and for members receiving disability benefits who are less than 65 years old; or

(3) the lesser of 25 percent of the increase in the cost of

65 years old on July 1; or

(3) the lesser of 25 percent of the increase in the cost of living in the preceding calendar year or three percent of the current benefit for recipients who are at least 55 but less than 60 years old on July 1.

(c) If a recipient was not receiving benefits during the entire preceding calendar year, the increase in benefits under this section must be adjusted by multiplying it by the fraction whose numerator is the number of months for which benefits were received in the preceding calendar year and whose denominator is 12.

(d) If, at the time of first receiving a retirement benefit, a member was receiving a disability benefit under this system, the administrator shall, at the time the member is appointed to retirement, increase the retirement benefit by a percentage equal to the total cumulative percentage increase which has been applied to the member's disability benefit under this section.

(e) When computing a spouse's pension under AS 14.25.164, adjustments granted to the deceased member under this section must be included.

(f) An increase in benefit payments under this section is effective July 1 of each year and the limit on the increase is based on the percentage increase in the consumer price index for urban wage earners and clerical workers for Anchorage, Alaska during the previous calendar year as determined by the United States Department of Labor, Bureau of Labor Statistics.

* Sec. 2. AS 39.35 is amended by adding a new section to read:

Sec. 39.35.305. CREDITED SERVICE FOR EMPLOYMENT WITH THE DIVISION OF MARINE TRANSPORTATION. (a) A vested employee who is a member of the system on July 1, 1981 is entitled to service credit for periods of em-

ployment before January 1, 1977 with the division of marine highways of the Department of Transportation and Public Facilities for which the employee received service credit under the Northwest Marine Retirement Trust. The service credit allowed under this section may not exceed an aggregate of nine years. Benefits are not payable on service credit under this section unless the employee makes retroactive contributions to the system for the period of time for which service credit is claimed.

(b) In order to obtain service credit under this section, an employee shall make an election to do so and shall verify the period of service. When eligibility for service credit has been established, an indebtedness shall be determined as follows: (1) the employee's actual compensation, or the calculated annual compensation for an employee working less than 12 months, during the calendar year 1981 or the year in which an employee first becomes vested under this chapter, whichever is later, multiplied by (2) six percent, and this product multiplied by (3) the number years of service credited under this section. Interest as prescribed by regulation accrues on this indebtedness beginning on July 1, 1981, or one year following the date a person first becomes vested, whichever is later. Any outstanding indebtedness that exists at the time a person is appointed to retirement will necessitate an actuarial adjustment to the benefits payable based upon service credited under this section.

* Sec. 3. AS 39.35.370 is amended by adding a new subsection to read:

(g) A member may not receive retirement benefits under this section based on a period of employment for which the member received service credit under AS 39.35.305 if the member is receiving retirement benefits from a marine retirement trust based on the same period of employment.

* Sec. 4. AS 39.35.475 is repealed and reenacted to read:

Sec. 39.35.475. POST-RETIREMENT PENSION ADJUSTMENT. (a) When the administrator determines that the cost of living has increased and that the financial condition of the retirement fund permits, he may increase benefit payments to eligible disabled members and persons age 55 or older who received benefits in the preceding calendar year and also are receiving benefits under this system at the time the increase is granted.

(b) The increase in benefit payments applies to total benefit payments except for the cost-of-living allowance under AS 39.35.480. The amount of the increase is a percentage of the current benefit and may not exceed

(1) the lesser of 75 percent of the increase in the cost of living in the preceding calendar year or nine percent of the current benefit for recipients who are at least 65 years old on July 1;

(2) the lesser of 50 percent of the increase in the cost of living in the preceding calendar year or six percent of the current benefit for recipients who are at least 60 but less than 65 years old on July 1 and for members receiving disability benefits who are less than 65 years old on July 1; or

(3) the lesser of 25 percent of the increase in the cost of living in the preceding calendar year or three percent of the current benefit for recipients who are at least 55 but less than 60 years old on July 1.

(c) If a recipient was not receiving benefits during the entire preceding calendar year, the increase in benefits under this section must be adjusted by multiplying it by the fraction whose numerator is the number of months for which benefits were received in the preceding calendar year and whose denominator is 12.

(d) If, at the time of first receiving a retirement benefit, a member was receiving a disability benefit under this system, the admini-

strator shall, at the time the member is appointed to retirement, increase the retirement benefit by a percentage equal to the total cumulative percentage increase which has been applied to the member's disability benefit under this section.

(e) When computing a joint and survivor benefit under AS 39.35.450 or a survivor's benefit under AS 39.35.420 or 39.35.440, adjustments granted to the deceased member under this section must be included.

(f) An increase in benefit payments under this section is effective July 1 of each year and the limit on the increase is based on the percentage increase in the consumer price index for urban wage earners and clerical workers for Anchorage, Alaska during the previous calendar year as determined by the United States Department of Labor, Bureau of Labor Statistics.

* Sec. 5. AS 39.35.680(27) is amended to read:

(27) "peace officer" or "fireman" means an employee occupying a position as a peace officer, chief of police, correctional officer, correctional superintendent, [QUALIFIED EMPLOYEE OF THE DEPARTMENT OF FISH AND GAME,] fireman, or fire chief;

* Sec. 6. A person who has held a position on or before June 30, 1982, as a "qualified employee of the Department of Fish and Game" shall be treated as a peace officer under AS 39.35 whenever employed by the Department of Fish and Game on or after July 1, 1982.

* Sec. 7. AS 39.35.680(32) is repealed.

* Sec. 8. This Act takes effect July 1, 1982.

SB

777

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

Senate State Affairs Committee Minutes Feb. 4, 1982

Members Present: Sen. Vic Fischer, Chair
Sen. Mike Colletta
Sen. Brad Bradley
Sen. Terry Stimson

Committee meeting on: Recruiting professionals from administrative agencies for temporary legislative staff assignments (no specific legislation)

WITNESS REGISTER

M. R. Charney, Executive Director
Legislative Affairs Agency
Pouch Y
Juneau, Alaska 99811

Kenneth Kareen, Director
Div. of Personnel, Dept. of Administration
Pouch C
Juneau, Alaska 99811

Gordon Harrison, private consultant
3284 Fritz Cove Road
Juneau, Alaska 99803

PREVIOUS ACTION

No specific legislation under consideration, no previous action, no statutory references.

ACTION NARRATIVE

Cassette #

000 Senator Fischer, Chair, opened the meeting at 1:45 p.m. with members Sen. Bradley and Sen. Stimson present.

010 Sen. Fischer turned the meeting over to Senator Stimson. Sen. Stimson provided all committee members with a copy of a memo prepared for him by Gordon Harrison on the subject of recruiting professionals from administrative agencies for temporary legislative staff assignments. Sen. Stimson has been exploring this concept for a while, and last year tried to analyze ways to involve the university in the legilative process. He is interested in the concept of establishing a research agency with some use of a university personnel "loan" program. Gordon Harrison worked on this project for Sen.

Stimson, developing the concept and expanding it to include personnel from state agencies.

The purpose of the committee meeting is to take the concept and discuss alternatives for implementing it, examining the practical problems and isolate any obstacles which have prevented the use of additional professional expertise in the legislative process.

050 Gordon Harrison spoke to the committee members, stating that he had been asked by Sen. Stimson to take a look at the concept of acquiring expertise through the university. He spoke of "intergovernmental mobility assignments", the program used to allow exchange of professional expertise between the state and federal governments. Gordon suggested that perhaps no change in personnel rules would be required to permit this flexibility, Perhaps some agency could act as a clearing house for facilitating agency persons participating in the legislative process. Originally Gordon worked with the idea that a person would retain their position with the agency employing them (as it is done in the case of the state-federal program) and retain their usual salary while working with the legislature. If the person were to take leave with out pay, and receive legislative pay, the program might not be able to attract persons high in the agency, such as Deputy Commissioners, etc. If it is decided that this "loan" concept is a worthwhile one, it remains to be determined what arrangements would be made for compensation, and what conditions govern persons in the classified service vs. the exempt and partially exempt categories.

130 Sen. Fischer noted the arrival of Sen. Colletta and stated for the record that no further formal action would take place this day. The group gathered around the table for an informal discussion of the proposal.

(See attached memorandums.)

GORDON HARRISON & ASSOCIATES
social and economic research
3284 Fritz Cove Rd.
Juneau, Alaska
99801
(907) 789-4878

MEMORANDUM

Revised 2/5/82

TO: Senator Terry Stimson

FROM: Gordon Harrison

DATE January 26, 1982

SUBJECT: Recruiting Professionals from Administrative Agencies for Temporary Legislative Staff Assignments

Introduction

You requested that I inquire into the possibility of legislators recruiting temporary professional staff from the ranks or permanent administrative agency personnel, including University of Alaska faculty. If this were possible, it would greatly increase the pool from which legislators could seek staff with specific professional expertise.

Current state personnel rules permit this type of temporary staff reassignment by means of a leave of absence. Thus, it seems that a formal legislative professional staff loan program within state government could be implemented with little more than publicity. Some kind of legislative action or amendment to the personnel rules would be required if the legislature wanted to fashion a program that does not fit entirely within the present rules.

Concept of a Legislative Professional Staff Loan Program

The purpose of this program would be to expand the pool of people from which legislators might seek professional staff for a specified, limited period of time. Presumably, the person hired would be given special assignments within the area of his or her expertise.

Leaves of absence would have to be negotiated on a case-by-case basis. The supervisor of someone who is interested in working temporarily with the legislature and who has a job offer may decide that the person cannot be spared from his or her present position. In cases where a leave is feasible, however, there are potential benefits to both the

Revised

agency and the legislature: employees of the former may gain perspective on the legislative process and legislators may acquire professional assistance as well as perspective on the administrative dimension of the laws they enact.

Leave of Absence

Personnel rule 10 07.0 states:

> Leave of Absence to Accept an Exempt or Partially Exempt Appointment
>
> An appointing authority may grant a leave of absence without pay to a permanent employee in the classified service to permit the employee to accept an appointive position in the exempt or partially exempt service. Such leaves shall be deemed to be in effect unless both the employee and the Director of Personnel receive written notice to the contrary prior to the employee leaving his classified position. If such authorized leave may be expected to have a duration in excess of six months, the vacancy created may be filled by a substitute appointment under Rule 5 05.0.

This rule was apparently intended to make it possible for administrators to accept positions within an administration (e.g. commissioner) without losing claim to their former jobs when the political appointment ends.

The person taking leave does so without pay and receives the pay and benefits of the new job.

Cost Implications

There are no cost implications of the proposed program because the legislature would pay the "loaned" person the existing scale for legislative staff work. No additional staff positions would need to be authorized.

Revised

Precedents for this Program

I do not know of instances of people taking leave from agency positions for work with the legislature, although there may well be some. (I did not research the question.) Certainly it does not appear to be a common occurrence, and I doubt that many legislators or state employees are aware of the opportunity created by the personnel rules.

According to Ms. Cindy Simmon, an expert on state legislative staffing with the National Council of State Legislatures, no other state has a formal program like the one proposed here.

I think the idea represents a significant legislative innovation, and if the program is adopted in some form I recommend that it be evaluated (frequency of use, areas of expertise involved, assessment of the value of the program by participants, etc.) so other states can benefit from Alaska's experience.

SENATOR
TERRY STIMSON
POUCH V
JUNEAU, ALASKA 99811

WHILE IN ANCHORAGE
1610 E STREET
ANCHORAGE, ALASKA 99501

Senate

M E M O R A N D U M

TO: Members of the Senate Research Committee
Senator Jay Kerttula
Senator Pat Rodey
Senator Ed Dankworth
Senator Don Bennett
Senator Arliss Sturgelewski

FROM: Senator Terry ~~Stimson~~ T

SUBJECT: Senate Research Agency

As you analyze the most effective procedures for establishing a Senate Research Agency I would like to make a suggestion.

It's essential that the Senate Research Agency be comprised of highly knowledgeable people extremely competent in their respective disciplines. To meet this end, I would suggest that you give careful thought to the possibility of identifying University of Alaska faculty that might be available on a leave or sabbatical basis.

It's conceivable that the University of Alaska might consider jointly funding such faculty members.

Difficulties may exist in the limited time available to make the necessary arrangements. I'm optimistic that the University of Alaska would be cooperative and could cut through any bureaucratic boondoggles.

Using University staff seems to serve several ends; the staff member will have an in-depth technical knowledge permeated with currently related theories and, assuming the selected individual has been in Alaska for awhile, an Alaskan perspective will be an integral component of their thinking.

It does appear that the research arm of the University would also offer likely candidates. Considering all University faculty, both teaching and researching staff, should offer the potential for in state expertise in a wide variety of subject areas, e.g., resource identification and development, economics, local government, Health and Social Services, education, etc.

This approach is not suggested as an inclusive procedure for staff identification.

Just a thought!

Alaska State Legislature

JUNEAU, ALASKA

BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT

Senator Bill Ray, Chairman

Pouch YG
Mail Stop 3123
Juneau, Alaska 99811
(907) 465-4442

February 8, 1982

TO: Senator Bill Ray, Chairman

FROM: Teresa B. Cramer
Administrative Assistant

SUBJECT: Recruiting Professionals from the Executive Branch and the University for Legislative Assignments

The proposal is for a system to permit legislators to hire temporary professional staff from the Executive Branch and from the University of Alaska, particularly focused on persons with specific professional expertise. I spoke with the Personnel Officer for the University of Alaska, Juneau, and with the Director of the Division of Personnel for the Executive Branch. Both systems now permit employees to request leaves of absence for placements of this sort. No change in laws or regulations are needed before implementing this idea.

There are questions to be resolved before an employee of either system takes a leave of absence for a position with the Legislature. These are best resolved on a case-by-case basis. The questions involve the structuring of the relationship between the employee, his present employer, and the Legislature.

The first possibility is for individuals to remain employees of their current employer, retaining the salary, insurance coverage, retirement and leave benefits of their present position and accepting a temporary reassignment to the Legislature for the duration of the project. The Legislature would reimburse the employing agency for all the personnel costs during the reassignment period.

The second possibility is for the individual to take leave without pay from his or her present position and become a legislative employee, with the salary and benefits of that position. It might also be possible to blend these two alternatives so that an individual would accept the salary and leave benefits of legislative employment but retain employee status with the original employer for retirement and insurance purposes, for example. Each individual

should consider what arrangement best provides for his or her own needs. This flexibility is desirable for the Legislature since by avoiding problems for the individuals, it may increase the pool of persons available to it.

Both agencies pointed out that it could be difficult for individuals to take leave from their current responsibilities during the legislative session. For the University, classroom assignments could preclude accepting short-term employment, although it is possible to hire substitute teachers if someone with the necessary skills is available. Since most of the University faculty members are on nine-month appointments, this problem would arise much less frequently if the proposal were for work during the summer. For the Executive Branch, persons with specific expertise may well be those people on whom the department and the Governor are relying to explain programs and proposals to the Legislature, making their replacement during the session much more difficult for the original employer. These difficulties would have to be addressed on a case-by-case basis.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 777
Title An Act providing for a Legislative Professional Staff Loan Program
Requested by Senator Victor Fischer Date March 30, 1982

II. FISCAL DETAIL
Agency Affected Administration
Program Category Affected
BRU, Program, Or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL	-0-	-0-				

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-					
FEDERAL FUNDS	-0-					
OTHER (Specify Source)	-0-					

POSITIONS -0-

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Prep ration Instruction, Section III)

IV. DATE March 29,1982 PREPARED BY Senator Terry Stimson
AGENCY State Senate
PHONE 465-3702

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

SB

778

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

MEMORANDUM

TO: Rep. Mike Beirne, Chair
Health, Education, and Social Services Committee

FROM: Sen. Vic Fischer, Chair
State Affairs Committee

DATE: April 13, 1982

RE: CSSSSB 778 entitled "An Act relating to vocational rehabilitation programs providing for the operation of vending facilities on public property."

Due to an oversight, our committee failed to include the attached amendment in our committee substitute. The Senate State Affairs Committee did adopt the amendment.

It is my hope that your committee will correct this error.

Thank you.

AMENDMENT

TO: SSSB 778

By Bradley

Page 4, line 10:

After "sale" insert "to the general public"

Page 4, line 11:

After "premises" insert "; and excludes a facility in a hospital, school, or other institution where food or other articles are offered for sale only to patients, inmates, and persons enrolled in or employed by the institution"

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution Number: SB-778
Title: "An Act relating to the operation of vending facilities on ..."
Requested by: Senator Brad Bradley Date: 3-26-82

II. FISCAL DETAIL
Agency Affected: Education
Program Category Affected: Adult and Postsecondry Education
BRU, Program, or Subprogram(s) Affected: Vocational Rehabilitation
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 COMMODITIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS,CLAIMS,ETC	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS

FULL TIME	N/A	-	-	-	-	-
PART TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)
This bill has no fiscal impact on this agency.

IV. DATE: 3-26-82

PREPARED BY: Steve Hole
AGENCY: Department of Education
PHONE: 465-2890

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

33-001 (Rev. 12/81)

For more information contact
Sandy Sanderson, President
National Federation of the
Blind of Alaska
242 E. 5th Ave.
Anchorage, Alaska 99501
(907) 272-0000

FACT SHEET

VENDING FACILITIES TO BE OPERATED BY THE BLIND

Senate Bill No. 778: Purpose - The bill expands and clarifies current statutory provisions related to the establishment and operation of vending facilities by the blind on public property in Alaska and brings the Alaska program for blind vendors into conformity with the requirements of a federal law, known as the Randolph-Sheppard Act.

Background: The federal Randolph-Sheppard Act authorizes the establishment and operation of vending facilities by the blind on all federal property and grants to state vocational rehabilitation agencies serving the blind the authority to license blind vendors and supervise the vending facility program. The federal government pays 80% of the costs of operating the program and provides guidance to the state agencies by means of federal regulations. Approximately 4,000 blind people work as blind vendors in the Randolph-Sheppard program, nationwide. The majority of the vending facilities are on state or private property. Six blind persons operate vending facilities in Alaska - four of these are located on federal property; two on state property. Supervision and licensing is provided by the Alaska Division of Vocational Rehabilitation.

Proposed Legislation: Senate Bill No. 778 extends to all public property in Alaska the priority for vending facilities which the blind are given under the federal law. Passage of this legislation will ensure a greater number of business opportunities for the blind on public property in Alaska and will create the statutory authority necessary to implement a vending facility program for the blind consistent with federal policy and regulations. Present state law is vague and does not assure that a priority will be given to the blind. Furthermore, the current statutes authorize the Division of Vocational Rehabilitation to establish vending facilities for the "severely handicapped," as well as the blind, but it is unclear how this provision relates to the national program of vending facilities to be operated by the blind. Adopting Senate Bill No. 778 will help to resolve existing ambiguities and assure consistent application of the federal priority for the blind throughout the state of Alaska.

Reasons to Adopt Senate Bill No. 778: The priority extended to the blind to operate vending facilities on public property in all other states is justified as a matter of sound public policy. Here are some of the reasons why:

(1) The priority helps to balance off the higher rate of unemployment among the blind as opposed to persons with other disabilities. This higher rate of unemployment among the blind is due to the widespread fears and misunderstandings about blindness as a disabling condition. Repeated

Gallop Polls have found that Americans fear blindness most, next to cancer. Fear of blindness is equated with fear of darkness and the unknown. This social attitude penetrates our language as well as our psychology, translating into a lack of social acceptance and lack of jobs for the blind. This explains why only 30,000 blind people, nationwide, have jobs which pay them enough to be free from Social Security support. But the 30,000 who do have jobs must be contrasted with the nearly one-half million blind people who do not. The problem is not that the blind cannot work; it is lack of opportunity based on misconception and fear.

(2) Unless a special priority is extended, blind people do not have a fair chance to benefit from assistance provided to the handicapped as a class. Partly this is due to the minority status of the blind, since there are only one-half million blind people as compared to the total handicapped population of over 36 million, nationwide. Partly, too, the programs to help the handicapped, as a class, have tended to push the blind aside because of the belief that blindness is among the most severe disabilities. Many consider it hopeless to concentrate their efforts on rehabilitating the blind, choosing instead others who are perceived to be more capable of productive work.

(3) The limited priority for the blind to operate vending facilities in public buildings should be ensured by legislation in Alaska because of the severe restrictions on suitable property where viable businesses can be established in our state. Under these circumstances, allowing vending facilities to be operated by the blind and the severely handicapped, simply means that the program has less impact, and the resources will be spread more thinly. Under present practice, vending facilities in Alaska are only assigned to blind persons. As such, the program has visibility in the state. Because of this, Alaska is better able to assist the blind to overcome the historic image of the unproductive and incompetent blind.

STATE OF ALASKA

DEPARTMENT OF EDUCATION

DIVISION OF VOCATIONAL REHABILITATION

JAY S. HAMMOND, GOVERNOR

Central Office
Pouch F, M.S. 0581
State Office Building
Juneau, Alaska 99811
(907) 586-6500

February 22, 1982

Senator Victor Fischer
Alaska State Senate
Pouch V
Juneau, Alaska 99801

Dear Senator;

The Vocational Rehabilitation Advisory Board in it's meeting of February 17 and 18, 1982 reviewed with dismay Senate Bill 778. The majority of us feel that it violates the intent of current statutes by overtly establishing a vehicle for discrimination between members of the disabled community.

By restricting and confining the operation of vending facilities on public property to blind persons this bill inhibits the vending facility program in a number of ways. Two which come to mind are:

1. Disabled persons other than blind will be denied the opportunity to participate in a viable employment venture.

2. Historically there have not been, nor currently are there available the necessary blind resources willing or qualified to fill the existing or forcast vending positions.

We therefore respectively request that you reconsider your sponsorship of this bill in light of the interpretation that we, the members of the Vocational Rehabilitation Advisory Board, have presented you.

Sincerely,

Karen Williams

Karen Williams, Chairman
Division of Vocational Rehabilitation Advisory Board

MEMORANDUM State of Alaska

TO: Senator Vic Fischer
Pouch V, M.S. 3100
Juneau, Alaska 99811

DATE: March 1, 1982

FILE NO:

TELEPHONE NO: 586-6500

SUBJECT: SB 778, "An act relating to the operation of vending facilities on public property by blind persons."

FROM: Theda Mason-Smith
Division of Vocational Rehabilitation
Department of Education
Pouch F, M.S. #0581
Juneau, Alaska 99811

Per the request of your Administrative Assistant, the Division would like to see AS 23.15.100(b), remain as it is currently in effect, a law which allows the operation of vending facilities by blind and severely handicapped persons on state property. This law allows the program to remain open to both blind and severely handicapped people. We feel that any revision of the law is unnecessary at the present time. Thank you for your interest in the handicapped.

cc: Senator Pat Rodey
Senator Brad Bradley

TMS:lk

STATE OF ALASKA

DEPARTMENT OF EDUCATION

DIVISION OF VOCATIONAL REHABILITATION

JAY S. HAMMOND, GOVERNOR

Central Office
Pouch F, M.S. 0581
State Office Building
Juneau, Alaska 99811
(907) 586-6500

February 22, 1982

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Alaska State Senate
Pouch V
Juneau, Alaska 99801

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Sincerely,

Karen Williams

Karen Williams, Chairman
Division of Vocational Rehabilitation Advisory Board

Dennis DeWitt
3-3-82

SB 178 - Re: Operating of vending facilities on public property by blind persons.

Page 3, lines 10-14 in definition of public property

Dennis suspects this would include hospital cafeterias + gift shops -

Most hospital gift shops run by auxilliaries, which put money back into hospital - clips "volunteer booths"

Suggest leave language as was "Building owned by the state" etc or exempt health facilities

City + Borough of Juneau owns part of Bartlett

~~Munic~~ Municipality - owned hospitals

Ketch., Pet. Wrang, Sitka, Barrett, Valdez, Cordova, Seward, Sol, Homer, Kodiak

THEDA Smith
586-6500

BLIND

Vending FACILTIES SB-778

→ Voc. Rehab.

Bring to Senators

— Bill not really needed

— now can place severly handicapped they train people

— bill was proposed so only pertain to blind people

AK Federation of the Blind

- le vending stands operated by le people

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

3/26/82

REVISED

SENATE STATE AFFAIRS COMMITTEE SCHEDULE

TUESDAY
March 30
1:30 pm

SB 653	Public Employees/Strike Prohibition
SB 777	Professional Staff Loan Program
SB 778	Vending facilities operated by the blind
~~SB 799~~	~~Alaska Senior Citizens Employment Team~~ (in HESS)
SB 846	Architectural barrier regulations
SCR 47	Property rights/divorced persons
SJR 83	Release of Vitaly Shevchenko

THURSDAY
April 1
1:30 pm

SB 689	Capital projects/Maintenance and Operating Fund
SB 791	Expansion of teleconference network
SB 833	License for purchase of alcoholic beverages
SB 621	Incentive to hire older Alaskans

TENTATIVE SCHEDULE

TUESDAY
April 6
1:30 pm

SJR 72	World War II artifacts
SB 704	Alaska Servicemen's Memorial--Veterans Lake
SB 705	Appropriation for SB 704
SB 706	Appropriation for caretaker facility
SB 707	Renaming Byers Lake as Veterans Lake
SB 740	World War II artifacts

THURSDAY
April 8
1:30 pm

SB 13	G. O. Bonds/Defeasance
SB 296	G. O. Bonds/Defeasance
SB 297	G. O. Bonds/Defeasance

THURSDAY
April 15

VIDEO TELECONFERENCE, 3:00 pm, BUTROVICH ROOM
INTERIM REPORT, NEW CAPITAL SITE PLANNING COMMISSION
(Joint meeting with House State Affairs Committee)

UNLESS OTHERWISE NOTED, COMMITTEE MEETINGS WILL BE HELD IN THE SENATE STATE AFFAIRS COMMITTEE ROOM, 423 CAPITOL. THANK YOU.

SSA 3/30/82
Hearing

SB 778

Don Luty
in favor of SSSB 778
Blind Vendors
1) gives priority to the blind

2) blind vendor's committee intact
- gives active involvement
- conformance w/ fed law

3)

Wanda Issel -
Blind Vendor
- much needed to bring into conformity w/ Fed law
- productive independant, tax-paying citizens

Dennis Dewitt -
amend ok

Michael Horgan
Bd. of Educ
Dir Div of Voc. Rehab
Citizens advisory Bd.

exclusionary in some cases
unnecessary

don't need to apologize

one of the best programs in US

main criticism = too much $
too paternalistic

- priority for blind
- never placed anyone but legally blind
- division must have flexibility to hire
- had to hire from outside
- expense in setting up $40,000-$60,000

1) tries to estab. admin regs by statute
2) effect of being exclusionary

restrictive to one group

Regs.

Last Feb.
doesn't
- wanted all blind vendors under
Randolph Sheppard

- Lots of Fed regs. - no money into state to run program

Commission of Educ
gives vendors x-tra step

Commi - is an advisory committee
can't make regs.

Committee of Vendors Operators
Sept 1974

Vic - outrage at regs.

Mike - severely handicapped
has a definition

Vic —

1) program principally for blind
2) Trade, door open to severely handicapped
3) Sec. 5 — legal difficulties

persons w/ disabilities

MEMORANDUM State of Alaska

TO: Nancy Grossman
Sen. Fischer's office

DATE: 3/31/82

FILE NO:

TELEPHONE NO:

FROM: Theda Mason-Smith
Division of Vocational Rehabilitation

SUBJECT: Business Enterprise Program

Here are the vendor proposed regulations (I can't seem to locate quickly the copy I told you about which juxtaposed them with the Division's regs). Also attached is a copy of an analysis of the program done by our Chief of Planning and Research, and last year's report of income to the federal government.

Income figures for federal fiscal year 1981 are as follows:

Sitka Public Health hospital	$6,828.66	(Matthews)
Anchorage Court Building	23,351.86	(Lutz since July 81)
Anchorage Fed. Bldg. dry stand	10,484.35	(Shortridge)
Anchorage Post Office Mall	9,246.55	(Reed since Dec. 81)
Juneau State Office Building	52,292.20	(Provo)

The gift shop operated my Wanda Issel in the Anchorage Federal Building was opened in December 1981. Mrs. Issel has not submitted reports and I don't know what her income is; however, she was provided an initial stock and supplies in an amount somewhat over $20,000.

In addition, each vendor received an annual leave payment of $1308 or more if there earnings were over that amount. Vending maching income also accumulated to the vendor in the federal building in Anchorage $5,964, and to the Juneau vendor, $6,037.

Vendors also have Blue Cross insurance for themselves and family if they choose (not all want it) and an IRA account of $1500 for calendar year 81. It will be $2,000 for 82.

If you have more questions, please feel free to ask.

4-13

"active participation" means a process of negotiations through which the Committee of ~~Blind Vendors~~ is provided the opportunity to substantively ~~participate in~~ develop program policies, standards, and procedures affecting the operation of vending facilities ~~by blind licensed vendors~~, with the commissioner of education having final administrative responsibility.

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

CERTIFICATE OF AGREEMENT

This is to certify that the Committee of Blind Vendors, represented by a subcommittee on rules, and Alaska DVR, represented by the facility's specialist have met and agreed upon all of the provisions contained in Attachment A, "Proposed Amendments to Alaska DVR's Revised Vending Facility Program Rules" and Attachment B, "Agreement for Operation of a Vending Facility Under Randolph-Sheppard Act." The parties believe that these provisions, which have been negotiated in good faith and after full and active participation, represent a workable plan for future conduct of the Randolph-Sheppard program on federal, state, and private property within the State of Alaska. Accordingly, the undersigned representatives recommend promulgation of the revised rules and operating agreement as set forth in Attachments A and B.

For the Committee of Blind Vendors, Subcommittee on Rules:

_____

Donald Lutz, Chairman

_____

Date

_____

Vocational Rehabilitation,
Business Enterprises Program
Theda Mason-Smith, Facilities
Specialist

Proposed Amendments to Alaska Rules and Regulations Governing Implementation of the Vending Facility Program for the Blind on Federal and Other Property

The State Committee of Blind Vendors (hereinafter referred to as the "Committee") is proposing amendments to the rules and regulations which the State of Alaska has promulgated for the purpose of implementing the federal Randolph-Sheppard Act and Alaska Statutes, relating to the operation of vending facilities by blind persons on federal property and in public buildings within the State of Alaska. This Committee derives its statutory authority and responsibilities from a section of the federal Randolph-Sheppard Act, 20 U.S.C. 107b-1, and a section of the Federal regulations which implement that Act, 34 CFR 395.14. Under the statute the state licensing agency -- the Alaska Division of Vocational Rehabilitation (hereinafter referred to as the "SLA" or "Alaska DVR") -- is required to insure that this Committee's responsibilities include "(A) participation, with the agency, in major administrative decisions and policy and program development, (B) receiving grievances of blind licensees and serving as advocates for such licensees, (C) participation, with the state agency, in the development and administration of a transfer and promotion system for blind licensees, (D) participation, with the state agency, in developing training and retraining programs, and (E) sponsorship, with the assistance of the state agency, of meetings and instructional conferences for blind licensees."

The Alaska Committee of Blind Vendors takes these statutory responsibilities seriously and is therefore committed to participate with Alaska DVR in all of the aforementioned areas. With respect to the task at hand -- that is, developing rules and regulations which may be approved federally, as part of Alaska's"Application for Designation as State Licensing Agency" -- the Committee believes that participation can best occur if the Committee and the agency each prepare rules and amendments for consideration and negotiation by both parties. In this connection, it is noted that the SLA has recently developed a document which constitutes a rewritten version of Alaska DVR's vending facility program rules.

The Committee concurs with some of the policy decisions reached by the SLA in proposing this latest revision of the vending facility program rules, but there are substantial policy differences which must be negotiated by the Committee and the SLA in order to reach concurrence on a set of regulations which can be submitted for federal approval and promulgation within the state. In addition, in the context of reviewing the rules and regulations, the Committee believes it is appropriate to consider revisions to the standard agreement which each blind vendor and the SLA must sign prior to commencing operation of a vending facility. Accordingly, the Committee's proposals for amending the vending facility program rules and revising the operator's agreement are set forth herein as Attachments A and B, respectively.

It should be noted that the Alaska Administrative Code (4 AAC Chapter 54) currently contains rules and regulations which Alaska DVR has already promulgated for the vending facility program. Nonetheless, as indicated earlier, a complete revision to these rules, in the nature of an entirely rewritten version, is now pending approval within the state. Since the Committee of Blind Vendors has the responsibility for participating in the development and approval of these rules, the comments and recommendations contained in Attachment A are offered in relationship to DVR's revised rules, included herein as Attachment C. The Committee believes that the attached proposals merit serious consideration and good faith negotiation on the part of the State of Alaska. For its part, the Committee is fully prepared to participate in this process as it is required to do under federal law.

Respectfully submitted,

Donald E. Lutz

Donald Lutz, Chairman
Alaska Committee of Blind Vendors

Attachment A

Committee of Blind Vendors

Proposed Amendments to Alaska DVR's Revised Vending Facility Program Rules

4 AAC 54.110. "PURPOSE OF REGULATIONS." The Committee does not concur with DVR's proposed policy statement, primarily because there is an attempt being made to establish two vending facility programs under one set of regulations. As a practical matter, only one vending facility program (the Randolph-Sheppard Program) exists in Alaska, yet these rules are being proposed to initiate a dual program -- one on federal property and one on state property. In the view of the Committee, this is an unworkable and confusing approach, not to mention its lack of legal validity.

The Randolph-Sheppard Program is conducted throughout the United States on federal and other property, including state and private property. Both the federal Act and the regulations issued by the United States Department of Education require that state licensing agencies "cooperate" with the Commissioner of the Rehabilitation Services Administration in "applying the requirements of the Act in a uniform manner." In this connection, it is noted that DVR's proposed rules would create two systems under which licensed blind vendors would be treated differently from one another, depending on the particular location of their vending facilities.

To alleviate this possibility and to conform Alaska's vending facility program to the federal requirements, the Committee is proposing that these rules relate only to DVR's implementation of the Randolph-Sheppard Program on federal, state, and private property in Alaska. Accordingly, the Committee has revised the purpose clause of 4 AAC 54.110 as follows:

> 4 AAC 54.110. PURPOSE OF REGULATIONS. The Division of Vocational Rehabilitation will use 4 AAC 54.110 -- 4 AAC 54.185 to administer the Randolph-Sheppard Vending Facility Program pursuant to 20 U.S.C. 107 et. seq. (the federal Randolph-Sheppard Act), 34 CFR Part 395 (Federal regulations promulgated by the United States Department of Education to implement this Act), and AS 23.15.120 (the Alaska statute authorizing cooperation with the federal government in order to afford the citizens of the state the benefits of federal programs).

4 AAC 54.115. "TRAINING OF VENDING FACILITY MANAGERS." The Committee does not concur with DVR's proposed provisions for this section. It is especially noted that the eligibility requirements for vending facility manager trainees are overly extensive, having the potential of excluding many persons who might

well benefit from training but not meet the rigorous requirements for the program prior to entry into it. As one example, it is required that a potential trainee "have transportation available to and from a prospective work place," yet, in another provision, DVR reserves to itself the right "to determine the periods of time and the locations for training necessary to prepare the individual to operate as the manager of a vending facility." Thus, it is apparent that a prospective trainee must have transportation available to any site which DVR, in the exercise of its discretion, shall select. The Committee objects to this and other eligibility conditions for the training program and proposes that AAC 54.115 be amended to read as follows:

4 AAC 54.115 TRAINING OF VENDING FACILITY MANAGERS. In accordance with 34 CFR Section 395.11, the Division shall conduct an ongoing training program for vending facility managers as follows:

(a) The Division and the Committee of Blind Vendors shall develop training and retraining programs for all persons in the field of vending facility management and operation.

(b) The Division shall insure that effective programs of vocational and other training services shall be provided to blind persons as vocational rehabilitation services under the Rehabilitation Act of 1973 (Pub. L. 93-112), as amended by the Rehabilitation Act Amendments of 1974 (Pub. L. 93-516) and the Rehabilitation Comprehensive Services and Developmental Disabilities Amendments of 1978 (Pub. L. 95-602).

(1) The training program shall be open to all blind persons who indicate a general capacity to operate a vending facility and who wish to undertake specific training.

(2) The training program shall include (A) Personal and vocational adjustment; (B) Books, tools, and other training materials; (C) Customer relations; (D) Business mathematics; (E) Merchandising; (F) Inventory control; (G) Financial reporting, taxation, and accounting procedures for small businesses; (H) Housekeeping and sanitation procedures; (I) Food preparation and sanitation; (J) Safety; (K) Vending machine operation; (L) State agency regulations and procedures; and (M) Classroom instruction and on the job training in all aspects of vending facility management.

(3) Upward mobility training, including further education and additional training or retraining for improved work opportunities shall also be available to blind vending facility managers.

(4) The Division may contract with other agencies or organizations within or outside of the State of Alaska to fulfill its responsibilities under this section.

(c) The Division and the Committee of Blind Vendors shall develop and maintain written standards to be met by each trainee for satisfactory completion of the vending facility training program, and upon meeting such standards, the Division shall certify the trainee as qualified to operate a vending facility.

(d) Whenever necessary, the Division shall provide post-employment services to blind vending facility managers to assure that the maximum vocational potential is achieved for each blind vendor.

4 AAC 54.120. "CERTIFICATION OF TRAINED VENDING FACILITY MANAGERS."

The Committee believes that the provision concerning standards and certification contained in its proposal for subsection (c) of 4 AAC 54.115 is a more appropriate method for addressing the matter of certification, in as much as certifying the qualifications of vendor trainees is naturally the final step of the training program. Moreover, the Committee believes that there is no reason to elaborate on the certification process more than has been proposed in subsection (c). For these reasons, the Committee proposes to delete DVR's proposed 4 AAC 54.120 on Certification of Trained Vending Facility Managers, substituting in lieu thereof provisions concerning licensing.

4 AAC 54.125. "LICENSING OF CERTIFIED VENDING FACILITY MANAGERS."

The Committee does not concur with the licensing provisions which DVR has proposed to adopt. The most basic difference is with DVR's position that a license to operate a vending facility is issued only with respect to a particular facility. The Committee believes that this is not the concept of "licensing" as the Randolph-Sheppard Act and Federal regulations conceive it. Moreover, DVR's proposal is not in conformance with the standard licensing practices adopted by most of the state agencies elsewhere in this country. In this connection, the Committee submits that upon meeting the basic qualifications for becoming an operator of a vending facility, a blind vendor should be issued a license which certifies that he or she is qualified and eligible for placement as the manager of a vending facility. Beyond this, federal guidelines call for an operator's agreement (sometimes referred to as a "licensing agreement") which sets forth in detail the specific duties and responsibilities of the state

licensing agency and each vending facility manager. The Committee also feels that DVR's proposal for licensing rules inappropriately includes provisions related to assignment of managers, which in the Committee's view, are best handled in a separate section of the regulations. Accordingly, the Committee proposes to separate the licensing provisions from those which are more exclusively related to the assignment of licensed managers. With this in mind, Sections 4 AAC 54.120 and 4 AAC 54.125 should be set forth in the state rules as follows:

4 AAC 54.120. LICENSING. (a) Issuance: The Division shall issue licenses to blind persons who are in need of employment and who are determined to be (1) legally blind as defined in 34 CFR Section 395.1(c); (2) Citizens of the United States; (3) At least 18 years of age; and (4) Certified by the Division as qualified to manage a vending facility.

(b) Regardless of the type of property (federal, state, or private) upon which a vending facility operated by a licensed blind person is located, the Division shall consider all blind licensees to be participants in the Randolph-Sheppard Program administered by the Division pursuant to 20 U.S.C. 107 et. seq., 34 CFR Part 395, and these rules.

NO!

(c) Licensing agreement: There shall be a licensing agreement, developed jointly by the Division and the Committee of Blind Vendors and subject to joint approval by the Committee and the Division, covering the obligations of the Division and each blind vendor in setting forth such other terms and conditions as mutually agreed upon by the Division and the Committee. This licensing agreement is to be used each time a manager is assigned to a facility and shall be dated and signed on the first date of business in any facility. A complete inventory of all equipment, initial stocks, and initial petty cash provided by the Division will be furnished to the manager as a part of the licensing agreement.

have in force an agreement used by other states -

(d) Termination of license: (1) The Division shall issue licenses for an indefinite period but subject to suspension or termination if, after affording the manager an opportunity for a full evidentiary hearing, pursuant to 4 AAC 54.170, the Division establishes that the vending facility to which the manager is assigned is not being operated in accordance with these rules and regulations, the terms and conditions of the permit, or the terms and conditiors of the licensing agreement.

No license shall be terminated until a finding that such termination is justified has been made as a result of a full evidentiary hearing. Until such a finding is made and communicated to the manager; he/she shall remain a duly licensed facility manager, with all rights and privileges deriving therefrom.

(2) Additionally, the Division may suspend or terminate a manager's license for (A) Improvement of vision so that the manager no longer meets the definition of blindness as defined in 34 CFR Section 395.1(c); (B) Prolonged incapacity of the vending facility manager (exceeding three months) with a documented medical diagnosis. This period shall be extended by the Division in accordance with 4 AAC 54.130(d)(2); and (C) Withdrawal of the manager upon his written notification.

4 AAC 54.125. ASSIGNMENT OF MANAGERS. In establishing vending facilities and assigning managers on federal, state, and private property, the Division shall give priority to blind persons licensed in accordance with 4 AAC 54.120. (a) Ready for employment list: The Division shall maintain a "ready for employment list," including the names and dates of licensing of each manager awaiting assignment to a vending facility.

(b) Bid procedures: (1) The Division shall send written announcements of new or vacated vending facilities to all established managers and persons on the "ready for employment list." Announcements shall include (1) the location of the facility;(2) a description of space available including floor plan, fixtures, and equipment to be provided; (3) type of operation including merchandise to be sold and vending machine proceeds,if any, which accrue to the manager; (4) projected gross income of a new facility or, if an established facility, a report of actual gross income for the preceding 12 months; (5) Other information as the Committee and the Division may agree in advance to be necessary in the circumstances. Announcements shall remain open for twenty-one (21) days, after which the assignment will be made in accordance with paragraph (2) of this subsection.

(2) Upon the closing of announcements in accordance with paragraph (1) of this subsection the Division shall provide to the Committee of Blind Vendors a complete list of managers and individuals from the "ready for employment list" who have submitted bids, whereupon the Committee

shall certify in writing to the Division the seniority ranking of all bidders for the vending facility. The Division shall make the bid award in accordance with the seniority ranking of the bidders as certified in writing by the Committee unless a manager would otherwise be awarded the bid on the basis of seniority has been placed on probation prior to announcement of the opening by the Division. In the event that the bidding manager with the highest seniority ranking does not qualify for the bid award pursuant to the preceding sentence, the bidder who is next in line shall be offered the vending facility. (3) Each announcement for a vending facility opening shall be sent by certified mail, return receipt requested.

(c) Promotions: (1) Promotion of managers, including persons to be selected from the "ready for employment list," shall be based on seniority and all licensees, except managers on probation, shall be eligible to compete for promotional opportunities. (2) Upon promulgation of these regulations, the Division shall turn over to the Committee an accurate seniority list, and the Committee shall thereafter keep and maintain the seniority list and shall certify in writing to the agency the seniority rank of those licensees who submit requests for assignment each time a vending facility is open. The Committee shall develop procedures for keeping and maintaining the seniority list and shall be accountable to the Division and the licensees for keeping and maintaining an accurate and up-to-date list. In the event that the Division does not concur with the seniority list as kept and maintained by the Committee, deviations shall be reconciled on the basis of all available records through joint negotiations among the Division, the licensee in question, and the Committee.

(d) Transfers: (1) A manager may be transferred if (A) the vending facility is closed through no fault of the manager; (B) there is, through no fault of the manager, a loss of 25% or more in business potential as compared to that stated in the announcement of the opening of the vending facility, and a survey by the Division substantiates that the loss will be sustained over a prolonged period of time; (C) The Committee and the Division determine that there is reasonable evidence of an irreconcilable conflict between the manager and property managing officials, and the

manager requests a transfer; and (D) it is jointly determined by the agency and the Committee, upon receipt of complaints from property managing officials, that the vending facility is not being operated in accordance with the terms of the permit or contract for the establishment and operation of the vending facility. (2) Transfers are to be considered lateral in as much as possible; (3) The Division and the Committee of Blind Vendors shall determine when a manager meets the conditions for transfer contained in paragraph (1) of this subsection, and any manager who is eligible for transfer shall be entitled to priority assignment to any vending facility which becomes open, without regard to the requirements of subsections (b) and (c) of this section.

(e) Demotions: (1) The Division may demote an established manager within six (6) months after promotion to a vending facility if, after affording the manager an opportunity for a full evidentiary hearing, it is determined that the manager is not capable of operating the business successfully. If demoted in accordance with the preceding sentence, the manager must, wherever possible, be assigned to a vending facility of a type which he or she has demonstrated a capability to operate. (2) If at any time it is mutually agreed among the managers, the Committee and Division that the manager shall not continue in his location, he shall be entitled at his option to withdraw from the facility without penalty and to reassignment to a smaller facility which he has demonstrated the capability to operate as soon as one becomes available.

(f) Probationary period: (1) Persons who have completed training, been licensed, and placed as managers, shall serve an initial six (6) month probationary period, during which time they will not be eligible for promotion. (2) Established managers may be placed on probation for disciplinary purposes only and shall not lose seniority while on probation. (3) An established manager may be placed on disciplinary probation when the Division determines that the vending facility is not being operated in accordance with the law, these rules and regulations, the terms of the permit for the establishment and operation of the vending facility, or the terms of the licensing agreement between the Division and the manager. Notice of disciplinary probation shall

be sent to the manager by certified mail, return receipt requested, and the effective date of the probationary period shall be the date upon which the notice was received by the manager as indicated on the signed receipt. The notice of disciplinary probation shall contain the reasons for the probation, steps to be taken to be removed from probation, and a statement of the manager's right to appeal the probation in accordance with 4 AAC 54.170. The probationary period will be for sixty (60) days. If, at the end of the sixty (60) day probationary period, the manager has failed to correct satisfactorily the defects for which he/she was placed on probation, the Division may give the manager thirty (30) days written notice of intent to terminate the manager's license in accordance with the procedures set forth at 4 AAC 54.120(c).

4 AAC 54.130. "RESPONSIBILITIES OF VENDING FACILITY OPERATORS." The Committee concurs with DVR's proposal for subsection (b) of this section but is in disagreement with subsections (a), (c), and (d). In subsection (a) DVR proposes language which can best be summarized by a more general requirement for each manager to operate the vending facility in accordance with sound business practices. In addition, in subsections (c) and (d) DVR seeks to assume responsibility for operating each vending facility when the regular manager is absent for vacation, illness, etc. The Committee does not concur with this approach and prefers a policy which provides each manager with the responsibilities normally assumed by the operator of any similar small business. Accordingly, the Committee submits the following proposals which establish the manager's responsibilities for operating the vending facility.

4 AAC 54.130(a) The responsibilities of a vending facility operator include:

(1) operating the facility in accordance with applicable laws and regulations relating to public health, taxes, compensation of employees, Worker's Compensation, insurance and civil rights; and

(2) observing the generally accepted practices for sound and satisfactory management of a small business enterprise.

(c) Vacations: (1) Annual vacation time may be taken as determined by each vending facility manager in reasonable amounts which conform to accepted business practices. In accordance with policies developed and agreed upon by the Division and the Committee, managers shall be entitled to compensation for fifteen (15) days of vacation time during

any calendar year, with the rate of daily compensation for vacation time to be fixed annually by the Division and the Committee of Blind Vendors. Compensation for vacation time shall be paid to the manager from small business enterprises revolving fund within 14 days of the Division's receipt of a claim from the manager for vacation compensation. There shall be no more than one claim per year to be paid at a time which shall be determined by the manager. ~~manager's determination~~. (2) When planning to take vacations, a vending facility manager shall select a substitute manager, preferably a qualified blind person, to assume responsibility for the operation of the vending facility. Such substitute shall be compensated by the manager. While the Division will assist by suggesting any known candidates, the selection of the substitute is the manager's responsibility. (3) The manager shall notify the Division of the selection of a substitute in advance of taking any vacation. Leave or absence of a short term nature shall be used with discretion by the manager. Advanced notice to the Division shall be given if at all possible.

(d) Illness of the manager: (1) When it is necessary for the manager to be absent from the facility due to illness or other physical disability, it shall be his/her responsibility to provide coverage of the facility during such absence, including extended absence in accordance with paragraph (2) of this subsection and for payment of the substitute manager. (2) When the licensed manager finds it necessary to be absent from the facility more than thirty (30) successive days during a calendar year, he/she shall apply to the Division for a leave of absence for such extended period, giving reasons for absence, proof of need for continued absence, and such other information as the Division may require. It shall be the policy of the Division to grant up to one year of such extended leave, in thirty (30) day extensions, where individual circumstances warrant, and proper medical documentation is provided by the manager. While on leave the manager shall continue to be the manager of record assigned to the vending facility and shall have all of the rights afforded to all other managers in the program.

4 AAC 54.135. "REVOCATION OF LICENSES." The Committee does not concur with DVR's proposed section concerning the revocation of licenses, substituting in lieu thereof the provision authorizing termination of licenses suggested by the Committee for inclusion at 4 AAC 54.120(c). In the judgement of the Committee, this provision incorporates all of the reasons for revocation included in DVR's proposal.

4 AAC 54.140. "ESTABLISHMENT OF VENDING FACILITY LOCATIONS." The Committee concurs with the DVR's proposals for this section but suggests one additional subsection (b) designed to delineate responsibilities of the Division and the Committee in the establishment of vending facilities. The Committee's proposal is as follows:

4 AAC 54.145. PROVISION OF EQUIPMENT, FIXTURES, AND INITIAL STOCK.

(b) Decisions regarding the opening or closing of vending facilities and the number of facilities to be installed on a given site shall be made by the Division in accordance with policies which are developed jointly and agreed upon by the Division and the Committee of Blind Vendors. A representative designated by the Committee shall have the right to participate with representatives of the Division in negotiating the terms and conditions of all permits or contracts for the establishment and operation of vending facilities and in evaluating all potential sites for vending facilities under consideration by the Division.

4 AAC 54.145. "PROVISION OF EQUIPMENT, FIXTURES, AND INITIAL STOCK." The Committee has no serious objection to approving DVR's proposals for the rules related to equipment, fixtures, and stock. The Committee is proposing, however, an alternative approach to that suggested by DVR in order to provide each manager the option of vendor ownership. This option is permitted under 34 CFR Section 395.6; hence the Committee proposes to incorporate it in 4 AAC 54.145 as follows:

4 AAC 54.145. PROVISION OF EQUIPMENT, FIXTURES, AND INITIAL STOCK.

(a) The Division shall provide architectural services, equipment, fixtures, initial supplies and inventory and initial operating funds necessary for the establishment and operation of each vending facility. All rights, title to, and interest in the equipment, fixtures, initial inventory, and initial operating funds shall be vested in only the following: (A) The Division, or (B) the vending facility manager.

(b) In the event that ownership is vested in the Division, the following rules shall apply: (1) No alteration, change, or removal of equipment shall be made without prior approval of the Divisinn. (2) The manager shall report immediately any incident, theft, or defacement of equipment. (3) The manager shall maintain an inventory of stock equal to and/or exceeding the wholesale value of the initial stock furnished by the Division, or shall have equal cash available.

(c) In the event that ownership is vested in the manager, the following rules shall apply: (1) If a manager desires to purchase and maintain

title to vending facility equipment and stocks of merchandise, the Division will enter into a written agreement with such owner-manager, delineating conditions of ownership. The terms and conditions of such agreement shall be developed jointly by the Division and the Committee of Blind Vendors and subject to approval by the Division and the Committee. (2) No person will be denied the opportunity to become manager because of unwillingness or inability to purchase vending facility equipment or initial stock. (3) If the manager desires to purchase his/her own equipment and retain title thereto, the manager will be responsible for repair and maintenance of such equipment to assure that the facility will be kept operational and in an attractive condition. Failure to do so will result in action on the part of the Division as described in 4 AAC 54.150(a)(2). The Division will retain first option to purchase equipment owned by a manager when such manager dies or for any other reason ceases to be a licensee or transfers to another vending facility, the Division shall negotiate with the manager-owner or his representative for the purchase or repurchase of equipment owned by the manager-owner. In the event the manager-owner, his representative, or next of kin is dissatisfied with the results of negotiations with the Division for the purchase or repurchase of equipment, he/she shall be entitled to a full evidentiary hearing and arbitration as provided in 34 CFR Section 395.13.

4 AAC 54.150. "REPAIR AND REPLACEMENT OF EQUIPMENT AND FIXTURES." The Committee does not concur with DVR's proposed rules concerning repair and replacement of equipment and fixtures. As an alternative, the Committee chooses to amend these provisions by adopting a policy which distinguishes between repair of equipment which is owned by a owner-manager and that which is owned by the Division. Fundamentally, the Committee believes that each party (the owner-manager or the Division) has the responsibility for maintaining and replacing equipment owned by it. The Committee's proposals are as follows:

4 AAC 54.150 MAINTENANCE, REPAIR, AND REPLACEMENT OF EQUIPMENT.

(a) The Division shall maintain supervision over the maintenance and repair of equipment and shall insure that such equipment is maintained in good repair, and in an attractive condition, to assure the continued successful operation of each vending facility.

(1) Where ownership of equipment is vested in the Division, the Division shall maintain, or cause to be maintained, in good repair all vending

facility equipment in an attractive condition and shall replace, or cause to be replaced worn out or obsolete equipment, as required to assure the continued successful operation of the facility. Where used equipment is furnished to replace nonfunctioning, worn out, or obsolete equipment, the Division shall insure that such equipment is in good working order and shall make any necessary repairs prior to installing such equipment at the vending facility.

(2) Where ownership of the equipment is vested in the manager, the Division will not be responsible for repair, maintenance, or replacement of equipment, after such equipment is initially furnished to the vending facility. Owner-managers will bear this responsibility in their respective facilities. The Division, however, reserves the right to repair, maintain, or replace, or cause to be repaired, maintained, or replaced, any equipment in need of repair, maintenance, or replacement; in order to keep the facility operable and in an attractive condition, if after reasonable notice, the owner-manager fails to do so. The owner-manager will be assessed the amount required to repair, maintain, or replace equipment when the Division has undertaken this responsibility.

(b) Repair and maintenance services for vending facility equipment owned by the Division will be provided as an expense to the vending facility program and shall be performed only by approved service dealers who shall be designated in advance for each manager by the Division and authorized to provide reasonable and necessary repair and maintenance services expeditiously upon the request of the manager or the Division. When maintenance or repair services are required, the manager may arrange for such services directly with an approved service dealer and shall notify the Division as soon as possible. The manager shall take reasonable care of all vending facility equipment and shall carry out routine day to day cleaning and maintenance procedures. The manager shall assure that equipment is maintained in accordance with all health laws and regulations.

4 AAC 54.155. "TERMINATION OF BUSINESS." The Committee does not concur with the termination provision as proposed by DVR, although the Committee agrees that the issue should be addressed. As alternative language, the Committee prefers the following:

4 AAC 54.155. TERMINATION OF BUSINESS. (a) Whenever a vending facility manager terminates business in the vending facility to which he/she is assigned, the Division and the manager, or the manager's representative, heirs, or assignees, shall jointly conduct an inventory of all equipment, stocks of merchandise, and operating funds on hand.

(b) Upon termination of business by the manager, the Division shall have the first option to buy saleable merchandise at the fair market value. If the Division exercises this option, any money in excess of the amount initially supplied to the vending facility manager will be paid to the manager or to the manager's heirs or assignees.

4 AAC 54.160. "DISTRIBUTION AND USE OF VENDING MACHINE INCOME." The Committee does not concur with DVR's proposal for rules in this area. The major problem is that DVR is attempting, again, to maintain two programs under one set of rules. The Committee submits that this is particularly confusing with respect to the provisions concerning distribution and use of vending machine income. Moreover, the Committee submits that blind vendors, regardless of their location on federal, state, or private property are, in so far as possible, to be treated in a uniform manner, as required under 34 CFR Section 395.3(a)(11). With this in mind, the Committee proposes that 4 AAC 54.160 "distribution and use of vending machine income," should be incorporated in the regulations as set forth below:

4 AAC 54.160. DISTRIBUTION AND USE OF VENDING MACHINE INCOME.

(a) Distribution of income: (1) Vending machine income from vending machines on federal, state, or private property, which has been disbursed to the Division shall be distributed to any blind licensee operating a vending facility on such property.

(2) The Division shall disburse vending machine income to blind vending facility managers on at least a quarterly basis.

(3) No managers shall receive vending machine income in an amount which exceeds the average net income of the total number of blind vendors within the state, except that, whenever the state average income for blind vendors exceeds the national average income for all blind vendors in the United States, no manager may receive vending machine income in an amount exceeding such national average.

(4) No blind vending facility manager shall receive less vending income than he/she was receiving prior to January 1, 1974, as a direct result of any limitation imposed on such income pursuant to paragraph (3) of this subsection.

(5) No limitation shall be imposed upon income from vending machines which are maintained, serviced, or operated by a blind vending facility manager.

(b) Use of excess vending machine income: (1) Vending machine income from vending machines on federal, state, and private property, in excess of the amount distributed to blind vending facility managers in accordance with subsection (a) of this section, shall be used, as determined by the Committee and the Division and to the extent of funds available, to fulfill the following purposes in the order in which they are listed (A) provision of paid sick leave and vacation time, health insurance contributions, or the establishment of retirement or pension plans, as determined by a majority vote of blind vending facility managers, provided that the Division shall first furnish to each such manager information on all matters relevant to these proposed purposes; (B) assuring a fair minimum return to beginning blind vending facility managers pursuant to 4 AAC 54.165; (C) maintenance and replacement of equipment; (D) the purchase of new equipment; and (E) management services.

4 AAC 54.165. "INCOME AND SET ASIDE FUNDS." The Committee does not concur with DVR's proposal to include provisions authorizing the establishment of set-aside charges to be assessed against the net proceeds of the vending facilities. The Committee is prepared to monitor the necessity for the Division to make such assessments in order to operate the vending facility program, but no present need is indicated. Hence, the Committee rejects the idea that DVR should establish in these rules advance permission to adopt unilaterally a set-aside system and schedule. In lieu of the rules for set-aside, the Committee proposes to include a provision which establishes each beginning manager's entitlement to a fair minimum return. This provision, to be incorporated in the rules at 4 AAC 54.165 is proposed to read as follows:

4 AAC 54.165. FAIR MINIMUM RETURN TO BEGINNING MANAGERS. The Division shall insure a fair minimum return to beginning vending facility managers during the first six months of operation of a vending facility and will make provisions to augment monthly income up to the state minimum wage.

4 AAC 54.170. "ADMINISTRATIVE REVIEW AND EVIDENTIARY HEARING." The Committee is in general agreement with DVR's proposed rules relating to grievance procedures available to blind vending facility managers. The Committee's only comments are in the nature of minor technical changes in language, in subsection (b), designed to simplify some of the provisions and bring them into line with general practice applying to evidentiary hearings. For example, although subpoena power is provided in judicial and administrative proceedings in Alaska, there is no specific authority for issuance of subpoenas in the proposed regulations. In addition, paragraphs (7), (10), and (11) appear to cover matters generally included under the topic of Discovery, and might be more simply incorporated by reference in a single provision. Finally, the Committee believes it would be appropriate to specify that the decision of the hearing officer, as described in paragraph (14), shall be final and binding, to avoid future problems in implementing the decision or securing enforcement.

The Committee has no objection to the language of subsection (a) as written. The Committee proposes that subsection (b) should read:

(1) At the time of licensing, the division shall inform the vending facility operator in writing of his right to an evidentiary hearing and the procedures to be followed in obtaining one.

(2) A vending facility operator, or his designee, must request an evidentiary hearing within fifteen (15) working days of any administrative review decision he wishes to appeal.

(3) A written request for an evidentiary hearing stating the issues to be appealed must be transmitted to the director of the division personally or by certified mail with return receipt requested.

(4) A vending facility operator is entitled to legal counsel or other representation in an evidentiary hearing.

(5) The division shall schedule the hearing within fifteen (15) working days of its receipt of the written request unless the division and the operator mutually agree in writing to some other period of time. The division shall hold the hearing in the division office nearest the vendor during regular agency hours at a time convenient to the vending facility operator.

(6) The division shall notify the vending facility operator in writing of the time and place fixed for the hearing and of his right to legal counsel or other representation.

(7) The Division shall provide transportation and reader or other communication services to the vending facility operator when necessary.

(8) The hearing officer shall be an impartial official who has no involvement either with the state agency action which is at issue in the hearing or with the administration of the vending facility program. The hearing officer ~~may be a staff member of another agency or a state agency hearing officer.~~ shall be a state hearing officer as defined in A.S. 44.62.330(a)

(9) (a) The vending facility manager and the Division may each call and examine witnesses; introduce exhibits; cross-examine opposing witnesses; impeach witnesses, regardless of which party originally calls the witness; submit rebuttal evidence; have access to all documents and records in the possession of the opposing party in accordance with the rules of civil procedure, and may take the deposition of any witness in accordance with the rules of civil procedure.

(b) Before the hearing begins, the hearing officer shall issue subpoenas and subpoenas duces tecum at the request of a party in accordance with the rules of civil procedure.

(10) A transcript shall be made of the oral evidence and shall be made available to the parties. The division shall pay all transcript costs and shall provide the vending facility operator with at least one copy of the transcript.

(11) The transcript of testimony, exhibits and all papers and documents filed in the hearing shall constitute the exclusive record for the decision.

(13) The decision of the hearing officer shall be final and binding, and shall set forth findings of fact and conclusions of law sufficient for a determination of the issues presented for adjudication. The hearing officer shall state with particularity the reasons for his findings and the factual basis underlying his decision. The decision shall state any orders deemed consistent with the findings contained therein. Unless otherwise stipulated to by the parties, the decision shall be made within fifteen (15) working days of the conclusion of

and shall be mailed promptly to the vending facility manager, to the division, and to counsel of record, if any, by certified mail, return receipt requested.

(14) If a vending facility operator is dissatisfied with the decision rendered after an evidentiary hearing, he may request an Arbitration Panel be convened by filing a complaint with the Secretary of the Department of Education as authorized by Section 5(a) of the Randolph-Sheppard Act and 34 CFR 395.13(a) within fifteen (15) working days of his receipt of such decision.

Additional matters: The Committee believes that DVR's proposal fails to address certain vital matters which should legitimately be the subject of the Division's rules for the vending facility program. With this in mind, the Committee proposes adding the following provisions to the rules:

4 AAC 54.175. ACCESS TO PROGRAM AND FINANCIAL INFORMATION In accordance with 34 CFR Section 395.12, The Division shall provide program and financial information to each manager, to the extent that such disclosure does not violate the laws pertaining to the release of confidential information. In addition, the manager of a vending facility shall be furnished a copy of the rules and regulations, the licensing agreement, and the permit for the establishment and operation of the vending facility.

4 AAC 54.180 COMMITTEE OF BLIND VENDORS (a) Responsibilities:

(1) The Committee of Blind Vendors shall be responsible for performing all of the functions and obligations imposed on it pursuant to these rules and regulations. (2) In addition, the Committee shall

Start here (A) actively participate with the Division agency in major administrative decisions and policy and program development decisions affecting the overall administration of the state's vending facility program; (B) receive and transmit to the Division grievances at the request of blind vending facility managers and serve as advocates for such managers in connection with such grievances; (C) actively participate with the Division in the development and administration of a state system for the transfer and promotion of blind vending facility managers; (D) actively participate with the Division in the development of training and retraining programs for blind vending facility managers; and (E) sponsor, with the assistance of the division, meetings and instructional conferences for blind vendors within The State

the state.

(b) Election: (1) All blind vending facility managers in Alaska shall hold membership on the Committee of Blind Vendors and shall be entitled to participate in the biennial election of a president, a vice president, and a secretary-treasurer, and such other officers as the Committee shall deem necessary. The election of the president and other officers shall occur at the regular annual meeting which the committee holds in each odd numbered year. (2) Vending facility managers shall not be required to pay dues, or any form of assessment, in order to participate on the committee or in the election of its president and other officers.

(c) Meetings: The Committee shall hold at least one regular annual meeting each year. In addition, the Committee members may confer at any time bym means of the Divisions's teleconference equipment between annual meetings.

(d) Committee Expenses: (1) Each blind vending facility manager shall be reimbursed by the Division for all expenses incurred in connection with any service performed as a member or officer of the Committee of Blind Vendors (2) The Division shall pay such reimbursements to blind vending facility managers promptly upon submission of proper documentation, as required by the Division. (3) All expenses in connection with the functions and work of the Committee of Blind Vendors shall be paid for by the Division as management services.

4 AAC 54.185. RESPONSIBILITIES OF THE DIVISION:(a) The Division shall issue such forms, operating procedures, and reports, as deemed necessary to comply fully with these rules and regulations provided that all forms, operating procedures, and reports directly relating to the managers shall be developed with the concurrence of the Committee of Blind Vendors.

(b) The Division shall administer the vending facility program for the blind in a uniform manner on federal, state, and private property and shall conduct all of its administrative functions in accordance with applicable law, the provisions of these rules and regulations, and any policies jointly developed and agreed upon by the Division and the Committee of Blind Vendors.

4 AAC 54.190. "DEFINITIONS." As used in these regulations, the terms below are defined as follows:

(a) "Demotion" means ~~assignment~~ reassignment of a licensed vending facility ~~manager~~ to a vending facility which, according to the best evidence available, is likely to yield a significant decrease in net proceeds to the manager.

(b) "License" means a written instrument issued by the Division to a blind person, authorizing such person to operate a vending facility on Federal, State, or private property.

(c) "Licensee" means a blind person licensed by the Division to operate a vending facility on Federal, State, or private property.

(d) "Permit" means the authorization given the Division to establish a vending facility on Federal, State or private property,

(e) "Promotion" means assignment of a licensed vending facility manager to a vending facility which, according to the best evidence available, is likely to yield a significant increase in net proceeds to the manager.

(f) "Transfer" means lateral reassignment of a licensed vending facility manager to a vending facility where the net proceeds are expected to be substantially the same as ~~accrued~~ the net proceeds from the manager's previous facility.

(g) "Vending Facility" means ~~automatic~~ automatic vending machines, cafeterias, snack bars, cart service, shelters, counters, and such other appropriate auxiliary equipment which may be operated by blind licensees and which is necessary for the sale of newspapers, periodicals, ~~candy~~ confections tobacco products, foods, beverages, and other articles or services dispensed automatically or manually and prepared on or off the premises in accordance with all applicable health laws, and including the vending or exchange of

chances
~~exchanges~~for any lottery authorized by State law ~~and conducted by an agency o~~ ~~the State within such State.~~

(h) "Vending Facility Program" means the Randolph-Sheppard Vending Facility Program as operated on Federal, State, or private property in the State of Alaska.

(i) "Vending machine income" ~~means receipts (other than these of a blind vendor) from vending machine operations on Federal, State, or private property, after deducting the costs of goods sole~~ means net proceeds from vending machined located on Federal, State, or private property which are paid to the Small Business Enterprise Revolving Fund.

insert * (2) "Manager" means a blind licensee who is operating a ~~vending~~ facility on Federal, State, or private property.

Agreement for Operation

of a Vending Facility

Under Randolph-Sheppard Act

Between

THE ALASKA DIVISION OF VOCATIONAL REHABILITATION, State Licensing Agency, and _____, a Licensed Blind Manager.

This Agreement entered into this _____ day of _____, 19____, by and between the Alaska State Licensing Agency (hereinafter referred to as the Division), and _____, licensed as a blind vendor under the Randolph-Sheppard Program (hereinafter referred to as the Manager), by the Division, WITNESSETH:

WHEREAS, the Division has been granted a permit by _____ _____for the operation of a vending facility by a licensed blind vendor under the Randolph-Sheppard Program (hereinafter referred to as the permit), on the federal property or non-federal property located at _____ _____, a copy of which permit is attached hereto and made a part hereof; and

WHEREAS, the Division has offered the Manager the opportunity to operate the vending facility under the terms and conditions hereinafter set forth; and

WHEREAS, the parties do not intend to derogate in any way the responsibilities and rights imposed and granted by applicable federal, state, or local laws or regulations by this agreement;

NOW, THEREFORE, it is mutually agreed as follows:

A. THE DIVISION

(1) The Division will equip the vending facility for carrying out the business authorized by the permit.

(2) The Division will furnish initial stocks of merchandise and initial petty cash sufficient to enable the Manager to commence operating the business authorized by the permit. The Division will also furnish to the Manager, and incorporate as a part of this Agreement, a complete inventory of all equipment, initial stocks, and initial petty cash provided.

(3) The Division will maintain the equipment at the vending facility in good repair, and will replace obsolete and worn-out equipment as necessary in accordance with 4 AAC 54.150.

(4) The Division will provide, or will provide for, support and consultative services necessary for the efficient operation of the vending facility.

(5) The Division recognizes the State Committee of Blind Vendors as a representative body of all licensed Managers in the vending facility program and will assure the active participation of the Committee in policy development and administration on behalf of the Manager.

(6) The Division will afford the Manager an opportunity for an administrative review and a full evidentiary hearing in accordance with 4 AAC 54.170 and agrees to submit any grievances of the Manager, not otherwise resolved through such hearing, to binding arbitration as provided under 34 CFR Section 395.13.

B. THE MANAGER

(1) The Manager will be responsible for having the vending facility open for business on the days and during the hours specified in the permit.

(2) The Manager will operate the vending facility business on a cash basis except for such credit accounts as may be established or authorized by the Division.

(3) The Manager will be accountable to the Division for the proceeds of the business of the facility, but will retain the proceeds and handle disbursements in accordance with sound business practices, including making payments to suppliers and meeting all other financial obligations of the business.

(4) The Manager will carry on the business of the vending facility in compliance with applicable health laws and regulations.

(5) The Manager will maintain a neat, business-like appearance while working at the vending facility, and will conduct the facility in an orderly, business-like manner.

(6) The Manager will take proper care of the equipment of the vending facility, and will make alterations or changes therein only with the approval of the Division.

(7) The Manager will keep such records and make such reports as the Division shall require.

(8) The Manager will notify the Division a reasonable time in advance of taking any voluntary leave from the vending facility, and as soon as possible with respect to any involuntary leave.

(9) The Manager will provide for substitute operation of the vending facility as may be necessitated by the Manager's absence because of illness, vacation, or otherwise. The salary of the person who substitutes for the Manager, or that of other emergency help, shall be charged to the vending facility where the service is performed, except to the extent that it is otherwise covered by the vacation and sick leave plan provided by the Division.

(10) The Manager shall comply with applicable civil rights laws and rules and regulations prohibiting discrimination against employing or serving individuals because of their race, color, national origin, religion, ancestry, age, sex, or disability.

C. General

(1) The business to be carried on at the vending facility will be limited to that specified and authorized in the permit.

(2) The right, title, and interest in and to the equipment of the vending facility, the initial stock, and initial petty cash are vested in the Division and will be left at the vending facility or turned over to the Division on the termination of this agreement for any reason by either of the parties. Upon the termination of this agreement, the fair market value of the Manager's interest will be determined by the Division in conjunction with the Manager, his heirs, or assignees, and paid to the Manager, his heirs, or assignees. The Manager, his heirs, or assignees, shall have the right to participate in and verify the final inventory of equipment, stocks of merchandise, and funds on hand.

(3) Rebates, commissions, or bonuses received by the Manager from suppliers are, and must be accounted for as, income of the vending facility. Under no circumstances are such funds to be treated as the separate, personal funds of the Manager.

(4) The Manager agrees to obtain and maintain personal liability and products liability insurance in order to protect the Manager, anyone employed by the Manager, and the Division against losses and claims arising out of the conduct of the business of the vending facility

The cost of such insurance shall be a cost of operating the business of the vending facility and taken into account as such in determining the net proceeds of the business.

(5) Merchandise taken from the stock and trade of the vending facility by the manager for his own use shall be accounted for by the vendor and paid for at cost prices.

(6) (a) This agreement may be terminated at any time by the Manager, provided that thirty (30) days written notice is given by the Manager if he wishes to withdraw from the program voluntarily. No notice is required by the Manager prior to terminating this agreement for reasons of promotion, transfers or demotion.

(b) This agreement shall be terminated by the Division upon the lawful revocation or termination of the permit or contract, and the Division shall insure that the revocation or termination of any permit or contract is in compliance with applicable federal and state laws or rules and regulations. In the event of revocation or termination of the permit or contract, the Division shall notify the Manager in advance and afford the Manager an opportunity for a full evidentiary hearing prior to the proposed termination of the vending facility.

(c) This agreement may be terminated by the Division if, after affording the Manager an opportunity for a full evidentiary hearing, it is determined that the business of the vending facility is not being conducted in accordance with this agreement, or with applicable federal, state, or local laws and regulations.

(7) Changes in the terms of this agreement which affect the individual operation of the vending facility may not be made unless by mutual consent of the Division and the Manager.

_____

State Licensing Agency

Date:_____ by _____

Title

Date:_____ by _____

Vendor

Date:_____ by _____

Witness

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

WASHINGTON, D.C. 20202

REPORT OF VENDING FACILITY PROGRAM

Alaska AGENCY Voc. Rehabilitation D. # Oct. 1, 19 80 to Sept. 30, 19 81

EARNINGS STATEMENT

A. Federal and Other Locations	Type of Facility (1) Total	(2) Dry/Wet	(3) Snack	(4) Cafeteria	(5) Vending Machine
1. Gross Income to Facilities (all sources)	369,213.	296,698.	59,925.		12,590.
2. Less: Merchandise Purchased and Other Operating Expenses	254,400.	201,303.	53,097.		
3. Net Proceeds (line 1 less line 2)	114,813.	95,395.	6,828.		12,590.
4. Less: Funds Set Aside	-0-		-0-		
5. Net Profit to Vendors (line 3 less line 4)	114,813.	95,395	6,828.		12,590.
6. Amount Paid to Vendors as Fair Minimum Return	-0-	-0-	-0-		

B. Person Years of Employment

1. Vendors	4.75	3.75	1.00		
2. Other Visually Handicapped	-0-	-0-	-0-		
3. Other Handicapped	-0-	-0-	-0-		

NUMBER OF VENDING FACILITIES, VENDORS AND COSTS

A. Facilities and Vendors on Federal Property

1. Facilities	Type of Facility (1) Total	(2) Dry/Wet	(3) Snack	(4) Cafeteria	(5) Vending Machine
a. Number of facilities established	0				
b. Number of facilities refurbished	0	0	0	0	0
c. Number of facilities closed	0	0	0	0	0
2. Vendors					
a. Number of vendors entering program	0	0	0	0	0
b. Number of vendors terminated	1	1	0	0	0

1. Facilities	Type of Facility (1) Total	(2) Wet/Dry	(3) Snack	(4) Cafeteria	(5) Vending Machine
a. Number of facilities established	0				
b. Number of facilities refurbished	0				
c. Number of facilities closed	0				
2. Vendors					
a. Number of vendors entering program	1	1			
b. Number of vendors terminated	1	1			
3. Cost Data					
1. Total cost of establishing new facilities	14,344.	14,344.			
2. Total Cost of Maintenance and Replacement of Equipment for Facilities	1,502.	1,502.			
3. Total cost of refurbishing facilities					

MACHINE INCOME FUNDS COLLECTED UNDER THE VENDING FACILITY PROGRAM

	(1) Federal Property	(2) Non-Federal Property	(3) Total
1. Total Vending Machine Income (line 2 + line 3)	4,382.	-0-	4,382.
2. Distributed to Vendor	4,163.	-0-	4,163.
3. Retained by State as Unassigned Income for Set-Aside Purposes	219.	-0-	219.

ACCOUNTABILITY OF SET-ASIDE FUNDS COLLECTED UNDER THE VENDING FACILITY PROGRAM

	(1) Machine Income	(2) Levied	(3) Total
1. Amount on Hand at Beginning of Year	8,252.	15,605.	23,857.
2. Funds Added During Year	219.	-0-	219.
3. Total Funds Available (line 1 + line 2)	8,471.	15,605.	24,076.
4. Total Expenditures (Refund)	-0-	(526.)	(526)
5. Total on Hand at End of Year	8,471.	16,131.	24,602.

XPENDITURES FOR THE VENDING
ACILITY PROGRAM

	Set-Aside (1) Machine Income Fed.	Set-Aside (2) Machine Income Non Fed.	(3) Levied	(4) State	(5) Total	(6) Federal
1. Maintenance of Equipment						
2. Replacement of Equipment				581.	1,502.	921.
3. Purchase of Equipment for Establishment of New Facilities						
4. Management Services			(526.)	5,731.	(1) 14,291.	9,086.
5. Fair Minimum Return						
6. Retirement/Pension Program						
7. Health Insurance Program						
8. Paid Sick Leave and Vacation Time						
9. Initial Stock and Supplies	XXXXXX		XXXXXX	11,779	30,453	18,674.

(1) For the purposes of this report, 30% of the Facility Specialist's salary is shown for program management.

ENDOR EARNINGS BY RANGE

Type	0 $6,000	$6,001 10,000	$10,001 14,000	$14,001 19,000	$19,001 24,000	$24,001 29,000	$29,001 44,000	$44,001 50,000	$50,001 Above	Total
ry/Wet			1	1	1				1	4
nack		1								1
afeteria										
ending achine										
OTAL		1	1	1	1				1	5

TRAINING DURING THE FISCAL YEAR

1. Individuals Provided Initial Training
   a. Number Licensed and Placed as Vendors: 1
   b. Number Certified Awaiting Placement as Vendors: 0
   c. Number Placed as Employees in the Program: 1
   d. Number Employed in Allied Food Service Occupations: 0

2. Average Number of Days of Formal Upward Mobility Training Provided
   a. Formal In-service Training: 1
   b. Formal Training Requiring Extended Leave of Absence: 0

MBER OF SITES SURVEYED

	Type of Property		
	(1) Federal	(2) Non-Federal	(3) Total
Total sites surveyed	0	2	2
Accepted for vending facility site	0	1	1
Not accepted due to infeasibility of site	0	1	1
Not accepted due to lack of funds by State Agency	0	0	0
Denied by property management official	0	0	0

MBER OF STATE AND NOMINEE AGENCY PERSON YEAR POSITIONS ASSIGNED
O THE VENDING FACILITY PROGRAM

MBER OF VENDING FACILITIES ON FEDERAL PROPERTY BY FEDERAL AGENCY GRANTING PERMIT

me of Federal Agency	(1) Established During Year	(2) Closed During Year
U.S. Postal Service	-0-	-0-
General Services Administration	-0-	-0-
Department of Defense	-0-	-0-
Department of Health, and Human Services	-0-	-0-
Department of Education	-0-	-0-
ther (Identify)	-0-	-0-

CERTIFICATE

This report is completed and correct to the best of my knowledge.

Date 11/10/81 Signed [signature] Signature of Authorized Official

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

An Analysis of Alaska's Randolph-Sheppard Vending Stand Program

Prepared by: John F. Schlicting
Chief of Planning & Research

When? Date?

Historically the Alaska Division of Vocational Rehabilitation has expended significant resources in support of the vending stand program. Costs of establishing and remodeling the various vending stands presently being operated by our vendors totals over $155,736. Expenditures from FY'76 thru the present for the various stands operated by the agency are broken out below.

Vending Stand	Establishment and/or remodeling costs
Anchorage Gift Specialty	$ 64,436*
Anchorage Post Office	$ 23,300
Sitka Mount Edgecumb	$ 17,100**
Anchorage Dry Stand	$ 15,000
Juneau SOB	$ 35,900
Total	$ 155,736

* Includes 12,600 not yet expended.
** Remodeling costs only.

In addition to these costs are monies spent on services to the clients who are to operate the stands. These costs and the number of vendors are given in the table below for FY'76 thru the present.

FY	Number of Vendors	Total Cost	Per vendor
82	2	$24,541	$12,270
81	0	0	0
80	0	0	0
79	1	$ 6,658	$ 6,658
78	2	$ 6,661	$ 3,330
77	2	$ 6,488	$ 3,244
76	0	0	0
Total		$44,348	$ 6,335

* Exclusive of costs directly associated with establishing or remodeling the vendor's stand.

Comparatively, the costs of average services to clients, and clients with visual disabilities who were closed during the period from FY'76-81 are given below.

		Average Cost Per Accepted Cost Closure	
FY	All Closures*	All Visual*	Vendors
81	2195	2467	0
80	1663	1789	0
79	1664	2713	6658
78	1594	1107	3330
77	1446	2669	3244
76	1386	1284	0

* Excludes vendors

Average expenditures for services to vendors and other closed clients over the six year period from 1976 thru 1981 are given in the table below.

FY 76-81 Inclusive costs/client

	Blind Less Vendors	All Others	Vendor Service Less Stand Costs	All Vendor Services
Average Cost/Rehab	2,159	2,020	3,753	42,687
Average cost/Served	1,983	1,591	3,514	34,663

From the above several facts emerge. First of all, the data seems to rather conclusively indicate is that by and large expenditures to visually impaired persons have generally trended above similar expenditures for non visually impaired VR clients. Comparatively case services costs to visually impaired persons closed as vending stand operators, exclusive of costs associated with establishing and equiping their stands, were substantially higher than comparable average costs for both other visually impaired, and other clients. Finally, when vending stand establishment costs associated with specific vendors are added into their other rehabilitation costs, the resulting figure exceeds average costs for all clients by of more than a factor of ten.

Detailed breadouts of average costs per accepted case closure by major disability grouping for Fiscal Year 76-81 inclusive are given appendix 1 of this report. Appendix 2 contains a breakout of the costs (including vending stand establishment/remodeling costs charged to their cases) for the seven vendors whom I examined.

Policies of other state agencies

In order to acertain how this agency's policies towards its vendors compare with those of other states, I conducted a telephone survey of state VR and blind agencies in Region's VIII, IX and X concerning their policies in this area. In this regard I was able to obtain data from all of the state agencies except the North Dakota Division of Vocational Rehabilitation whose Randolph-Sheppard administrator was unavailable. The questions I asked were as follows:

1) How much paid vacation do you give your vendors per year?

2) Do you provide health insurance to your vendors?

   If yes, is it:

   a) Fully paid by the state agency?

   b) Partially paid by the state agency?

   c) Is the vendor's family covered?

3) Do you provide your vendors with paid sick leave?

   If yes, how much per year?

4) Are vendors covered by an agency sponsored retirement plan?

5) Are vendors required to obtain prior approvel from the state agency before they raise prices?

6) What are the consequences of filing late reports, or failure to file reports?

Paid Vacation

Of the 13 states besides Alaska that were surveyed only three offered any form of paid vacation to their vendors. Of these three only Utah provided their vendors with as much vacation time as did Alaska.

Health Insurance

Only one other state agency, the Idaho commission for the blind, offered health insurance that was fully paid by the state agency. Two more agencies, Arizona Blind, and Hawaii combined offered health insurance partially paid by the state. Only Alaska provided fully state agency paid health insurance covereage for the families of vendors.

Paid Sick Leave

Only one agency, South Dakota combined currently has any kind of sick leave program. They provide their vendors with one week per year. Alaska presently has a sick leave plan under consideration.

Retirement Plan

Only three of the agencies surveyed had any kind of retirement plan for their vendors. In most cases these were some form of Individualized Retirement Account which the state and/or the vendor made contributions to. Alaska is presently in the process of setting up Individualized Retirement Accounts for its vendors.

Agency Policy on Raising Prices

Four other agencies besides Alaska required vendors to seek agency approvel prior to raising prices. When queried as to the consequesces of not obtaining such approvel, all the agencies queried indicated that this was largely a "rubber stamp" function on the part of the agency, and none reported serious consequences for non-compliance.

Consequences of Late Reports, or Failure to File Reports

Five agencies reported specific sanctions which they levy against vendors who are tardy with or who fail to submit reports. These ranged from fines, to dismissal from the vending stand program. In addition several

agencies who reported no specific policy of punishing such offenses indicated that timely submission of reports was a condition for promition into a larger stand.

A more complete breakout of the individual states survey responses is given in attachment 3.

It seems fairly clear from the survey results that Alaska's vendors enjoy considerably more benefits than do their counterparts in other states in the three regions surveyed. At three weeks a year their annual leave is greater than or equal to that offered by any other states. The health insurance plan which we provide for our vendors is unmatched by any state surveyed. Indeed no state comes close to Alaska in terms of the total benefit package provided to its vendors.

Also the agency is relatively lenient where deliquent reports or failure to submit reports is concerned. Whereas vendors in other states face fines or even dismissal for such transgressions, those in Alaska get off with verbal or written warnings.

APPENDIX 1

FY'81

	Disability	26 Closures #	26 Closures Total	26 Closures $/Client	28 Closures #	28 Closures Total	28 Closures $/Client	30 Closures #	30 Closures Total	30 Closures $/Client	26, 28, 30 Closures #	26, 28, 30 Closures Total	26, 28, 30 Closures $/Client
100-109	Totally Blind	6	15,953	2,659	3	4,839	1,613	0	0	0	9	20,792	2,310
110-119	Blind both eyes some lite Pr.	6	31,132	5,855	5	1,984	496	0	0	0	11	33,116	3,010
120-149	Blind one eye & other visual	19	58,804	3,094	1	679	679	0	0	0	20	59,483	2,974
200-219	Deafness	22	39,526	1,797	4	18,361	4,590	3	292	97	29	58,179	2,006
220-229	Other hearing	32	27,491	859	5	6,326	1,265	2	337	169	39	34,154	876
300-399	Ortho	179	484,940	2,709	44	88,067	2,002	47	15,935	339	270	588,942	2,181
400-449	Amputation	16	64,023	4,001	1	7,291	7.291	0	0	0	17	71,314	4,195
500	Psychotic	17	36,677	2,157	6	20,866	3,478	5	734	147	28	58,277	2,081
510	Psychoneurotic	43	96,428	2,243	20	22,367	1,118	5	1,195	239	68	119,990	1,765
520-522	Other behavioral	57	167,450	2,938	17	27,629	1,625	7	1,200	171	81	196,279	2,423
530-534	Mental Retardation	69	160,493	2,326	12	45,776	3,814	5	709	141	86	106,978	2,407
600-699	Other	78	169,865	2,178	31	51,673	1,667	16	5,567	348	125	227,105	1,817
	All disabilities	544	1,356,781	2,494	149	336,360	2,257	90	25,962	288	783	1,718,949	2,195
	Vendors	0	0	0	0	0	0	0	0	0	0	0	0
100-119	All visual	31	105,874	3,415	9	7,503	834	0	0	-	49	120,874	2,467

FY'80

	Disability	26 Closures #	26 Closures Total	26 Closures $/Client	28 Closures #	28 Closures Total	28 Closures $/Client	30 Closures #	30 Closures Total	30 Closures $/Client	26, 28, 30 Closures #	26, 28, 30 Closures Total	26, 28, 30 Closures $/Client
100-109	Totally blind	5	20,636	4,127	1	1,400	1,400	0	0	0	6	22,306	3,673
110-119	Blind both eyes some lite pr.	8	21,954	2,744	0	0	0	3	473	157	11	22,427	2,038
120-149	Blind one eye & other visual	31	10,549	337	4	6,551	1,637	1	185	185	36	17,285	480
100-219	Deafness	21	26,463	1,260	6	45,861	7,643	5	886	177	32	73,210	2,288
220-229	Other hearing	38	30,799	810	10	8,184	818	7	2,133	304	55	41,116	748
300-399	Ortho	156	402,046	2,577	62	79,847	1,288	83	7,493	90	301	489,386	1,626
400-449	Amputation	13	38,722	2,978	3	3,648	1,228	3	128	43	19	42,498	2,237
500	Psychotic	14	20,039	1,431	9	8,583	954	6	771	128	48	71,891	1,498
510	Psychoneurotic	28	58,100	2,075	11	21,693	1,972	6	2,235	373	45	82,028	1,823
520-522	Other behavioral	48	101,744	2,119	30	71,163	2,372	12	3,094	258	90	176,001	1,956
530-534	Mental retardation	52	81,404	1,565	16	18,240	1,140	3	243	81	71	99,887	1,407
600-699	Other	71	196,103	2,762	30	57,619	1,920	17	3,609	212	118	257,331	2,180
	All disabilities	485	1,008,328	2,079	182	322,804	1,774	146	21,217	145	813	1,352,353	1,663
	Vendors	0	0	0	0	0	0	0	0	0	0	0	0
100-119	All visual	93	173,909	1,870	5	7,948	1,590	4	656	164	102	182,516	1,789

FY'79

	Disability	26 Closures #	26 Closures Total	26 Closures $/Client	28 Closures #	28 Closures Total	28 Closures $/Client	30 Closures #	30 Closures Total	30 Closures $/Client	26, 28, 30 Closures #	26, 28, 30 Closures Total	26, 28, 30 Closures $/Client
100-109	Totally blind	3	9,293	3,097	0	0	0	0	0	0	3	9,293	9,293
110-119	Blind both eyes some lite pr.	6	6,149	1,025	2	4,223	2,111	1	8,930	8,930	9	19,302	2,145
120-149	Blind one eye & other visual	17	62,791	3,694	5	11,437	2,287	1	28	28	23	93,558	2,924
200-219	Deafness	24	42,975	1,791	7	13,447	1,921	3	91	30	34	56,513	1,662
220-229	Other hearing	45	52,941	1,154	27	23,452	869	3	147	49	75	75,540	1,007
300-399	Ortho	115	298,941	2,599	67	64,931	969	52	7,523	145	234	371,395	1,587
400-449	Amputation	14	21,320	1,523	5	5,556	1,111	3	439	146	22	27,315	1,242
500	Psychotic	12	34,307	2,859	18	22,065	1,226	5	179	36	35	56,551	1,616
510	Psychoneurotic	33	80,764	2,447	15	18,036	1,202	9	1,396	155	57	100,196	1,758
520-522	Other behavioral	45	124,427	2,765	46	58,092	1,263	11	2,022	184	102	184,451	1,809
530-534	Mental retardation	42	114,608	2,729	39	44,900	1,151	4	572	143	85	160,080	1,883
600-699	Other	85	170,949	2,011	26	31,436	1,209	15	2,246	150	126	204,631	1,624
	All disabilities	441	1,018,397	2,309	257	297,564	1,158	107	23,594	220	805	1,339,415	1,664
	Vendors	0	42,507	42,507	0	0	0	0	0	0	1	42,507	42,507
	All less vendors	440	975,890	2,217	0	0	0	0	0	0	804	1,293,908	0
	All visual	26	78,239	3,009	7	15,657	2,236	2	8,958	4,479	35	240,752	4,021
	All visual less vendors	25	35,732	1,429	0	0	0	0	0	0	34	92,245	2,713

FY'78

	Disability	26 Closures #	26 Closures Total	26 Closures $/Client	28 Closures #	28 Closures Total	28 Closures $/Client	30 Closures #	30 Closures Total	30 Closures $/Client	26, 28, 30 Closures #	26, 28, 30 Closures Total	26, 28, 30 Closures $/Client
100-109	Totally blind	3	11,017	3,672	3	1,810	603	1	0	0	7	12,827	1,832
110-119	Blind both eyes some lite pr.	5	17,059	3,411	0	0	0	0	0	0	5	17,059	3,411
120-149	Blind one eye & other visual	12	17,546	1,462	8	8,267	1,033	7	2,192	313	27	28,005	1,037
200-219	Deafness	15	19,477	1,298	11	22,960	2,087	1	37	37	27	42,474	1,573
220-229	Other hearing	52	52,203	985	17	18,968	1,116	6	457	76	75	70,628	942
300-399	Ortho	100	270,243	2,702	72	91,483	1,271	45	5,279	117	217	367,005	1,691
400-449	Amputation	16	41,751	2,609	5	3,185	637	1	34	34	22	44,970	2,044
500	Psychotic	10	14,540	1,454	17	34,637	2,037	2	634	317	29	49,811	1,718
510	Psychoneurotic	15	45,307	3,020	13	14,643	1,049	9	1,692	188	37	61,642	1,666
520-522	Other behavioral	34	80,295	2,362	43	48,627	1,131	4	532	138	81	129,454	1,598
530-534	Mental retardation	43	90,973	2,116	40	36,563	914	10	2,277	228	93	129,813	1,396
600-699	Other	80	198,271	2,478	45	70,219	1,560	15	3,243	216	140	271,733	1,941
	All disabilities	385	857,625	2,228	274	350,358	1,279	101	16,381	162	760	1,225,384	1,612
	Vendors	2	16,928	8,464	0	0	0	0	0	0	2	16,928	8,464
	All less vendors	383	840,697	2,195	0	0	0	0	0	0	758	1,208,456	1,594
	All visual	20	46,615	2,281	11	10,073	916	8	2,192	274	39	57,888	1,484
	All visual less vendors	18	29,687	1,649	0	0	0	0	0	0	37	40,960	1,107

FY'77

	Disability	26 Closures #	26 Closures Total	26 Closures $/Client	28 Closures #	28 Closures Total	28 Closures $/Client	30 Closures #	30 Closures Total	30 Closures $/Client	26, 28, 30 Closures #	26, 28, 30 Closures Total	26, 28, 30 Closures $/Client
100-109	Totally blind	2	8,460	4,230	1	30,786	30,786	0	0	0	3	30,246	13,082
110-119	Blind both eyes some lite pr.	5	10,834	2,167	2	317	159	2	87	44	9	11,238	1,248
120-149	Blind one eye & other visual	20	83,521	4,176	8	6,439	805	1	289	289	29	90,249	3,112
200-219	Deafness	9	36,939	4,104	11	13,285	2,208	1	348	348	21	50,572	2,408
220-229	Other hearing	110	56,649	515	18	9,106	506	2	299	150	130	66,054	508
300-399	Ortho	106	207,315	1,956	71	66,426	936	26	2,595	100	203	276,336	1,361
400-449	Amputation	12	25,439	2,120	10	10,516	1,052	2	410	205	24	36,364	1,514
500	Psychotic	16	39,205	2,450	17	37,703	2,218	2	37	18	35	76,945	2,198
510	Psychoneurotic	28	46,863	1,674	25	26,866	1,075	3	701	234	56	74,430	1,329
520-522	Other behavioral	34	51,244	1,507	43	49,390	1,149	5	980	196	82	101,614	1,239
530-534	Mental retardation	51	134,128	2,630	40	85,907	2,148	2	74	39	93	220,109	2,367
600-699	Other	69	116,725	1,692	41	54,929	1,340	15	5,315	354	125	176,969	1,416
	All disabilities	462	817,365	1,769	287	391,764	1,365	61	11,137	183	810	1,220,196	1,506
	Vendors	1	20,701	20,701	1	30,786	30,786	0	0	0	2	51,487	25,744
	All less vendors	461	796,664	1,728	286	360,978	1,252	0	0	0	808	1,168,709	1,446
	All visual	27	102,815	3,808	3	31,103	10,348	3	337	126	33	134,238	4,068
	All visual less vendors	26	82,114	3,158	2	317	159	0	0	0	31	82,751	2,669

FY'76

	Disability	26 Closures #	26 Closures Total	26 Closures $/Client	28 Closures #	28 Closures Total	28 Closures $/Client	30 Closures #	30 Closures Total	30 Closures $/Client	26, 28, 30 Closures #	26, 28, 30 Closures Total	26, 28, 30 Closures $/Client
100-109	Totally blind	0	0	0	1	951	951	0	0	0	1	951	951
110-119	Blind both eyes some lite pr.	5	5,967	1,193	0	0	0	0	0	0	5	5,967	1,193
120-149	Blind one eye & other visual	11	18,081	1,644	7	7,108	1,015	1	0	0	19	25,189	1,326
200-219	Deafness	19	18,606	979	2	5,767	2,884	3	145	48	24	24,518	1,022
220-229	Other hearing	107	42,692	399	19	17,486	920	5	141	28	131	60,319	460
300-399	Ortho	132	241,265	1,828	54	67,476	1,250	19	873	46	205	309,614	1,510
400-449	Amputation	12	27,705	2,309	6	10,147	1,691	0	0	0	18	37,852	2,103
500	Psychotic	15	20,566	1,371	13	13,393	1,030	1	92	92	29	34,051	1,174
510	Psychoneurotic	25	54,109	2,164	11	25,775	2,343	2	76	38	38	79,960	2,104
520-522	Other behavioral	65	102,001	1,569	42	44,790	1,066	5	441	88	112	147,232	1,315
530-534	Mental retardation	37	83,191	2,248	24	53,657	2,235	0	0	0	61	136,848	2,243
600-699	Other	93	161,812	1,740	41	64,680	1,578	9	806	90	143	227,298	1,589
	All disabilities	521	775,993	1,489	220	311,223	1,415	45	2,776	57	786	1,089,634	1,386
	Vendors	0	0	0	0	0	0	0	0	0	0	0	0
100-119	All visual	16	24,049	1,503	8	8,056	1,007	1	0	0	25	32,104	1,284

APPENDIX 2

Vendor	Total $ Spent*
1	$ 7,701
2	9,227
3	42,507
4	30,786
5	24,631
6	3,204
7	29,987
Total	$148,043

* Includes vending stand establishment costs associated with each vendors case.

APPENDIX 3

State Agency Vendor Policy Survey Results

		Region X			Region IX					Region VIII					
	State Agency Type	Alaska Combined	Idaho Blind	Washington Blind	Oregon Blind	California Combined	Nevada Blind	Arizona Blind	Hawaii Combined	Colorado Combined	Montana Blind	S. Dakota Combined	Wyoming Combined	Utah Blind
1)	Paid vacation for vendors.	3 weeks per year	No	Yes vendor paid $1000 a year.	No	No	No	No	No	No	No	1 week	No	3 wks
2)	Health insurance:	Yes	Yes	No	No	No	No	Yes	Yes	No	No	No	No	No
	a. Fully paid by agency.	Yes	Yes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	b. Partially paid.	N/A	N/A	N/A	N/A	N/A	N/A	Yes	Yes	N/A	N/A	N/A	N/A	N/A
	c. Family covered.	Yes	No	N/A	N/A	N/A	N/A	No	Yes	N/A	N/A	N/A	N/A	N/A
3)	Paid sick leave.	Under Consideration	No	No	No	No	No	No	No	No	No	1 week	No	No
4)	Retirement Plan	Setting up IRA	Yes	No	No	Yes	No	No	Yes	No	No	No	No	No
5)	Agency Approvel to raise prices	Yes	No	Yes Conditional	Yes	Yes	No	No	No	No	No	No	No	Yes
6)	Consequences of late reports or failure to file reports.	None	None	Warnings, removel from stand.	Fine & probation.	Warnings, removel from stand.	Fine	None	None	Fine & dismissal from program.	None	None	Fine	None

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

delicate balance

October 9, 1981

Michael Morgan, Director
Division of Vocational
Rehabilitation
Central Office
Pouch F,M.S. 0581
State Office Building
Juneau, Alaska 99811

RE: Review Team Report

Dear Mr. Morgan:

At the request of the Director of the Division of Vocational Rehabilitation, Department of Education, State of Alaska, the Advisory Board to that Division set up a Committee for the purpose of reviewing the management of both the Federal Randolph Sheppard Act as managed by DVR and the Alaska State "Little Randolph Sheppard Act."

Members of the Committee were, from the Advisory Board, Fran Reich, Jerry Payne and Karen Williams. At the request of the Advisory Board the Blind Vendors Committee selected their chairman, Don Lutz, to serve as a member.

The first conclusion agreed to by the review team is that management in the program is, rather than deficient, perhaps "paternalistic" in approach. If a problem exists it is rather one of "enthusiastic overmanagement." Since the inception of the programs the Division has exhibited an inability to allow the program to succeed or fail on its own merits. They have always been available to fill the gaps left as a result of the difficulties encountered in forming an effective Vendors Committee.

The Vendors Committee in the history of the Program has allowed the Division the ability to make choices without becoming involved either individually or collectively themselves. The feeling of the Review Team is that the Vendors Committee needs to become more actively involved in decisions effecting them. They need to become assertive of their own rights and advocates on their own behalf. The record supports consistant requests on behalf of the Division that they do so. The Vendors Committee also needs to take steps to develop an effective means of functioning under the Federal law and regulations which constitute that body. DVR should view their approach to the program less paternalistically and allow the Committee of Vendors to develop their own goals and objectives, which should include a more independent business approach, within the confines of the law.

Historically, the basic approach from both the Division and others involved has allowed the problem that exists to develop. The complaints that have evolved; as a result of this, are highly personal in nature and have no basis in fact.

The Review Team recommends that representatives of both DVR and the Blind Vendors Committee meet to resume development of the State regulations governing the program and present them to the Division Director and the Advisory Board to DVR by November 30, 1981 for review and approval. The members of the team recommended by the Review Committee for the Division should be the Chief of Services, the Facilities Specialist and the Anchorage based counselor for the blind.

The basic rationale for the complaints presented appears to be interpretation of State and Federal Laws concerning both programs. The proper forum for that conflict is that of the Court System or Legislative Procedures and may not be judged by the Review Team.

Further, the Review Team recommends that the Division explore the possibility of contracting with professional people within the State to supply services required in the set up phase of the vending stands. It is felt that training could be incorporated during the set up phase as well. This method would prove more cost effective and take less staff time.

Overall, the finding of the Review Team is that less energy would be expended with a more positive effect if the principal parties were to take a more positive approach to the existing problems within the program and work toward a solution without the benefit of third parties.

The Review Team feels that the DVR Director needs to evaluate the staff resources and dollars being expended for the percentage of clientele involved in this particular program.

Sincerely,

Karen Williams, Review Team
Chairman

KW/gaf

? Who wrote when, where, promulgated?

STATEMENT OF FINDINGS AND POLICY ON

RULES AND REGULATIONS FOR THE VENDING FACILITY PROGRAM

FOR THE BLIND OF ALASKA

The Board of Education has reviewed proposed rules which the Division of Vocational Rehabilitation has submitted for promulgation. The Board is also aware that the Alaska Committee of Blind Vendors has expressed concern over lack of participation in the development of these proposed rules.

We are mindful of the Randolph-Sheppard Act and regulations of the United States Department of Education which require "active participation" by the state committee of blind vendors in policy development and in certain aspects of administration of the vending facility program for the blind. The Board is concerned that "active participation" by the state committee of blind vendors has not developed in Alaska in the manner called for in the federal act and regulations.

It is particularly appropriate that there be substantial involvement by the vendors' committee in writing and submitting rules for approval by this Board. Our review of documents and statements submitted by the parties involved to date indicates that "active participation" by the vendors' committee has not occurred to a sufficient degree thus far in the process of preparing these rules for promulgation. Accordingly, the Board hereby adopts the following statement of policy:

(1) The Division of Vocational Rehabilitation and the Committee of Blind Vendors should resolve existing differences over regulatory provisions for the vending facility program and submit an agreed upon set of rules to the Board of Education for consideration and approval.

(2) The process of "active participation" by which an agreement between the Division and the Committee is to be reached shall be governed by the following ground rules:

(a) The Division and the Committee agree that two representatives designated by each will meet for as much time as is necessary to resolve differences in program regulations drafted by the Division as opposed to those proposed by the Committee. The time and place of such meeting will be established by mutual agreement of the parties involved,with at least three weeks notice.

(b) The representatives of the Division and Committee do not have the power to bind either party to any position agreed upon, however, the representatives are instructed by the Division and the Committee to negotiate a package agreeable to them. Once this has been done and an agreement has been signed, the representatives shall recommend the package for acceptance by the entire Committee of blind vendors and responsible Division personnel.

(c) Once the package is negotiated, there shall be a report attesting to the agreement reached by the representatives of the Division and the Committee and bearing the signatures of at least one Division representative and one Committee representative. A copy of the agreed upon regulations, which the representatives have jointly agreed to propose, and a copy of any other agreed upon documents related there-to shall be attached to the signed report.

(d) The Division and the Committee shall be each entitled to designate one advisor to provide legal interpretation and otherwise to assist in reconciling the difference of the parties. The names of the representatives and advisors (if designated) shall be exchanged in writing no later than three weeks in advance of the scheduled date agreed upon for the negotiations.

(3) It is the position of the Board that the regulations to be developed should govern a single, unified vending facility program for the blind, covering all blind vendors in the state, regardless of whether a given vending facility is located on federal, state, or private property. In adopting this policy, the Board recognizes the Alaska statute authorizing the establishment of vending facilities to be operated by the severely handicapped. However, the Board believes that this program can best be implemented outside of the context of the blind vending program regulations which are governed by Federal requirements in many respects.

Section
300. Scope of Regulations
310. Prerequisites for Training of Vending Facility Managers
320. Training of Vending Facility Managers
330. Certification of Trained Vending Facility Managers
340. Licensing of Certified Vending Facility Managers
350. Reimbursement
360. Continuing Education
370. Responsibilities of a Licensee
380. Vending Facility Staffing
390. Establishment of Vending Facility Locations
400. Equipment, Fixtures and Initial Stock
410. Repair and Replacement of Equipment and Fixtures
420. Termination of Business
430. Distribution and Use of Vending Machine Income
440. Income and Set-Aside Funds
450. Access to Program and Financial Information
460. Revocation of Licenses
470. Administrative Review
480. Evidentiary Hearing

4 AAC 54.300. SCOPE OF REGULATIONS. Sections of this chapter apply to the Randolph-Sheppard Vending Facility Program (P.L. 83-565 as amended) administered by the Division of Vocational Rehabilitation and the state vending facility program established under AS 23.15.100 (b) and AS 23.15.130. (Eff. / / , Register)

Authority AS 23.15.020(c)
AS 23.15.100(b)(6)

COMMENT:

The scope of the regulations refers to the fact that these regulations are designed to operate 2 separate and distinct vending programs, one authorized by federal law and one authorized by state law, with the differences in the two outlined clearly.

4 AAC 54.310. PREREQUISITES FOR TRAINING OF VENDING FACILITY MANAGERS. (a) The division will provide training in vending facility management to an applicant who meets the following requirements:

(1) The applicant has had no previous training as a vending facility manager; and

(2) for ~~placement in vending facilities~~ on federal property, the applicant is blind and a citizen of the United States; or

(3) for placement in vending facilities on state property, the applicant is blind or severely handicapped.

(b) The division may provide training in vending facility management to an applicant meeting the requirements of (a)(2) or (3) of this section.

(c) Unless waived by the director for good cause shown, the applicant shall:

(1) have had a complete physical examination within the preceeding six months, including an eye examination by an ophthalmologist or an optometrist if the applicant is blind;

(2) have completed a psychological evaluation within the preceeding six months showing that the applicant's personality and aptitude are ~~compatible~~ with management of a vending facility;

(3) have sufficient educational skills, knowledge, and capacity to benefit from on-the-job and formal training in the operation of a vending facility;

(4) be able to work an eight hour day, five days a week, based on the physical examination, psychological evaluation and work evaluation during placement in an actual vending facility setting for a minimum of thirty days; and

(5) ~~show evidence of good personal hygiene and grooming.~~ (Eff. ; Reg.

Authority AS 23.15.020(c)
AS 23.15.100(b)(6)

COMMENT:

Section (a)(2) and (a)(3) defines the differences in eligibility in the two programs.

Section (c) provides for specific diagnostic information to be gathered to insure the individual is capable of functioning as an independent business person. Physical stamina, mental ability and emotional stability are also requirements. This information is in line with standard diagnostic procedures for any individual receiving rehabilitation services and developing an appropriate vocational goal in line with his/her abilities, aptitudes, interests, and disability.

Section (c)(5) referring to personal hygiene has become increasingly important due the nature of the work in dealing with food and in dealing with the public. It has been a problem area in the past.

4 AAC 54.320. TRAINING OF VENDING FACILITY MANAGERS. (a) The division will determine the training necessary to prepare an applicant to operate as a manager of a vending facility on an individual basis. The training may include:

(1) personal and vocational adjustment;

(2) business management (e.g. customer relations, business mathematics, merchandising, inventory control, financial reporting, taxation and accounting procedures);

(3) food handling and preparation;

(4) books, tests, and other training devices or materials; and

(5) relocation out-of-state for temporary periods of time. (Eff. / / , Reg.)

Authority AS 23.15.020(c)
AS 23.15.100(b)(6)

COMMENT:

Federal law under Randolph-Sheppard (section 1369.11) requires the State Licensing Agency provide training in all aspects of vending facility operation. Lack of specific programs for the blind in this state have often required potential vendors be sent to approved programs out of state for the appropriate training. Efforts are made to provide adequate training in-state through local programs.

4 AAC 54.330. CERTIFICATION OF TRAINED VENDING FACILITY MANAGERS. (a) The division will certify an applicant for vending facilities on federal property who meets the requirements of 4 AAC 54.310(a)(2) and who has successfully completed the training program described in 4 AAC 54.320.

(b) The division will certify an applicant for vending facilities on state property who meets the requirements of 4 AAC 54.310(a)(3) and who has successfully completed the training program described in 4 AAC 54.320.

(c) An applicant who meets the requirements of 4 AAC 54.310(a)(2) and (3) and who has successfully completed the training program described in 4 AAC 54.320 shall be certified in both vending programs.

(d) A person who is certified in a vending program shall be enrolled on the vending program roster for placement in a vending facility as a substitute manager. (Eff. / / , Reg.)

Authority AS 23.15.020(c)
AS 23.15.100(b)(6)

COMMENT:

The certification process assures that the applicant meets all the eligibility criteria for the specific program. This is a requirement under 1369.7 of the federal regulations.

4 AAC 54.340. LICENSING OF CERTIFIED VENDING FACILITY MANAGERS. (a) The division will license a certified vending facility manager into a vending program when:

(1) a vending facility in that vending program is available for immediate placement; and

(2) the division and the eligible manager have entered into a written operating agreement.

(b) A temporary license is issued for an initial six month evaluation period. Following successful completion of the six month period, a permanent license will be issued. The license is for an indefinite time, is not transferable and is revocable. The license does not authorize the holder to operate a vending facility at a location other than that described in the license.

(c) The division will apply the following priorities in the order listed to select a certified vending vending facility manager for licensure:

(1) A current licensee who requests a new location. When more than one licensee requests promotion or transfer to another facility, the division will review each candidate based on seniority, training, and past performance;

(2) a certified vending facility manager who has demonstrated his ability to manage a facility. When more than one manager requests placement in a facility, the division will review each candidate based on seniority, evaluations by the the division staff and evaluation reports filed by licensees for whom the manager has worked;

(3) a former licensee who desires to return to a vending program and whose previous record demonstrates his ability as a licensee. The division will review each candidate based on training, experience, past performance and reason for leaving the vending program. (Eff. / / , Reg.)

Authority AS 23.15.020(c)
AS 23.15.100(b)(6)

COMMENT:

Section (a)(1) deals with placement in a specific location for licensing. Licensees are placed in individual stands based on a variety of factors with their level of expertise and experience being the most important. At the present time, all locations are small with no more than one employee; however,

a cafeteria has been a part of the program before and may be again, and the criteria for management of such a facility differs, requiring a wider variety of skills. Even with the small stands, differing business volume requires differing levels of bookkeeping and inventory control skills.

Section (b) implements a temporary license for six months, a new practice. This allows the individual and the state agency to work together for a period of six months while the individual becomes familiar with operating the stand, and provides for close division cooperation and supervision to assist with any problems. Should the temporary licensee not work out, he/she can be terminated at the end of six months; however, with the same rights and grievance procedures. Again, difficulties expressed by vendors in the first six months have indicated that this is the best time to work with a vendor, and problems not resolved in this time usually do not become resolved at a later time but tend to increase.

Section (c) allows criteria to be developed for transfer and promotion to different facilities or facilities which create greater income. Current licensees have first option on a new location. In most situations the licensee with the most seniority will have first option. Other evaluative criteria becomes important when a licensee experienced problems in areas such as bookkeeping, inventory control, etc., which would be exacerbated by a promotion to a larger facility.

The program is currently too small to justify keeping an elaborate seniority list as sometimes occurs in larger states.

4 AAC 54.350. REIMBURSEMENT. (a) The division shall pay the personal moving costs at rates afforded division employees for a licensee entering a vending program for the first time when the vending facility to which he is assigned is at least 50 miles from his present home.

(b) A current licensee selected for a new facility or a former licensee requesting re-entry into a vending program must pay his personal moving costs. (Eff. / / , Reg.)

Authority AS 23.15.020(c)
AS 23.15.100(b)(6)

COMMENT:

This has been standard practice throughout the vending stand program.

After consulting w/ Vendors Committee

4 AAC 54.360. CONTINUING EDUCATION. The division will provide appropriate in-service training and post-employment services for licensees to expand and improve their capacity for upward mobility within the program. (Eff. / / , Reg.)

Authority AS 23.15.020(c)
AS 23.15.100(b)(6)

COMMENT:

Section 1369.11 of the federal regulations addresses state agency responsibility to ensure that vendors reach their maximum vocational potential. Upward mobility within the program to increase earnings is an integral part of the program. It is seen as the state's responsibility to work with vendors to upgrade their vocational potential and hence their ability to move into larger income producing facilities.

4 AAC 54.370. RESPONSIBILITIES OF A LICENSEE. The responsibilities of a licensee include:

(1) operating the facility in accordance with laws relating to vending facilities, public health, taxes, compensation of employees, worker's compensation, insurance and civil rights; fire code

(2) maintaining business accounts and records separate from personal accounts;

(3) maintaining a commercial bank account in which all funds not required as cash on hand are deposited;

(4) making payment for all business expenses in a timely fashion;

(5) retaining receipts for goods and services bought for the business;

(6) submitting reports to the division as the division requires;

(7) obtaining and maintaining personal and property damage liability insurance, naming the State of Alaska as an additional insuree, with limits of $100,000 for each person and $300,000 for each occurance, and insurance against loss by fire or other hazard of the vending facility property;

~~(8) maintaining high standards of personal appearance and conduct;~~

st. not to fail vague

(9) maintaining the vending facility in clean and orderly condition. (Eff. / / , Reg.)

Authority AS 23.15.020(c)
AS 23.15.100(b)(6)

COMMENTS:

The obligations outlined here represent a combination of responsibilities found in the vendor agreement, in federal law and developed as a result of past agency experience. This section is very specific and does not deal in requirements which are vague and open to dispute, which makes it more readily understandable. These responsibilities will also assist each licensee in operating the facility in a legal and business-like manner. Past experience with this program has indicated that in every area listed, there have been problems. This specificity will provide the individuals in the program the guidelines they need and will also provide the regulative backing needed to appropriately manage the program.

4 AAC 54.380. VENDING FACILITY STAFFING. (a) A vending facility operator shall personally operate the facility unless the division has assigned an assistant manager, a temporary relief manager or a substitute vacation manager to the vending facility.

(b) The vending facility operator must submit to the division a request for a temporary relief manager or substitute vacation manager as far in advance as is possible for the time for which the relief or substitute vacation manager is needed. Except for good cause, advance requests for substitute vacation managers must be submitted at least thirty (30) days before the proposed vacation. (Eff. / / , Reg.)

Authority AS 23.15.020(c)
AS 23.15.100(b)(6)

COMMENT:

Section (a), is placed in the regulations because the purpose of this program is to provide direct employment to visually impaired and severely handicapped individuals. Once again, past experience has revealed this to be a problem with vendors at times hiring long term substitute managers without division knowledge or approval.

Section (b) requests advance notification for vacation managers so that vacation pay may be made available to the vendor in a timely fashion. It also allows time for the substitute manager to become familiar with the business.

4 AAC 54.390. ESTABLISHMENT OF VENDING FACILITY LOCATIONS. (a) In deciding to establish vending facility locations on federal property, in state buildings, and in private buildings where vending facilities are permitted by the owner, the division will apply the following criteria:

(1) The building in which the vending facility is to be located must either house at least 250 employees on a daily basis or evidence foot traffic through it of at least 400 persons daily;

(2) at least 250 square feel of floor space must be available for the vending facility;

(3) adequate utility outlets or hookups must be available; and

(4) a permit or authorization to establish a vending facility in the building must be obtainable. (Eff. / / , Reg.)

Authority AS 23.15.020(c)
As 23.15.100(b)(6)

COMMENT:

Guidelines used here come from federal recommendations and are considered a minimum to ensure that a livable income will be earned. In addition, every effort is made to obtain marketing surveys aimed at determining potential income in a facility.

4 AAC 54.400. EQUIPMENT, FIXTURES, AND INITIAL STOCK. (a) The division will provide architectural services, equipment, fixtures, initial supplies and inventory, and initial operating funds, as it considers necessary, for each vending facility the division establishes in federal or state public buildings.

(b) All rights, title, and interest in the equipment, fixtures, initial inventory, and initial operating funds remain vested in the division.

(c) A licensee shall not acquire on his own or make additions to or reductions in equipment provided to the facility by the division without the prior written approval of the division. (Eff. / / , Reg.)

Authority AS 23.15.020(c)
AS 23.15.100(b)(1)

COMMENT:

It should be noted that federal law allows for the possibility of vendor ownership of fixtures and equipment. In those situations the vendor purchases

the fixtures and equipment from the state agency and would then sell back the same fixtures and equipment when he leaves the vending stand. This is an option not taken by many state agencies. Upon consideration, it was felt with the small number of stands combined with the high turn over and movement within this program, that vested ownership by individual vendors would require more staff time and agency money than could be justified in selling and buying back equipment. (One facility alone has had three vendors in the past two years due to movement out of state and death). Since the state would maintain first option to purchase equipment, the vendor owner would not have the flexibility to sell the equipment as might be assumed.

A vendor may purchase his own equipment in addition to the equipment purchased by the state. In those instances, equipment is his/her and may be sold at the termination of the business.

4 AAC 54.410. REPAIR AND REPLACEMENT OF EQUIPMENT AND FIXTURES. (a) The division will maintain all vending equipment and will replace worn out or obsolete equipment as required. A licensee shall take reasonable care of equipment and give routine day-to-day maintenance of that equipment.

(b) the division will pay the entire cost of repair during:

(1) the first six months of operation of a facility (new licensee or new facility);

(2) the first three months of operation for equipment transferred from one facility to another; and

(3) the first thirty days for equipment in a facility to which a licensee has been transferred or promoted from another facility.

(c) After the lapse ~~of time set forth~~ in 4 AAC 54.410(b), the licensee shall pay the first $50 of repair costs where the division has first authorized the repair. Unauthorized repairs are the sole responsibility of the licensee unless the repairs were necessary to avoid the loss of life or property.

→ ? theft insurance !

(d) Vending facility operators are responsible for reporting, at the first opportunity, all incidents of damage, breakage, theft or malfunction of facility equipment or fixtures to the division. (Eff. / / , Reg.)

Authority AS 23.15.020(c)
AS 23.15.100(b)(6)

COMMENT:

Surveys were taken of other state programs and found this repair and replacement schedule comparable to similar procedures in western states.

Section (c) gives the vendor responsibility to pay the first fifty dollars of repair cost. It is considered that these are small businesses operated by vendors in an independent fashion and that they should participate in the cost of operating the business.

4 AAC 54.420. TERMINATION OF BUSINESS. (a) A licensee who discontinues operation of a vending facility is responsible for the financial liabilities incurred in operating the facility. If the wholesale value of saleable merchandise, cash on hand and the facility account is greater than the value of the original inventory and cash provided the facility by the division, the division will reimburse the licensee for the excess, less any unpaid bills or other liabilities. If the wholesale value of saleable merchandise, cash on hand and the facility account is less than the value of the original inventory and cash provided the facility by the division, the licensee shall pay the division the balance.

(b) When a licensee discontinues operation of a vending facility, the licensee and the division shall conduct an inventory to ensure the equipment, fixtures, and initial inventory the division provided are accounted for an in operable condition. (Eff. / / , Reg.)

Authority AS 23.15.010(c)

COMMENT:

Section (b) was developed with input from the vendor committee to include the licensee in conducting the closing inventory. This results in the closing inventory being taken on a joint basis, which satisfies both the interest of the individual operator and the state agency, and assures that the inventory has been conducted in a responsible and accurate manner.

4 AAC 54.430. DISTRIBUTION AND USE OF VENDING MACHINE INCOME. (a) The net proceeds from vending machines operated by private persons in state or federal buildings for profit must be paid into the Small Business Enterprise Fund on a quarterly basis. Income derived from vending machines in federally owned or leased buildings will be held and accounted for separately from any income from vending machines in state owned or leased buildings and will be expended only to assist licensees on federal property.

(b) If a vending machine is in direct competition with a licensee in the same building, the net proceeds from the machine accrue to the licensee in an amount not to exceed the lesser of:

(1) the average net income of all licensees within the state, determined each fiscal year on the basis of the prior year's operation; or

(2) an amount equal to the average net income of all blind vending facility operators in the United States, determined on the basis of the prior year's operation.

(c) This section does not apply to income from a vending machine which is part of a vending facility operated by a licensee.

(d) The division will retain the net proceeds from vending machines not in direct competition with a licensed vending facility and net proceeds exceeding the requirements of 4 AAC 54.430(b). The division will use the proceeds to aid licensees for:

(1) vacation time, health insurance plans, retirement, and pension plans;

(2) maintenance of equipment;

(3) purchase of new or replacement equipment;

(4) management and consultative services;

(5) assuring a fair minimum return to beginning licensees; and

(6) defraying, in part or total, the cost of constructing new vending facilites.

(e) Use of the net proceeds committed by the division to benefits described in 4 AAC 54.430(d)(1) will be determined by a majority of licensees on a biennial basis. (Eff. / / , Reg.)

Authority AS 23.15.020(c)
AS 23.15.100(b)(c)

COMMENT:

This entire section is in compliance with section 1369.8 of the federal law, with the state program also based on that section. The Division of General Services & Supply has worked with the Division of Vocational Rehabilitation to place contracts for vending machines in all state buildings. That money is maintained in a separate account and is used to provide all current benefits to vendors including annual leave for 15 days, health insurance and an IRA account. It is also used to purchase and repair equipment and for management and consultative services including training. These funds are also utilized for the development of new vending locations.

Section (e) discusses decisions concerning uses of these monies with vendors outlining priorities for expenditures from the Small Business Enterprise Fund. Monies from state buildings and federal buildings are kept in separate accounts because federal funds a may not be commingled with state funds or used on state locations without affecting the state program, which by law allows severely handicapped as well as blind to participate.

Should federal funds be commingled with state funds, the vending stand program would then fall totally under the direction of federal law and therefore would require that all vendors be blind.

4 AAC 54.440. INCOME AND SET-ASIDE FUNDS. (a) the monthly income of a licensee is the net profit of the vending facility for the month.

(b) The division will augment the income of a licensee up to the state minimum wage when the licensee's income is below the state minimum wage and:

(1) the licensee has been licensed six months or less; or

(2) the vending facility has been in operation for six months or less.

(c) The division will establish a set-aside fund from the net profits of the vending facilities to carry out programs under 430 (d)(1) when revenues from (a) are insufficient only after majority vote of licensees.

(d) If the division establishes a set-aside fund, it will set forth in writing the assessment for each vending facility and, in the case of vending facilities on federal property, will submit the set-aside plan to the Commissioner of Rehabilitation Services for his review and approval as required under 34 CFR 395.3(a)(11)(IV).

(e) Set-aside revenues from vending facilities on federal property will be accounted for separately from those derived from vending facilities on state property, and will be expended in accordance with 4 AAC 54.430(e)(1) - (5) to assist only licensees on federal property. (Eff. / / , Reg.)

Authority AS 23.15.020(c)
AS 23.15.100(b)(6)

COMMENT:

The authority for set-aside is based on section 1369.9 of the federal regulations. The federal regulations give the state licensing agency the authority to create a set-aside fund from the net proceeds of the operation of vending facilities for the purposes of management benefits, equipment repair and replacement so long as the committee of vendors participates.

Section (c) clearly outlines the requirement for a majority vote of vendors.

Section (e) once again accounts for separate accounting for set-aside revenues from state and federal property as was discussed above.

4 AAC 54.450. ACCESS TO PROGRAM AND FINANCIAL INFORMATION. The division will provide licensee access to all financial data respecting the vending programs and will prepare an annual financial report on the vending programs for distribution to licensees. (Eff. / / , Reg.)

Authority AS 23.15.020(c)
AS 23.15.100(b)(6)

COMMENT:

This section on access to program and financial information was added to be in compliance with federal regulations 1369.12 and in response to vendor request. All licensees are provided with program and financial information on an annual basis.

4 AAC 54.460. REVOCATION OF LICENSES. (a) A license is issued for an indefinite period of time but may be suspended or revoked after affording the licensee an opportunity for a hearing under 4 AAC 54 for the following reasons:

(1) In the case of facilities on federal property, the licensee experiences an improvement of vision so that the licensee is no longer blind, or, in the case of facilities operated on state property, the licensee experiences an improvement in the disabling condition so that the licensee is no longer blind or severely disabled;

(2) prolonged absences without approval from the division;

(3) extended illness (exceeding three months) with a documented medical diagnosis of prolonged incapacity to operate the vending facility in a manner consistent with the needs of the location, or other available locations in the vending facility program. This period may be extended by the director if adequate coverage of the facility can be arranged;

(4) a request by the management of the building in which the vending facility is located that the operator be moved for failure to comply with applicable building rules;

(5) operating the facility in a manner which endangers the division's investment in the facility;

(6) failure to pay a government agency, supplier, or creditor of any taxes or other amounts of money due;

(7) refusal to cooperate with the division or to abide by the terms of the written operating agreement;

(8) demonstrated incompetency in the operation of a vending facility;.

(9) submitting inaccurate or false reports on expenditures and income to the division; or

(10) failure to comply with the provisions of this chapter or with applicable health codes.

(b) Before taking action to revoke a license, the division may permit a licensee to continue operating the facility for a probationary period of up to six months to take corrective measures. (Eff. / / , Reg.)

Authority AS 23.15.010(c)
AS 23.15.100(b)(6)

COMMENT:

Section (a)(1) once again follows federal guidelines for federal property and deals with the improvement of a handicapping condition to the point that the individual no longer meets the criteria.

Section (a)(2-10) deals with specific problems the individual licensee experiences or has in the management of the facility which endanger the continuing success of that facility. There have been several specific instances of these violations which let to the development of these criteria for revocation, specifically (a)(2),(4),(5),(6), and (8).

Section (b) increases the probationary period from 3 to 6 months again due to experience, when an individual was not able to implement all the necessary corrective measures in a period of only 3 months. In those situations where an individual is sincere in their desire to succeed, but has difficulty in several areas of management at the same time, it is the intent to give that persom maximum time available to implement the necessary change.

4 AAC 54.470. ADMINISTRATIVE REVIEW. An administrative review is the procedure through which a licensee or his representative may seek review of an adverse division action arising from the administration of the vending facility program. The following procedures apply in the conduct of an administrative review.

(1) At the time of licensing, the division will inform the licensee in writing of his right to seek administrative review of adverse actions and the procedures to be followed in obtaining one.

(2) A licensee or his designee must request an administrative review within fifteen (15) working days of the action with which he is aggrieved.

(3) A written request for an administrative review stating the issues to be resolved must be transmitted to the director of the division personally or by certified mail with return receipt requested.

(4) The division will assign a member of its administrative staff who has not in any way participated in the agency action in question as review officer.

(5) The division shall conduct the review within fifteen (15) working days of the receipt by the division of the written request of the licensee. The division shall hold the review in the division office nearest the licensee during regular agency hours at a time convenient to the licensee.

(6) The division shall provide transportation and reader or other communication services to the vending facility operator when necessary.

(7) A record of the administrative review will be maintained for two years.

(8) When an informal administrative review does not resolve a dispute to the satisfaction of the licensee, the licensee may request an evidentiary hearing. (Eff. / / , Reg.)

Authority AS 23.15.020(c)
AS 23.15.100(b)(6)

COMMENT:

This section is based on federal regulation and standard division procedure for administrative review. Individuals in either the state or federal program have access to the same procedures.

4 AAC 54.480. EVIDENTIARY HEARING. The following procedures apply in the conduct of an evidentiary hearing:

(1) A licensee, or his designee, must request an evidentiary hearing within fifteen (15) working days of any administrative review decision he wishes to appeal;

(2) A written request for an evidentiary hearing stating the issues to be appealed must be transmitted to the director of the division personally or by certified mail with return receipt requested;

(3) A licensee may retain legal counsel or other representation at his own expense in an evidentiary hearing;

(4) The division will schedule the hearing within fifteen (15) working days of its receipt of the written request unless the division and the licensee agree in writing to another time. The division will hold the hearing in the division office nearest the vendor during regular agency hours at a time convenient to the licensee;

(5) The division will notify the licensee in writing of the time and place fixed for the hearing;

(6) The division will provide the licensee a copy of his case file at no charge;

(7) The division will provide transportation and reader or other communication services to the licensee if necessary;

(8) The hearing officer shall be an impartial official who has no involvement with the state agency action at issue or with the administration of the vending facility program. The hearing officer may be staff member of another agency or a state agency hearing officer;

(9) The licensee and the division may present oral or documentary evidence, submit rebuttal evidence, and conduct examination and cross examination of witnesses; under oath

(10) All papers and documents to be introduced into evidence at the hearing must be filed with the hearing officer and provided to the other party.

(11) A transcript may be made of the oral evidence at the discretion of the division. The division will pay all transcript costs and will provide the licensee with one copy of the transcript.

(12) The transcript of testimony, exhibits, and all papers and documents filed in the hearing shall constitute the exclusive record for the decision.

(13) The decision of the hearing officer shall set forth findings of fact and conclusions with respect to each of the issues. The decision shall be made within fifteen (15) working days of the hearing. The decision shall be mailed promptly to the vending facility operator and the division by certified mail return receipt requested.

(14) A licensee in the federal vending program who is dissatisfied with the decision rendered after an evidentiary hearing may request an Arbitration Panel be convened by filing a complaint with the Secretary fo the Department of Education under 34 CFR 295.13(a) within fifteen (15) working days of his receipt of the decision. A licensee in the state vending program may exercise his right to appeal under the Alaska Rules of Appellate Procedure. (Eff. / / , Reg.)

notify of appeal rights

Authority AS 23.15.020(c)
AS 23.15.100(b)(6)

COMMENT:

Again, this section is based on federal regulation with separate procedures being made available to a blind or severely handicapped individual in the state program. The Rehabilitation Services Administration has advised the state agency that a blind individual on state property is not considered to be a member of the federal Randolph-Sheppard program and therefore, does not have access to federal arbitration.

4 AAC 54.490 should be amended by adding the following paragraphs:

( ) "blind" means a person who, after examination by a physician skilled in the diseases of the eye or optometrist, has been determined to have not more than 20/200 central visual acuity in the better eye with correcting lenses, or an equally disabling loss of a visual field as evidenced by limitation of the field of vision in the better eye to such a degree that its widest diameter subtends an angle of no greater than 20 degrees;

( ) "set-aside fund" means those funds paid by licensees to the division from the net proceeds of the operation of each vending facility.

( ) "severely handicapped" means a person who meets the criteria of severe disability published in , (19 ed.);

( ) "vending program" means the state business enterprise program and the federal vending facility program for the blind established by the Randolph-Sheppard ACT (P.L. 83-565 as amended). (Eff. / / , Reg.)

Authority

C Pre-requisets for training —
#2 ng
(last 3 vendors no training before entrance)
#4
psybgical testing
#5 personal hygene (offence) Comment

Why did a blind person get singled out (?)
anyone could be dirty. Local authorities
control this.

C Certification — Implies a severly handicapped
could be put on federal property.

3- Responsibilities — Persons own decision
Vendors money Not DVR
5- Designating when to do whatever. Left out
when we have to change underwear?
8- Demeaning
9- Thats a law
Comment Discriminating
AAC 53.380 A NO WAY
Comment by Sandy —
B — NO WAY — My right to Independent
Business People have right to choose —
We need to trust them — We responsible

2

For money - DVR is not
Comment - Stick it in your ear base.
B - DVR doesn't know what Timely is.
DVR - vacation pay has not come in a timely manner.
Trainee Manager should not be allowed to take over the stand above the authority of the person selected by ~~Facilitation~~ Vendor.
C Post Office Mall ? sq. footage
Interrupted by Dennis Johnson + Deneace called
3 - Not adequate electrical hook-up \ Not enough Power
Comment Many stands under 250
Not living up to these own regulations. Then why aren't they followed.
In establishing a stand have outside private consultant (Not Agency) Business feasibility study for stands.
4 aac 54,400 A Funds not sufficient and not timely
B - No reductions but can make additions we suppose to be Independent Business
Comment - Again more control over Vendors over prospective income.

3.

That stand has had (7 people not 3).
Should have option to add ~~[illegible]~~ lighting to help increase profit.
Inconsistant agency wanted Vendors to buy vending Machines in Fed Bldg. Ands

54-400 Total contradiction in DWR Comments

410B-1 1 and 3 contradict.

Comment Are they now saying Vendors are Independent Businesses

54aac 420 Business Account. (Facility Acct) Belongs to Vendor + no business of agency. Please refer to comment Vendors are independent Businesses - Once again contradictory (INVASION OF PRIVACY.)

* Inventories producing value of inventory has at times exceeded 9 MONTHS.
Should be immediate.

comment 430 = Not to use for Training - They are given money RSA for vocational training
Any stand on state or public property purchased or any part purchased by Federal Monies automatically ~~should be~~ are Randolph Sheppard Funds.

~~440~~ ~~This is up to vendors + vendors alone~~
(NG) The agency will est - - -
may
This is the option of the vendors + is not clearly defined is objectionable when it says The agency will.
We didn't agree + didn't participate contradictory +
460 - We object needs to be changed Proof Supplied
7. Cooperate with division restrictive + not clear open to whom of Division
BNOT MAY — MUST or Shall
90 day probation not 6 months
Comments - Why on probation period why not upward mobility period.
470 4 ~~We object~~
4803 We object Believe maintain the Blind Vendors should be in Program alone thereby having Federal Arbitration Rights
490

4/1/82 - Nat'l Assn of the Blind

receive funds

— designated st state licensing agency

Randolph Sheppard Act

Committee of Blind Vendors

real problem

- Fed $

won't fly w/ Fed. P

— came about in 1978
certain amt. of time to comply

— Blind Vendors Committee
Don Luty - Pres.

1 annual meeting
mainly teleconf.

trouble w/ regulations

upset w/ regulations
- DUR - sunset
Com. Blind Vendors — sunset

wants to be under the Randolph Shephard Act
affects anyone
Fed $

cannot be together under Fed Law

Small Business Enterprise Program

stealing $
Probation

Man on Fed land

no fair hearing
90 - probation

Anne Marie Falvey

Nat'l Federation of the Blind
advocacy group
given le different set of regs.

no complaint w/ ombuds office

E Committee

want bill

— because can't comply w/ Fed. Law

Fed.

— too many people lobbying against it

— Blind smallest minority
— highest unemployed
— $500 average/mnth.
— least employable

1) Regulations Steve Prove

2)

Desigimated
state is not certify / Official
operating temporarily Vendors

1. Rts. no public

Procedures
came to negotiations
w/ mind closed

#

4/2/82 Nat. Ass'n of the Blind

- tendency to deal w/ handicapped like not real people
- test for VD ???
- attitude barriers / not possible to document
- DVR - few bad are at top
  Mike Morgan 8-9 yrs.
  background not Rehab -
  came in 9 yrs. ago -
  moved up thru the ranks
- Deputy Dir - Pat Young (coaching football team)
- agencies supposed to be tool for people not build an empire
- Commissioner of Education
- really need a mini - Randolph Sheppard Act
- Fed regs. objectional

Bd of Education,
Please don't pass regs
until agreed upon by vendors
Need to negotiate
~~7-0~~
7-0 vote to approve regs.

Vince Casey sd. he was told by
Council to pass regs.

— Need for it

Mini - Randolph / Sheppard
Act *

- no objection to leaving
severely handicapped in bill.
prefer two separate committe

Bob Bradley —
cite impaired —
only 14 people in AK
use is so small.

Mary Fenning
274-6623

MEMORANDUM State of Alaska

TO:
Senator Vic Fischer
Pouch V, M.S. 3100
Juneau, Alaska 99811

DATE: March 1, 1982

FILE NO:

TELEPHONE NO: 586-6500

SUBJECT: SB 778, "An act relating to the operation of vending facilities on public property by blind persons."

FROM:
Theda Mason-Smith
Division of Vocational Rehabilitation
Department of Education
Pouch F, M.S. #0581
Juneau, Alaska 99811

Per the request of your Administrative Assistant, the Division would like to see AS 23.15.100(b), remain as it is currently in effect, a law which allows the operation of vending facilities by blind and severely handicapped persons on state property. This law allows the program to remain open to both blind and severely handicapped people. We feel that any revision of the law is unnecessary at the present time. Thank you for your interest in the handicapped.

cc: Senator Pat Rodey
Senator Brad Bradley

TMS:lk

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

UNITED STATES DEPARTMENT OF EDUCATION
REGION X
1321 SECOND AVENUE
SEATTLE, WASHINGTON 98101

Rehabilitation Services
Administration

March 10, 1982

ROUTE TO	MCM	FPY	PS	G/A			FILE
INITIAL							

MAR 15 1982

REC'D DVR CENTRAL OFFICE

Michael Morgan, Director
Division of Vocational Rehabilitation
Pouch F, M/S 0581
Juneau, AK 99811

Dear Mr. Morgan:

The question was asked of our office: "Are vendors on State property eligible for Federal arbitration under the Randolph-Sheppard Act?" This question has to be considered in relationship to the fact that the State agency has been considering the separation of the State Business Enterprise Program for severely handicapped, authorized by State law, and the Randolph-Sheppard program for legally blind persons.

The Randolph-Sheppard Act discusses the program as facilities on Federal and other property. All vendors in the program must meet the eligibility criteria in the law, i.e., they must be legally blind. If the State operates a program for severely handicapped persons under the Alaska State law, the vendor may have a disability other than legal blindness.

The State may wish to designate some of its "other" locations as belonging to the Randolph-Sheppard program. In that case, the vendor must meet the criteria for participation in Randolph-Sheppard, i.e., be legally blind. In addition, that location must continue to be filled by persons who are legally blind, or any funds expended under the authority of the Randolph-Sheppard program for the establishment/maintenance of that location must be reimbursed to the R-S program. Following this explanation, then, if a vendor is in a designated R-S facility and meets Randolph-Sheppard eligibility criteria, the vendor is eligible for Federal arbitration under the R-S Act.

We hope this answers your question in adequate detail. If you have questions, please call on us for further clarification.

Sincerely,

Anthony S. DeSimone
RSA Regional Commissioner

MEMORANDUM

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF THE SECRETARY
Office of Human Development Services
Rehabilitation Services Administration

TO : Dr. Stephen J. Cornett
RSA Regional Program Director
Region IV

DATE: JAN 27 1980

RECEIVED
FEB 4 1980
HEW/OHDS/RSA

FROM : Commissioner of Rehabilitation Services

SUBJECT: Request for Policy Interpretation - (2520.00 PQ 217)
Randolph-Sheppard Vending Facility Program

This memo is in reply to an inquiry from the Tennessee Division of Services for the Blind concerning interpretation as to the meaning of "participation with" as found in 45 CFR 1369.14(b).

Section 1369.14(b) of the regulations provides that the State Committee of Blind Vendors shall:

(1) Actively participate with the State licensing agency in major administrative decisions and policy and program development decisions affecting the overall administration of the State's vending facility program;

(2) Receive and transmit to the State licensing agency grievances at the request of blind vendors and serve as advocates for such vendors in connection with such grievances;

(3) Actively participate with the State licensing agency in the development and administration of a State system for the transfer and promotion of blind vendors;

(4) Actively participate with the State licensing agency in the development of training and retraining programs for blind vendors; and

(5) Sponsor, with the assistance of the State licensing agency, meetings and instructional conferences for blind vendors within the State.

Certain other relevant sections of the regulations indicate those areas of activity in which it is expected that a State Committee of Blind Vendors would effectively and constructively participate with the State licensing agency in arriving

at significant administrative and policy decisions. These areas are:

1. Section 1369.7(c) which provides for active participation of the Committee with the State licensing agency to establish and maintain policies which govern the duties, supervision, transfer, promotion, and financial participation of the vendors; and

2. Section 1369.9(c) which also provides for participation of the Committee in setting out the method of determining the set-aside charge to be levied against the net proceeds of the vendors.

Blacks Law Dictionary revised fourth edition defines "participate" as follows:

"To receive or have a part or share of; to partake of; experience in common with others; to have or enjoy a part or share in common with others; partake; as to "participate in a discussion"; to take a part in".

State licensing agencies have flexibility in approaching the degree of participation by the Committee of Blind Vendors. However, the following should provide a more complete understanding of the parameters in this matter.

1. Active participation means more than a token advisory role. The Committee must be given opportunity to have meaningful input into the decision-making process in the formulation of program policies which affect them.

2. In order to assure the opportunity for effective and constructive participation, the Committee should be provided written information, whenever possible, on relevant matters to be considered prior to decision-making meetings.

3. The State licensing agency is charged with the ultimate responsibility for the administration and operation of all aspects of the vending facility program. If however, the agency does not adopt the views and positions of the Committee, it shall provide to the Committee in writing the reasons for the decision reached or the action taken.

We trust this information will be useful in advising the State agency.

Robert R. Humphreys

Office of Human Development Services
Rehabilitation Services Administration

FILE

JUL 27 1981

Dr. Stephen Cornett
RSA Regional Program Director

July 5, 1979

RECD DVR CENTRAL OFFICE

Commissioner of Rehabilitation Services

Policy Inquiry - The Participation of the Randolph-Sheppard Committee of Blind Vendors in the Administration of the Transfer and Promotion System (2520.00-PQ-129)

This memo is in response to an inquiry from the South Carolina Commisssion for the Blind concerning the role of the Committee of Blind Vendors in the development and administration of a State system for the transfer and promotion of blind vendors. Essentially, the State licensing agency is requesting clarification as to what degree the Committee of Blind Vendors should be included in an administrative role to comply with the requirement described in 45 CFR 1369.14(b)(3) that the Committee "actively participate with the State licensing agency in the development and administration of a State system for the transfer and promotion of blind vendors."

Basically, the State has flexibility in approaching this issue. The requirements are met when the Committee of Blind Vendors participates in the development of a system of transfer and promotion and insures that such system is properly and uniformly adhered to. This does not necessary include committee involvement in individual decisions regarding transfer and promotion.

If a State choses to follow this interpretaion of the meaning of administration of a State promotion and transfer system, which we believe to be the better interpretation, it forecloses possible problems in the areas of conflicting committee roles (see sections 1369.14(b)(2) and (b)(3)) and insures the confidentiality of information contained in the vendor's case file.

However, if the State licensing agency chooses to involve the Committee of Blind Vendors in individual decisions regarding transfer and promotion of vendors, it must insure that it does not in any way compromise the role of the Committee to receive and transmit to the State licensing agency grievances at the request of blind vendors and to serve as advocates for such vendors in connection with these grievances.

The State licensing agency shall further insure that the information used in the selection process for transfers and promotions does not violate applicable Federal and State laws regarding the disclosure of confidential information.

Robert R. Humphreys

CC: State Agency
RSA
BBVH

RDS/RSA/BBVH:CFreeman:RMelhoff:js 6/25/79

UNITED STATES GOVERNMENT DEPARTMENT OF HEALTH, EDUCATION, AND WELFA

REGION IV — ATLANTA

Memorandum

2520.00
Sachs / Wi...

TO : Robert R. Humphreys, Commissioner
Rehabilitation Services Administration

DATE: September 25, 1978

ATTN: Fred Winbeck

FROM : Stephen J. Cornett, Director
Office of Rehabilitation Services

REFER TO:

SUBJECT: Policy Inquiry - The Participation of the Randolph-Sheppard Committee of Blind Vendors in the Administration of the Transfer and Promotion System (2520.00-PG-124)

The Randolph-Sheppard Act and regulations require that the Committee of Blind Vendors "Actively participate with the State Licensing Agency in the development and administration of a State system for the transfer and promotion of blind vendors."

The development of policy is a natural consultative role of the Committee. Participation in the administration of a system implies a more directing and controlling role. In those State programs that employ a selection committee to fill vacancies, many State Committees feel that the least role would be a vote on the Committee. In those State programs where the E-P Director or the agency director is the sole decision-making authority, there seems little opportunity for Committee participation which has administrative character.

If Committees have administrative roles, there will likely be increased difficulty in maintaining the confidentiality of the vendor's case folder, especially where Committee members review the records of vendor applicants.

Will you assist us in specifying the Congressional intent in including the Committee of Blind Vendors in an administrative role with regard to the transfer and promotion system. We will appreciate your assistance very much.

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

IN THE SENATE BY BRADLEY, FISCHER AND RODEY

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 778

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to vocational rehabilitation programs providing for the operation of vending facilities on public property."

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

* Section 1. AS 23.15.100(a) is amended by adding new paragraphs to read:

(5) survey the potential for providing vending facilities on public property and, when feasible, establish vending facilities operated by blind or severely handicapped persons on public property;

(6) license blind persons in accordance with AS 23.15.133 for the operation of vending facilities on public property;

(7) provide the training and supervision necessary to enable blind persons to operate vending facilities;

(8) provide the vending equipment and initial stock necessary to enable blind persons to operate vending facilities.

* Sec. 2. AS 23.15.100(b)(5) is amended to read:

(5) license [BLIND AND] severely handicapped persons for the operation of vending facilities on public [FEDERAL] property [AND IN PUBLIC BUILDINGS], with blind persons (licensed under AS 23.15.100(a)(6)) having first priority for operation of the vending facilities;

* Sec. 3. AS 23.15.130(b) is amended to read:

(b) Receipts from the net proceeds of vending facilities on [IN] public property [BUILDINGS], other than vending facilities operated by a licensee, shall be paid into [TO] the fund.

* Sec. 4. AS 23.15 is amended by adding new sections to read:

Sec. 23.15.132. VENDING FACILITIES. (a) A vending facility may not be established on property of the state or a political subdivision of the state except as authorized by the commissioner of education.

(b) A vending facility authorized by the commissioner of education shall be selected and located after consulting with the persons responsible for the maintenance and operation of the property to be served by the vending facility. A contract for the operation of the vending facility by a person licensed under AS 23.15.100(a)(6) or 23.15.100(b)-(5) shall be executed by the agency and shall contain provisions insuring that the licensee shall charge reasonable prices and that the vending facility shall provide high quality merchendise and generate a fair profit.

Sec. 23.15.133. BLIND VENDORS' LICENSES. The agency shall issue a license for the operation of a vending facility on public property to a blind person who is a resident of the state and who qualifies for a license under the Randolph-Sheppard Act (20 U.S.C. sec. 107 - 107b, 107d - 107e, 107f) and regulations adopted by the agency and approved by the Committee of Blind Vendors. A license issued under this section does not expire. However, a license may be revoked by the agency if the agency finds that the licensed vendor is not operating the facility in accordance with regulations adopted by the agency.

Sec. 23.15.134. COMMITTEE OF BLIND VENDORS. (a) The Committee of Blind Vendors consisting of all persons licensed under AS 23.15.133 is established. The agency shall conduct a biennial election of a president, vice-president, secretary, and treasurer of the committee and may conduct elections to fill vacancies in office at any time.

(b) The commissioner of education shall assure active participation by the Committee of Blind Vendors in administrative, policy, and program development decisions concerning vending facilities operated by

blind licensed vendors. The agency shall, with active participation by the Committee of Blind Vendors,

(1) consider and respond to grievances of blind licensed vendors;

(2) develop and administer a statewide system for the transfer and promotion of blind licensed vendors;

(3) develop training and retraining programs for blind licensed vendors and blind persons interested in obtaining a license to operate a vending facility;

(4) organize meetings and conferences for blind vendors in the state;

(5) adopt regulations necessary to assure that vending facilities operated by blind licensed vendors are administered by the agency uniformly whether a vending facility is located on state or federal property.

* Sec. 5. AS 23.15.180 is amended by adding a new subsection to read:

(b) A blind person aggrieved by a decision or action of the agency under AS 23.15.133 or 23.15.134 shall receive a hearing on request in accordance with the Administrative Procedure Act (AS 44.62.330 - 44.62.630). The blind person may also file a complaint in accordance with 20 U.S.C. sec. 107d-1 for arbitration of the grievance.

* Sec. 6. AS 23.15.210(10) is amended to read:

(10) "licensee" means a blind or severely handicapped person licensed by the division of vocational rehabilitation under the Randolp Sheppard Act (20 U.S.C. sec. 107 - 107b, 107d - 107e, 107f), AS 23.15.100(a)(6), AS 23.15.100(b)(5), and [ANY] regulations adopted [ISSUED] under federal or state law [OR AS 23.15.100(b)(5)];

* Sec. 7. AS 23.15.210(11) is amended to read:

(11) "public property" [BUILDING"] means real or personal

property [ANY BUILDING] owned or leased by the state, or federal government, [OR] an agency of the state or federal government, or a political subdivision of the state or federal government [ANY SPACE LEASED BY THE STATE OR ANY AGENCY OF THE STATE, AND DESIGNATED BY THE DIVISION AS BEING APPROPRIATE FOR PARTICIPATION IN THE BUSINESS ENTERPRISE PROGRAM];

* Sec. 8. AS 23.15.210(12) is amended to read:

(12) "vending facility" means a [AN AUTOMATIC] vending machine, cafeteria, snack bar, shelter, cart, or counter where food, tobacco, newspapers, periodicals, and other articles [OR SUNDRIES] are offered for sale to the general public and dispensed automatically or manually whether prepared on or off the premises.

* Sec. 9. AS 23.15.210 is amended by adding a new paragraph to read:

(13) "active participation" means a substantive ongoing process of negotiations between the division of vocational rehabilitation and the Committee of Blind Vendors to achieve joint planning and approval of program policies, standards, and procedures affecting the operation of vending facilities by blind licensed vendors, with the commissioner of education having final administrative responsibility.

* Sec. 10. Notwithstanding AS 23.15.132 enacted in sec. 3 of this Act, a vending facility being operated on public property on the effective date of this Act may continue in operation until the contract under which the vending facility is being operated expires or is terminated. After the contract expires or is terminated, the vending facility shall cease to operate until the provisions of AS 23.15.132 are met.

Cook
4/5/82

Original sponsors: Bradley, Fischer and Rodey

IN THE SENATE BY THE STATE AFFAIRS COMMITTEE

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 778 (State Affairs)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to vocational rehabilitation programs providing for the operation of vending facilities on public property."

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

* Section 1. AS 23.15.100(a) is amended by adding new paragraphs to read:

(5) survey the potential for providing vending facilities on public property and, when feasible, establish vending facilities operated by blind or severely handicapped persons on public property;

(6) provide the training and supervision necessary to enable blind persons and severely handicapped persons to operate vending facilities;

(7) provide the vending equipment and initial stock necessary to enable blind persons and severely handicapped persons to operate vending facilities.

* Sec. 2. AS 23.15.100(b)(5) is amended to read:

(5) license blind <u>persons</u> and severely handicapped persons <u>in accordance with AS 23.15.133</u> for the operation of vending facilities on <u>public</u> [FEDERAL] property [AND IN PUBLIC BUILDINGS], with blind persons having first priority for operation of the vending facilities;

* Sec. 3. AS 23.15.130(b) is amended to read:

(b) Receipts from the net proceeds of vending facilities <u>on</u> [IN] public <u>property</u> [BUILDINGS], other than vending facilities operated by a licensee, shall be paid <u>into</u> [TO] the fund.

* Sec. 4. AS 23.15 is amended by adding new sections to read:

Sec. 23.15.132. VENDING FACILITIES. (a) A vending facility may not be established on property of the state or a political subdivision of the state except as authorized by the director.

(b) A vending facility authorized by the director shall be selected and located after consulting with the persons responsible for the maintenance and operation of the property to be served by the vending facility. A contract for the operation of the vending facility by a person licensed under AS 23.15.100(b)(5) shall be executed by the agency and shall contain provisions insuring that the licensee shall charge reasonable prices and that the vending facility shall provide high quality merchandise.

Sec. 23.15.133. VENDORS' LICENSES. The agency may issue a license for the operation of a vending facility on public property to a blind or severely handicapped person who is a resident of the state and who qualifies for a license under this chapter and regulations adopted by the agency. A license issued under this section does not expire. However, a license may be revoked by the agency if the agency finds that the licensed vendor is not operating the facility in accordance with regulations adopted by the agency.

Sec. 23.15.134. COMMITTEE OF VENDORS. (a) The Committee of Vendors consisting of all persons licensed under AS 23.15.100(b)(5) is established. The committee shall conduct a biennial election of a president, vice-president, secretary, and treasurer of the committee and may conduct elections to fill vacancies in office at any time.

(b) The director shall assure active participation by the Committee of Vendors in administrative, policy, and program development decisions concerning vending facilities operated by licensed vendors. The agency shall, with active participation by the Committee of Vendors in accordance with 20 U.S.C. 170b-1,

(1) consider and respond to grievances of licensed vendors;

(2) develop and administer a statewide system for the transfer and promotion of licensed vendors;

(3) develop training and retraining programs for licensed vendors and for blind persons and severely handicapped persons interested in obtaining a license to operate a vending facility;

(4) organize meetings and conferences for licensed vendors;

(5) adopt regulations necessary to assure that vending facilities operated by licensed vendors are administered by the agency uniformly whether a vending facility is located on state or federal property.

(c) To insure the opportunity for active participation in decisions that affect the administration of vending facilities operated by licensed vendors, the agency shall, before each meeting of the Committee of Vendors, provide the committee with written information on matters to be considered. The agency shall provide the committee with reasons in writing for decisions and actions of the agency that do not conform to recommendations submitted by the committee.

* Sec. 5. AS 23.15.210(11) is amended to read:

(11) "public property" [BUILDING"] means real or personal property [ANY BUILDING] owned or leased by the state, or federal government, [OR] an agency of the state or federal government, or a political subdivision of the state or federal government [ANY SPACE LEASED BY THE STATE OR ANY AGENCY OF THE STATE, AND DESIGNATED BY THE DIVISION AS BEING APPROPRIATE FOR PARTICIPATION IN THE BUSINESS ENTERPRISE PROGRAM];

* Sec. 6. AS 23.15.210(12) is amended to read:

(12) "vending facility" means a [AN AUTOMATIC] vending machine, cafeteria, snack bar, shelter, cart, or counter where food, tobacco, newspapers, periodicals, and other articles [OR SUNDRIES] are offered

for sale and dispensed automatically or manually whether prepared on or off the premises.

* Sec. 7. AS 23.15.210 is amended by adding a new paragraph to read:

(13) "active participation" means a process that is ~~more than an advisory role~~ through which the Committee of Vendors is provided the opportunity to ~~substantially~~ influence program policies, standards, and procedures affecting the operation of vending facilities by licensed vendors.

* Sec. 8. Notwithstanding AS 23.15.132 enacted in sec. 3 of this Act, a vending facility being operated on public property on the effective date of this Act may continue in operation until the contract under which the vending facility is being operated expires or is terminated. After the contract expires or is terminated, the vending facility shall cease to operate until the provisions of AS 23.15.132 are met.

IN THE SENATE BY BRADLEY, FISCHER AND RODEY

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 778

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to *(the licensing of blind persons to operate vending facilities on public property and to the operation of such vending facilities by the blind.)*"

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

* Section 1. AS 23.15.100(a) is amended by adding new paragraphs to read:

(5) (a) survey the potential for providing vending facilities on public property;

(b) when feasible, establish vending facilities operated by blind or severely handicapped persons on public property; and

(c) *(designate on an individual basis classification of each vending facility as a vending facility to be operated by blind persons licensed under AS 23.15.133 or severely handicapped persons licensed under AS 23.15.100 (b)(5). Vending facilities on federal property shall only be classified as vending facilities to be operated by blind licensees. The classification designated for any vending facility at the time of its original establishment shall remain in effect unless it is determined that the vending facility must be reclassified in order to avoid its closing. In designating the classification of any vending facility upon its original establishment, the commissioner shall give first priority to classifying such vending facility as a vending facility to be operated by licensed blind persons, unless at the time of the establishment of such vending facility a licensed blind person is unavailable for assignment to the vending facility;)*

(6) license blind persons in accordance with 23.15.133 for the operation of vending facilities on public property; *(and license severely handicapped persons for the operation of such vending facilities in accordance with AS 23.15.100(b)(5);)*

(7) provide the training and supervision necessary to enable *(licensees)* to operate vending facilities;

(8) provide the vending equipment and initial stock necessary to enable *(licensees)* to operate vending facilities.

* Sec. 2. AS 23.15.100(b)(5) is amended to read:

(5) license [BLIND AND] severely handicapped persons for the operation of vending facilities on public [FEDERAL] property [AND IN PUBLIC BUILDINGS], *([WITH BLIND PERSONS HAVING FIRST PRIORITY FOR OPERATION OF THE VENDING FACILITIES;])*

* Sec. 3. AS 23.15.130(b) is amended to read:

(b) Receipts from the net proceeds of vending facilities on [IN] public property [BUILDINGS], other than vending facilities operated by a licensee, shall be paid into [TO] the fund.

* Sec. 4. AS 23.15 is amended by adding new sections to read:

Sec. 23.15.132. VENDING FACILITIES. (a) *(Whenever a vending facility is to be established or operated on public property, the agency of the state or any political subdivision of the state desiring to establish or operate such vending facility must first attempt to negotiate an agreement with the commissioner of education for the vending facility to be established and operated by a person licensed under AS 23.15.133 or AS 23.15.100(b)(5). No agency of the state or any political subdivision of the state may arrange for the establishment or operation of any vending facility on public property unless and until such agency determines that the commissioner of education is unwilling or unable to provide for the establishment and operation of a vending facility pursuant to the preceding sentence.)*

(b) A vending facility authorized by the commissioner of education shall be selected and located after consulting with the persons responsible for the maintenance and operation of the property to be served by the vending facility. A contract for the operation of the vending facility by a person licensed under*(AS 23.15.133)* or 23.15.100(b)(5) shall be executed by the agency and shall contain provisions insuring that the licensee shall charge reasonable prices and that the vending facility shall provide high quality merchandise [AND GENERATE A FAIR PROFIT].

*((c) In authorizing the operation of vending facilities on any public property, the commissioner of education shall give first priority to any person licensed under AS 23.15.133, provided that the vending facility has first been classified as a vending facility to be operated by a licensed blind person. In the event that a previously existing vending facility has been classified

as a vending facility to be operated by severely handicapped persons under AS 23.15.100(b)(5), the commissioner shall give first priority to a licensed severely handicapped person qualified to operate the vending facility.)*

Sec. 23.15.133. BLIND VENDORS' LICENSES. The agency shall issue a license for the operation of a vending facility on public property to a blind person who is a resident of the state and who qualifies for a license under the Randolph-Sheppard Act (20 U.S.C. sec. 107 - 107b, 107d - 107e, 107f) and regulations adopted by the agency and approved by the Committee of Blind Vendors. A license issued under this section does not expire. However, a license may be revoked by the agency if, *(after affording the vendor an opportunity for an appeal in accordance with AS 23.15.180,)* the agency finds that the licensed vendor is not operating the facility in accordance with regulations adopted *(pursuant to AS 23.15.134.)*

Sec. 23.15.134. BLIND VENDORS' COMMITTEE. (a) The Committee of Blind Vendors consisting of all persons licensed under AS 23.15.133 is established *(in accordance with 20 U.S.C. sec. 107 - ~~107b, 107d-107e, 107f.~~)* The committee shall conduct a biennial election of a president, vice-president, secretary, and treasurer (OF THE COMMITTEE) and may conduct elections to fill vacancies in office at any time.

(b) The commissioner of education shall assure active participation by the Committee of Blind Vendors in administrative, policy, and program development decisions concerning vending facilities operated by blind licensed vendors. The agency shall, with active participation by the Committee of Blind Vendors,

(1) consider and respond to grievances of blind licensed vendors;

(2) develop and administer a statewide system for the transfer and promotion of blind licensed vendors;

(3) develop training and retraining programs for blind licensed vendors and blind persons interested in obtaining a license to operate a vending facility;

(4) organize meetings and conferences for blind vendors in the state;

(5) adopt regulations necessary to *(insure uniform admininstration of the vending facilities program for all persons licensed under AS 23.15.133,

and such regulations shall apply uniformly to vending facilities operated by blind licensees on federal as well as other public property.)*

* Sec. 5. AS 23.15.180 is amended by adding a new subsection to read:

(b) A blind person aggrieved by any decision or action of the agency *(in the operation or administration of the vending facility program)* shall receive a hearing on request in accordance with the Administrative Procedure Act (AS 44.62.330 - 44.62.630). The blind person may also file a complaint in accordance with 20 U.S.C. sec. 107d-1 for arbitration of the grievance.

* Sec. 6. AS 23.15.210(10) is amended to read:

(10) "licensee" means a blind or severely handicapped person licensed by the division of vocational rehabilitation under the Randolph-Sheppard Act (20 U.S.C. sec. 107 -107b, 107d - 107e, 107f), *(AS 23.15.133)*, AS 23.15.100(b)(5), and (ANY) regulations adopted (ISSUED) under federal or state law (OR AS 23.15.100(b)(5)).

* Sec. 7. AS 23.15.210(11) is amended to read:

(11) "public property" (BUILDING) means real or personal property (ANY BUILDING) owned or leased by the state, or federal government, (OR) an agency of the state or federal government, or a political subdivision of the state or federal government (ANY SPACE LEASED BY THE STATE OR ANY AGENCY OF THE THE STATE, AND DESIGNATED BY THE DIVISION AS BEING APPROPRIATE FOR PARTICIPATION IN THE BUSINESS ENTERPRISE PROGRAM);

* Sec. 8. AS 23.15.210(12) is amended to read:

(12) "vending facility" means a (AN AUTOMATIC) vending machine, cafeteria, snack bar, shelter, cart, or counter where food, tobacco, newspapers, periodicals, and other articles (OR SUNDRIES) are offered for sale and dispensed automatically or manually whether prepared on or off the premises.

* Sec. 9. AS 23.15.210 is amended by adding a new paragraph to read:

(13) "active participation" means a substantive ongoing process of negotiations between the division of vocational rehabilitation and the Committee of Blind Vendors to achieve joint planning and approval of program policies, standards, and procedures affecting the operation of vending facilities by blind licensed vendors, with the commissioner of education having final administrative responsibility.

* Sec. 10. Notwithstanding AS 23.15.132 enacted in sec. 3 of this Act, a vending facility being operated on public property on the effective date of this Act may continue in operation until the contract under which the vending facility is being operated expires or is terminated. After the contract expires or is terminated, the vending facility shall cease to operate until the provisions of AS 23.15.132 are met.

Introduced: 3/29/82
Referred: State Affairs

IN THE SENATE BY BRADLEY, FISCHER AND RODEY

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 778

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to vocational rehabilitation programs providing for the operation of vending facilities on public property."

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

* Section 1. AS 23.15.100(a) is amended by adding new paragraphs to read:

(5) survey the potential for providing vending facilities on public property and, when feasible, establish vending facilities operated by blind or severely handicapped persons on public property;

~~(6) license blind persons in accordance with AS 23.15.133 for the operation of vending facilities on public property;~~

(6) provide the training and supervision necessary to enable blind persons to operate vending facilities;

(7) provide the vending equipment and initial stock necessary to enable blind persons to operate vending facilities.

* Sec. 2. AS 23.15.100(b)(5) is amended to read:

(5) license [BLIND AND] severely handicapped persons for the operation of vending facilities on public [FEDERAL] property [AND IN PUBLIC BUILDINGS], with blind persons having first priority for operation of the vending facilities;

* Sec. 3. AS 23.15.130(b) is amended to read:

(b) Receipts from the net proceeds of vending facilities on [IN] public property [BUILDINGS], other than vending facilities operated by a licensee, shall be paid into [TO] the fund.

* Sec. 4. AS 23.15 is amended by adding new sections to read:

ask Kind

Sec. 4 is adding new sections

Sec. 23.15.132. VENDING FACILITIES. (a) A vending facility may not be established on property of the state or a political subdivision of the state except as authorized by the commissioner of education.

(b) A vending facility authorized by the commissioner of education shall be selected and located after consulting with the persons responsible for the maintenance and operation of the property to be served by the vending facility. A contract for the operation of the vending facility by a person licensed under ~~AS 23.15.100(a)(6) or~~ 23.15.100(b)-(5) shall be executed by the agency, and shall contain provisions insuring that the licensee shall charge reasonable prices and that the vending facility shall provide high quality merchandise ~~and generate a fair profit.~~

Sec. 23.15.133. ~~BLIND~~ VENDORS' LICENSES. The agency shall issue a license for the operation of a vending facility on public property to a blind person or severely handicapped who is a resident of the state ~~and who qualifies for a license under the Randolph-Sheppard Act (20 U.S.C. sec. 107 - 107b, 107d - 107e, 107f)~~ and regulations adopted by the agency. ~~and approved by the Committee of Blind Vendors.~~ A license issued under this section does not expire. However, a license may be revoked by the agency if the agency finds that the licensed vendor is not operating the facility in accordance with regulations adopted by the agency.

advisory body

Sec. 23.15.134. COMMITTEE OF ~~BLIND~~ VENDORS. (a) The Committee of Blind Vendors consisting of all persons licensed under AS 23.15.133 is established. The committee shall ~~agency shall conduct a biennial election of a president, vice-president, secretary, and treasurer of the committee and may conduct elections to fill vacancies in office at any time.~~

(b) The commissioner of education shall assure active participation by the Committee of Blind Vendors in administrative, policy, and program development decisions concerning vending facilities operated by

blind licensed vendors. The agency shall, with active participation by the Committee of Blind Vendors,

(1) consider and respond to grievances of blind licensed vendors;

(2) develop and administer a statewide system for the transfer and promotion of blind licensed vendors;

(3) develop training and retraining programs for blind licensed vendors and blind persons interested in obtaining a license to operate a vending facility;

(4) organize meetings and conferences for blind vendors in the state;

(5) adopt regulations necessary to assure that vending facilities operated by blind licensed vendors are administered by the agency uniformly ~~whether a vending facility is located on state or federal property.~~ to the extent permitted by state & fed statute

* Sec. 6. AS 23.15.180 is amended by adding a new subsection to read:

(b) A blind person aggrieved by a decision or action of the agency under AS 23.15.133 or 23.15.134 shall receive a hearing on request in accordance with the Administrative Procedure Act (AS 44.62.330 - 44.62.630). The blind person may also file a complaint in accordance with 20 U.S.C. sec. 107d-1 for arbitration of the grievance under operating Fed stand

* Sec. 5. AS 23.15.210(10) is amended to read:

(10) "licensee" means a blind or severely handicapped person licensed by the division of vocational rehabilitation under the Randolph-Sheppard Act (20 U.S.C. sec. 107 - 107b, 107d - 107e, 107f), AS 23.15.100(a)(6), AS 23.15.100(b)(5), and [ANY] regulations adopted [ISSUED] under federal or state law [OR AS 23.15.100(b)(5)];

* Sec. 7. AS 23.15.210(11) is amended to read:

(11) "public property" [BUILDING"] means real or personal

property [ANY BUILDING] owned or leased by the state, or federal government, [OR] an agency of the state or federal government, or a political subdivision of the state or federal government [ANY SPACE LEASED BY THE STATE OR ANY AGENCY OF THE STATE, AND DESIGNATED BY THE DIVISION AS BEING APPROPRIATE FOR PARTICIPATION IN THE BUSINESS ENTERPRISE PROGRAM];

* Sec. 8. AS 23.15.210(12) is amended to read:

(12) "vending facility" means a [AN AUTOMATIC] vending machine, cafeteria, snack bar, shelter, cart, or counter where food, tobacco, ~~newspapers, periodicals, and other articles~~ [OR SUNDRIES] are offered for sale and dispensed automatically or manually whether prepared on or off the premises.

* Sec. 9. AS 23.15.210 is amended by adding a new paragraph to read:

(13) "active participation" means a substantive ongoing process of negotiations between the division of vocational rehabilitation and the Committee of Blind Vendors to achieve joint planning and approval of program policies, standards, and procedures affecting the operation of vending facilities by blind licensed vendors, with the commissioner of education having final administrative responsibility.

* Sec. 10. Notwithstanding AS 23.15.132 enacted in sec. 3 of this Act, a vending facility being operated on public property on the effective date of this Act may continue in operation until the contract under which the vending facility is being operated expires or is terminated. After the contract expires or is terminated, the vending facility shall cease to operate until the provisions of AS 23.15.132 are met.

BRIEFING PAPER

For Members of the Alaska State Legislature,
Twelfth Legislature-Second Session

From The National Federation of the Blind of Alaska
Sandy Sanderson, President
242 E. 5th Ave. Anchorage, Alaska 99501

Re; SPONSORED SUBSTITUTE FOR SENATE BILL NO. 778

Background: A program to encourage and enable blind persons to become self-supporting through the operation of vending facilities on public property was first established by an act of Congress in 1936, referred to as the Randolph-Sheppard Act. All states cooperate today in providing such business opportunities to the blind.

The vending facilities range from small candy, cigarette, and newspaper stands to large multi-service cafeterias. Approximately 4000 blind people operate such businesses in this nation-wide program. Six facilities are located in Alaska-four on federal property and two on sites owned by the State.

Regardless of location, the concept is the same, to help the blind achieve independence and self-support through the operation of small businesses. Consistant with this intent, the blind vendors are individual entrepreneurs, licensed by the State. Thus, management of the program should emphasize maximum personal independence for each blind vendor and seek to eliminate bureaucratic paternalism of the state licensing agency. In a report issued on October 9, 1981, the official advisory committee to the Alaska Division of Vocational Rehabilitation criticised the agency for excessive management control

and a paternalistic approach toward the blind vendors. SPONSORED SUBSTITUTE FOR SENATE BILL NO. 778 contains mechanisms to provide more independence and dignity for the blind while retaining a proper state licensing role.

Present Law: AS 23.15.100 (b) (5) authorizes the Division of Vocational Rehabilitation to issue licenses to blind and severely handicapped persons to operate vending facilities. This section also requires the Division to give a priority to blind persons in assigning vending facility locations. In this respect, the statute is consistant with the federal Randolph-Sheppard Act. The national program of vending facilities for the blind is governed largely by federal regulations, under which the Alaska Division of Vocational Rehabilitation is designated as the "State Licensing Agency." As such, the Division is responsible for supervising the vending facilities program under federal guidelines which are applicable to business enterprises located on federal and non-federal property. Financially the blind vending program is supported by federal funds matched by the state.

Need for additional State Legislation: Although the Randolph-Sheppard Act is very detailed in prescribing the conduct of the blind vendor program on federal property and assuring the priority for the blind, certain responsibilities are reserved to each state. Moreover, the priority for vending facilities to be operated by the blind on public property in each state must be secured by state law. The current Alaska Statute is deficient in several respects. As a result, the Division of Vocational Rehabilitation has filled this gap by exercising administrative disgression. This has led to

certain problems in implementing the blind vendor program, which now need to be addressed by the legislature in the form of SPONSORED SUBSTITUTE FOR SENATE BILL NO. 778.

Explanation of proposed legislation: The SPONSORED SUBSTITUTE FOR SENATE BILL NO. 778 is designed to update the Alaska Statute and to insure that certain requirements of the federal law are carried out within the State. For example, the bill establishes a requirement that vending facilities on public property in Alaska shall be made available for operation by the blind and severely handicapped, while retaining the priority of the present state law for the blind, It is important to note that the bill does not eliminate authority for the Division of Vocational Rehabilitation to license severely handicapped persons, other than blind persons, as vendors. As a practical matter, however, the Division has not licensed anyone other than blind persons to operate vending facilities in this program. This practice is also followed in other states and extends from the federal priority for the blind under the Randolph-Sheppard Act.

Among its other provisions, the bill requires the Division of Vocational Rehabilitation to furnish all necessary vending facility equipment and adequate, suitable, initial stocks of merchandise. This is included to enable new vending facilities to commence operation and to provide for program growth. In addition, increased revenue to meet these responsibilities will accrue to the division's vending facilities fund by means of payments from vending facilities on public property, other than those operated by blind or severely handicapped persons. The bill contains several features related to the establishment and operation of a State Committee of Blind Vendors. The Committee allows the blind vendors to participate in management

decisions as required by federal law. This management Committee for the vendors is especially critical in view of the intended emphasis on self-initiative and independence for the blind.

Thus, the purpose of a fully functioning Blind Vendors Committee is to reduce the possibility that the blind will be dominated by a paternalistic bureaucracy.

An important function of the Committee, along with the Division of Vocational Rehabilitation, is to develop and approve regulations which apply uniformly to each blind vendor and the overall administration of the program. Final decisions regarding program rules are reserved to the Commissioner of Education, after participation in negotiating the regulations by the Division and the Committee of Blind Vendors.

Finally, the bill assures that grievances of blind persons can be aired and resolved by means of administrative review and a full evidentiary hearing. If any dispute cannot be settled in this manner, a federal arbitration procedure is available, or the matter may be litigated in the State Courts.

Position of The National Federation of the Blind of Alaska: The National Federation of the Blind of Alaska urges the legislature to approve the SPONSORED SUBSTITUTE FOR SENATE BILL NO. 778. This bill will improve opportunities for the blind of Alaska to become self-supporting, tax paying citizens. It is a bill designed to strengthen current law and does not depart from legislative intent so far expressed in current law. Rather, this bill expands upon the framework of the State Statute now in effect by describing more fully the manner in which this program is intended to operate.

SB

791

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

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-4640

TO: Senator Victor Fischer, Chairman
Senate State Affairs Committee

DATE: April 8, 1982

FROM: Kathleen Baltes, Coordinator KB
Legislative Teleconference Network
LAA, Division of Public Services

RE: Senate Bill 791

In response to your request for comment regarding information and teleconference facility development, I am providing you with the attached information. I met with Cynthia Halterman of the Department of Administration, Division of Telecommunications Services who provided me with information regarding existing communication facilities throughout the state.

Attachment 1 is a list of all Alaskan Communities in descending order by population provided by the Division of Telecommunications Services. Those sites which are included in Senate Bill 791 are indicated with an asterisk. The ninth column indicates whether there is existing telephone exchange service in those communities, an essential element to providing services; telephone service is indicated with the numeral two. I have indicated which sites are served by existing Legislative Affairs Agency facilities and at what level of service.

Attachments 2 and 3 are documents I prepared for Senator Ferguson and his staff to show different costs associated with varying levels of service and varying methods of providing those services. The figure specifically addresses those twenty-two sites included in SB 791. Specific differences among options are noted in the discussion of options. The most significant difference among them is between "dedicated" versus "dial-up" circuits for either teleconferencing or data. "Dedicated" circuits are permanently wired and are available twenty-four hours per day, year-round. The cost is fixed whether the capability is used often or infrequently. If the decision is made no longer to provide service in a given community, a termination fee must be paid. "Dial-up" systems are brought together for specific teleconference meetings on the standard telephone lines and use a "bridge" to connect the various incoming telephone calls into a single group. The cost rises or falls with amount of use.

Communities in which legislators have indicated interest in providing basic or expanded services are listed in Attachment 4. These requests are in addition to the sites addressed in SB 791.

Attachments 5, 6 and 7 list those communities that have shown an active interest in legislative matters. The interest has been indicated by their participation in teleconferences this year, by past use of the nearest Legislative Information Office, or by inquiry to the Division of Public Services about the method to provide facilities in their communities. Attachment 8 is a copy of a resolution passed by the Valdez Chamber of Commerce indicating their desire to have a Legislative Information Office established in Valdez.

Because priorities can be based on a variety of criteria, I feel it is inappropriate for the Division of Public Services to prioritize legislative intent. I do hope, however, that the information provided will aid the committee's deliberations.

KRP/gt

cc: Senator Ferguson
Charity Kadow

ALASKAN COMMUNITIES

(IN DESCENDING ORDER OF POPULATION)

ATTACHMENT 1

ANCHORAGE	174431	3	1	9	8	1	2	2	3	2	3	Information Office
FAIRBANKS	53799	4	1	9	6	1	8	2	3	2	3	Information Office
JUNEAU	19483	3	7	9	8	1	7	2	3	2	3	Information Office
SITKA	7769	4	2	5	8	1	17	2	1	2	1	Information Office
KETCHIKAN	7248	4	7	5	8	1	17	2	1	2	3	Information Office - Session only
KODIAK.	4746	3	2	3	8	1	11	2	2	1	1	Information Office
KENAI	4326	4	1	5	8	1	10	2	1	2	3	
BETHEL	3576	3	2	3	8	1	5	2	1	2	1	Information Office
NORTH KENAI	3489	4	1	1	8	1	10	2	1	3	3	
SOLDOTNA	3330	4	1	1	8	1	10	2	1	3	3	Information Office
ADAK	3313	3	1	1	6	1	1	1	8	2	2	
CHUGIAK	3224	4	1	1	8	1	2	2	1	2	2	
VALDEZ	3173	3	2	3	8	1	15	2	1	2	1	Teleconference Center
*PETERSBURG	2800	4	2	5	8	1	17	(2)	1	2	1	Offnet Teleconference Center
EAGLE RIVER	2500	4	1	1	8	1	2	2	5	2	3	Teleconference Extension
NOME	2273	3	2	3	8	1	3	2	1	2	1	Information Office
HOMER	2211	4	1	1	8	1	10	2	5	2	3	Teleconference Center
BARROW	2207	3	8	1	8	1	14	2	1	1	1	Information Office
WRANGELL	2174	4	2	5	8	1	17	2	1	2	1	Offnet Teleconference Center
PALMER	2143	4	1	1	8	1	12	2	5	2	3	
KOTZEBUE	2044	3	2	9	8	1	13	2	1	2	1	Information Office
*CORDOVA	1959	3	2	3	8	1	15	(2)	1	2	1	
SEWARD	1841	4	6	1	8	1	10	2	1	1	1	Teleconference Center
HAINES	1685	8	6	1	8	1	17	2	1	1	1	Teleconference Center
WASILLA	1548	4	1	1	8	1	12	2	5	2	3	Information Office
DILLINGHAM	1535	9	8	1	8	1	4	2	1	1	1	Information Office
*UNALASKA	1301	3	8	1	1	5	1	(2)	1	1	1	
METLAKATLA	989	4	1	1	8	1	17	2	6	2	2	
DELTA JUNCTION	942	4	1	5	8	1	7	2	1	2	3	Information Office
STERLING	913	4	1	1	8	1	10	1	5	2	3	
MOUNT EDGECUMBE	835	4	1	1	8	1	17	2	1	3	3	
SKAGWAY	769	8	6	1	7	5	17	2	2	1	1	
*GALENA	766	3	2	1	2	1	19	(2)	1	3	1	
NORTH POLE	719	4	1	1	8	1	8	2	1	3	3	
HOONAH	677	4	6	1	8	1	17	2	1	1	1	
*HOOPER BAY	624	10	2	1	5	1	5	(2)	1	3	1	
SAND POINT	619	9	8	1	2	3	1	2	1	1	1	Teleconference Center
*UNALAKLEET	615	9	8	1	8	1	3	(2)	1	1	1	
*FORT YUKON	612	3	8	1	8	1	18	(2)	1	1	1	
TOK	585	4	5	1	8	1	7	2	2	1	2	
MOUNTAIN VILLAGE	581	10	2	3	5	1	5	2	1	2	1	
*KAKE	547	4	2	5	8	1	17	(2)	1	2	1	
KING SALMON	536	3	3	1	8	1	4	2	2	1	2	
*EKHONAK	530	10	2	3	5	1	5	(2)	1	2	1	
ALAKANUK	523	10	2	1	5	1	5	2	8	2	1	
*CRAIG	522	4	1	5	8	1	17	(2)	2	2	2	
ANDERSON	517	4	1	1	8	1	16	1	6	2	2	
CONOE	500	2	1	1	8	1	10	1	1	3	3	
*ST. PAUL	500	10	8	1	2	1	1	(2)	1	1	1	single phone + DSL "private lines". Alascom
ST. MARYS	500	10	2	3	5	1	5	2	1	2	1	

* SAVOONGA	471	10	8	1	5	1	3	(2)	1	1	1
* NOORVIK	490	10	8	1	5	1	13	(2)	1	1	1
GLENNALLEN	488	4	10	3	8	1	6	2	1	2	1
SELDOVIA	473	4	1	1	8	1	10	2	5	2	3
TOGIAK	472	1	8	1	5	1	4	2	1	1	1
NENANA	471	4	5	1	8	1	19	2	1	1	3
ANGOON	469	4	2	5	8	1	17	2	1	2	1
CHEVAK	466	5	6	1	5	5	5	1	1	1	1
KING COVE	462	10	8	1	1	1	1	2	1	1	1
* POINT HOPE	461	1	8	1	8	1	14	(2)	1	1	1
* KWETHLUK	451	5	1	1	8	5	5	(2)	6	2	2
* YAKUTAT	449	3	2	3	8	1	17	(2)	1	2	1
CAMBELL	441	10	8	1	5	1	3	2	1	1	1
CLOVER PASS	441	2	1	1	8	1	17	1	1	3	3
AKIACHAK	438	5	1	1	2	2	5	1	1	3	3
QUINHAGAK	419	5	1	1	5	1	5	2	6	2	2
BIG LAKE	412	4	1	1	7	6	12	2	5	2	3
* WAINWRIGHT	404	7	6	1	8	1	14	(2)	1	1	1
KACHEMAK	402	4	1	1	8	1	10	1	1	3	3
TANANA	394	9	8	1	8	1	19	2	1	1	1
* SHISHMAREF	393	9	3	1	5	1	3	(2)	2	1	2
HOUSTON	393	4	1	1	8	1	12	1	5	2	3
KIPNUK	367	10	2	1	1	1	5	2	3	2	1
SELAWIK	361	10	8	1	5	1	13	2	1	1	1
McGRATH	355	3	8	1	8	1	9	2	1	1	1
NULATO	350	1	8	1	5	1	19	1	1	1	1
TRAPPERS CREEK	350	7	1	1	1	1	12	1	6	2	2
KIANA	344	10	8	1	5	1	13	2	1	1	1
ANIAK	341	9	3	1	8	1	5	2	2	1	2
OLD HARBOR	339	1	8	1	5	1	11	1	1	1	1
NIKOLCHIK	336	4	1	1	8	1	10	2	5	2	3
HEALY	333	4	1	5	8	1	16	2	1	2	3
TOKSOOK BAY	332	10	3	1	5	1	5	2	2	1	2
PILOT STATION	330	10	2	1	5	1	5	2	1	3	1
NEW STUYAHOK	325	1	3	1	5	1	4	1	2	1	2
THORNE BAY	325	4	1	1	9	1	17	2	6	2	2
KLAWOCK	321	4	1	1	8	1	17	2	6	2	2
NAKNEK	317	5	1	1	8	1	4	2	6	2	2
HYDABURG	303	7	10	3	8	1	17	2	1	2	1
KING MOUNTAIN	300	4	1	1	8	1	12	1	5	2	3
LABOUCHRE BAY	300	7	1	1	9	1	17	1	6	2	2
TANUNAK	300	10	1	1	7	5	5	2	8	2	2
MANOKOTAK	293	5	1	1	1	1	4	1	6	2	2
KOTLIK	291	10	1	1	3	5	5	2	8	2	2
BIG DELTA	282	4	1	1	8	1	7	1	1	3	3
KASIGLUK	280	5	1	1	5	1	5	2	6	2	2
NOATAK	273	10	8	1	5	1	13	2	1	1	1
TALKEETNA	265	4	1	1	8	1	12	2	1	3	3
NAPAKIAK	261	5	1	1	2	5	5	2	1	3	3
SCAMMON BAY	251	5	1	1	5	1	5	1	6	2	2
DUTCH HARBOR	250	3	1	1	1	1	1	1	1	3	3

4 pay phones

	LOWER KALSKAG	245	5	1	1	5	1	5	1	6	2	2
	HOLY CROSS	242	1	8	1	5	1	9	2	1	1	1
	KUIGILLINGOK	241	1	1	1	3	5	5	1	8	2	2
	KIVALINA	241	10	8	1	5	1	13	2	1	1	1
	TYONEK	239	7	1	5	8	1	10	2	1	2	3
	TULUKSAK	234	5	1	1	1	5	5	1	6	2	2
	CHEFORNAK	230	1	1	1	1	1	5	1	8	2	2
	ANCHOR POINT	229	4	1	1	8	1	10	1	5	2	3
	KONGIGANAK	229	1	3	1	2	5	5	1	2	1	2
	EEK	227	6	1	1	5	1	5	1	6	2	2
	COLD BAY	226	3	3	1	8	1	1	2	2	1	2
	MARSHALL	226	1	8	1	5	1	5	1	1	1	1
	ST. MICHAEL	220	1	3	1	5	1	3	1	2	1	2
	ATMAUTLUAK	219	5	1	1	1	5	5	1	1	3	3
	TUNTUTULIAK	216	5	1	1	2	5	5	1	6	2	2
	PORT LIONS	215	10	3	1	8	1	11	2	2	1	2
	COPPER CENTER	213	4	5	1	8	1	6	1	1	1	3
	ELIM	212	1	3	1	5	1	3	1	2	1	2
	TELLER	212	4	5	1	8	5	3	2	2	1	2
	NAPASKIAK	210	5	1	1	2	1	5	1	6	2	2
*	NUIQSUT	207	10	8	1	8	1	14	(2)	1	1	1
	WHITTIER	206	11	10	3	8	1	15	2	1	2	1
	KASILOF	203	4	1	1	8	1	10	1	6	2	2
*	SHUNGNAK	202	10	8	1	5	1	13	(2)	1	1	1
	STEBBINS	200	6	5	1	5	1	3	1	1	2	2
	AKIAK	197	5	1	1	2	2	5	1	1	3	3
	COFFMAN COVE	196	2	1	1	9	1	17	1	6	2	2
	RUBY	196	10	8	1	2	5	19	2	1	1	1
	ALLAKAKET/ALATNA	195	1	8	1	2	1	19	2	3	1	1
*	ANAKTUVUK PASS	195	10	8	1	8	1	14	(2)	1	1	1
	HUSLIA	195	1	8	1	5	1	19	1	1	1	1
	AMBLER	192	10	8	1	5	1	13	2	1	1	1
	KOYUK	188	1	2	1	5	3	1	1	3	2	1
	SUTTON	182	4	1	1	8	1	12	1	5	2	3
	PELICAN	180	7	5	1	8	1	17	2	2	1	2
	CHIGNIK BAY	179	6	1	1	2	1	4	1	6	2	2
	BUCKLAND	175	10	3	1	1	1	13	2	1	1	3
	GOODNEWS BAY	174	1	3	1	5	1	5	2	6	1	2
	OUZINKIE	173	5	1	5	1	1	11	1	2	2	2
	NONDALTON	170	5	1	5	2	2	4	1	2	2	2
	RUSSIAN MISSION	169	1	2	1	2	1	5	1	1	3	1
	AKUTAN	169	1	3	1	2	2	1	1	2	1	2
	GRAYLING	167	1	8	1	5	1	9	2	1	1	1
	EAGLE/EAGLE VILLAGE	166	6	3	1	2	5	7	1	2	1	2
*	KAKTOVIK	165	7	6	1	8	1	14	(2)	1	1	1
	SHAKTOOLIK	163	1	3	1	5	1	3	1	2	1	2
	PORT GRAHAM	162	1	2	1	8	1	10	1	3	2	1
	NEKORYUK	161	1	2	1	5	1	5	1	3	2	1
	NIKOLAEVSK	160	7	1	1	8	1	0	1	1	3	3
	NESHIK/PORT HEIDEN	156	1	2	1	7	6	4	1	3	2	1

TENAKEE SPRINGS	154	1	8	1	2	5	17	1	1	1	1
ALEKNAGIK*	154	5	1	5	8	1	4	2	2	2	2
MINTO	152	8	3	1	5	1	19	1	1	2	1
DEERING	149	10	3	1	1	1	13	2	1	1	3
SOUTH NAKNEK	147	5	1	1	8	1	4	2	1	3	3
KENNY LAKE	145	4	1	1	8	1	6	1	5	2	3
GIRDWOOD	144	4	1	1	8	1	2	2	5	2	3
LARSEN BAY	144	1	8	1	2	5	11	1	1	1	1
NAUKATI BAY	140	2	1	1	9	1	17	1	6	2	2
DANGER BAY	140	2	1	1	9	1	11	1	1	3	3
ANNETTE	139	4	1	1	8	1	17	1	1	3	3
DIOMEDE	139	7	1	1	3	5	3	1	1	3	3
BREVIG MISSION	138	2	1	1	4	5	3	1	1	3	3
CHIGNIK LAKE	138	1	1	1	2	2	4	1	8	2	2
KLUKWAN*	138	11	5	1	8	1	17	1	2	1	2
PORT ALICE	135	2	1	1	9	1	17	1	6	2	2
WILLOW	134	4	1	1	8	1	12	2	5	2	3
WALES	132	5	1	1	5	1	3	2	6	2	2
VENETIE	132	1	2	1	1	3	18	1	3	2	1
SHAGELUK	131	1	2	3	5	1	9	1	1	2	1
KALSKAG	126	5	1	1	5	1	5	1	1	3	3
ENGLISH BAY	125	4	1	1	8	1	10	1	6	2	2
WHITE MT	125	6	1	1	3	5	3	1	6	2	2
ST. GEORGE	125	1	8	1	2	1	1	1	1	1	1
NEWTOK	125	1	1	1	1	3	5	1	[illegible]	2	2
NIGHTMUTE	119	1	1	1	2	3	5	1	[illegible]	2	2
TANACROSS	117	11	1	1	8	1	7	1	1	3	3
KOLIGANEK	116	1	8	1	3	5	4	1	1	1	1
GULKANA	111	4	1	1	7	6	12	1	1	3	3
COOPER LANDING	111	4	1	1	8	1	10	2	5	3	3
ANVIK	110	1	8	1	5	1	9	2	1	1	1
CROOKED CREEK	108	1	2	1	2	5	5	1	1	3	1
PERRYVILLE	108	1	2	1	1	1	4	1	3	2	1
SLEETMUTE	107	1	2	1	4	5	5	1	3	2	1
ATKASUK	107	10	2	1	8	1	14	2	3	2	1
TETLIN	107	7	1	1	1	5	7	1	1	3	3
CHUATHBALUK	106	5	10	1	2	5	5	1	1	3	1
AKHIOK	105	1	1	3	2	2	11	1	2	2	2
ARCTIC VILLAGE	104	1	3	1	3	5	18	1	2	1	2
HOPE	101	4	1	1	8	1	10	2	6	2	2
SHELDON POINT	101	5	1	1	7	6	5	1	6	2	2
KOYUKUK	98	1	1	1	3	5	19	1	8	2	2
GUSTAVUS	98	7	1	1	2	5	17	2	6	2	2
CANTWELL	95	4	10	1	2	5	16	2	1	3	1
CHALKYITSIK	95	1	8	1	4	5	18	1	3	1	1
ILIANNA	94	9	3	1	2	5	4	2	2	1	2
KARLUK	94	1	3	1	1	5	11	1	2	1	2
AIKA	93	1	3	1	4	5	1	1	2	1	2
NIKOLAI	91	5	10	3	1	5	9	1	1	2	1
POINT BAKER	90	1	1	1	2	2	17	1	8	2	2
WHALE PASS	90	2	1	1	9	1	17	1	6	2	2

PITKAS POINT	88	6	1	1	7	6	5	1	6	2	2
STEVENS VILLAGE	88	1	1	1	3	5	18	1	8	2	2
NEWHALEN	87	5	3	1	2	3	4	1	6	1	2
GOLOVIN	87	1	3	1	2	5	3	1	2	1	2
PORT ALEXANDER	86	1	1	1	2	5	17	1	1	3	3
GAKONA	85	4	1	1	8	1	6	1	6	2	2
KOKHANOK	83	5	1	1	2	5	4	1	6	2	2
HYDER	82	8	1	1	8	1	17	1	6	2	2
CIRCLE	80	1	1	1	2	5	18	2	8	2	2
CORNER BAY	80	7	1	1	9	1	17	1	1	3	3
LEVELOCK	80	5	1	1	3	5	4	1	6	2	2
CLARKS POINT	79	5	1	1	4	5	4	1	6	2	2
EKWOK	79	1	1	1	3	5	4	1	8	2	2
MOOSE PASS	77	4	1	1	9	1	10	2	6	2	2
NORTHWAY*	75	4	5	1	8	1	7	2	2	1	2
EGEGIK*	75	5	1	5	8	1	4	1	2	2	2
HUGHES	73	1	8	1	1	2	19	1	1	1	1
CHINIAK BAY	73	2	1	1	2	1	11	1	1	3	3
PILOT POINT	72	1	2	1	2	5	4	1	3	2	1
MANLEY HOT SPRINGS	71	10	1	1	2	1	19	2	8	2	2
TWIN HILLS	70	6	3	1	2	5	4	1	1	1	3
POINT LAY	68	10	2	1	8	1	14	2	3	2	1
TATITLEK	68	1	2	1	4	5	15	1	1	3	1
BEAVER	66	1	3	1	3	5	18	1	2	1	2
DOT LAKE	66	4	5	1	8	1	7	2	2	1	2
FALSE PASS	65	1	3	1	2	1	1	1	2	1	2
STONEY RIVER	62	1	2	1	2	5	5	1	3	2	1
PORT ALSWORTH	60	1	1	1	2	1	4	1	8	2	2
MENTASTA LAKE	59	7	1	5	1	3	7	1	2	2	2
NELSON LAGOON	59	1	3	1	1	5	1	1	2	1	2
KOBUK	55	1	3	1	4	5	13	1	2	1	2
PLATINUM	55	5	1	1	1	5	5	1	1	3	3
CHISTOCHINA	55	4	6	1	1	5	6	1	1	1	1
RAMPART	53	1	3	1	3	5	5	1	2	1	2
OSCARVILLE	51	5	1	1	3	5	5	1	1	3	3
ROWAN BAY	50	7	1	1	9	1	17	1	6	2	2
PORTAGE CREEK	50	5	1	1	8	1	4	1	6	2	2
ST. JOHNS HARBOR	50	2	1	1	9	1	17	1	6	2	2
MEYERS CHUCK	50	4	1	1	9	1	17	1	6	2	2
NIKOLSKI	50	1	3	1	8	1	1	1	2	1	2
CRAB BAY	50	7	1	1	9	1	17	1	1	3	3
FRESHWATER BAY	50	7	1	1	9	1	17	1	6	2	2
SLANA	49	11	1	10	7	5	6	1	1	3	2
TAKOTNA	48	5	10	1	8	1	9	1	1	3	1
LIME VILLAGE	48	5	1	1	2	5	9	1	1	3	3
CHIGNIK LAGOON	48	1	1	1	2	1	4	1	8	2	2
KUPREANOF	47	2	1	1	2	5	17	1	1	3	3
HALIBUT COVE	45	7	1	1	8	1	10	1	6	2	2
PEDRO BAY	42	1	1	1	1	5	10	1	8	2	2
IVANOF BAY	41	1	1	1	2	5	4	1	8	2	2
NABESNA	40	2	1	1	7	6	3	1	1	3	3

RED DEVIL	39	1	8	1	2	5	5	1	1	1	1
CENTRAL	36	1	1	1	2	5	18	1	8	2	2
CHITINA	34	1	2	1	2	5	6	1	3	2	1
IGIUGIG	33	1	1	1	3	5	4	1	8	2	2
TELIDA	33	1	8	1	3	3	9	1	1	1	1
BIRCH CREEK	32	5	1	1	4	5	18	1	6	2	2
PAXSON	30	4	1	1	2	5	6	1	6	2	2
LITTLE NAUKATI	30	2	1	1	9	1	17	1	1	3	3
ATTU	29	8	1	1	6	1	1	1	1	3	3
ELFIN COVE	28	7	1	1	2	5	17	1	6	2	2
CAPE POLE	26	1	2	1	9	1	17	1	1	3	1
SPARREVOHN	26	3	1	1	6	1	4	1	8	2	2
KASAAN	25	1	1	1	8	1	17	1	8	2	2
SKWENTNA	22	2	1	1	3	5	12	1	1	3	3
CIRCLE HOT SPRINGS	21	2	1	1	7	6	18	1	6	2	2
MINCHUMINA	20	2	1	1	7	6	9	1	6	2	2
COUNCIL	17	1	1	1	2	2	3	1	1	3	3
BELKOFSKI	10	2	1	1	4	5	1	1	1	3	3
EKUK	7	5	1	1	2	5	4	1	6	2	2
WISEMAN	7	2	1	1	7	6	19	1	6	2	2
EDNA BAY	6	2	1	1	9	1	17	1	1	3	3
BETTLES	5	7	1	1	8	1	19	2	6	2	2
WOODY ISLAND	3	5	1	1	8	1	11	1	1	3	3
PORT MOLLER	1	5	1	1	7	6	1	1	6	2	2
PORT PROTECTION	000000	6	1	1	9	1	17	1	6	2	2
PAULOFF HARBOR	0	2	1	1	7	6	1	1	1	3	3
NEETS BAY	000000	2	1	1	9	1	17	1	1	3	3
NAPATICHUK	000000	5	1	1	7	6	5	1	1	3	3
EIGHT FATHOM BIGHT	000000	7	1	1	9	1	17	1	6	2	2
ERNESTINE	000000	2	1	1	7	5	6	1	6	2	2
HOBART BAY	000000	2	1	1	9	1	17	1	6	2	2

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-4640

FACILITY DEVELOPMENT QUOTE FOR SB 791, 22 SITES

	Option 1	Option 2	Option 3	Option 4
100 Personal Services	$ 143,770	$ 143,770	$ 143,770	$ 143,770
200 Travel	44,000	44,000	44,000	44,000
300 Contractual Services	177,584	317,416	634,744	714,860
400 Commodities	6,600	6,600	6,600	6,600
500 Equipment	189,200	220,000	55,000	55,000
	$ 561,154	$ 731,786	$ 884,114	$ 964,000
		+ 172,500*		
		$ 904,286		

OPTION 1

Dedicated Teleconference Circuit with bill service, photocopier, standard telecopier and furniture. Fixed cost year-round regardless of use.

OPTION 2

Dial-up teleconference circuit with bill service, digital facsimile equipment with statewide system changeover, no photocopier. Flexible bridge and long distance costs. Figured at six hours per week for six months. Infrequent use reduces cost.

OPTION 3

Dedicated teleconference circuit plus dedicated data lines. Bills available as needed immediately on STAIRS Immediate, accurate information available by electronic mail. No facsimile equipment at start up; same functions available on computer terminal by fall of 1982. Fixed cost regardless of teleconference use.

OPTION 4

Dial-up teleconference circuit with dedicated data lines. Same information on bills available as in Option 3. Cost of teleconferencing service flexible depending on demand. Figured at six hours per week for six months; infrequent use reduces cost.

All options assume part-time hourly staff for ten hours per week during session, two hours per week during interim, 17% employer costs and support. All options assume one administrative, one training trip per site. All have standard commodities requirements. Furniture needs vary depending on options chosen.

ATTACHMENT 2

*Statewide system changeover to digital facsimile equipment.

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-4640

TO: Mike Scott
Administrative Aide

DATE: April 1, 1982

FROM: Kathleen Baltes
Teleconference Coordinator

RE: Facility Development Quote for twenty-two sites included in SB 791

100	Personal Services	$ 143.8	in thousands of
200	Travel & Per Diem	44.0	dollars
300	Contractual Services	299.7	
400	Commodities	6.6	
500	Equipment	204.0	
		$ 698.1	

This quote describes a dial-up teleconference network with part-time hourly staff and complete bill service. Some costs are flexible depending upon demand. The personal services line item assumes ten hours staff time per week during session, two hours per week during the interim, 17% employer costs and support. Travel assumes one training and one administrative trip per site. Contractual services includes leased space, telephone lines and long distance charges, bridge charges postage and freight. Commodities cover normal offices supplies, stationery and posters. Equipment includes a teleconference set and microphones, photocopier, facsimile transceiver answering machine and furniture.

ATTACHMENT 3

REQUESTS FROM LEGISLATORS

CORDOVA
GLENALLEN
HEALY
ILIAMNA
NAKNEK (LIO)
NENANA
NEW STUYAHOK
PILOT POINT
SELDOVIA
TALKEETNA
TANANA
TOGIAK
TOK
UNALAKSA
VALDEZ (UPGRADE TO HALF-TIME LIO)

ATTACHMENT 4

SITES THAT HAVE BEEN INCLUDED IN TELECONFERENCES THIS YEAR

CANTWELL
CORDOVA
CRAIG
GAMBELL
GLENALLEN
HEALY
HYDABURG
KAKE
KLAWOCK
NAKNEK
TOK
UNALAKLEET
UNALASKA
WHITTIER
YAKUTAT

ATTACHMENT 5

ACTIVE SITES THAT ARE RELATIVELY UNACCESSIBLE AS REPORTED BY INFORMATION OFFICERS

ANGOON
ANIAK (SESSION LIO)
CANTWELL
CRAIG OR KLAWOCK
EMMONAK
FT. YUKON
GALENA
GIRDWOOD
GLENALLEN (BY BOTH DELTA AND MAT-SU OFFICERS)
HEALY
HOONAH
ILIAMNA
KAKE
LARSON BAY (BUT ONLY HAS ONE PHONE)
MCGRATH
METLAKATLA
MT. VILLAGE
NAKNEK (LIO)
NEW STUYAHOK
NOORVIK
PILOT POINT
PORT GRAHAM
PORT LIONS
SELDOVIA
SHUNGRAK
TALKEETNA
TOGIAK
TYONEK

ATTACHMENT 6

REQUEST FROM PUBLIC

ANDERSON
COPPER CENTER
GALENA
NAKNEK
PETERSBURG (UPGRADE TO LIO) - COMMENT FROM PUBLIC TO KETCHIKAN
TANANA CHIEFS VILLAGES
TYONED
VALDEZ (UPGRADE TO LIO)
WHITTIER
WRANGELL (UPGRADE TO LIO - COMMENT FROM PUBLIC TO KETCHIKAN

ATTACHMENT 7

Valdez Chamber of Commerce
P.O. Box 512 • Valdez, Alaska 99686 • Phone 835-2330

March 2, 1982

Alaska Legislative Affairs Agency
Division of Public Service
1024 W. 6th Ave.
Anchorage, Alaska 99501

ATTN: Charity B. Kadow, Director

Dear Ms. Kadow:

Please find attached Valdez Chamber of Commerce Resolution 82-1 urging the creation of a regional Legislative Information Office in Valdez. After three years of participating on a sporadic schedule involving legislative session affairs via the Legislative Teleconference Network, we desire and request an upgrade.

The present teleconference system has been effective to the point that local constituents can participate on a one-to-one basis with their legislative representative, but only on a bi-monthly schedule. Specific issues that arise, such as those addressed by committee hearings, get minor attention due to the lack of a constant update of information. Often times, concerned citizens can only rely on somewhat bias news reporting or word-of-mouth as a last minute preparation to those issues.

With an upgrade, by establishing a Legislative Information Office, a majority of these and other pitfalls can be overcome and certainly improve the relationship and communication between people of this region and their legislative representation.

We strongly urge your positive consideration in this matter in a timely fashion.

Yours truly,

Barney M. Meyring

Valdez Chamber of Commerce
Barney Meyring, Chairman
Legislative Committee

BM/kmh
cc: Rep. Cato, Sen. Kerttula, Lt. Gov. Miller

ATTACHMENT 8

VALDEZ CHAMBER OF COMMERCE

RESOLUTION 82-1

URGING THE CREATION OF A LEGISLATIVE OFFICE IN VALDEZ

WHEREAS, the Alaska Legislative Affairs Agency, Division of Public Services is responsible for providing information on legislative activity to the general public and facilitating public participation in the legislative process; and,

WHEREAS, the present Legislative Teleconference Network has proven ineffective in Valdez in regard to the daily legislative process; and,

WHEREAS, there is currently no regional Information Office in the greater Prince William Sound-Copper Basin area; and,

WHEREAS, a regional Information Office in Valdez would more effectively serve the people in the Prince William Sound-Copper Basin region on a daily basis during legislative sessions,

NOW, THERFORE, BE IT RESOLVED, that the Valdez Chamber of Commerce urges the Alaska Legislative Affairs Agency to expand the Legislative Information Network by creating a full-service regional Legislative Information Office in Valdez to operate full-time during Legislative session and half-time during the remainder of the year.

DONE this 25th day of February, 1982, at Valdez, Alaska.

VALDEZ CHAMBER OF COMMERCE

By _____
John C. Combs, President

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

SB 791
Teleconference
Centers

SB 791

MSG 82-00012273 PRTY 1 03/08/82 12:08:43 ORIG: LR00 IN= 0003 OUT= 0038
FROM: FLORENCE IN BARROW TO: JUNEAU INFORMATION
TARGET: LJH2 SUBJ: P.O.M. PAGE 0001

TO: SENATORS FERGUSON, FISCHER, COLLETTA, BRADLEY, ELIASON, STIMSON, BENNETT, - DANKWORTH, SACKETT, STURGULEWSKI

FROM: ALLAN PANEAK
ANAKTUVUK PASS, AK 99721
661 - 3314

I WOULD LIKE TO SUPPORT SB 791 FOR A TELECONFERENCE CENTER IN THE VILLAGES. I THINK THAT THIS IS VERY IMPORTANT.

February 15, 1982

SB 791

Senator Frank Ferguson
Attn: Mike Scott
Pouch V
Juneau, Alaska 99811

RE: Fiscal Impact Request

Dear Mike:

The following are rough estimates of fiscal impact by category to the proposed bill establishing additional telecommunication/information offices in the state. An explanation of types of offices should be made prior to reading these figures.

PERMANENT OFFICES: Operate year-round as an information and teleconference site with permanent staff and full data and teleconference lines and equipment.

SESSION ONLY: (Ketchikan) Operates only during the legislative session as an information and teleconference site, but staff attends and moderates off-session teleconferences. This office is located in the court building, therefore, no rental cost is incurred during off-session and data lines are disconnected from the permanent system. The teleconference circuit is left connected year-round.

TELECONFERENCE SITE: This is an office for teleconference use only, staffed by employees on a per hour salary. Space is usually the local library, city council chamber, fire hall, etc.

The figures that will be quoted to you will reflect the session only type office. Please keep in mind, however, that while the office may operate during the legislative session and for scheduled teleconferences, there may be some year-round costs involved, such as space rental for equipment storage, data equipment security storage (if installed as part of this proposed bill) and other miscellaneous costs.

As ALASCOM was not open today due to the holiday, I am not able to get good solid tariff quotes and have estimated using other offices' costs and distance as a guide. These line tariffs will be firmed up and presented to you in the near future.

An example to describe tariff costs:

Computer date line (based on miles)	Fairbanks to Nome	$2,265 per month
	Fairbanks to Delta	$ 370 per month

Teleconference circuit charge:

481 miles	Bethel to Nome	$1,334 per month
81 miles	Fairbanks to Delta	$ 488 per month

Juneau, Anchorage, Fairbanks are toll centers for Data Processing and teleconference legs and circuits.

Proposed figures:

Session only 120 days + 30 teleconference use

		C	G	H
100	Personal Services:			
	Range 17C full time	$ 2,941/month	$ 3,249/month	$ 3,851/month
	+ 28% for benefits	$14,205/5 months	$16,245/5 months	$19,255/5 mont
200	Travel/per diem:			
	Orientation/training	.22 one time	22 sites @ 1.0	
	Administration	.22 one time	22 sites @ 1.0	
300	Contractual:			
	Space	∅	Depends on location and charge or donated	
	Freight/mail/equipment:	6.6/5 months	22 sites	
	Teleconference:			
	Equipment	89.2 one time	22 sites @ 4.6	
	Dantel tariff	36.0/annual	22 sites @ .134/month	
	Local channel charge	13.2/annual	22 sites @ $50/month	
	IXC (circuit)	77.3/annual		
	Increased support JNU/ANC	25.0		
	Data line	44.0 per month	22 sites @ 2.0 per month	
	Modem	6.6 per month	22 sites @ .3 per month	
	Terminal/printer	15.4 per month	22 sites @ .7 per month	
	Install	5.3 one time	22 sites @ .240	
	Increased support (data):			
	Juneau	30.0/annual	5 sites @ 6.0	
	Fairbanks	102.0/annual	17 sites @ 6.0	

Commodities: statutes administrative code office supplies/misc.	33.0	
Equipment: xerox copier/typewriter/ furniture freight for same	259.6	(optional)

If you need further information regarding data line information, please contact Earl Vogt at 465-3858. For teleconference information please contact Kathi Baltes at 465-3836.

As previously stated, this proposal is for a five month session only, fully equipped information/teleconference office multiplied by the twenty-two requested sites.

Thank you for this opportunity to be involved in the initial development of these facilities.

Sincerely,

Charity B. Kadow, Director
Public Services Division

CBK:lt

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

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-4980

April 19, 1982

Senator Victor Fischer, Chairman
Senate State Affairs Committee
Pouch V
Juneau, Alaska 99801

Dear Senator Fischer:

As you have requested, I have provided the following planning guidelines for immediate and future development of the Legislative Information and Teleconference Networks.

The Legislative Affairs Agency, Division of Public Services currently has three levels of service offered throughout the state.

Information Office

- Salaried Information Officer
- Dedicated teleconference and data circuit
- All bills, resolutions and journals, Alaska Statutes and legislative reports
- Leased space
- Photocopier and facsimile capability

Teleconference Center

- Part-time hourly teleconference moderator
- Dedicated teleconference circuit
- No data circuit
- Shared, borrowed space
- Materials relating to scheduled teleconferences only
- Facsimile capability

Offnet Teleconference Center

- Part-time hourly teleconference moderator
- Dial-up access to teleconference circuit
- No data circuit
- Shared, borrowed space
- Materials relating to scheduled teleconferences only
- Facsimile capability

All these facilities were established at legislative request. The level of service was set at the time of funding. Most facilities began as teleconference centers and were upgraded to information offices, once

again at legislative request. As access to the legislature improved through the teleconferencing capability, interest in other information on legislative activities grew.

CRITERIA FOR DEVELOPMENT

To date, the criterion for establishing a Public Services facility in a community has been legislative request. At present, the Division of Public Services administers legislative information or teleconference facilities in most communities with area populations over 1,000. Communities in that category which do not have facilities are usually only a relatively short trip away by air, water, road or snow machine with the exceptions which can be noted in Table 1. It is evident, historically, that legislative request has been based in part on population served.

Population is the most objective criterion for establishing legislative information or teleconferencing facilities. It is important to look at regional groups when assigning a numeric value to population served. This approach was taken in Table 1; communities included in the area population total are generally a short, relatively easy trip by whatever is the usual means of transportation in that area.

Some communities in Alaska with lower area populations may have a greater need than those which may have a higher area population but with better access to the larger regional hubs. Many communities in Alaska are hundreds of miles from other communities of equal or greater size. Therefore, population served cannot be the sole criterion for development.

Demand and interest are also significant when choosing communities to receive facilities. Demand for public access to the legislature has come to the Division of Public Services from a variety of sources. Legislators have requested quotes on the cost to provide varying levels of service to various communities. The public has indicated a desire for more access through formal resolutions, inquiries by phone or letter, and comments made to Division staff at offices and meetings. Additionally, citizens of unserved communities have shown an interest in legislative activities by frequent use of the legislative information office nearest them and by participation in teleconferences over the telephone on a dial-up basis. Indications of demand and interest become more important when it becomes apparent that all communities in a given population range cannot be served immediately.

The level of development of existing communication facilities limits or delays the establishment of facilities in some communities. Many villages in Alaska have only a single telephone to serve the entire community. While it is technically possible to attach an amplifier to the telephone to enable a group of people to participate in a teleconferenced meeting, it is unrealistic to expect that phone to be available for several hours

at a time. Until local telephone exchange service is available, it is impossible to provide data circuits and impractical to attempt regularly to include the community in teleconferences. The single telephone does enable an individual to be included in a hearing for a short time, or, with community approval, to include them for a particular constituent meeting or hearing from time to time.

RECOMMENDATIONS

First, service offered by the Division of Public Services to a previously unserved community should begin at the Offnet Teleconference Center level. This allows the actual cost for personnel and toll and bridge charges to fluctuate based on actual hours of participation. If the site is used heavily, it may be more cost-effective to include it permanently as part of the dedicated teleconference circuit.

Second, existing teleconference centers and offnet teleconference centers should be provided with access to all legislation and journals before the legislature. This service would add to the FY 83 budget of the Division of Public Services as noted as Item 4 of Table 2. The cost has been calculated to include additional postage, staff time to prepare and sort the bills and a bookcase to store them.

Third, expansion of Division of Public Services facilities should be prioritized equally on the basis of population and legislative request. As can be seen in Items 1-4 of Table 2, all legislative requests can be accomplished with an appropriation of $1,024,350. If the teleconference centers are developed on an offnet, dial-up basis, FY 83 budget year costs may drop depending on use. The per-site cost has been calculated on heavy use; if a site does not participate to the extent budgeted, personal and contractual services costs will drop with unexpended funds reverting to the General Fund. Conversely, if the sites participate beyond expectation, FY 83 costs will rise in those same categories. Despite legislative request, including the communities of Point Hope, New Stuyahok and Pilot Point is impractical at this time. Point Hope has only four pay phones and New Stuyahok and Pilot Point have "bush phones." The Division shall keep the communities informed of current teleconferences and make special arrangements to include them with the community's request and permission.

Fourth, the Division proposes a new category of service on a pilot basis. The new category of service would be an Offnet Teleconference Center with dedicated data lines. The computer link would provide access to all current legislation, the Alaska Statutes, bill status and electronic mail. The need for furniture and that staff time needed to store and sort new versions of bills would be eliminated. The costs for toll calls, mail service and administrative staff time would be reduced through electronic mail. Initially, four sites would be chosen: Wrangell and Petersburg as existing offnet teleconference centers and two, relatively remote, newly developed offnet sites which have adequate communication lines. For budgeting purposes, Unalakleet and Fort Yukon were chosen arbitrarily. The cost is $45,733 and is indicated as a second level priority in Item 5 of Table 2.

These are recommendations only. The Division of Public Services will respond to legislative intent associated with facility development. If I can be of further assistance, please do let me know.

Sincerely,

Kathleen R. Baltes
Coordinator

cc: M. R. Charney
C. K. Kadow

Attachments

		FACILITIES			DEMAND				
SITE	AREA POPULATION	ITV[1]	TVP[2]	LEARN/[3] ALASKA	LEGISLATIVE[4]	PUBLIC[5]	ACTIVE[6]	T/C[7]	ACCESS[8]
CORDOVA	1,959		X	X	X			X	L
UNALASKA	1,551	X	X	X	X			X	L
Dutch Harbor				X					
MT. VILLAGE/ST. MARY'S	1,500		X	X			X		L
Pilot Village									
Pilot Station			X						
Pitkas Point									
GALENA	1,410		X	X	X	X	X		L
Nulato		X	X						
Koyukuk									
Ruby		X	X						
PARKS HIGHWAY	1,416				X		X	X	H
Anderson				X		X			
Healy				X					
Nenana		X		X					
Cantwell			X	X					
HOOPER BAY	1,090		X		X				L
Chevak		X	X						
TOK	1,009	X		X	X			X	H
Tetlin									
Tanacross									
Dot Lake		X							
Northway		X							
Mentasta									
Slana									
NAKNEK	1,000				X	X	X	X	L
South Naknek									
King Salmon									
GLENALLEN	952		X		X		X	X	H
Gulkana									
Gakona									
Chistochina		X	X						
Taslina									
Copper Center		X		X			X		

TABLE 1

		FACILITIES			DEMAND				
SITE	AREA POPULATION	ITV[1]	TVP[2]	LEARN/[3] ALASKA	LEGISLATIVE[4]	PUBLIC[5]	ACTIVE[6]	T/C[7]	ACCESS[8]
FT YUKON	937	X	X	X	X		X		L
Venetie			X						
Chalkyitsik		X	X						
Beaver		X							
Birch Creek									
SAVOONGA	932	X	X	X	X				L
Gambell		X	X	X				X	
CRAIG	843	X		X	X		X	X	L
Klawock									
NOORVIK	834	X	X	X	X		X		H
Kiana		X	X						
EMMONAK	821		X		X		X		L
Kotlik									
ANIAK	818	X		X			X		L
Chuathbaluk			X						
Kalskag									
Lower Kalskag									
Napaimiut									
KING COVE	688	X	X		X				L
Cold Bay		X			X				
HOONAH	677	X	X	X			X		
UNALAKLEET	615	X	X	X	X			X	
TOGIAK	552	X	X		X		X		
Twin Hills		X							
KAKE	557	X	X	X	X		X	X	
ST. PAUL	500	X	X		X				L
SELDOVIA	473				X		X		L
ANGOON	469		X	X			X		L
PT. HOPE (4 PAY PHONES)	461	X	X		X				L
KWETHLUK	451				X				H
SHUNGNAK	449	X	X	X	X		X		L
Kobuk		X							
Ambler		X	X						
YAKUTAT	449		X	X	X			X	L
MC GRATH	449	X	X	X			X		L
Tatilina									
Sterling Landing									
Nikolai			X						
Medfra									
Takotna			X						

TABLE 1

		FACILITIES			DEMAND				
SITE	AREA POPULATION	ITV[1]	TVP[2]	LEARN/ALASKA[3]	LEGISLATIVE[4]	PUBLIC[5]	ACTIVE[6]	T/C[7]	ACCESS[8]
NEW STUYAHOK (BUSH PHONE)	441				X		X		L
Ekwok									
Nunachuak									
Koliganek		X	X						
WAINWRIGHT	404	X	X	X	X				L
TANANA	394	X	X		X				L
SHISHMAREF	393	X		X	X				L
ILIAMNA	351	X			X			X	L
Newhalen									
Seversens									
Nondalton									
HYDABURG	303		X	X				X	L
TALKEETNA	265				X		X		H
TYONEK	239					X	X		L
PORT LIONS	215	X					X		L
WHITTIER	206		X			X		X	L
NUIQSUT	202	X	X	X	X				L
ANAKTUVUK PASS	195	X	X	X	X				L
KAKTOVIK	165	X	X	X	X				L
PORT GRAHAM (BUSH PHONE)	162		X				X		L
LARSEN BAY (BUSH PHONE)	144	X	X					X	L
PILOT POINT (BUSH PHONE)	72		X		X		X		L

TABLE 1

NOTES

1. Instructional Television (ITV). Single channel television carrying instructional and educational programs to 91 communities throughout the state. Administered jointly by the University of Alaska and the Department of Education through the University of Alaska Instructional Telecommunication Consortium (UAITC).

2. Television Project (TVP). Single channel television carrying entertainment programming to 95 communities throughout the state. Also known as "Bush Feed." Administered by the Department of Administration, Division of Telecommunications Systems. Programming policy determined by Rural Alaska Television Network Council (RATNET Council).

3. LEARN/ALASKA. Dial-up teleconferencing capability with equipment located in 75 communities. Instructional use has highest priority. Equipment available for other use, such as legislative teleconferencing, on a lower priority basis. Should LAA use LEARN/ALASKA equipment, the Agency should be prepared to pay for personnel costs.

4. LEGISLATOR. Sites for which legislators have requested a facility development quote at some level.

5. PUBLIC. Sites in which the public has requested information or teleconference facilities. Requests range from formal resolutions to telephone inquiries.

6. ACTIVE. Sites which frequently use information offices or inquire about teleconference activity as reported by Division staff statewide.

7. Teleconference Participation (T/C). Sites which have been included in teleconferences on an offnet, dial-up basis this legislative session.

8. ACCESS. Evaluation of high (H) or low (L) access to existing Public Services facilities. Based on distance and ease of transportation.

TABLE 1

First Level Priority		In Dollars
Item 1.	Upgrade Valdez from Teleconference Center to Half-time Information Office	$ 74,350
	New Offnet Teleconference Centers with part-time hourly staff, photocopy, facsimile and teleconference capability	
Item 2.	First twelve sites at $32,000/site (See Table 3)	384,000
Item 3.	Each site thereafter at $35,000/site Sixteen sites (see Table 3)	560,000
Item 4.	Bill service to all existing Teleconference Centers (Homer, Petersburg, Wrangell, Seward, Haines, Sand Point) Includes postage, bookcase and staff time	6,000
		$1,024,350

Second Level Priority		
Item 5.	Offnet Teleconference Centers with data link (Wrangell, Petersburg, Unalakleet, Ft. Yukon)	$ 47,733
	Delete $2,000 from Item 2	(2,000)
	Bill service to Wrangell, Petersburg	$ 45,733
		$1,070,083

TABLE 2

FACILITY DEVELOPMENT QUOTE

Establish an Offnet Teleconference Center

100 - Personal Services	$ 4,389	Session 10 hrs/wk Interim 2 hrs/wk @ 12A (H)		
	746	+ 17% employer cost		
	5,135			
	+ 1,365	Support (100 hrs @ $12 + 17%)		
	$ 6,500			
200 - Travel & Per Diem	$ 2,000	1,000/trip admin/training		
300 - Contractual Services	$ 600	Telephone		$ 600
	100	install		100
	1,200	admin. toll		1,200
		T/C Session - 150 hrs		
	5,310	toll		6,390
	---	bridge		2,160
		T/C Interim - 48 hrs		
	2,045	toll		2,045
	691	bridge		691
	650	Postage-Bills 220 -Other 430		650
	450	Freight		450
	2,500	Space		2,500
	$ 13,546*			$ 16,786**
400 - Commodities	$ 300			
500 - Equipment	$ 9,300	Conference set mikes, Fax, Photocopier, Answering machine, Furniture		
TOTAL	$ 31,646*		TOTAL	$ 34,886**

*Quote from vendor, per site charge for first 13 sites.

**Quote from vendor for each additional site thereafter.

TABLE 3

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

SENATE BILL 791

THE STATEWIDE LEGISLATIVE INFORMATION AND TELECONFERENCING SITES HAVE SIGNIFICANTLY IMPROVED COMMUNICATIONS BETWEEN THE LEGISLATURE AND ALL ALASKANS.

DURING THE LEGISLATIVE SESSION, THE TELECONFERENCE NETWORK IS USED APPROXIMATELY NINE TIMES A WEEK FOR CONSTITUENT MEETINGS. THERE ARE ~~USUALLY~~ AT LEAST SIX OTHER PUBLIC HEARING TELECONFERENCES FOR ALL SITES PER WEEK.

DURING FY 1981, THERE WAS A TOTAL OF 465 TELECONFERENCES ON THE LEGISLATIVE NETWORK.

DURING THE MONTH OF FEBRUARY, 1982 , THERE WERE 39 LEGISLATIVE TELECONFERFNCES. THESE WERE ATTENDED BY 441, OBSERVERS, AND AN ADDITIONAL 568 PEOPLE TESTIFIED.

THERE WERE 52 NON-LEGISLATIVE TELECONFERENCES IN FEBRUARY, WITH A TOTAL OF 1,151 PARTICIPANTS.

THE DELTA INFORMATION OFFICE IS A TYPICAL SMALL OFFICE. IT SERVED 144 PEOPLE IN PERSON IN FEBRUARY, AND ANSWERED 63 PHONE REQUESTS. DELTA SENT 208 PUBLIC OPINION MESSAGES IN FEBRUARY.

I HAVE NO OBJECTION TO USE BY THE UNIVERSITY OF ALASKA BEING INCLUDED IN THIS BILL, AS LONG AS THERE IS NO CONFLICTING LEGISLATIVE DEMAND. HOWEVER, SINCE THE LEGISLATIVE TELECONFERENCE NETWORK IS PRESENTLY AVAILABLE TO ALL STATE AGENCIES AT A CHARGE OF $25 PER HOUR, PER SITE, THE APPROPRIATION AMOUNT IN SB 791 SHOULD PROBABLY BE ADJUSTED.

THE PUBLIC SERVICE VALUE OF THE INFORMATION AND TELECONFERENCE NETWORK IS EVIDENT FROM THE STATISTICS MENTIONED EARLIER.

ALASKA IS A LARGE STATE, ~~WITH MANY FAR FLUNG COMMUNITIES~~ THE CHALLENGES FACING US IN THE FUTURE DEMAND THE BEST USE OF ~~MODERN~~ TECHNOLOGY TO ENSURE COMMUNICATION BETWEEN ALL ALASKANS AND THEIR LEGISLATORS.

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-4980

TO: Senator Fischer, Chairman
Senate State Affairs

DATE: April 29, 1982

FROM: Kathleen R. Baltes
Teleconference Coordinator

RE: Facility Development

Changes to Existing Division of Public Services Facilities

Upgrade Valdez to half time Information Office	$ 74,350
Add data lines to Homer Teleconference Center	45,420
Add data lines to Peterburg and Wrangell Teleconference Centers (see Pilot Project below)	34,036
Bill service to remaining Teleconference Centers Haines, Sand Point, and Seward	3,000

Pilot Project

Offnet Teleconference Centers with data lines to provide access to bills, statutes, teleconference schedules, and electronic mail.

Unalakleet, Ft. Yukon (Petersburg and Wrangell included above)	32,435

New Offnet Teleconference Centers

First 12 at $32,000 (per quote from vendor)	384,000
Each site thereafter at $35,000, total 17 sites	595,000

ADAK	FT. YUKON	YAKUTAT
CORDOVA	CRAIG	MC GRATH
UNALASKA	NOORVIK	WAINWRIGHT
MT. VILLAGE/ ST. MARY'S	EMMONAK	SHISHMAREF
	ANIAK	ILIAMNA
GALENA	UNALAKLEET	TALKEETNA
PARKS HIGHWAY (HEALY)	TOGIAK	NUIQSUT
	KAKE	ANAKTUVUK PASS.
HOOPER BAY	ST. PAUL	KAKTOVIK
TOK	GLENALLEN	SHUNGNAK
NAKNEK		

please list villages ONLY

Smaller Communities with Interest

Provide with inexpensive speaker telephone and teleconference schedules. Allotment for some toll charges and telephone costs.

$1,000 per site, 13 sites total	13,000

KING COVE	HYDABURG	HOONAH
TYONEK	SELDOVIA	PORT LIONS
ANGOON	WHITTIER	KWETHLUK
PILOT POINT	NEW STUYAHOK	MANLEY HOT SPRINGS
TANANA		

TOTAL	$ 1,181,241

35,000
3 , 7
245000
350000
595000

SENATE AMENDMENT

By Ferguson

To: _____ SENATE BILL No. 791

To: _____ HOUSE BILL No. _____

PAGE: 1 LINE: 11 and 16

Section 1, line 11, delete $1,308,330 and add $826,100.

Section 1, line 16, add Togiak, New Stuyohuk, Iliamna, and Pilot Point.

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-4640

TO: Mike Scott
Administrative Aide

DATE: April 1, 1982

FROM: Kathleen Baltes KB
Teleconference Coordinator

RE: Facility Development Quote for twenty-two sites included in SB 791

100	Personal Services	$ 143.8	in thousands of
200	Travel & Per Diem	44.0	dollars
300	Contractual Services	299.7	
400	Commodities	6.6	
500	Equipment	204.0	
		$ 698.1	

This quote describes a dial-up teleconference network with part-time hourly staff and complete bill service. Some costs are flexible depending upon demand. The personal services line item assumes ten hours staff time per week during session, two hours per week during the interim, 17% employer costs and support. Travel assumes one training and one administrative trip per site. Contractual services includes leased space, telephone lines and long distance charges, bridge charges postage and freight. Commodities cover normal offices supplies, stationery and posters. Equipment includes a teleconference set and microphones, photocopier, facsimile transceiver answering machine and furniture.

324 Willoughby
Juneau, Alaska 99801
(907) 586-1238

State Senator Victor Fischer
Chairman, State Affairs Committee
The Capitol
Juneau, Alaska 99801

Dear Senator Fischer: Re: Teleconferencing Stations

You announced on the floor that you would be holding hearings on expansion of the teleconferencing networks today. While my schedule does not allow me time always to be where I would like to be--cloning not yet having been perfected--I hope you will please be able to consider this letter regarding this bill.

I was perhaps the only reporter to attend meetings of the Citizens' Participation Council here in Juneau and, though I still believe there are more effective ways to relay information about the process of government than through the CPC, would like to report to you the feelings of one participant regarding teleconferencing sites.

Gary Ricketts, a city planner from McGrath, said teleconferecing sites were needed in the rural "supply centers" of McGrath, Galena, and Ft. Yukon. He pointed out that the closest site now available to McGrath was in Anchorage, 220 air-miles away.

Sincerely & cordially,

Dr. Joe Sonneman
(All-Alaska Weekly)

MSG 82-00019383- PRTY 1 04/06/82 15:34:48 ORIG: LR00 IN= 0008 OUT= 0088
FROM: FLORENCE IN BARROW TO: JUNEAU INFORMATION
TARGET: LJH2 SUBJ: P.O.M.

TO: SENATORS FERGUSON, FISCHER, COLLETTA, BRADLEY, ELIASON, STIMSON

REPRESENTATIVE ADAMS

FROM: MICHAEL I. JEFFERY
BOX 808
BARROW, ALASKA 99723
852 - 2723 (H) 852 - 2311 (W)

SB-791 INTRODUCED BY SENATOR FERGUSON REPRESENTS AN IMPORTANT STEP TO INVOLVE VILLAGE PEOPLE MEANINGFULLY IN STATE DECISION MAKING. AIR COSTS PROHIBIT CITIZENS OF THESE REMOTE COMMUNITIES FROM PARTICIPATION IN DECISIONS AFFECTING THEM. I STRONGLY SUPPORT THIS BILL.

Vic,

The U of A needs telecomferance authority for the regents.

Will it fit into the telecomferance bill you have up today.

PAT RODEY

NAN

MSG 82-00012273 PRTY 1 03/08/82 12:08:43 ORIG: LR00 IN= 0003 OUT= 0038
FROM: FLORENCE IN BARROW TO: JUNEAU INFORMATION
TARGET: LJH2 SUBJ: P.O.M.

TO: SENATORS FERGUSON, FISCHER, COLLETTA, BRADLEY, ELIASON, STIMSON, BENNETT, -DANKWORTH, SACKETT, STURGULEWSKI

FROM: ALLAN PANEAK
ANAKTUVUK PASS, AK 99721
661 - 3314

I WOULD LIKE TO SUPPORT SB 791 FOR A TELECONFERENCE CENTER IN THE VILLAGES. I THINK THAT THIS IS VERY IMPORTANT.

SB

813

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Attached Draft CS SB 813 (State Affairs)
Title
Requested by Date

II. FISCAL DETAIL
Agency Affected Administration - Division of Retirement & Benefits
Program Category Affected Centralized Administrative Services
BRU, Program, or Subprogram(s) Affected Retirement & Benefits
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

		FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100	PERSONAL SERVICES						
100	RETIREMENT BENEFITS		24,148.7	43,170.5	60,279.1	66,307.0	72,937.0
200	TRAVEL						
300	CONTRACTUAL		25.0				
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		24,173.7	43,170.5	60,279.1	66,307.0	72,937.0

$50m. $80m $110m $120m $133m

FUNDING (Thousands of Dollars)

GENERAL FUND							
FEDERAL FUNDS							
VETERAN'S FUND							
FISH & GAME FUND							
HIGHWAY FUND							
AIRPORT FUND							
CAPITAL FUND							
PERS							

DRAFT

POSITIONS NONE

FULL TIME							
PART TIME							
TEMPORARY							

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

1. The State PERS payroll contribution rate must be increased by 6.99% in FY83; 11.36% in FY84; and 14.42% in FY85.

2. Estimate the FY83 covered State PERS payroll to be $345,475,000, increasing 10% annually.

3. Estimate long term inflation rate of 7.5%.

4. The cost to political subdivisions is estimated to be $18,360,800 in FY83; $32,833,600 in FY84; and $45,831,700 in FY85.

if funded 4% in FY83:
39 T
51 P
90.3

for 1978 4%
79 4%
80 4%

IV. DATE March 11, 1982 PREPARED BY Paul B. Arnoldt, Director
AGENCY Division of Retirement & Benefits
PHONE 465-4460

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
Office of the Governor (Keith Specking)

Governor Hammond

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Attached Draft CS SB 813 (State Affairs)
Title
Requested by Date

II. FISCAL DETAIL
Agency Affected Administration - Division of Retirement & Benefits
Program Category Affected Centralized Administrative Services & Secondary Education
BRU, Program, or Subprogram(s) Affected Retirement & Benefits
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100	PERSONAL SERVICES						
100	RETIREMENT BENEFITS		25,574.1	37,070.1	49,630.6	54,593.6	60,052.9
200	TRAVEL						
300	CONTRACTUAL		25.0				
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
700	STATE TRS MATCHING						
	TOTAL		25,599.1	37,070.1	49,630.6	54,593.6	60,052.9

FUNDING (Thousands of Dollars)

GENERAL FUND							
FEDERAL FUNDS							
VETERAN'S FUND							
FISH & GAME FUND							
HIGHWAY FUND							
AIRPORT FUND							
CAPITAL FUND							
PERS							
TRS							

DRAFT

POSITIONS NONE

FULL TIME							
PART TIME							
TEMPORARY							

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

1. The TRS contribution rate must be increased by 14.54% in FY83; 19.16% in FY84; and 23.32% in FY85 (the TRS contribution rate is split 50/50 between the State and employers in the system).

2. Estimate FY83 covered payroll at $296,962,000, and increasing 10% annually.

3. Estimate long term inflation rate of 7.5%.

4. The cost to school districts is estimated to be $17,604,100 in FY83; $25,517,500 in FY84; and $34,163,600 in FY85.

IV. DATE March 11, 1982 PREPARED BY Paul B. Arnoldt, Director
AGENCY Division of Retirement & Benefits
PHONE 465-4460

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named) Governor Hammond
Office of the Governor (Keith Specking)

SB 811 (cont'd)

that the lists include: the person's first name, last name and middle initial; his residence address as well as mailing address, including zip codes; his birth date; and the number of years and months the person has been a resident of the state. Bill would add the person's social security number to this list. Does not provide for an effective date.

Introduced February 18 and referred to Judiciary.

Nelchina Public Use Area

SENATE BILL NO. 812, by the Rules Committee by request of the Governor. Would establish the Nelchina Public Use Area near Glennallen. States that the primary purpose of the Area would be to maintain the fish and wildlife resources and to perpetuate multiple use of the area, including but not limited to fishing, hunting, trapping, mineral entry, and other forms of public use of public land. Includes legal description of lands to be included in the Area, all of which is included in the Seward and Copper River Meridians. Does not provide for an effective date.

Introduced February 18 and referred to Resources.

In his message transmitting the bill to the Senate for consideration, Governor Hammond stated:

> Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill creating the Nelchina Public Use Area.
>
> This bill would create an area reserved for multiple use by the public encompassing approximately 1.2 million acres of state land in Game Management Unit 13. The area is within the range of the Nelchina caribou herd, and, in the opinion of the Department of Fish and Game, is the most important caribou hunting area in the state for urban residents. Other characteristics of the area which make it worthy of special consideration include: its proximity to Anchorage and Fairbanks; access to the area from the Denali highway; the presence of the most important off-road vehicle trail system for hunting in Alaska; the variety of big game animals available; and the number of lodges, air taxis, and guide services available to the public.
>
> The bill puts management of the area in the Department of Natural Resources, with a requirement of consultation with the Department of Fish and Game. It also requires that fish and wildlife habitat be managed so as to sustain those resources perpetually.
>
> It is important to protect this area as a resource for fishing, hunting, trapping, and other forms of recreation, at a time when large areas of land within the state are becoming off-limits for many of these activities.

Retirement & PRPA/public employees

SENATE BILL NO. 813, by the Rules Committee by request of the Governor. Rewrites statutes governing post-retirement pension adjustments for teachers and public employees (AS 14.25.143 and AS 39.35.475). New version provides that when the administrator determines that the cost of living has increased and the financial condition of the fund permits, he "may" increase retirement benefits to eligible disabled members and those 55 or over (currently reads he "shall" increase benefits).

Sets up a sliding scale for increases in benefits based on the age

SB 813 (cont'd)

and condition of the recipient. For those who are at least 65, the increase would be the lesser of 75% of the increase in the cost of living or 9%. For those who are at least 60, but under 65, or who are receiving disability benefits and are under 65, the increase would be the lesser of 50% of the increase in the cost of living or 6%. For those who are at least 55, but less than 60 years old, the increase would be the lesser of 25% of the increase in the cost of living or 3%.

Amends AS 39.35 by adding a new section which allows credited service in the Public Employees' Retirement System for employment with the state ferry system (Div. of Marine Transportation). Amends 39.35.370 (PERS retirement benefits) to prohibit a member who is receiving benefits from the Marine Highways retirement system from receiving PERS benefits based on the same period of employment.

Deletes from the definition of "peace officer" or "fireman" for the purposes of Public Employees' Retirement a "qualified employee of the Department of Fish and Game." Repeals from definitions section of AS 39.35 the definition of "qualified employee of the Department of Fish and Game." (See Governor's letter) Provides Act effective on July 1, 1982.

Introduced February 18 and referred to State Affairs and Finance.

In his message transmitting the bill to the Senate for consideration, Governor Hammond stated:

> Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to pension adjustments and retirement benefits for peace officers, marine highway employees and fish and game employees.
>
> The first and fourth sections of the bill relate to post-retirement pension adjustments for teachers and public employees. In place of the old one-tier system, it creates a three-tier system which allows the administrator to grant a higher cost-of-living increase for older retirees who are often more severely impacted by inflation.
>
> The second and third sections provide for the limited transfer of credit from the Northwest Marine Retirement Trust, under which many ferry system employees are provided for, to the Public Employees' Retirement System.
>
> Sections 5 and 6 settle a problem that has existed in recent years whereby selected fish and game employees were entitled to peace officer status and 20-year retirement. The present system is flawed because many persons whose desk jobs did not approach the hazards of peace officer service were nevertheless treated like peace officers. Recent study has indicated little difference between the hazards of fish and game employment and the hazards of other non-peace officer employment. This bill, therefore, eliminates peace officer coverage for fish and game employees. To avoid a constitutional problem, the bill preserves peace officer status for those fish and game employees who have already qualified for such status under the existing law.

Spending Limit (implementation of)

SENATE BILL NO. 814, by the Rules Committee by request of the Governor. Establishes procedures to implement the proposed constitutional spending limit to be voted on in November.

Adds new sections to the Executive Budget Act (AS 37.07) relating to the adjustment of the appropriation limit base of $2.5 billion, and

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 813

Title An Act Relating to Retirement Benefits...(PERS)...and Providing for an Effective Date

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits

Program Category Affected Centralized Administrative Services

BRU, Program, or Subprogram(s) Affected Retirement & Benefits

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

EXPENDITURES (Thousands of Dollars)

		FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100	PERSONAL SERVICES						
100	RETIREMENT BENEFITS		(228.0)	(506.5)	(838.3)	(1,231.4)	(1,694.7)
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		(228.0)	(506.5)	(838.3)	(1,231.4)	(1,694.7)

FUNDING (Thousands of Dollars)

GENERAL FUND		(186.7)	(414.8)	(686.6)	(1,008.5)	(1,388.0)
FEDERAL FUNDS		(10.5)	(23.3)	(38.6)	(56.6)	(78.0)
VETERAN'S FUND		(.5)	(1.0)	(1.7)	(2.5)	(3.4)
FISH & GAME FUND		(1.4)	(3.0)	(5.0)	(7.4)	(10.1)
HIGHWAY FUND		(3.0)	(6.6)	(10.9)	(16,0)	(22.0)
AIRPORT FUND		(6.6)	(14.7)	(24.3)	(35.7)	(49.1)
CAPITAL FUND		(19.3	(43.1)	(71.2)	(104.7)	(144.1)
PERS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. Provision to provide PERS service credit for certain Marine transportation service is estimated to cost $4,000 per year.

2. Cost savings as a result of curtailing peace officer coverage within the Department of Fish and Game are estimated at $232,000 in FY 83 and increasing in subsequent years.

IV. DATE February 23, 1982 PREPARED BY Paul B. Arnoldt

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management
Prime Sponsor (First Legislator Named)
Office of the Governor (Keith Specking)

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

*Section 1. AS 14.20.345(d) is amended to read:

(d) The governing body of the district may agree to continue the teacher's retirement contributions if the teacher agrees to pay the percentage required under AS 14.25.050 [REQUIRED SEVEN PERCENT] of the salary the teacher [HE] would have received during the [HIS] leave of absence and reimburse the district for the district's required retirement contribution. Each year of leave of absence then would count as a year of retirement service.

*Sec. 2. AS 14.25.050(a) is amended to read:

(a) Each [BEGINNING JULY 1, 1970, EACH] teacher shall contribute to the retirement fund an amount equal to nine [SEVEN] percent of his base salary accrued from July 1 to the following June 30. The contribution shall be deducted by the employer at the end of each payroll period.

*Sec. 3. AS 14.25.060(a) is repealed and reenacted to read:

(a) If a member has military service or Alaska Bureau of Indian Affairs (BIA) service, or if a member joined the system before July 1, 1978, and has creditable outside service, the member is indebted to the retirement fund as follows:

(1) for a member first hired before July 1, 1978, the arrearage indebtedness for creditable outside service is seven percent of the base salary multiplied by the total number of years of creditable outside service. Compound interest at the rate prescribed by regulation shall be added to the arrearage indebtedness beginning July 1, 1963, or at the time of first becoming employed as a member, whichever is later, to the date of payment or the date of retirement, whichever occurs first.

(2) for a member first hired before July 1, 1982, the arrearage indebtedness for creditable military and Alaska BIA service is

seven percent of the base salary multiplied by the total number of years of military and Alaska BIA service. For a member first hired on or after July 1, 1982, the arrearage indebtedness for military and Alaska BIA service is nine percent of the base salary multiplied by the total number of years of creditable military and Alaska BIA service. Compound interest at the rate prescribed by regulation shall be added to the arrearage indebtedness beginning July 1, 1963, or at the time of first becoming employed as a member, whichever is later, to the date of payment or the date of retirement, whichever occurs first.

*Sec. 4. AS 14.25.110(d) is repealed and reenacted to read:

(c) The monthly retirement benefit for a member is calculated as follows:

(1) for a member with credited service earned before July 1, 1982, the monthly retirement benefit is calculated by multiplying two percent of the member's average base salary, divided by 12, by the years of credited service.

(2) for a member with less than three years of membership service rendered after June 30, 1982:

(A) if the member has a total of at least 10 but less than 20 years of credited service, the member is entitled to the benefit calculated under (1) of this subsection for the credited service rendered before July 1, 1982, plus two and one-quarter percent of the member's average base salary, divided by 12, times the years of credited service earned after June 30, 1982;

(B) if the member has a total of at least 20 years of credited service, the member is entitled to the benefit calculated under (1) of this subsection for the credited service rendered before July 1,

1982, plus two and one-half percent of the member's average base salary, divided by 12, times the years of credited service earned after June 30, 1982;

(3) for a member with three or more years of membership service rendered after June 30, 1982:

(A) if the member has a total of at least 10 but less than 20 years of credited service, the member is entitled to a monthly retirement benefit equal to two and one-quarter percent of the member's average base salary, divided by 12, times the member's total years of credited service;

(B) if the member has a total of at least 20 years of credited service, the member is entitled to a monthly retirement benefit equal to two and one-half percent of the member's average base salary, divided by 12, times the member's total years of credited service;

(4) for a member who elects to receive an early retirement benefit, an actuarial adjustment must be made; and

(5) any indebtedness that exists at the time of retirement must be discharged in accordance with AS 14.25.063(b).

*Sec. 5. AS 14.25.125(d) is repealed and reenacted to read:

(d) The monthly amount of a conditional service retirement benefit shall be calculated on the years of fully paid credited service only, in accordance with AS 14.25.110(d), except that

(1) a member may irrevocably elect to substitute "average monthly compensation" as defined in AS 39.35.680(4) in place of the member's average base salary, divided by 12; and

(2) in determining the percentage multiplier for each year of service under AS 14.25.110(d) the years of credited service under AS 39.35 shall also be considered.

*Sec. 6. AS 14.25.143 is repealed and reenacted to read:

Sec. 14.25.143. POST-RETIREMENT PENSION ADJUSTMENT. (a) Once each year the administrator shall increase benefit payments to eligible persons age 65 or older receiving benefits under this system in the preceding calendar year.

(b) The increase in benefit payments applies to total benefit payments except for the cost-of-living allowance under AS 14.25.142. The amount of the increase is a percentage of the current benefit equal to the lesser of 75 percent of the increase in the cost of living in the preceding calendar year or nine percent, for recipients who on July 1 are at least 65 years old.

(c) If a recipient was not receiving benefits during the entire preceding calendar year, the increase in benefits under this section shall be adjusted by multiplying it by the fraction whose numerator is the number of months for which benefits were received in the preceding calendar year and whose denominator is 12.

(d) If at the time of first receiving a retirement benefit a member was receiving a disability benefit under this system, the administrator shall, at the time the member is appointed to retirement, increase the retirement benefit by a percentage equal to the total cumulative percentage increase which has been applied to the member's disability benefit under this section.

(e) When computing a spouse's pension under AS 14.25.164, adjustments granted to the deceased member under this section shall be included.

(f) An increase in benefit payments under this section is effective July 1 of each year and is based on the percentage increase in the consumer

price index for urban wage earners and clerical workers for Anchorage, Alaska during the previous calendar year as determined by the United States Department of Labor, Bureau of Labor Statistics.

*Sec. 7. AS 14.25.143(a) is repealed and reenacted to read:

Sec. 14.25.143. POST-RETIREMENT PENSION ADJUSTMENT. (a) Once each year the administrator shall increase benefit payments to eligible disabled members and persons age 60 or older receiving benefits under this system in the preceding calendar year.

*Sec. 8. AS 14.25.143(b) is repealed and reenacted to read:

(b) The increase in benefit payments applies to total benefit payments except for the cost-of-living allowance under AS 14.25.142. The amount of the increase is a percentage of the current benefit equal to

(1) the lesser of 75 percent of the increase in the cost of living in the preceding calendar year or nine percent, for recipients who on July 1 are at least 65 years old; and

(2) the lesser of 50 percent of the increase in the cost of living in the preceding calendar year or six percent, for recipients who on July 1 are at least 60 but less than 65 years old and for members receiving disability benefits who are less than 65 years old.

*Sec. 9. AS 14.25.143(a) is repealed and reenacted to read:

Sec. 14.25.143. POST-RETIREMENT PENSION ADJUSTMENT. (a) Once each year the administrator shall increase benefit payments to eligible disabled members and persons age 55 or older receiving benefits under this system in the preceding calendar year.

*Sec. 10. AS 14.25.143(b) is repealed and reenacted to read:

(b) The increase in benefit payments applies to total benefit

payments except for the cost-of-living allowance under AS 14.25.142. The amount of the increase is a percentage of the current benefit equal to

(1) the lesser of 75 percent of the increase in the cost of living in the preceding calendar year or nine percent, for recipients who on July 1 are at least 65 years old;

(2) the lesser of 50 percent of the increase in the cost of living in the preceding calendar year or six percent, for recipients who on July 1 are at least 60 but less than 65 years old and for members receiving disability benefits who are less than 65 years old; and

(3) the lesser of 25 percent of the increase in the cost of living in the preceding calendar year or three percent, for recipients who on July 1 are at least 55 but less than 60 years old.

*Sec. 11. AS 39.35.160 is amended to read:

Sec. 39.35.160. AMOUNT OF EMPLOYEE CONTRIBUTIONS. While participating in the system each peace officer and each fireman shall contribute seven [FIVE] percent and every other employee shall contribute six [FOUR] and one-quarter percent of their [HIS] compensation to the public employees' retirement system.

(b) If, upon termination of employment, an employee has credited service of less than five years and has less than $1,000 in the [HIS] employee contribution account, a refund of the employee contribution account and the employee savings account must be made unless the employee indicates in writing that future retirement is intended and contributions should not be refunded. An employee who is reemployed with an employer and whose contributions have not been refunded before reemployment [RE-EMPLOYMENT] is not eligible for a refund.

*Sec. 12. AS 39.35.340(b) is amended to read:

(b) In order to obtain credited service under this section, an employee shall make an election to do so and shall verify the [HIS] period of military service. When eligibility for credited service for military service has been established, an indebtedness shall be determined as follows: (1) the employee's actual compensation, or the calculated annual compensation for those employees working less than 12 months, during the calendar year 1976 or the year in which an employee first becomes vested under this chapter, whichever is later, multiplied by (2) [SIX PERCENT. THIS PRODUCT MULTIPLIED BY (3)] the number of years of military service credited under this section, and this product multiplied by (3) six percent for members who are first eligible to claim this military service before July 1, 1982, or eight percent for members who are first eligible to claim this military service on or after July 1, 1982. Interest as prescribed by regulation accrues on this indebtedness beginning [COMMENCING] on July 1, 1976, or one year following the date a person first becomes vested, whichever is later. Any outstanding indebtedness that [WHICH] exists at the time a person is appointed to retirement will necessitate an actuarial adjustment to the benefits payable based upon that military service.

*Sec. 13. AS 39.35.370(c) is repealed and reenacted to read:

(c) The monthly retirement benefit of an employee is calculated as follows:

(1) for an employee with credited service earned before July 1, 1982, the monthly retirement benefit is calculated by multiplying two percent of the average monthly compensation of the employee by the number of years of credited service.

(2) for an employee with less than three years of credited service rendered after June 30, 1982:

(A) if the employee has a total of at least 10 but less than 20 years of credited service, the employee is entitled to the benefit calculated under (1) of this subsection for the credited service rendered before July 1, 1982, plus two and one-quarter percent of the average monthly compensation times the years of credited service earned after June 30, 1982;

(B) if the employee has a total of at least 20 years of credited service, the employee is entitled to the benefit calculated under (1) of this subsection for the credited service rendered before July 1, 1982, plus two and one-half percent of the employee's average monthly compensation times the years of credited service earned after June 30, 1982;

(3) for an employee with three or more years of credited service rendered after June 30, 1982:

(A) if the employee has a total of at least 10 but less than 20 years of credited service, the employee is entitled to a monthly retirement benefit equal to two and one-quarter percent of the employee's average monthly compensation times the total years of credited service earned by the employee;

(B) if the employee has a total of at least 20 years of credited service, the employee is entitled to a monthly retirement benefit equal to two and one-half percent of the employee's average monthly compensation times the total years of credited service earned by the employee;

(4) for an employee who elects to receive an early retirement benefit, an actuarial adjustment must be made; and

(5) for an employee who rendered service as a peace officer or fireman before July 1, 1982, the monthly retirement benefit is calculated as follows:

(A) by multiplying two percent of the average monthly compensation of the employee by the years of credited peace officer or fireman service up through 10 years, plus two and one-half percent of the average monthly compensation of the employee by the years of credited peace officer or fireman service over 10 years. All other credited service shall be multiplied by two percent; or

(B) the formulas as provided in (1) through (4) of this subsection, if (B) is greater than (A).

*Sec. 14. AS 39.35.385(d) is repealed and reenacted to read:

(d) The monthly amount of a conditional service retirement benefit shall be calculated in accordance with AS 39.35.370(c), except that

(1) the member may irrevocably elect to substitute one-twelfth of the "average base salary" as defined in AS 14.25.220(5) in place of average monthly compensation; and

(2) in determining the percentage multiplier for each year of service under AS 39.35.370(c) the years of credited service under AS 14.25 shall also be considered.

*Sec. 15. AS 39.35.475 is repealed and reenacted to read:

Sec. 39.35.475. POST-RETIREMENT PENSION ADJUSTMENT. (a) Once each year the administrator shall increase benefit payments to eligible persons age 65 or older receiving benefits under this system in the preceding calendar year.

(b) The increase in benefit payments applies to total benefit payments exclusive only of the cost-of-living allowance under AS 39.35.480. The amount of the increase is a percentage of the current benefit equal to the lesser of 75 percent of the increase in the cost of living in the preceding calendar year or nine percent, for recipients who on July 1 are at least 65 years old.

(c) If a recipient was not receiving benefits during the entire preceding calendar year, the increase in benefits under this section shall be adjusted by multiplying it by the fraction whose numerator is the number of months for which benefits were received in the preceding calendar year and whose denominator is 12.

(d) If at the time of first receiving a retirement benefit a member was receiving a disability benefit under this system, the administrator shall, at the time the member is appointed to retirement, increase the retirement benefit by a percentage equal to the total cumulative percentage increase which has been applied to the member's disability benefit under this section.

(e) When computing a joint and survivor benefit under AS 39.35.450 or a survivor's benefit under AS 39.35.420 or 39.35.440, adjustments granted to the deceased member under this section shall be included.

(f) An increase in benefit payments under this section is effective July 1 of each year and is based on the percentage increase in the consumer price index for urban wage earners and clerical workers for Anchorage, Alaska during the previous calendar year as determined by the United States Department of Labor, Bureau of Labor Statistics.

*Sec. 16. AS 39.35.475(a) is repealed and reenacted to read:

Sec. 39.35.475. POST-RETIREMENT PENSION ADJUSTMENT. (a) Once each year the administrator shall increase benefit payments to eligible disabled members and persons age 60 or older receiving benefits under this system in the preceding calendar year.

*Sec. 17. AS 39.35.475(b) is repealed and reenacted to read:

(b) The increase in benefit payments applies to total benefit payments exclusive only of the cost-of-living allowance under AS 39.35.480. The amount of the increase is a percentage of the current benefit equal to

(1) the lesser of 75 percent of the increase in the cost of living in the preceding calendar year or nine percent, for recipients who on July 1 are at least 65 years old; and

(2) the lesser of 50 percent of the increase in the cost of living in the preceding calendar year or six percent, for recipients who on July 1 are at least 60 but less than 65 years old and for members receiving disability benefits who are less than 65 years old.

*Sec. 18. AS 39.35.475(a) is repealed and reenacted to read:

Sec. 39.35.475. POST-RETIREMENT PENSION ADJUSTMENT. (a) Once each year the administrator shall increase benefit payments to eligible disabled members and persons age 55 or older receiving benefits under this system in the preceding calendar year.

*Sec. 19. AS 39.35.475(b) is repealed and reenacted to read:

(b) The increase in benefit payments applies to total benefit payments exclusive only of the cost-of-living allowance under AS 39.35.480. The amount of the increase is a percentage of the current benefit equal to

(1) the lesser of 75 percent of the increase in the cost of living in the preceding calendar year or nine percent, for recipients who on July 1 are at least 65 years old;

(2) the lesser of 50 percent of the increase in the cost of living in the preceding calendar year or six percent, for recipients who on July 1 are at least 60 but less than 65 years old and for members receiving disability benefits who are less than 65 years old; and

(3) the lesser of 25 percent of the increase in the cost of living in the preceding calendar year or three percent, for recipients who on July 1 are at least 55 but less than 60 years old.

*Sec. 20. AS 14.25.143 and AS 39.35.475 as enacted in secs. 6-10 and 15-19 of this Act apply to persons receiving benefits under the retirement systems on and after July 1, 1982. Payment of an increase benefit under AS 14.25.143 or AS 39.35.475 that is effective July 1, 1982, shall begin no later than January 1, 1983, and shall be based on the percentage increase in the consumer price index for the calendar year 1981.

*Sec. 21. Sections 1-6, sections 11-15, and section 20 of this Act take effect July 1, 1982.

*Sec. 22. Sections 7, 8, 16 and 17 of this Act take effect July 1, 1983.

*Sec. 23. Sections 9, 10, 18 and 19 of this Act take effect July 1, 1984.

TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Attached Draft 3-01-82

Title

Requested by Date

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits

Program Category Affected Centralized Administrative Services

BRU, Program, or Subprogram(s) Affected Retirement & Benefits

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

EXPENDITURES (Thousands of Dollars)

		FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100	PERSONAL SERVICES						
100	RETIREMENT BENEFITS		24,632.3	43,702.5	60,864.2	66,960.6	73,656.6
200	TRAVEL						
300	CONTRACTUAL		25.0				
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		24,657.3	43,702.5	60,864.2	66,960.6	73,656.6

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS						

DRAFT

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. The State PERS payroll contribution rate must be increased by 7.13% in FY83; 11.50% in FY84; and 14.56% in FY85.

2. Estimate the FY83 covered State PERS payroll to be $345,475,000, increasing 10% annually.

3. Estimate long term inflation rate of 7.5%.

4. The cost to political subdivisions is estimated to be $18,728,600 in FY83; $32,228,100 in FY84; and $46,276,600 in FY 85.

IV. DATE March 1, 1982 PREPARED BY Paul B. Arnoldt, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Office of the Governor (Keith Specking)

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Attached Draft 3-01-82

Title

Requested by Date

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits

Program Category Affected Centralized Administrative Services & Secondary Education

BRU, Program, or Subprogram(s) Affected Retirement & Benefits

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

EXPENDITURES (Thousands of Dollars)

		FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100	PERSONAL SERVICES						
100	RETIREMENT BENEFITS		26,101.7	37,650.6	50,269.1	55,296.0	60,825.6
200	TRAVEL						
300	CONTRACTUAL		25.0				
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
700	STATE TRS MATCHING						
	TOTAL		26,126.7	37,650.6	50,269.1	55,296.0	60,825.6

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						

DRAFT

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. The TRS contribution rate must be increased by 14.84% in FY83; 19.46% in FY84; and 23.62% in FY85 (the TRS contribution rate is split 50/50 between the State and employers in the system).

2. Estimate FY83 covered payroll at $296,962,000, and increasing 10% annually.

3. Estimate long term inflation rate of 7.5%.

4. The cost to school districts is estimated to be $17,968,000 in FY83; $25,917,100 in FY84; and $34,603,000 in FY85.

IV. DATE March 1, 1982 PREPARED BY Paul B. Arnoldt, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Office of the Governor (Keith Specking)

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

	State of Alaska Contribution Rate	
	PERS	TRS
7-1-68	7.00%	2.5%
7-1-69	3.50%	2.5%
7-1-70	8.00%	4.5425%
7-1-71	7.84%	4.91%
7-1-72	11.21%	4.91%
7-1-73	5.41%	5.61%
7-1-74	5.41%	5.61%
7-1-75	8.32%	6.82%
7-1-76	11.18%	7.09%
7-1-77	11.58%	6.70%
7-1-78	12.58%	7.06%
7-1-79	12.24%	7.45%
7-1-80	13.66%	7.87%
7-1-81	14.00%	8.42%

	Post Retirement Pension Adjustments			
	PERS		TRS	
1-1-68		7-1-68	1.5%	
1-1-69	1.5%	7-1-69	1.5%	
1-1-70	1.5%	7-1-70	1.5%	
1-1-71	1.5%	7-1-71	1.5%	
1-1-72		7-1-72	1.5%	
1-1-73	2.5%	7-1-73	1.5%	
1-1-74	3.0%	7-1-74	3.0%	
1-1-75		7-1-75		
1-1-76		7-1-76		
1-1-77		7-1-77	10%	
1-1-78	4.0%	7-1-78	4.0%	
1-1-79	4.0%	7-1-79	4.0%	
1-1-80	4.0%	7-1-80	4.0%	
1-1-81		7-1-81		

SECTION ANALYSIS/COMPARISON OF DRAFT CSSB 813 (STATE AFFAIRS)

TO SCS CSHB 121 (Rls) am S

Sec. 1: Would increase the contributions rate for service credit for leave of absence without pay by two percent in accordance with the increase in Section 2. The same provision existed in HB 121.

Sec. 2: Would increase the mandatory contribution rate for TRS employees from seven to nine percent; the increase represents the employee's share of the cost of the automatic PRPA in Sections 6-10. The same provision existed in HB 121.

Sec. 3: Would increase the contribution rate for outside, BIA and Military service credit by two percent in accordance with the increase in Section 2. The same provision existed in HB 121.

Sec. 4: Makes the multiplier in the benefit formula for a teacher's benefit dependent on the number of years of credited service. Requires at least 3 years membership service after the effective date of the act in order for the teacher to apply the increased benefit formula to past service. A similar provision existed in HB 121, except that the increased benefit formula could be applied to past service immediately.

Sec. 5: Would bring AS 14.25.125(d) into accord with the changes in AS 14.25.110(d) (Section 4), and would amend conditional service retirement provisions to allow a member (1) to use his PERS salary if it is higher than his TRS salary, and (2) to count his years of PERS service credit in the determination of the percentage multiplier under AS 14.25.110(d). A similar provision existed in HB 121.

Secs. 6-10: Would create a mechanism for granting automatic, funded, annual PRPA's to benefit recipients in the TRS; the amount of the increases would depend on the increase in the cost of living and the benefit recipient's age. A similar provision existed in HB 121, except that under the current proposal, the change takes effect in increments; for those age 65 and over, it would beeffective July 1, 1982; for those age 60 and over and those receiving disability benefits, it would be effective July 1,1983; and for those age 55 and over, it would be effective July 1, 1984.

Sec. 11: Would increase the mandatory contribution rate for PERS peace officer/firemen from five to seven percent, and for all others from four and one-quarter percent to six and one-quarter percent; the increase represents the employee's share of the cost of the automatic PRPA in Sections 15-19. The same provision existed in HB 121.

Sec. 12: Would increase the contribution rate for military service

credit in accordance with the increase in mandatory contributions in Section 11. The same provision existed in HB 121.

Sec. 13: Makes the multiplier in the benefit formula for PERS members dependent on the number of years credited service. Requires at least 3 years be served after the effective date of the act in order to qualify to have the increased benefit formula apply to past service. A similar provision existed in HB 121, except that employees would not have had to serve three years in order to qualify for the increased multiplier for past service.

Sec. 14: Would bring AS 39.35.385(d) into accord with the changes in AS 39.35.370(c) under Section 13 and would amend the Conditional Service Retirement provisions to allow a member (1) to use his TRS salary if it is higher than his PERS salary, and (2) to count his years of TRS service credit in the determination of the percentage multiplier under AS 39.35.370(c). The same provision existed in HB 121.

Secs. 15-19: Would create a mechanism for granting automatic, funded annual PRPA's to benefit recipients in the PERS; the amount of the increase would depend on the cost of living and the benefit recipient's age. A similar provision existed in HB 121, except that under this proposal, the change takes effect in increments; for those age 65 and over, it is

effective July 1, 1982; for those age 60 and over and those receiving disability benefits, it is effective July 1, 1983; and for those age 55 and over, it is effective July 1, 1984.

Sec. 20: Applies the automatic PRPA formula contained in Sections 6-10 and 15-19 to persons receiving benefits on and after July 1, 1982. Although the first PRPA increase would be effective July 1, 1982, it allows an additional six months to begin the first payments. It requires those payments to be based on the percentage increase in the CPI for calendar year 1981. HB 121 would also have applied the PRPA provisions to retirees; however, HB 121 also provided for a retroactive adjustment of benefits under the new formula.

Secs. 21-23: Provides for the effective dates. HB 121 contained numerous other provisions relating to technical clean-up and some which enhanced benefits in the Judicial and Elected Public Officers Retirement System which are not found in the current draft bill and which are not detailed in this summary analysis.

5/9D1/0309-5

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 17, 1982

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to pension adjustments and retirement benefits for peace officers, marine highway employees and fish and game employees.

The first and fourth sections of the bill relate to post-retirement pension adjustments for teachers and public employees. In place of the old one-tier system, it creates a three-tier system which allows the administrator to grant a higher cost-of-living increase for older retirees who are often more severely impacted by inflation.

The second and third sections provide for the limited transfer of credit from the Northwest Marine Retirement Trust, under which many ferry system employees are provided for, to the Public Employees' Retirement System.

Sections 5 and 6 settle a problem that has existed in recent years whereby selected fish and game employees were entitled to peace officer status and 20-year retirement. The present system is flawed because many persons whose desk jobs did not approach the hazards of peace officer service were nevertheless treated like peace officers. Recent study has indicated little difference between the hazards of fish and game employment and the hazards of other non-peace officer employment. This bill, therefore, eliminates peace officer coverage for fish and game employees. To avoid a constitutional problem, the bill preserves peace officer status for those fish and game employees who have already qualified for such status under the existing law.

Sincerely,

Jay S. Hammond
Governor

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPARTMENT OF ADMINISTRATION

DIVISION OF RETIREMENT & BENEFITS

POUCH CR
JUNEAU, ALASKA 99811

(907) 465-2200

March 11, 1982

Honorable Vic Fischer
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Fischer:

The last time the draft proposal relating to Post Retirement Pension Adjustments (PRPA's) and increases in the benefit crediting formula was considered before your committee, you asked that we analyze Mr. Manners' suggested amendment that would provide for a retroactive adjustment of the benefits of existing retirees under the new provisions. We have done so and offer the following comments.

First, it must be realized that less than half of the existing retirees (essentially those over age 65) could possibly benefit from the proposed amendment. The benefits of this particular group have already been increased enormously as a result of legislation passed since their retirement. We remain committed to the principle that, in the future, the system should provide larger percentage increases to the older retirees to partially offset the impact of inflation. However, in this case, the compound effects of retroactive benefit increases in the form of benefit formula increases, medical insurance coverage, substantially increased minimum benefit amounts and a liberalized method of computing PRPA's on average, have actually far exceeded the increases in the cost of living. To provide an additional windfall gain at this time for this group seems indefensible.

Second, this proposal presents very significant administrative problems. The quality of historical data that is accessible by computer will not support the necessary calculations without a massive clerical effort. Additional programming effort would also be required at a time when our very small data processing section is stretched to the limit.

Third, are the pure cost considerations. Annual costs to fund benefits would be increased by .14 percent of payroll in the PERS and by .30 percent of payroll in the TRS--which, in dollar terms, amount to a present value in excess of $10 million. The attached draft fiscal note does not include these costs to the state. Some contractual costs (yet to be determined) would also be incurred to support the one-time administrative effort.

In summation, after careful reconsideration, I do not feel that the proposed amendment is sound from a public policy point of view and it is not cost-effective. I certainly cannot support it. Even if the financial outlook were less bleak, I now believe the amendment would detract from the bill and that the money could be better utilized elsewhere.

My staff and I remain at your disposal in attempting to develop a proposal which can be supported by all concerned.

Respectfully,

W. R. Hudson
Commissioner

WRH/jb

cc: Robert Manners

Paul B. Arnoldt
Director
Division of Retirement & Benefits

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C
JUNEAU, ALASKA 99811

(907) 465-2200

March 2, 1982

Honorable Vic Fischer
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Fischer:

The purpose of this letter is to advise you of our support of Senate Bill 813 which was introduced by Governor Hammond.

Specifically, we wish to make it clear that we support Sections 5 and 6 of that bill as it will resolve two longstanding problems within the Department of Fish and Game:

(1) the promotability problem experienced by that agency's existing employees; and

(2) the proliferation of peace officer retirement coverage for future employees in that department.

W.R. Hudson
Commissioner
Department of Administration

Ronald O. Skoog
Commissioner
Department of Fish & Game

02-89LH

SB

827

SECTIONAL ANALYSIS OF SB 827

Sections 1 and 2 would prevent abuse of the TRS by amending AS 14.20.345 (d) and (f) so that LWOP would not be creditable unless certified by the school district as being for educational purposes. This results in no measurable change in costs since the teacher will continue to pay the same portion of the cost (based on when the payment is made) to fund the attendant benefits.

Sections 3-5 would amend AS 14.25.020, 14.25.022, and 14.25.035 to state clearly the role of the Teachers' Retirement Board in the adoption and promulgation of regulations. The change makes the role of the TRS Board in this area identical to that of the Public Employees' Retirement Board. Under the existing language, the system administrator functions in this capacity without any clear mandate that he consult the Board.

Sections 6, 15-16 and 19-21 would alter the death/survivor benefit provisions of the TRS. Specifically, the supplemental contributions provision would be eliminated for all teachers hired on or after July 1, 1982, open enrollment for the supplemental contributions provision would be eliminated, and equitable occupational and nonoccupational death benefits and joint and survivor options, such as currently exist in the PERS, would be created. The change works no impairment of accrued rights since it affects only those who first join the system on or after July 1, 1982. In addition, Section 21 creates a procedure for the designation of beneficiaries under the TRS which is identical to that in the PERS. This should substantially reduce uncertainty as to entitlement in the event of the death of a member.

Section 7 would amend the manner of discharging indebtedness under the TRS to bring it into conformity with the PERS.

Sections 8 and 57 would ensure that, in accordance with the Alaska Constitution, accrued benefits under the TRS and PERS may not be diminished by claiming service credit.

Section 9 would bring the statutes into conformity with current practice. The sentence in question was inadvertently omitted when the TRS statutes were amended by Chapter 13, SLA 1980.

Section 10 corrects statutory references. These references should have been changed at the time the TRS statutes were amended by Chapter 13, SLA 1980.

Section 11 would amend the provisions for Conditional Service Retirement Benefits to allow a member (1) to use his PERS salary if it is higher than his TRS salary, and (2) to figure his conditional service benefit based on all credited service rather than just membership service.

Section 12 would amend AS 14.25.130(a) to streamline the disability retirement application procedure. It provides a definite starting point in the procedure by setting as the first step the termination of employment due to the disability. Additionally, it resolves an existing inequity wherein a member has enough years of membership service to qualify for disability but is over 55 and does not qualify for normal retirement. Under present law, such an individual would be in a "Catch-22" situation -- disabled and unable to work, but needing to work to gain the necessary credit to qualify for normal retirement and being too old to qualify for disability.

Sections 13 and 51 would correct drafting errors in AS 14.25.143(b) and AS 39.35.475(b) committed two years ago. In the ceiling formula for pension adjustments, it changes "greater" to "lesser." This is not a substantive change in the law since it has always been within the administrator's discretion to grant as small an increase as fiscal prudence dictates.

Sections 14 and 27 would amend the refund provisions of the TRS to conform with current practice and allow for the refunding of interest paid on an indebtedness. "Member contribution account" is defined to include all of the other accounts.

Section 17 would amend AS 14.25.160(b)(1) to agree with the changes in Sections 14 and 27 of this bill.

Section 18 would eliminate an existing inequity by amending AS 14.25.162(b)(1) to allow a dependent child to interrupt his schooling without permanently losing his survivor's allowance payment.

Sections 22, 32, and 56 would conform the statutes to the longstanding practice of providing major medical insurance coverage to spouses and dependent children of retirees, as well as retirees themselves in the TRS, the PERS and the contributory and noncontributory Judicial Retirement Systems.

Section 23 adds the appropriate statutory references to AS 14.25.169 to be in agreement with the death/survivor benefit changes in Sections 6, 15-16 and 19-21 of this bill. In addition, Section 23 puts into law three previously unwritten principles of equity which have been at the heart of the TRS since its inception: a teacher may not receive 1) duplicate TRS credit for the same period of service; 2) more than one year of credit during a school year; or 3) benefits while accruing service credit except as provided in AS 14.25.169.

Sections 24 and 54 amend AS 14.25.175(a) and AS 39.35.522(a), respectively, to eliminate arbitrary, potentially detrimental requirements which must be met by persons wishing to appeal before the TRS or PERS Board.

Sections 25 and 62 would clarify what is and is not included in "compensation" for purposes of retirement in the TRS and PERS. This language is consistent with longstanding practice and does not constitute a change.

Section 26 expands the definition of "credited service" to include "territorial employment" as provided under AS 14.25.105 which should have been done in 1980 when AS 14.25.105 was passed.

Section 28 defines "territorial employment" as it is used in Section 26.

Section 29 exempts insurance premiums paid by the State from the tax levied under AS 21.09.210. This does not have any ultimate fiscal impact since the premium taxes are passed on. It will serve to increase competition among insurance carriers.

Sections 30-31 and 33-34 would add new sections to AS 22.25 and AS 26.05. The sections, which should have been added when the statutes were amended by Chapter 146, SLA 1980, set up accounting systems for the Judicial Retirement System and the Alaska National Guard Retirement System which are now on an actuarially funded basis. The sections are modeled after the one in place in the PERS, AS 39.35.100. The money in the funds may be invested in the same manner as money in the PERS, AS 39.35.110.

Section 35 would clarify the direction in AS 39.30 to the Department of Administration to include retired persons in the group insurance program. Also clarifies AS 39.30.090(9) in two respects: first, it deletes the provision for major medical insurance coverage for retirees since such coverage is now provided elsewhere; second, it provides that retirees under age 65 may continue the life insurance they have in force at the time of termination of their employment.

Section 36 would create a group insurance fund. It is included at the urging of the State's benefit consultants. The existence of a fund will provide the flexibility needed to negotiate for and procure more favorable terms from insurance companies. Our consultants inform us that such added flexibility has led to substantial savings in other systems. Any surplus in the fund may be invested by the Commissioner of Revenue under AS 39.35.110. Section 36 also accomplishes a badly needed reform of disability evaluation procedures by creating an expert board to evaluate claims and the claimant's ability to perform other work.

Section 37 removes outdated, irrelevant language from the PERS statutes.

Sections 38 and 39 would make minor changes in AS 39.35.100. The first change recognizes that actuarial calculations and transfers from individual retirement accounts to the retirement reserve account can be accomplished more effectively on an aggregate, annual basis. This will not delay the actual payment of benefits

to retirees. The second change allocates a portion of the investment income to the reserve account. This is considered appropriate since a substantial portion of the principal invested comes from the reserve account.

Sections 40, 60, 61 and 64 would amend the refund provisions of the PERS to allow for the refunding of interest paid on an indebtedness. In addition, Section 40 would also amend AS 39.35.200(b) to eliminate a "Catch-22" situation. Currently, persons who terminate their employment having less than five years credited service and less than $1,000 in their employee account must be given a refund of retirement contributions even if they intend to retire later; when they do retire at a later date, they must repay the refunded contributions with interest. This proposed change would allow the employee the option of leaving the employee contributions in the individual account.

Section 41 would entitle an additional group of surviving spouses to an increased benefit based on the deceased spouse's military service. Currently, surviving spouses receiving a monthly benefit from the system under AS 39.35.440 or 39.35.450 are entitled to this additional benefit. However, surviving spouses of members who die as a proximate result of an injury sustained or a hazard undergone while on the job (AS 39.35.430) are not. This section would correct this oversight and extend the additional benefit to this group of surviving spouses.

Section 42 would amend AS 39.35.350(c) to bring it into conformity with the rest of the PERS statutes regarding the manner of discharging an indebtedness.

Section 43 clarifies AS 39.35.360(b) to ensure that pre-1961 service credit is granted free of charge only to those employees who qualify under AS 39.35.360(a). This is consistent with current practice.

Section 44 clarifies AS 39.35.385 to ensure that the provision allowing reinstatement without reemployment applies only to paragraphs (a) and (b) and not to, for example, paragraph (f) which was added after the fact. This is not viewed as a substantive change.

Section 45 would amend Conditional Service Retirement Benefits to allow a member to use his TRS salary if it is higher than his PERS salary.

Section 46 would change the benefit reference in AS 39.35.420(b) because the description of the benefit is now found in subsection (c) of the section instead of in subsection (a). The amount of the benefit is not changed. In addition, Sections 46-48 would clarify the entitlement to death benefits when there is no surviving spouse or when a beneficiary other than the spouse has been designated. It would provide for the benefit to be paid to the deceased member's designated beneficiary.

Section 49 would conform AS 39.35.440(b) to division practice. As the current law reads, a surviving spouse of a deceased, disabled employee is entitled to a benefit equal to 40 percent of the decedent's monthly compensation. It was not anyone's intent that the surviving spouse receive 40 percent of the relatively low disability benefit; it was intended that the surviving spouse receive 40 percent of the decedent's compensation before the disability. The amendment clarifies this. Section 49 would also provide for the disposition of death benefits in the event that a deceased member has no surviving spouse or dependent children, in which case a death benefit is paid to the designated beneficiary.

Section 50 would clarify the administration of the level income option under AS 39.35.460. In practice, it is not possible to predict exactly the amount of the eventual social security benefit or to make the income precisely level.

Section 52 removes outdated statutory references from AS 39.35.485(a) and adds appropriate statutory references to bring the law into conformity with current practice. This is not viewed as a substantive change.

Section 53 updates incomplete statutory references; the designation of a beneficiary or beneficiaries is applicable to all benefits throughout the chapter.

Section 55 puts into law three previously unwritten principles of equity which have been at the heart of the PERS since its inception: an employee may not receive 1) duplicate PERS credit for the same period of service; 2) more than one year of credit during a calendar year; or 3) benefits while accruing service credit except as provided in AS 39.35.530.

Section 58 would delete from AS 39.35.560 a definitional reference to "public organization." That term is now defined in Section 67 of this bill, AS 39.35.680(39).

Section 59 amends AS 39.35.615(a) to codify the procedure for amendment of participation agreements with political subdivisions. Its terms are consistent with the opinion of the Attorney General that, since the original participation agreement must be endorsed by the governing body of the political subdivision, amendments to it must also be approved by that body.

Section 63 clarifies the definition of "early retirement" and includes the appropriate statutory references.

Section 65 excludes EPORS members from membership in the PERS.

Section 66 clarifies the definition of "normal retirement" and includes the appropriate statutory references.

Section 67 defines "public organization."

Section 68 repeals obsolete laws.

Section 69 provides an effective date.

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

Alaska State Legislature

Senate

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: B.G. Berrier
Director, Legal Services

FROM: Senator Terry Stimson

DATE: March 22, 1982

SUBJECT: Revision of SB 827

Please draft a Committee Substitute for SB 827 incorporating the following points. Thank you for your attention to these changes. Please call if you have any questions.

1. Page 1, lines 14 and 15: Remove amended language "If a leave...of the district, the" such that Section 1 begins with "The".

2. Delete Section 2 altogether.

3. Page 2, line 12. In Section 5, amend AS 14.25.035 to read the same as Section 2 in House CS for SB 101 (HESS).

4. Delete Section 6 altogether.

5. Delete Section 13 altogether.

6. Page 13, lines 6 and 7 in Section 26: Delete "not exceeding 15 years,".

7. Include the attached Bill as an amendment.

Introduced: 3/2/82
Referred: Health, Education & Social Services and Labor & Commerce

IN THE SENATE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

SENATE BILL NO. 827

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to refunds, retirement, and benefits in the teachers', judicial, national guard, and public employees' retirement systems; relating to survivor benefits in the teachers' retirement system; creating the Public Employees' and Teachers' Disability Review Board; and providing for an effective date."

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

* Section 1. AS 14.20.345(d) is amended to read:

(d) If a leave of absence without pay has been approved for educational purposes by the governing body of the district, the [THE] governing body of the district may agree to continue the teacher's retirement contributions if the teacher agrees to pay the percentage required under AS 14.25.050 [SEVEN PER CENT] of the salary the teacher [HE] would have received during the [HIS] leave of absence and reimburse the district for the district's required retirement contribution. Each year of leave of absence then would count as a year of retirement service.

* Sec. 2. AS 14.20.345(f) is amended to read:

(f) If a leave of absence without pay has been approved for educational purposes by the governing body of the district, a [A] teacher may make contributions to the retirement fund for each year or portion of a year of leave of absence taken. The contribution shall include the required percent of the salary he would have received had he not taken the leave of absence, plus the required employer and state contributions that would have been made. Compound interest at the rate prescribed by

regulation shall be added as computed from the beginning date of the leave of absence to the date the teacher pays the contribution.

* Sec. 3. AS 14.25.020(a)(1) is repealed and reenacted to read:

(1) formulate and recommend to the Alaska Teachers' Retirement Board regulations to govern the operation of the system;

* Sec. 4. AS 14.25.022 is amended to read:

Sec. 14.25.022. REGULATIONS. Regulations adopted [PROMULGATED] by the Alaska Teachers' Retirement Board [ADMINISTRATOR] under AS 14.25.010 -- 14.25.220 relate to the internal management of a state agency and their adoption is not subject to the Administrative Procedure Act (AS 44.62).

* Sec. 5. AS 14.25.035 is amended by adding a new subsection to read:

(i) The board may adopt regulations recommended by the administrator to implement this chapter with modifications it considers proper.

* Sec. 6. AS 14.25.055 is amended to read:

Sec. 14.25.055. SUPPLEMENTAL CONTRIBUTIONS BY TEACHERS. If a teacher first joined the system before July 1, 1982, and is married or has a minor child and wishes to make his spouse or minor child eligible for a spouse's pension or a survivor's allowance, he may elect to make a supplemental contribution of an additional one percent of his base salary within 90 days of his entry into participation in the system, or within 90 days of his marriage, or within 90 days of the birth or adoption of a child dependent upon him [, OR DURING ANY OPEN ENROLLMENT PERIOD AUTHORIZED BY THE TEACHERS' RETIREMENT SYSTEM BOARD]. Once an election is made under this section, supplemental contributions must be made whenever contributions are required under AS 14.25.050 unless the teacher executes a written waiver with the administrator. The execution of a waiver relinquishes all rights and benefits previously accrued under AS 14.25.162 and 14.25.164.

Original sponsor: Health, Education and Social Services Committee

Offered: 6/1/81
Referred: Rules

IN THE SENATE

BY THE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

HOUSE CS FOR SENATE BILL NO. 101 (HESS)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the teachers' retirement system and authorizing adoption of regulations by the Alaska Teachers' Retirement Board."

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

* Section 1. AS 14.25.020(a)(1) is repealed and reenacted to read:

(1) recommend to the board regulations to govern the operation of the system;

* Sec. 2. AS 14.25.035 is amended by adding a new subsection to read:

(i) The board shall consider and may adopt, amend, or repeal regulations to govern the operation of the system. The regulations shall be adopted in accordance with the Administrative Procedure Act (AS 44.62).

* Sec. 3. AS 14.25.220 is amended by adding a new paragraph to read:

(41) "board" means the Alaska Teachers' Retirement Board established under AS 14.25.035.

* Sec. 4. AS 14.25.022 is repealed.

Unused sick leave shall be credited on a day-for-day basis in accordance with the table for service after July 1, 1969 contained in AS 14.25.220-(40) [AS 14.25.220(16)]. No teacher contributions may be required for credited unused sick leave.

* Sec. 11. AS 14.25.125(d) is repealed and reenacted to read:

(d) The monthly amount of a conditional service retirement benefit shall be calculated on the years of credited service in accordance with AS 14.25.110(d), except that a member may irrevocably elect to substitute "average monthly compensation" as defined in AS 39.35.680(4) in place of the member's average base salary divided by 12.

* Sec. 12. AS 14.25.130(a) is repealed and reenacted to read:

(a) A member who has five or more years of membership service is eligible for a disability pension if, after July 1, 1966, and before the member's normal retirement date, the member's employment is terminated because of a permanent disability as defined in AS 14.25.220(27).

* Sec. 13. AS 14.25.143(b) is amended to read:

(b) The amount of the increase in benefit payments may not exceed the lesser [GREATER] of

(1) the increase in the cost of living since the date of retirement, or

(2) four percent of the retirement benefit compounded for each year of retirement.

* Sec. 14. AS 14.25.150 is amended to read:

Sec. 14.25.150. REFUND UPON TERMINATION. A terminated member is entitled to a refund of the balance of [(1)] his member contribution account [MANDATORY CONTRIBUTIONS AND ACCRUED INTEREST, AND (2) HIS INDEBTEDNESS PRINCIPAL CONTRIBUTIONS]. A member is not entitled to a refund of his supplemental contributions except as provided in AS 14.25.160(a).

* Sec. 15. AS 14.25 is amended by adding new sections to read:

cludes any payment made after June 30 of a school year for services rendered before the end of the school year;

* Sec. 26. AS 14.25.220(10) is amended to read:

(10) "credited service" means all membership service as provided in (20) of this section, territorial employment as defined in (41) of this section, plus outside, military, and BIA service not exceeding 15 years, with outside and military service limited to 10 years except under the conditions set out in AS 14.25.100;

* Sec. 27. AS 14.25.220(19) is amended to read:

(19) "member [MANDATORY] contribution account" means the total [ACCOUNT] maintained by the system of [TO RECORD] the member's mandatory contributions, indebtedness principal and interest contributions, interest credited to each of those accounts, [OF EACH MEMBER, INCLUDING INTEREST] and adjustments to the account in accordance with AS 14.25.170;

* Sec. 28. AS 14.25.220 is amended by adding a new paragraph to read:

(41) "territorial employment" means non-teaching employment with the Territory of Alaska as provided under AS 14.25.105; territorial employment is not membership service.

* Sec. 29. AS 21.09.210 is amended by adding a new subsection to read:

(i) Premiums paid by the state are exempt from taxation under this section. Claims for exemptions will be made on forms provided by the division of insurance.

* Sec. 30. AS 22.25.011 is amended to read:

Sec. 22.25.011. CONTRIBUTIONS. Each justice and judge appointed after July 1, 1978 shall contribute seven percent of the [HIS] base annual salary received by the justice or judge to the judicial retirement system. Contributions shall be made for all creditable service under this chapter up to a maximum of 15 years. This contribution is made in the form of a deduction from compensation, and is made even if [NOTWITH-

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

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C
JUNEAU, ALASKA 99811

465-2200

March 24, 1982

Honorable Vic Fischer
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Fischer:

I am writing to you to reaffirm my support of Senate Bill 827 and express my hope that it will pass this year.

Senate Bill 827 is a comprehensive bill with five major areas of concern:

- establishment of a PERS/TRS Disability Review Board;
- creation of joint and survivor retirement options in the TRS similar to those which currently exist in the PERS;
- making the creditability of Leave Without Pay (LWOP) under the TRS dependent on whether the governing body of the school district certifies that the LWOP was for educational purposes;
- allowing for the refund of indebtedness interest payments; and
- housekeeping or "clean-up" provisions affecting the various retirement systems administered by the Division of Retirement and Benefits.

I am concerned with the prospects of the bill if it should be encumbered with controversial provisions. I have instructed the Director of Retirement and Benefits to advise me of any amendments made to the bill that would be detrimental to the best interests of the retirement system and accordingly reserve the right to withdraw the Administration's support if necessary.

I would appreciate your efforts in support of SB 827.

Respectfully,

W. R. Hudson
Commissioner

WRH/mjc

02-89LH

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CS SB 827 (SA)
Title An Act Relating to TRS, JRS, NGRS and PERS
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Administration - Division of Retirement & Benefits
Program Category Affected Centralized Administrative Services & Secondary Education
BRU, Program, or Subprogram(s) Affected Retirement & Benefits (PERS and TRS)
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100	PERSONAL SERVICES						
100	RETIREMENT BENEFITS		190.2	205.9	223.2	242.2	263.1
200	TRAVEL						
300	CONTRACTUAL		10.0	10.0	10.0	10.0	10.0
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
700	STATE TRS MATCHING		1,030.4	1,112.3	1,202.4	1,301.5	1,410.5
	TOTAL		1,230.6	1,328.2	1,435.6	1,553.7	1,683.6

FUNDING (Thousands of Dollars)

GENERAL FUND		1,220.6	1,318.2	1,425.6	1,543.7	1,673.6
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS	5.0	5.0	5.0	5.0	5.0	
TRS	5.0	5.0	5.0	5.0	5.0	

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

See Page 2

IV. DATE April 22, 1982 PREPARED BY Paul B. Arnoldt, Director
AGENCY Division of Retirement & Benefits
PHONE 465.4460

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named) Sen. Fischer
Office of the Governor (Keith Specking)

ATTACHMENT

Section 1. Estimate that approximately 5 teachers per year will qualify and benefit from this provision. The increase in the contribution rate for this provision will be .01% of covered TRS payroll.

Section 8. Estimate that approximately 150 teachers have Peace Corps, VISTA, or Teachers' Corps service. Average service is expected to be 3 years. Increase in contribution rate for this provision will be .06% of covered TRS payroll.

Section 9. Estimate that approximately 100 teachers will qualify for additional BIA service credit. Average increase in service is expected to be 5 years. Increase in contribution rate for this provision will be .064% of covered TRS payroll.

Section 15 and 21. The deletion of the amendment to AS 14.25.055 in Section 6 of the original version of this bill results in a net increase in contribution rate of .56% of covered TRS payroll.

(The TRS contribution is split 50/50 between the State matching contribution and the school district contribution).

Estimate FY83 TRS covered payroll @$296,962,000.

Estimate $10,000 annual expenses for the physician member of the Disability Review Board. Cost to be split equally between PERS and TRS.

P184

Bill/Resolution No. CS SB 827 (SA)

ASSUMPTIONS:

1. Estimated FY83 Payroll (Total System) = $296,962,000
2. State Contribution Rate to Fund Bill = .347%
3. State TRS Matching Rate to Fund Bill = .347%
4. School District Rate to Fund Bill = .347%

COST ANALYSIS:

	Employer	Payroll		Rate	Cost	Appropriation
1.	Department of Education:	$ 5,133,000	X	.347%	$ 17.8	To DOE Budget
2.	University of Alaska:	$ 49,681,000	X	.347%	$ 172.4	To U of A Budget
					$ 190.2	
3.	State TRS Matching:	$296,962,000	X	.347%	$1,030.4	To TRS Match
4.	Division of Retirement & Benefits Operating Budget:					
	Personal Services				$ -0-	To R&B Personal
	Travel				$ -0-	To R&B Travel
	Contractual				$ 5.0 *	To R&B Contractual
	Commodities				$ -0-	To R&B Commodities
	Equipment				$ -0-	To R&B Equipment
					$ 5.0	
	COST TO STATE IN FY83				$1,225.6	
5.	All School Districts:	$242,148,000	X	.347%	$ 840.2	
	TOTAL COST IN FY83				$2,065.8	

REMARKS:

* An additional $5,000 will have to be appropriated from PERS to the Division of Retirement & Benefits (Contractual Services).

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 827

Title Relating to refunds, retirement, benefits, ...creating Public Employe

Requested by and Teachers' Disability Review Board Date 2-11-82

Rules Committee

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits

Program Category Affected Centralized Administrative Services

BRU, Program, or Subprogram(s) Affected Retirement & Benefits

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

EXPENDITURES (Thousands of Dollars)

		FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100	PERSONAL SERVICES						
100	RETIREMENT BENEFITS						
200	TRAVEL						
300	CONTRACTUAL		10.0	10.0	10.0	10.0	10.0
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		10.0	10.0	10.0	10.0	10.0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS		5.0	5.0	5.0	5.0	5.0
TRS		5.0	5.0	5.0	5.0	5.0

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. The fiscal impact of this bill is negligible except for the expenses for the Disability Review Board.

2. Estimate $10,000 annually for compensation of physicians and travel and per diem for board members.

3. Board expenses split equally between the PERS and TRS.

IV. DATE February 11, 1982 PREPARED BY Paul B. Arnoldt

AGENCY Division of Retirement & Benefits

Original: Legislative Finance PHONE 465-4460

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 827

Title An Act Relating to Refunds, Retirement and Benefits in TRS, PERS, JRS and NGRS and Providing For an Effective Date

Requested by

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits

Program Category Affected Centralized Administrative Services

BRU, Program, or Subprogram(s) Affected Retirement & Benefits

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

EXPENDITURES (Thousands of Dollars)

		FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100	PERSONAL SERVICES						
100	RETIREMENT BENEFITS						
200	TRAVEL						
300	CONTRACTUAL		10.0	10.0	10.0	10.0	10.0
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		10.0	10.0	10.0	10.0	10.0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS	5.0	5.0	5.0	5.0	5.0	
TRS	5.0	5.0	5.0	5.0	5.0	

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. The fiscal impact of this bill is negligible except for the expenses for the Disability Review Board.

2. Estimate $10,000 annually for compensation of physicians and travel and per diem for board members.

3. Board expenses split equally between the PERS and TRS.

Paul B. Arnoldt

IV. DATE March 03, 1982 PREPARED BY Paul B. Arnoldt, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Senator Vic Fischer

Office of the Governor (Keith Specking)

Susitna Hydro Project (preliminary work)

SENATE BILL NO. 826, by the Rules Committee by request of the Governor. Would allow the Alaska Power Authority to enter into contracts for preliminary work on the Susitna Hydro project without the legislative approval required by AS 44.83-.325. The AK Power Authority is required by 44.83.320(b) to submit a report to the Legislature by April 30, 1982 recommending whether work should continue on the project. Until approval of this recommendation, the Authority is limited by AS 44.83.325 to entering into contracts for (1) feasibility studies, (2) preliminary reports required by law, or (3) construction of the Anchorage-Fairbanks intertie. The bill specifically does not authorize the Authority to enter into contracts for the actual construction of the project or for the preparation of the site without the required legislative approval. Does not provide for an effective date.

Introduced March 2 and referred to Resources and Finance.

In his message transmitting the bill to the Senate for consideration, Governor Hammond stated:

> Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to preliminary work on the Susitna River hydroelectric project. The bill authorizes the Alaska Power Authority to enter into contracts for preliminary work on the project without waiting for approval of the project under AS 44.83.325. The provisions of AS 44.83.325 currently authorize the Alaska Power Authority to enter into contracts for feasibility studies, preliminary reports, and the Anchorage to Fairbanks intertie. However, it is not clear that the authority would be authorized to continue to enter into these contracts should the authority be unable to present its report to the legislature by April 30, 1982 (as required by AS 44.83.-320(b)) or should the legislature be unable to approve the report by that date. This bill would simply allow the Alaska Power Authority to enter into contracts to conduct the work which must be done before actual construction on the Susitna River hydroelectric project may begin and will make it clear that those contracts are authorized even in the absence of approval of the project under AS 44.83.325.

State Retirement Systems (misc. amendments)

SENATE BILL NO. 827, by the Rules Committee by request of the Governor. Proposes numerous amendments to statutes governing the teachers', judicial, national guard, and public employees' retirement systems. Effective July 1, 1982.

Introduced March 2 and referred to Health, Education & Social Services and Labor and Commerce.

In his message transmitting the bill to the Senate for consideration, Governor Hammond stated:

> Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the teachers', judicial, national guard and public employees' retirement systems. Many of the provisions are "housekeeping" in nature. The more significant features are discussed below.
>
> Sections 1 and 2 of the bill codify the Department of Education practice of approving leaves of absence that earn a teacher retirement credit only if the leave is for educational purposes. This results in no change in costs since the teacher has always had to pay the full cost (both the teacher and school district contributions) to fund the attendant benefits.

SB 827 (cont'd)

Section 6 of the bill effectively eliminates the supplemental contributions program whereby employees could essentially purchase additional death and survivor benefits. The change works no impairment of accrued rights since it affects only those who first join the system on or after July 1, 1982.

Section 7 of the bill eliminates one option which members have had when they were indebted to the system. In the past, in lieu of paying their indebtedness, they could forego receipt of their retirement benefit until the indebtedness was paid, or accept a permanent, reduced benefit. Under section 7, the first option is eliminated. Because this does not change an eligibility or vesting requirement or reduce a benefit, it is a change which may legally operate on current as well as future members.

Sections 13 and 51 of the bill correct a drafting error committed two years ago. In the ceiling formula for pension adjustments, it changes "greater" to "lesser." This does not work a real change in the law since it has always been within the administrator's discretion to grant as small an increase as fiscal prudence dictates.

Section 15 of the bill adds nonoccupational and occupational death benefits which may be paid instead of benefits under other sections.

Section 21 of the bill creates a procedure for the designation of beneficiaries by teachers which is identical to that in AS 39.35.490 for other public employees. This should substantially reduce uncertainty as to entitlement in the event of the death of a member. Section 21 also provides a new joint and survivor option for teachers similar to that in AS 39.35 for other public employees. Under this section, a member may elect to receive an actuarially reduced benefit upon retirement in exchange for the payment of a monthly benefit to a contingent beneficiary, typically a spouse, after the death of the retired member.

Sections 22, 32, and 56 of the bill extend medical insurance coverage to spouses and dependent children of retired members.

Sections 24 and 54 of the bill empower the retirement boards to waive adjustments in retirement benefits, usually necessitated by overpayments of benefits, even if the appellant's retirement is not imminent and even if the amount at issue is less than $50 per month. The boards retain the power, as a matter of discretion, to deny a waiver on either of these grounds, but they are no longer jurisdictional prerequisites.

Sections 25 and 62 of the bill codify the division's continuing practice with respect to the definition of "compensation" by listing some of the items that are typically included or excluded from "compensation" for retirement purposes.

Sections 30 and 31 of the bill codify the existing system of fund administration of the judicial retirement system whereby the employee and employer contributions are segregated and separately tracked.

Section 36 of the bill establishes a group health and life insurance fund. The existence of this fund will give the administrator the flexibility to negotiate the best possible rates with carriers. Experience in other states indicates the likelihood of substantial savings to the state under such a system. Section 36 also acc[illegible]shes a badly needed reform of disability evaluation p[illegible]es by creating an expert board to evaluate claims ar[illegible] claimant's ability to perform other work.

Sections 46 -- 49 of the bill make important clarifications in the laws on occupational and nonoccupational death benefits. In particular, they clarify that, when a member designates as beneficiary someone other than a spouse or dependent child, death benefits in a lump sum are paid to the designated beneficiary. However, if the member designates no one or designates the spouse or child as beneficiary, the spouse or child may elect to receive the lump sum benefit or a monthly benefit.

SB 827 (cont'd)

Section 59 of the bill codifies the procedure for amendment of participation agreements with political subdivisions. Its terms are consistent with the opinion of the attorney general that, since the original participation agreement must be endorsed by the governing body of the political subdivision, amendments to it must also be approved by that body.

I urge your prompt action on this important measure.

Hydro Financing

SENATE BILL NO. 828, by the Finance Committee. Amends portions of the Energy Program for Alaska (AS 44.83.380-425) relating to the financing of hydroelectric projects in the state (passed last session as Ch. 118, SLA 1981).

Deletes from 44.83.394, "Revenue Requirements," that after construction of a state power project, operation of the project must provide revenue sufficient to provide the state with a 5% a year return on its investment in the project.

Repeals AS 44.83.388(b), "Allotment to Projects"--"Income earned from investment of the money appropriated to the [Power Development] fund shall be deposited in the general fund and may be appropriated to the fund by the legislature."

Amends 44.83.398(c), "Sale of Power from Power Project," to direct the Authority to transmit all the money it receives from the sale of power to the commissioner of revenue "except for money it has pledged to secure bonds in accordance with contracts with bondholders." Deletes language which did not require the Authority to transmit money received under (b)(1)(A) and (b)(2)(B)(i) and (ii) of AS 44.83.398 (revenues sufficient to pay operation, maintenance, equipment replacement costs, and debt service costs of a power project).

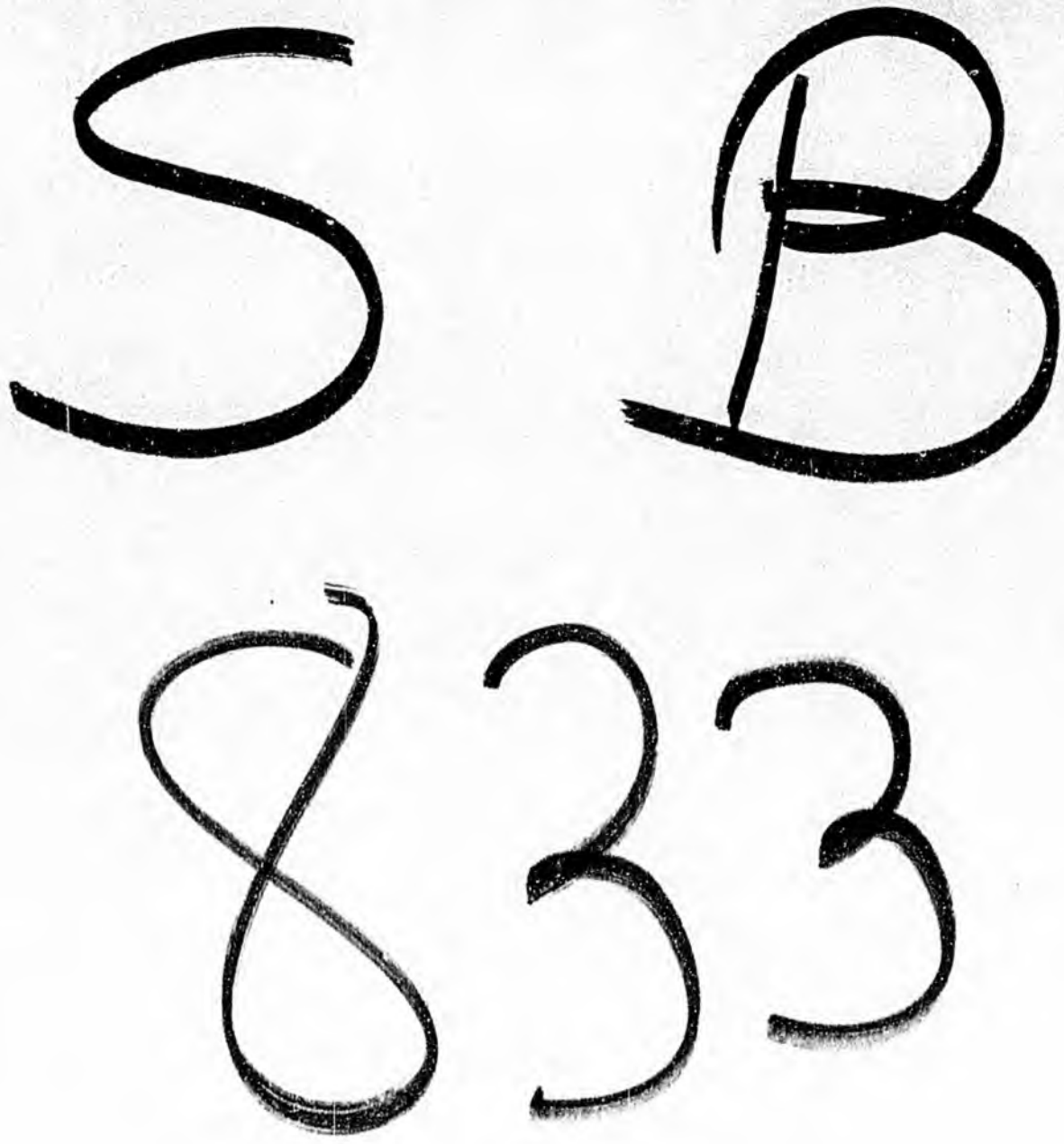
Amends AS 44.83.398(e) which allows the legislature to annul or change wholesale power rates adopted by the Alaska Power Authority. Adds: "except to the extent the authority makes an agreement with bondholders to maintain or increase the wholesale power rate."

Amends a portion of Ch. 118, SLA 1981 which relates to the location of the proposed electrical transmission system connecting Anchorage and Fairbanks. Last year's legislation provided that the route of the sytem "shall be located within the Denali State Park." Amended to read: "may be located within the . . . Park." Provides for an immediate effective date.

Introduced March 2 and referred to Resources and Finance.

AK Commis. on the Status Women

SENATE BILL NO. 829, by the State Affairs Committee. Would extend the existence of the Alaska Commission on the Status of Women until June 30, 1986 (the Commission is set to terminate


SB
833

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill 833
Title "An Act requiring a license to purchase alcoholic beverages....."
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Department of Public Safety
Program Category Affected Administration of Justice
BRU, Program, Or Subprogram(s) Affected Alaska State Troopers
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

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

No fiscal impact upon the Division of Alaska State Troopers is anticipated. See Fiscal Note from the Division of Motor Vehicles for Departmental impact of issuing the licenses.

IV. DATE March 10, 1982 PREPARED BY Francis C. Allan
AGENCY Department of Public Safety
PHONE 269-5691

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE *
REVENUE

I. REQUEST
Bill/Resolution No. SB 833
Title An Act requiring a license to purchase alcoholic beverages
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Department of Public Safety
Program Category Affected Life and Property Protection
BRU, Program, Or Subprogram(s) Affected Driver/Vehicle Services
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		1,300.0	310.0	345.0	380.0	415.0
FEDERAL FUNDS						
OTHER (Specify Source)						

INCOME ←

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Revenues based on sale of 250,000 original licenses @ $5.00 each and 10,000 duplicate licenses @ $5.00 each, for FY 83.

*Separate fiscal note prepared for expenditures.

IV. DATE March 12, 1982 PREPARED BY Bill Brown
AGENCY Public Safety - Motor Vehicles
PHONE 465-4335

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE *
EXPENDITURES

I. REQUEST
Bill/Resolution No. SB 833
Title An Act requiring a license to purchase alcoholic beverages
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Department of Public Safety
Program Category Affected Life and Property Protection
BRU, Program, Or Subprogram(s) Affected Driver/Vehicle Services
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		1,025.0	1,107.0	1,196.0	1,292.0	1,395.0
200 TRAVEL		10.2	8.0	8.6	9.3	10.0
300 CONTRACTUAL		691.9	529.3	571.6	617.3	666.7
400 COMMODITIES		10.9	11.8	12.7	13.7	14.8
500 EQUIPMENT		74.3	-0-	-0-	4.5	7.8
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL		1,812.3	1,656.1	1,788.9	1,936.8	2,094.3

FUNDING (Thousands of Dollars)

GENERAL FUND		1,812.3	1,656.1	1,788.9	1,936.8	2,094.3
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME		35	35	35	35	35
PART TIME		4	4	4	4	4
TEMPORARY						

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

This bill would require an entirely new licensing system, fairly similar to, and in addition to, the present driver licensing system. This fiscal note is based on assumption present DMV staff, offices and equipment will be used whereever practical. Also prepared using the assumption the license would contain a photograph of the licensee. Any other type license would be more susceptible to fraud and other misuse. Also assumes commence issuing licenses July 1982, however, deadline for public interested in obtaining license to purchase alcoholic beverage delayed until June 1983, allowing one year for implementation before liquor establishments require proof of license from purchaser.

An 8% inflation factor was used for succeeding fiscal years after FY 83.

Three pages attached reflecting breakdown of expenditures.

* Separate fiscal note attached for revenues.

IV. DATE March 12, 1982 PREPARED BY Bill Brown
AGENCY Public Safety - Motor Vehicles
PHONE 465-4335

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

33-001 (Rev. 12/81)

SB 833

An Act requiring a license to purchase alcoholic beverages

100 PERSONAL SERVICES

Headquarters

# Positions	Position Title	Range	Annual Salary	
1	Administrative Officer II	19	35,880	
1	Admin. Asst III (Hearing Off.)	16	28,536	
1	Document Processing Clerk IV	12	22,260	
1	Document Processing Clerk III	10	19,356	
5	Document Processing Clerk II	8	85,980	
2	Clerk Typist II	7	32,496	
1	Microfilm Equipment Op. I	10	19,356	
2	Acctg. Clk. III	10	38,712	
		sub-total	282,576	
	plus benefits @ 33%		93,250	
			375,826	
	plus salary and benefit adjustment @ 8.4%		31,569	
		Total	407,395	407.4

Field

1	MVR IV (Anc. Supervisor)	11	20,964	
17	MVR II (4-Anc; 2-Fbx; 1-Jno; 1-Pal; 1-Ken; 1-Ktn; 1-E.R.; 1-Kod; 1-Sol; 1-Sitka; 1-Homer; 1-Bethel; 1-Valdez)	9	310,284	
3	MVR III (Ptgs - Wrn - Sew)	10	58,068	
4	MVR II - part-time (Nome; Tok; Gln; Cordova)	9	36,504	
		sub-total	425,820	
	plus benefits @ 34% FT and 31.6% PT		143,902	
			569,722	
	plus salary and benefit adjustment @ 8.4%		47,857	
		Total	617,579	617.6
				1,025.0

200 TRAVEL

To conduct hearings for adopting regulations;

Jno to Anc, Fbx, Pal, Ken/Sol, Kodiak & Nome	1.4
Jno to Ktn and Sitka	.3
Per diem for 14 days @ $80.00	1.1
	2.8

To conduct hearings for license actions:

Travel	5.0	
Per diem	2.4	
	7.4	10.2

DATE: March 12, 1982

SB 833

An Act requiring a license to purchase alcoholic beverages

300 CONTRACTUAL SERVICES			
310 - Communications			
Postage			
5,800 warning letters @ .20	1.2		
500 suspensions @ 1.90	1.0		
1,440 licensed liquor establishments to get notice per AS 04.10.010(2) Mail weekly - 1,440 x 52 x .20	15.0		
Mailing of applications from field offices to Hqts (260,000 applications @ .91 per 50)	4.7		
General correspondence	2.8		
	24.7	24.7	
Telephones and tolls		6.0	30.7
320 - Printing & Advertising			
Photo licenses - 260,000 @ .78	202.8		
Applications - 300,000 @ .0327	9.8		
Other forms (suspensions, warnings, affidavits, etc.)	4.0		
Advertising			
Public notice - regulations	2.0		
Public Education - new law & how to comply - radio spots	3.0		
5 ads in 20 newspapers @ $120	12.0		
	233.6		233.6
330 - Space Expense			
Anchorage field - 1,000 sq ft @ 2.00	24.0		
Juneau field - 200 sq ft @ 1.25	3.0		
Kenai field - 200 sq ft @ 1.25	3.0		
Kodiak field - 200 sq ft @ 1.25	3.0		
Palmer field - 200 sq ft @ 1.25	3.0		
Petersburg field - 600 sq ft @ 1.25	9.0		
Seward field - 600 sq ft @ 1.25	9.0		
Wrangell field - 600 sq ft @ 1.25	9.0		
Juneau Hqts. - 2,000 sq ft @ 2.00	48.0		
	111.0		111.0
340 - Repair & Maintenance			
Microfilm equipment	3.0		
Office equipment	4.0		
	7.0		7.0
360 - Equipment Rental			
2 copy machines @ 255 per mo each	6.1		
3 copy machines @ 206 per mo each	7.4		
Postage meters, 4 @ 50 per mo each	2.4		
23 Telex 276 terminals including CRT,printer, keyboard, modem, etc. @ 637.30 per mo each	175.9		
	191.8		191.8
364 - Word Processing			
1 IBM mag card @ 350 x 12	4.2		4.2

DATE: March 12, 1982

SB 833

An Act requiring a license to purchase alcoholic beverages

3[illegible] - CONTRACTUAL SERVICES (Continued)

380 - Professional Fees & Services		
Microfiche processing @ 500 per mo x 12	6.0	
Build counters	8.0	
Contractual services to write DP program	50.0	
	64.0	64.0
382a - Data Processing Chargeback		
On-line computer system storage @ 300 per mo x 12	3.6	
Network connect, 23 terminals @ 2,000	46.0	
	49.6	49.6
		691.9
400 - COMMODITIES		
460 - Equipment Parts & Supplies		
Microfilm equipment parts	.2	.2
480 - Office & Library Supplies		
Paper to copy 500 suspension notices to send to 1,440 liquor establishments = 720,000 copies @ 25.60 per 5,000	3.7	
Other normal consumable supplies (envelopes, stationary, etc.) for field and headquarters	5.0	
Microfilm supplies (film, print paper, developer, fixer, etc.)	2.0	
	10.7	10.7
		10.9
500 - EQUIPMENT		
550 - Office & Household		
12 desks @ 469.61	5.6	
6 desk w/typing extensions @ 576.59	3.5	
29 typewriters @ 1,131.71	32.8	
10 typewriter stands @ 112.11	1.1	
18 Steno chairs @ 170.57	3.1	
20 stools @ 125.50	2.5	
12 guest chairs @ 94.72	1.1	
8 calculators @ 196.09	1.6	
9 file cabinets, 5 drw w/lock @ 277.08	2.5	
5 storage cabinets @ 238.56	1.2	
2 bookcases @ 136.11	.3	
1 microfilm reader printer, Kodak IMT 150	16.9	
5 microfiche readers @ 300	1.5	
1 microfilm roll file cabinet	.6	
	74.3	74.3

DATE: March 12, 1982

POSITION PAPER/Department of Health & Social Services

POSITION PAPER

SENATE BILL NO. 833

"An Act requiring a license to purchase alcoholic beverages; and providing for an effective date".

Under SB 833 the Department of Public Safety would be required to establish a licensing program for residents who purchase alcoholic beverages. The provision of this bill would be applicable to residents of 90 days or more and the five year license would cost individuals $5.00. Persons convicted of alcohol related offenses would receive points and eventually could lose their license to purchase alcoholic beverages under a point system established by the Department of Public Safety.

While supportive of the spirit or intent of SB 833, which is to reduce the statewide incidence and prevalence of alcohol related problems and crime, the Department believes this approach will have marginal impact upon the problem. Furthermore, because of the additional administrative burden which would be required under this bill, coupled with a high potential for enforcement problems, the Department forsees numerous negative consequences with the passage of SB 833.

- The Department of Revenue, Alcohol Beverage Control Board maintain five investigators state-wide to enforce all provisions of the Alcohol Beverage Control Statute.

- Although municipalities receive license refunds for their police departments to enforce the Alcohol Beverage Control Statute this Department is unaware of the extent to which this is done.

- It appears passage of SB 833 would generate approximately $200,000 a year in revenue to the State yet would cost considerably more to administer and enforce this additional program.

The Department will be pleased to answer questions regarding SB 833.

Recommended by: Robert L. Cole

Robert L. Cole
Coordinator
Office of Alcoholism &
Drug Abuse

Date: 3/25/82

Approved by: H. Beirne

Helen D. Beirne
Commissioner
Department of Health &
Social Services

Date: 3/26/82

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SENATE BILL NO. 833
Title "An Act requiring a license to purchase alcoholic beverages; and providing for an effective date".
Requested by _____ Date 3/16/82

II. FISCAL DETAIL
Agency Affected Department of Health & Social Services
Program Category Affected Office of Alcoholism/Drug Abuse
BRU, Program, Or Subprogram(s) Affected _____
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						
POSITIONS	-0-	-0-	-0-	-0-	-0-	-0-
FULL TIME						
PART TIME						
TEMPORARY						
	-0-	-0-	-0-	-0-	-0-	-0-

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

IV. DATE March 16, 1982 PREPARED BY Robert L. Cole RLC
AGENCY Office of Alcoholism/Drug Abuse
PHONE 586-6201

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

SB-833 6
Alcohol -
Liquor License

MSG 82-00011825 PRTY 1 03/04/82 15:34:52 ORIG: LA00 IN= 0006 OUT= 068
FROM: JEAN, ANCH INFO TO: POM, JUNEAU INFO
TARGET: LJH2 SUBJ: POM PAGE 000

SB 833

TO: SENATOR FERGUSON

FROM: EMMET HEIDEMANN
P.O. BOX 61
EAGLE RIVER 99577 (H) 694-2344

RE: ALCOHOL LICENSE

IT'S FANTASTIC, BUT SUGGEST THE LIQUOR LICENSE BE $5.00 PER YEAR INSTEAD OF $5.00 FOR 5 YEARS.

SB 833

GREAT!

LICENCE DRINKERS

MAYBE WE CAN CONTROL

THIS PROBLEM BETTER

RON MATUSAK
1311 4TH AVE
FAIRBANKS AK
99701

SB 833

GARY C. NEWMAN
P.O. BOX 51233
FAIRBANKS, ALASKA 99701

until 3/8 % KENTNEW
Pouch 2P DEADHORSE
FAIRBANKS, AK 99701

as of 3/8

MAR 0 8 1982

3/5/82

Dear Senator Ferguson,

I am intrigued w/ your idea of drinking licenses. Could you send me a copy of the bill + fiscal note? My initial impression is that the fee might not pay for the cost of administering the licenses, much less the difficulties I foresee in enforcing that a vendor sees each person's license + the general invasion of privacy. The biggest problem that I see w/ alcohol is the cost to the community. For many of your communities, this might work well (your plan). However your larger cities are not as well repaid, for the cost is many times only discovered after it is too late for the abuser as well as others who have been victims. There is no simple one answer. I believe that any alcohol program should have the saving of human lives as it's 1st goal. Prohibition isn't the answer. What about putting a tax on alcohol to pay for the health care programs, the licenses to purchase, etc? Have alcoholics, as part of mental + physical rehab + who cause damage to others restitute themselves to those they have damaged? These are all good ideas I think + maybe all of them need to be done. Alcohol abuse is a social disease. Please consider a sponsor substitute bill that might go a lot deeper in solving the basic problem. Thanks

sincerely, Gary C Newman

MAR 1 8 1982

SB 833

March 15, 1982

The Honorable Frank Ferguson
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Ferguson,

I am writing to tell you that I strongly support Senate Bill 833, introduced by the Rules Committee at your request, and requiring that an individual have a license to purchase alcoholic beverages. Everyone I have talked to agrees that this is a good bill.

In my region we have a serious problem with underage people buying liquor. Even though this document could be falsified the same as any other, it is an additional safeguard to see that young people cannot obtain liquor. In my nine years as an alcoholism counselor I saw many tragedies that could have been avoided if we had had good laws and enforced them.

The point system you propose is good. People who have shown that they cannot handle liquor and have been arrested for drunken driving or a similar offense would lose the use of their license to buy alcohol. Buying and using alcohol should be a privilege, not a right, just like driving.

This measure would also bring additional revenue to the state at a time when we need it.

Please let me know whenever there is any way that I can support you in your efforts to control use and abuse of alcohol, and to support strong programs in prevention, education, and treatment in this field.

With best wishes,
Stewart Nicolai

Stewart Nicolai
P. O. Box 279
Copper Center, AK 99573

A M E N D M E N T #1

TO: SB 833 By Ferguson

Page 1, line 16:

Delete "90" and insert "30"

Page 1, lines 22 - 26:

Delete all material and renumber following paragraph accordingly

Page 2, line 6:

"Delete "90" and insert "30"

Page 2, line 7:

Delete "90-day" and insert "30-day"

Page 2, lines 15 - 18:

Delete all material and renumber following paragraph accordingly

Page 3, line 20:

After "AS 28.35," insert "violating AS 04.16.015,"

Page 3, lines 27 - 29:

Delete all material

Page 4, lines 1 - 12:

Delete all material and renumber following AS sections accordingly

Page 4, line 13:

Delete "SUSPENSION,"

Page 4, lines 19 - 22:

Delete all material and insert:

"(b) The department shall revoke the license to purchase alcoholic beverages of a person convicted of an offense reported under AS 04.18.070. The department shall deny a license to a person convicted of an offense under AS 04.18.070 for a period of five years from the date of the conviction."

Page 5, lines 4 and 5:

Delete all material and insert:

"shall on request grant the licensee or applicant an administrative hearing by a hearing officer under regulations governing procedure."

Page 5, lines 6 - 16:

Delete all material

Page 5, line 17:

Delete "(b)" and insert "(d)"

Renumber remaining AS sections accordingly

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

STATE ALCOHOLISM PROFILE INFORMATION SYSTEM

(SAPIS)

NATIONAL STATUS REPORT

PUBLICATION DATE: MAY 1981

NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM
5600 Fishers Lane
Rockville, Maryland 20857

HV 5133

Twenty-five Most Common Offenses - Alaska - 1974 - 1981

Crime	Total Number of Admissions To Corrections	Yearly Aver.	Estimated % Alcohol Related		% of Admissions
OMVI	23,417	3,345	Yes	100%	23.0 %
Offenses against Court	9,101	1,300	No	0%	9.0 %
Larceny/Theft	8,625	1,232	Yes	49%	8.6%
Traffic Motor Vehicle	7,534	1,076	Yes	65%	7.5 %
Disorderly Conduct	7,357	1,051	Yes	75%	7.3 %
Aggravated Assault	7,051	1,997	Yes	32%	7.0 %
Bench Warrant	4,527	647	No	0%	4.5 %
Drunkeness	4,477	640	Yes	100%	4.5 %
Burglary	3,244	461	Yes	48%	3.2 %
Suspected Trespass	2,341	334	Yes	40%	2.3 %
Other Disorderly Conduct	2,244	321	Yes	75%	2.2 %
Fraud	1,897	271	No	0%	1.9 %
Possession of a Controlled Substance	1,882	267	No	0%	1.9 %
Liquor Law Violation	1,874	267	Yes	100%	1.9 %
Weapons	1,713	245	Yes	62%	1.7 %
Probation violation	1,538	220	Yes	35%	1.5 %
Sale/Distribution of a Controlled Substance	1,520	217	No	0%	1.5 %
Prostitution	1,362	195	No	0%	1.4 %
Vandalism	1,351	193	Yes	50%	1.4 %
Robbery	1,237	178	Yes	45%	1.2 %
Sex Offenses	1,181	168	Yes	45%	1.2 %
Assault (other)	982	140	Yes	58%	.1 %
Stolen Property	962	137	No	0%	.1 %
Joy Riding	958	137	Yes	60%	.1 %
Murder Negligent Manslaughter	607	87	Yes	50%	.08%
Rape	594	85	Yes	45%	.08%
Fugitive	603	86	No	0%	.08%
TOTAL	100,159	14,307	8,006	55%	

TABLE 39

ESTIMATED CONSUMPTION OF TAXED ALCOHOLIC BEVERAGES
U.S. GALLONS OF ABSOLUTE ALCOHOL PER PERSON
(CALENDAR YEAR 1979)

STATE	DISTILLED SPIRIT		WINE		BEER		TOTAL	
	AMOUNT	(RANK)	AMOUNT	(RANK)	AMOUNT	(RANK)	AMOUNT	(RANK)
ALABAMA	0.63	38	0.09	45	0.84	49	1.56	47
ALASKA	1.22	4	0.34	11	1.23	23	2.79	6
ARIZONA	0.81	26	0.27	18	1.43	6	2.51	16
ARKANSAS	0.43	50	0.08	48	0.80	51	1.31	50
CALIFORNIA	0.99	10	0.54	3	1.25	19	2.78	7
COLORADO	0.98	12	0.35	9	1.32	12	2.66	10
CONNECTICUT	0.98	12	0.32	15	1.02	40	2.32	21
DELAWARE	1.02	8	0.21	24	1.19	26	2.42	17
FLORIDA	1.08	7	0.28	17	1.41	8	2.77	8
GEORGIA	0.86	23	0.13	38	0.95	43	1.95	40
HAWAII	0.94	16	0.32	15	1.30	13	2.56	14
IDAHO	0.57	46	0.20	26	1.24	21	2.01	34
ILLINOIS	0.91	17	0.25	19	1.25	19	2.42	17
INDIANA	0.61	41	0.12	41	1.05	37	1.78	41
IOWA	0.56	48	0.09	45	1.24	21	1.90	39
KANSAS	0.57	46	0.10	43	1.05	37	1.72	43
KENTUCKY	0.58	44	0.07	49	0.92	45	1.57	47
LOUISIANA	0.78	30	0.19	27	1.11	33	2.08	31
MAINE	0.83	25	0.22	21	1.14	32	2.19	28
MARYLAND	1.09	6	0.25	19	1.21	24	2.55	15
MASSACHUSETTS	1.01	9	0.34	11	1.29	14	2.65	11
MICHIGAN	0.80	29	0.21	24	1.18	28	2.19	28
MINNESOTA	0.91	17	0.19	27	1.18	28	2.28	23
MISSISSIPPI	0.65	35	0.07	49	0.93	46	1.65	45
MISSOURI	0.62	40	0.16	31	1.21	24	1.98	36
MONTANA	0.80	29	0.33	14	1.78	1	2.91	4
NEBRASKA	0.70	33	0.14	36	1.34	11	2.19	28
NEVADA	2.26	2	0.60	2	1.77	2	4.64	2
NEW HAMPSHIRE	1.99	3	0.47	4	1.68	3	4.14	3
NEW JERSEY	0.88	19	0.34	11	1.05	37	2.28	23
NEW MEXICO	0.65	35	0.22	21	1.36	10	2.23	26
NEW YORK	0.95	15	0.36	6	1.10	34	2.41	19
NORTH CAROLINA	0.66	34	0.16	31	0.92	47	1.74	42
NORTH DAKOTA	0.88	19	0.13	38	1.29	14	2.29	22
OHIO	0.58	44	0.15	35	1.18	28	1.91	39
OKLAHOMA	0.64	37	0.11	42	0.94	45	1.69	44
OREGON	0.73	31	0.36	6	1.18	28	2.27	25

NSYLVANIA	0.59	42	0.18	50	1.29	14	2.07	33
DE ISLAND	0.88	19	0.40	5	1.29	14	2.02	33
TH CAROLINA	0.87	22	0.13	38	1.02	40		
TH DAKOTA	0.81	26	0.14	36	1.07	35	2.01	34
NESSEE	0.56	48	0.09	45	0.97	43	1.61	46
AS	0.63	38	0.16	31	1.43	6	2.22	27
H	0.40	51	0.10	43	0.72	52	1.21	51
MONT	1.14	5	0.35	9	1.27	17	2.76	9
GINIA	0.72	32	0.19	27	1.07	35	1.98	36
HINGTON	0.84	24	0.36	6	1.19	26	2.39	20
T VIRGINIA	0.59	42	0.07	49	0.82	49	1.48	49
CONSIN	0.99	10	0.22	21	1.66	4	2.87	5
MING	0.96	14	0.16	31	1.52	5	2.64	12
HINGTON, D.C.	2.53	1	0.83	1	1.37	9	4.73	1
ERTO RICO	--	--	--	--	--	--	--	--
TIONAL VALUE	0.81		0.25		1.18		2.25	
MBER OF STATES INCLUDED	51		51		51		51	
RGIN ISLANDS	--		--		--		--	
AM	--		--		--		--	
ERICAN SAMOA	--		--		--		--	
T. PACIFIC ISLANDS	--		--		--		--	
MARIANA ISLANDS	--		--		--		--	

GENERAL TABLE NOTES

The last five island territories are not included in calculations of summary statistics.

Two dashes (--) indicate that data are not available.

The sum or row amounts may not equal the total due to rounding.

NOTES FOR TABLE 39

The data in this table are estimates of beverage alcohol consumption in each State during calendar year 1979. These are the most current figures available. Data on distilled spirits are based on estimates from the Distilled Spirits Council of the United States (DISCUS). Such consumption estimates are computed from State tax collections, except in Alaska, Georgia, Hawaii, South Carolina, and South Dakota, where data are based on shipments from distillers to wholesalers and in Wisconsin, where the estimates are based on wholesale shipments.

Data on apparent consumption of wine are obtained from the Wine Institute. The Wine Institute provides State breakdowns of wine entering distribution channels. Figures are based on reports of State beverage and tax agencies, and the U.S. Treasury Department, Bureau of Alcohol, Tobacco, and Firearms. Data on apparent consumption of beer are obtained from the United States Brewers Association (USBA). USBA provides figures on shipments of malt beverages by State. Data are obtained through wholesaler associations, taxing authorities, or alcohol beverage control boards, depending on State procedures.

QUARTER UCR REPORT COMPARISON OF 22 VILLAGES 11 VOTING DRY/11 NOT HAVING VOTED

Option Dry: Alakunak, Emmonak, Elim, Gambell, Koyuk, Wales, Stebbins, Mekoryuk, St. Mary's, Diomede, Tununak
Control: Mt. Village, Kwethluk, Kaltag, Shishmaref, Buckland, Deering, St. Michael, Nightmute, Kivalina, Nulato
AST calls Option Dry Villages 1980 60, 1981 24, 60% Reduction. AST calls Control Villages 1980 41, 1981 32, 22% Reduction

VOTED DRY	Hom & Neg. Hom	Rape & Sex Off	Asslt	Burg	Larc	Mtr Veh Theft	Vand-alism	Narc	Duij	Liq-Doc	Traffic Acc	Anml Probl	Opt	Other not Shown	Total Activ
Sep. 81			6				2							1	9
Oct. 81		1							1				1	1	4
Nov. 81			2	4	1				1		1			2	11
TOTAL		1	8	4	1		2		2		1		1	4	24
Sep. 80		1	9	2	3	2			1	1			1	5	25
Oct. 80			3		1		1		1	1				3	10
Nov. 80	1		6	3			2		2	4	1	1		9	25
TOTAL	1	1	18	5	4	2	3		4	6	1	1	1	17	60
CONTROL															
Sep. 81		2	2	1			1						1	1	8
Oct. 81	1	2	2	2			1			3				6	17
Nov. 81		1		2			2							2	7
TOTAL	1	5	4	5			4			3			1	9	32
Sep. 80		1	5	7	1		2			4			1	5	26
Oct. 80			1	2	1	1	1					1	2	3	12
Nov. 80				1	1									1	3
TOTAL		1	6	10	3	1	3			4		1	3	9	41

STATE	TOTAL OF ALL DEATHS ATTRIBUTED TO ALCOHOL RELATED CAUSES — NUMBER	TOTAL DEATHS, ALL CAUSES — NUMBER	PERCENTAGE OF TOTAL DEATHS ATTRIBUTED TO ALCOHOL-RELATED CAUSE — PERCENT	(RANK)
ALABAMA	218	34,680	0.60	32
ALASKA	37	1,690	2.10	2
ARIZONA	320	19,198	1.60	6
ARKANSAS	94	21,898	0.40	48
CALIFORNIA	3,109	176,069	1.70	5
COLORADO	205	18,361	1.10	12
CONNECTICUT	305	26,078	1.10	12
DELAWARE	52	4,957	1.00	17
FLORIDA	874	95,595	0.90	22
GEORGIA	488	43,298	1.10	12
HAWAII	32	4,563	0.70	29
IDAHO	54	6,507	0.80	25
ILLINOIS	635	103,026	0.60	32
INDIANA	275	47,548	0.50	44
IOWA	131	27,450	0.40	48
KANSAS	98	21,665	0.40	48
KENTUCKY	221	33,421	0.60	32
LOUISIANA	193	35,242	0.50	44
MAINE	105	10,179	1.00	17
MARYLAND	367	33,130	1.10	12
MASSACHUSETTS	325	52,660	0.60	6
MICHIGAN	636	74,968	0.80	25
MINNESOTA	269	33,316	0.80	25
MISSISSIPPI	124	23,350	0.50	44
MISSOURI	285	49,442	0.50	44
MONTANA	85	6,488	1.30	8
NEBRASKA	95	14,443	0.60	32
NEVADA	107	5,056	2.10	2
NEW HAMPSHIRE	66	10,179	0.60	6
NEW JERSEY	449	65,993	0.60	6
NEW MEXICO	255	8,456	3.00	1
NEW YORK	2,511	167,572	1.40	7
NORTH CAROLINA	694	47,322	1.40	7
NORTH DAKOTA	74	5,491	1.30	8
OHIO	603	96,569	0.60	6
OKLAHOMA	237	27,943	0.80	25
OREGON	245	20,895	1.10	12
PENNSYLVANIA	762	120,074	0.60	32
RHODE ISLAND	107	8,873	1.20	10
SOUTH CAROLINA	222	24,112	0.90	22
SOUTH DAKOTA	65	6,492	1.00	17
TENNESSEE	271	38,745	0.60	32
TEXAS	675	103,845	0.60	32
UTAH	95	7,892	1.20	10
VERMONT	41	4,426	0.90	22
VIRGINIA	413	40,767	1.00	17
WASHINGTON	325	30,490	1.00	17
WEST VIRGINIA	139	19,646	0.70	29
WISCONSIN	318	40,324	0.70	29
WYOMING	46	3,112	1.40	7
WASHINGTON, D.C.	138	7,065	1.90	4
PUERTO RICO	—	—	—	—
NATIONAL TOTAL	18,490	1,930,561	0.96	
NUMBER OF STATES INCLUDED	51	51	51	
VIRGIN ISLANDS	—	—	—	
GUAM	—	—	—	
AMERICAN SAMOA	—	—	—	
T.T. PACIFIC ISLANDS	—	—	—	
N. MARIANA ISLANDS	—	—	—	

GENERAL TABLE NOTES

The last five island terri-

NOTES FOR TABLE 40

The data in the table represent the number of all
ttributed to one of the four alcohol-related caus

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

MSG 82-00014470 PRTY 1 03/16/82 18:36:31 ORIG: LF01 IN= 0006 OUT= 0122
FROM: MAXINE/FBX TO: JUNO INFO
TARGET: LJN2 SUBJ: POM PAGE 0003

TO: SEN. FISCHER, SEN. COLLETTA, SEN. BRADLEY, SEN. ELIASON, SEN. STIMSON
SEN. FAHRENKAMP, SEN. BENNETT, SEN. PARR

FR: MR. & MRS. CLAUDE E. SWAIM, BOX 80045, COLLEGE 99708 PH. 479-6756

RE: SB 833

MSG: WE SUGGEST ALL RESIDENTS SHOULD BE REQUIRED TO PURCHASE LICENSE TO BUY ALCOHOLIC BEVERAGES. NON RESIDENTS, WISHING TO BUY LIQUOR SHOULD BE REQUIRED TO PURCHASE A TEMPORARY PERMIT AT POINT OF ENTRY TO THE STATE. THOSE REMAINING IN THE STATE MORE THAN 30 DAYS SHOULD BE REQUIRED TO PURCHASE RESIDENTS LICENSE.

EOM

SENATE BILL 833

ALCOHOL ABUSE HAS REACHED EPIDEMIC PROPORTIONS IN ALASKA. IT TOUCHES ALL OF OUR LIVES.

ALASKANS HAVE THE SIXTH HIGHEST PER CAPITA CONSUMPTION OF ALCOHOL IN THE NATION. THE COST OF THIS HEAVY CONSUMPTION IS REFLECTED IN TRAGIC STATISTICS.

ALASKA RANKS SECOND IN THE PERCENTAGE OF TOTAL DEATHS ATTRIBUTED TO ALCOHOL RELATED CAUSES. 55 PERCENT OF ALL CRIME IN ALASKA IS ALCOHOL RELATED.

IN 1979, 70 PERCENT OF TRAFFIC FATALITIES INVOLVED ALCOHOL. 52 PERCENT OF ALL FIRE DEATHS AND 68 PERCENT OF ALL DROWNINGS IN ALASKA ARE ALCOHOL RELATED.

64 PERCENT OF THE CRIMINAL JUSTICE CASES IN 1980 WERE FOR ALCOHOL RELATED OFFENSES. ALASKANS SPENT OVER $280 MILLION ON ALCOHOL IN 1980. $280 MILLION THAT COULD HAVE BEEN BETTER SPENT. THE ESTIMATED LOSS OF INCOME TO ALASKAN

FAMILIES WITH A HEAD OF HOUSEHOLD WHO ABUSES ALCOHOL WAS WELL OVER $77 MILLION IN 1980.

THE STATE'S EFFORTS TO DEAL WITH THE CAUSES AND RESULTS OF ALCOHOL ABUSE HAVE BARELY SCRATCHED THE SURFACE OF THE PROBLEM. THE LEGISLATURE HAS PROVIDED OVER $30 MILLION FOR ALCOHOL PREVENTION AND REHABILITATION PROGRAMS IN THE PAST TWO YEARS. EACH YEAR, ALCOHOL RELATED EXPENDITURES IN THE CRIMINAL JUSTICE AND CORRECTIONS SYSTEM COST THE STATE MORE THAN $50 MILLION.

STILL THE PROBLEM HAS NOT ABATED. LAST YEAR, OPERATING A MOTOR VEHICLE WHILE INTOXICATED (OMVI), ARRESTS IN ANCHORAGE WERE UP 237 PERCENT FROM THE PRIOR YEAR.

SENATE BILL 833 WAS INTRODUCED LATE IN THE SESSION. THE DEPARTMENT OF PUBLIC SAFETY CAME IN WITH A $1.8 MILLION FISCAL NOTE, IN EFFECT KILLING THE BILL.

I DON'T THINK WE HAVE TIME TO WRITE A COMMITTEE SUBSTITUTE FOR SB 833 THIS SESSION. HOWEVER, SINCE THE BILL

IS URGENTLY NEEDED, INTERIM WORK SHOULD BE DONE, AND THE BILL SHOULD BE PREFILED NEXT SESSION.

DATE:

SENATE STATE AFFAIRS COMMITTEE -- HEARING SIGN-IN SHEET

LOCATION:

AGENDA:

NAME	AFFILIATION/POSITION	ADDRESS/PHONE	TESTIFYING ON:
Kathleen Baltes	LAA, Public Services, Teleconference	Room 30 Capitol	SB 791
ANSELM STAACK	DEPT. REV. / TREASURY	465-2350	SB 296/297 SB 13
Milt Barker	Legislative Finance	465-3796	SB 296/297 SB 13
~~George Mundell~~	~~Office Alcoholism~~ & Drug Abuse	586-6201	SB 833

Alaska State Legislature
Senate Committee on State Affairs
Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

4-1-82

SENATE STATE AFFAIRS COMMITTEE
SCHEDULE

TUESDAY
April 6
1:30 pm

SB 704	Alaska Servicemen's Memorial--Veterans Lake
SB 705	Appropriation for SB 704
SB 706	Appropriation for caretaker facility
SB 707	Renaming Byers Lake as Veterans Lake
SB 740	World War II artifacts
SJR 72	World War II artifacts
SB 689	Capital projects/Maintenance and Operating Fund
SB 621	Incentive to hire older Alaskans
SB 827	Retirement

THURSDAY
April 8
1:30 pm

SB 13	G. O. Bonds/Defeasance
SB 296	G. O. Bonds/Defeasance
SB 297	G. O. Bonds/Defeasance
SB 791	Expansion of teleconference network
SB 833	License for purchase of alcoholic beverages

TENTATIVE SCHEDULE

TUESDAY
April 13
1:30 pm

SB 93 Decentralization of state government

THURSDAY
April 15

VIDEO TELECONFERENCE, 3:00 pm, SENATE FINANCE COMMITTEE ROOM, 5th FLOOR CAPITOL

INTERIM REPORT, NEW CAPITAL SITE PLANNING COMMISSION (Joint meeting with House State Affairs)

With the exception of April 15 meeting, the committee will meet in the Senate State Affairs Committee Room, 423 Capitol.

CHAR

Alaska Cabaret, Hotel & Restaurant Association

P.O. BOX 4-1260 • ANCHORAGE, ALASKA 99509
PHONE: 272-4032

March 30, 1982

Sen. Vic Fisher
State Capitol
Pouch V
Juneau, Alaska 99811

Dear Vic and Jane:

Once each year, the Board of Directors of Alaska Cabaret, Hotel and Restaurant Association has the pleasure of hosting a dinner in Juneau for the Legislators of our state.

This year's Legislative Dinner at Red Holloway's Prospector Hotel was a happy occasion for those attending. We of the C.H.A.R. Board certainly enjoyed the evening.....the service of Red's staff....but mostly the company of our Legislators and their guests.

I believe this year's Legislative Dinner was a high point in my career. It gave me personal pleasure to officially announce to the state legislature, with friendly atmosphere, the NEW DIRECTION OF THE ALASKA CABERET, HOTEL AND RESTAURANT ASSOCIATON. As I announced, C.H.A.R. is intiating a vigorous statewide campaign to develop a more responsible drinking attitude. C.H.A.R. will take the leadership in the development/promotion of responsible drinking by individuals.
We will do this by:

1. Beverage industry self-control and enforcement

2. Working with and asisting existing state agencies

3. Developing an effective public education program

We want to be recognized as a proud and respected industry, and solicit your suggestions and moral support.

Thanks for joining us this year. We look forward to having you join us again next year and looking at our success.

Sincerely,
Alaska Cabaret, Hotel and Restr. Assoc.

Bob Cramer

Robert W. Cramer, President

RWC/fc
attachment

C.H.A.R. SAYS DRINK RESPONSIBLY

The Alaska Cabaret, Hotel, and Restaurant Association held its Board of Directors meeting here in Juneau last week from Tuesday through Friday. Board members include Bill Ralfas - Anchorage, Russ Pace - Anchorage, Jim Elkins - Ketchikan, Stan Sobosienski - Homer, Stan Philler - Sitka, Jack Griffin - Anchorage, and President Bob Cramer - Delta Junction.

They also hosted their annual Legislative Dinner at the Prospector on Thursday evening. The key note speakers at the dinner were Representative Oral Freeman of Ketchikan and Senator Don Bennett of Fairbanks. Both gave excellent speeches that were well received by the large crowd. 3/25/82

Bob Cramer, President of C.H.A.R., also spoke and used the occasion to kick-off a brand new statewide educational program to assist the state and other alcohol related organizations to aggressively address the drinking or alcohol related problems throughout the state, including the Bush. "It's time we quit just responding to crisis when we have to and try to take this bull by the horns," Mr. Cramer said. The overall theme of the C.H.A.R. meeting inspired program steers away from the old negative campaigns such as "If you drink - don't drive." Cramer said, "A lot of people have the opposite response than desired when they are commanded or ordered to do something, especially us free spirited Alaskans." A more positive and concerned approach has proven to be much more effective in similar efforts in the United States. So the new theme or slogan is:

"<u>If You Choose to Drink</u> - <u>Drink Responsibly</u>"

Mr. Cramer received a positive response from several state leaders when he met with them to discuss C.H.A.R.'s concerns about alcohol abuse. He met with Governor Jay Hammond, Lt. Governor Terry Miller, and the Director of the Office of Alcoholism, Bob Cole, among many others.

Mr. Cole also met with the Board of Directors for several hours to open up long disconnected lines of communication between the industry and his organization. The meeting and discussion was filled with a spirit of cooperation and extreme candor. "I've spent more time talking with C.H.A.R. today than I have in the past 7 years," said Cole. Everyone seemed encouraged and hopeful that the improved dialogue and the concerted efforts of the existing alcohol-related agencies together with the new C.H.A.R. program would be the first stem on the long road to dealing with alcohol abuse in Alaska. The proposal is roughly this:

1. C.H.A.R. will develop a good working relationship with all liquor license holders in the state, the Alcohol Beverage Control Board, law enforcement and with established alcohol programs in hopes of better enforcement

of existing laws on the books and to educate bartenders and waitresses as to their responsibilities under the law.

2. To develop a program to enhance and advance present alcohol programs in conjunction with existing alcohol agencies, the Legislature, Troopers and educators throughout the state.

3. To help educate the consumer through an aggressive educational campaign from grade schools through adults as to the problems associated with alcohol abuse and the problems it causes.

Hopefully, it could have as large an impact on the public as the nonsmoking programs have had on our young people. But the most important point is that, when a person has reached the legal drinking age they are and should be responsible for what they do while they are drinking. So ...

"If You Choose to Drink - Drink Responsibly"

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF ALCOHOLISM AND DRUG ABUSE

POUCH H 05F
JUNEAU, ALASKA 99811
PHONE:

586-6201

April 8, 1982

Honorable Vic Fischer
Alaska State Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Fischer:

I appreciated the time you provided for my staff person to submit testimony, on SB 833 and related alcohol abuse prevention strategies.

I understand that because of the limited time remaining in this session Senator Ferguson has decided not to pursue passage of SB 833 at this time, but did request the Senate State Affairs Committee study the strategy contained in SB 833 in order that a bill may be pre-filed before the Legislature next year.

This office would be pleased to provide your committee with assistance or information with its deliberations during the interim should you decide to pursue this matter.

Again thank you for your courtesy and attention to this most serious health and social service problem.

Sincerely,

Robert L. Cole

Robert L. Cole
Coordinator

CC: Helen D. Beirne
Senator Frank Ferguson

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

file SB 833

Rural Alaska Community Action Program, Inc.

April 1, 1982

Dear Friends:

Enclosed is a summary of the Village Participation Conference held in Juneau March 30 through April 2nd. This conference is sponsored by the Bureau of Indian Affairs, Area Office, and RurAL CAP. The 68 delegates attending this conference were selected based on their residency in a Village and involvement in Village affairs. The VPC was structured with three major components:

I. Guest speakers and Civics

II. Delegates workshops

III. Delegates presentation of their work plans

The guest speakers included John Schaeffer, President of NANA Corporation, who discussed the importance and realities of people solving their own problems. He outlined a program that places emphasis on individual and community values rather than money as the solution to all Village problems.

The Civics presentors provided information about laws pertaining to IRA councils, traditional councils and a historical perspective of aboriginal rights questions in Alaska. The Legislative Affairs office also discussed the process for making laws and State Elections explained reapportionment and Village Voter Registration. Alaska Legal Services talked with delegates about resolution preparation.

The Delegates had the opportunity to meet in Anchorage in early February to discuss their life in the Villages. During that workshop they identified the positive things about Village life and concerns they have. These concerns fall generally into five major categories: Education, Subsistence, Energy, Health and Safety, and Alcohol/Drug Abuse.

The entire second day of the Village Participation Conference, delegates worked in small groups discussing the issues and designing workplans. Delegates outlined within the workplan what Villages can do to solve each respective issue and what action the State may need to take.

The third day of the Conference provides a forum for the delegates to present their workplans to various State agency representatives and elected officials. This session also allows those attending to ask questions and exchange perspectives about the issue and the proposed solutions.

We appreciate your interest in this Conference and your continued support for the development of reasonable State plans and policies that affect people living in rural Alaska.

Sincerely,

James R. Ayers
Executive Director

Administration • P.O. Box 3-3908, Anchorage, Alaska 99501 • (907) 279-2511

TABLE OF CONTENTS

ALCOHOL/DRUG ABUSE WORKSHOP RECOMMENDATIONS	PAGE 1
EDUCATION WORKSHOP RECOMMENDATIONS	PAGE 9
ENERGY WORKSHOP RECOMMENDATIONS	PAGE 17
HEALTH & SAFETY WORKSHOP RECOMMENDATIONS	PAGE 29
SUBSISTENCE & NATURAL RESOURCES WORKSHOP RECOMMENDATIONS	PAGE 37
OVERSIGHT WORKSHOP RECOMMENDATIONS	PAGE 54
LIST OF PARTICIPANTS, GUESTS, RESOURCE AND STAFF PERSONS	PAGE 57

ALCOHOL/DRUG ABUSE WORKSHOP

STATEMENT OF THE ISSUE: The alcohol/drug abuse workshop committee recognizes that alcohol and drug abuse remains as Alaska's number one public health problem and that it continues to be rampant throughout the State. However, as a result of the work done over the years by concerned citizens throughout Alaska, the Legislature and the Governor of this State, we are now seeing a positive tone in the message that many of the delegates have brought to this conference.

Since the passage of legislation amending Title 4 of the Alaska Statutes in 1980 and 1981, local option elections have taken place in over 20 communities and dramatic decreases in alcohol-related crime and accidents have taken place. Other communities around the State are presently contemplating holding elections to exercise local determination on the issue of importation and sale of alcohol. We commend local initiatives to that end.

WORKSHOP STRUCTURE: (1) Review Anchorage Village Participation Workshop. (2) Discuss additional issues. (3) Consolidation of recommendations.

WORKSHOP OVERVIEW: Commend Legislature and Governor for enacting workable, usable local option legislation. Support passage of HB 112 (SB 71): authorizes an advisory vote at the November general election on whether to raise the legal drinking age to 21. Support passage of HB 574 (HB 117, SB 117): shorten hours for sale of alcoholic beverages. Support funding of alcohol/drug programs as proposed in HB 666. Support passage of SB 833, requiring that individuals be licensed to buy alcoholic beverages.

PROBLEM STATEMENT	SOLUTIONS	WHO WILL DO WHAT?		Resolution Attached ?	
		What Will Village Do	What Will State Do	Yes	No
(1) Negative Community Attitudes	.Encourage community to stop tolerating abuse of alcohol and drugs	.Involve whole community. Praise positive actions, overlook negative ones if people aren't harmed. Recognize local expertise. Get action from council, volunteers. Treat one another with respect.	.Health corporations, TV, radio, press publicize community activities. .encourage use of state satellite network.		
	.Honor local culture	.Develop appropriate local programs, speeches .Publicize specifics, activities of Native leaders.	All above work with villages to develop appropriate media.		
	.Involve elders in government, activities	Find out how decisions were made and carried out in the old days.	State and other statewide bodies assist in collecting and sharing information.		
(2) Drinking out of Control	Change village laws .Local option election	. Go through correct procedure; hold election	. Provide assistance through Office of Elections.	X	
	.Other local laws - emergency ordinance - use protective custody	.Enforce law with local public safety staff Pass own ordinances, use state law	Provide technical assistance, funding for facilities		
(3) Inadequate law enforcement .Bootlegging	.Even if no local option election has been held, local airlines will sometimes agree not to transport liquor.	. Village council requests airline to stop transport			
	.Sometimes local police become	.Council support police.			

PROBLEM STATEMENT	SOLUTIONS	WHO WILL DO WHAT?		Resolution Attached ?	
		What Will Village Do	What Will State Do	Yes	No
.(3) Continued	involved in bootlegging or are afraid to act.	If police involved in drinking or bootlegging, council disciplines or dismisses. Community backs up council, or elects new members.			
.Don't know laws	.Get education on what laws are, how they can be enforced.	.Community members get training, train others, some funding or in-kind.	.State or other trainers, funding.		
.Local police not well trained.	.Get better training - VPSO, other.	.Provide and support good candidates for training.	.Provide appropriate training and continuing support.		
(4) Alcohol/drug abuse major public health problem.	.Local Native counselor/educators.	Select and support with strong health council.	State funds, trains, provides oversight, coordination through regional non-profit corporations.		
	."Here's Looking At You" in all schools, starting as young as possible	Insist that REAA provide; community school advisory committees monitor every year; get local people involved in classroom.	Provide school with funds for equipment, provide trainers, provide training to community members.		
	.Emphasis on cultural values.	School Boards, Johnson O'Malley support.	State, Federal funding Provide for Board training.		

PROBLEM STATEMENT	SOLUTIONS	WHO WILL DO WHAT?		Resolution Attached ?	
		What Will Village Do	What Will State Do	Yes	No
(5) Reduction in funding: CETA, IHS, BIA, State.	Support full funding for alcohol/ drug programs, as proposed in the Governor's budget.	Recommend to legislators that proposed budget be passed.	Pass full funding.	X	
	Support passage of HB 838, increasing tax on alcohol.	Recommend to legislators that tax bill be passed; Send letters, telegrams.	Pass tax bill	X	
	Support reinstatement of IHS funding for Mt. Edgecumbe treatment unit and other programs cut out.	Send letters, telegrams to federal authorities.	Restore funding.	X	
	Consider using revenue-sharing funds to make up shortfall.	Plan to use some funds for drug/alcohol programs.	Authorize sufficient funds.		
	Consider holding local option election. Decrease in crime, accidents may cut down on costs of local government.	See above.			

Rural Alaska Community Action Program, Inc.

RESOLUTION #82 - 1

ENTITLED: EXPRESSING APPRECIATION TO GOVERNOR HAMMOND AND THE STATE LEGISLATURE

WHEREAS, the Village Participation Conference wishes to thank Governor Hammond and the State Legislature for passing legislation amending Title 4 to make local option elections possible; and

WHEREAS, in the past nine months over twenty villages have held such elections, many of these villages have seen a dramatic decrease in crime and accidents since their ban on sale and importation took effect,

NOW, THEREFORE BE IT RESOLVED that the Village Participation Conference hereby extends appreciation for providing the mechanism for us to make and enforce our own decisions on the local level.

ADOPTED this date, April 1, 1982, at the Village Participation Conference, Juneau, Alaska.

Gordon Jackson

Gordon Jackson, Chairman
RurAL CAP Board

James R. Ayers
Executive Director

Administration • P.O. Box 3-3908, Anchorage, AK 99501-0908 • (907) 279-2511

Rural Alaska
Community Action Program, Inc.

RESOLUTION #82 - 2

ENTITLED: IN SUPPORT OF FULL FUNDING FOR ALCOHOLISM/DRUG ABUSE PROGRAMS

WHEREAS, abuse of alcohol and other drugs is Alaska's number one public health problem; and

WHEREAS, substantial funding for community prevention, education and treatment programs was appropriated in 1980; and

WHEREAS, the first two years of increased funding have enabled rural programs to make substantial progress in local control of use and abuse of alcohol and other drugs; and

WHEREAS, it was planned that increased funding would be provided over a five-year period, if possible, so as to measure change over a reasonable period of time; and

WHEREAS, one result of a projected decrease in state revenues could be severe cuts in social service funding, including alcohol and drug abuse,

NOW, THEREFORE BE IT RESOLVED, that the Village Participation Conference support continued full funding for the five-year period originally proposed.

ADOPTED this date, April 1, 1982, at the Village Participation Conference, Juneau, Alaska.

Gordon Jackson, Chairman
RurAL CAP Board

James R. Ayers
Executive Director

Administration • P.O. Box 3-3908, Anchorage, AK 99501-0908 • (907) 279-2511

Rural Alaska
Community Action Program, Inc.

RESOLUTION #82 - 3

ENTITLED: IN SUPPORT OF INCREASING THE TAX ON BEVERAGE ALCOHOL

WHEREAS, abuse of alcohol is Alaska's number one public health problem; and

WHEREAS, one way to reduce alcohol abuse is to make alcohol less available, for example by increasing its cost; and

WHEREAS, State revenues for this and subsequent years are expected to decline; and

WHEREAS, it has been twenty years since the last tax increase on beverage alcohol; and

WHEREAS, House Bill 838, proposing an increase in the tax on beverage alcohol, is presently being considered by members of the Alaska State Legislature,

NOW, THEREFORE BE IT RESOLVED, that the Village Participation Conference support passage of HB 838.

ADOPTED this date, April 1, 1982, at the Village Participation Conference, Juneau, Alaska.

Gordon Jackson
Gordon Jackson, Chairman
RurAL CAP Board

James K. Ayers
James R. Ayers
Executive Director

Administration • P.O. Box 3-3908, Anchorage, AK 99501-0908 • (907) 279-2511

Rural Alaska
Community Action Program, Inc.

RESOLUTION #82 - 4

ENTITLED: TO SUPPORT RESTORATION OF FUNDING FOR INDIAN HEALTH SERVICE ALCOHOLISM PROGRAMS

WHEREAS, substantial cuts in Indian Health Service funding have been predicted for the coming fiscal year; and

WHEREAS, such cuts in funding will mean the end of such programs as Community Health Representatives and the Mt. Edgecumbe Alcoholism Treatment Center; and

WHEREAS, alcoholism continues to be the number one health problem in the State, and cuts in these programs will have an adverse impact on already overcrowded and underserved areas,

NOW, THEREFORE BE IT RESOLVED, that the Village Participation Conference hereby supports restoration of Federal funding, with additional legislative funding if necessary, to continue the above-mentioned and other programs for treatment of alcoholism and other drug abuse.

ADOPTED this date, April 1, 1982, at the Village Participation Conference, Juneau, Alaska.

Gordon Jackson

Gordon Jackson, Chairman
RurAL CAP Board

James R. Ayers
Executive Director

Administration • P.O. Box 3-3908, Anchorage, AK 99[illegible]-0908 • (907) 279-2511

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

Public Meeting Msg
From Joe Wiley

To: Senator Des Fischer

This law tried & failed Washington and other states.
It's passage would be undo intrusion of gov't regulation of Free Enterprise System.
I strongly oppose.

Introduced: 3/4/82
Referred: State Affairs and Judiciary

IN THE SENATE

BY THE RULES COMMITTEE
BY REQUEST

SENATE BILL NO. 833

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act requiring a license to purchase alcoholic beverages; and providing for an effective date."

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

* Section 1. AS 04.16 is amended by adding a new section to read:

Sec. 04.16.015. LICENSE TO PURCHASE ALCOHOLIC BEVERAGES REQUIRED.

(a) A person may not sell or offer for sale an alcoholic beverage to a resident of the state unless the resident is licensed under AS 08.18.010 to purchase alcoholic beverages.

(b) A person may not sell or offer to sell an alcoholic beverage to a nonresident of the state if the person knows that the nonresident has been physically present in the state for more than 90 days.

* Sec. 2. AS 04 is amended by adding a new chapter to read:

CHAPTER 18. LICENSE TO PURCHASE ALCOHOLIC BEVERAGES.

Sec. 04.18.010. DUTIES OF THE DEPARTMENT. The Department of Public Safety shall

(1) issue licenses under this chapter;

(2) notify each person licensed under AS 04.11.090, 04.11.100, 04.11.110, 04.11.150, 04.11.180, 04.11.190, 04.11.210, 04.11.220, 04.11.230, 04.11.240, or 04.11.250 of the name and resident address of each person who has his license to purchase alcoholic beverages canceled, suspended or revoked;

(3) adopt regulations necessary to carry out the purposes of this chapter.

Sec. 04.18.020. LICENSE TO PURCHASE ALCOHOLIC BEVERAGES. (a)

Except as provided in (b) of this section a person who purchases alcoholic beverages is required to have in his possession a valid license to purchase alcoholic beverages issued under this chapter.

(b) A person who is not a resident of the state may purchase alcoholic beverages without a license issued under this chapter for a period of 90 days after entry into the state. A nonresident purchasing alcoholic beverages after the 90-day grace period established by this subsection is required to obtain and have in his possession a license to purchase alcoholic beverages.

Sec. 04.18.030. APPLICATION FOR LICENSE. (a) Application for a license to purchase alcoholic beverages must be made on a form furnished by the department. The application shall

(1) contain the applicant's name, date and place of birth, and mailing and residence addresses;

(2) state whether a license to purchase alcoholic beverages issued to the applicant has ever been canceled, suspended, or revoked, or whether an application for a license has ever been denied and, if so, the reason for the cancellation, suspension, revocation, or denial; and

(3) contain other information that the department may require to determine the applicant's identity and eligibility for licensure.

(b) An application for a license to purchase alcoholic beverages must be accompanied by a $5 application fee.

(c) A person may apply for a new license under this section if a license expires or is canceled, lost, or destroyed.

Sec. 04.18.040. EXPIRATION OF LICENSE. A license to purchase alcoholic beverages expires on the licensee's date of birth in the fifth year following issuance of the license.

Sec. 04.18.050. LICENSE TO BE EXHIBITED. A person buying an alcoholic beverage shall allow the following persons to inspect his

license to purchase alcoholic beverages:

(1) a person from whom the licensee is purchasing the beverage; or

(2) a peace officer.

Sec. 04.18.060. RECORDS. (a) The department shall maintain a record of

(1) applications received for a license to purchase alcoholic beverages;

(2) every license to purchase alcoholic beverages issued;

(3) every license to purchase alcoholic beverages that has been suspended, revoked, or denied and the reasons for those actions;

(4) other information necessary to carry out the purposes of this chapter.

(b) The records maintained under this section are confidential; they are not a public record and are not subject to inspection or disclosure under AS 09.25.110 or 09.25.120.

Sec. 04.18.070. COURT REPORTS TO DEPARTMENT. (a) A court that convicts a person of violating this chapter or a regulation adopted under this chapter, driving while intoxicated, refusing to submit to a blood or breath test under AS 28.35, or an offense under AS 11.41 shall forward a record of the conviction to the department.

(b) In connection with an offense listed in (a) of this section a conviction on a plea of nolo contendere accepted by the court or a forfeiture of bail or collateral deposited to secure a defendant's appearance in court that has not been vacated is equivalent to a conviction for purposes of this section.

Sec. 04.18.080. POINT SYSTEM. (a) The department shall adopt regulations establishing a uniform system for the suspension, revocation or denial of a license to purchase alcoholic beverages by assigning

demerit points for convictions reported under AS 04.18.070. The regulations shall include a designated level of point accumulation that identifies persons who are habitually reckless or negligent in the use of alcoholic beverages or who through frequent convictions reported under AS 04.18.070 evidence a disregard for the safety of other persons.

(b) Notice of each assessment of points may be given and notice shall be given when the point accumulation reaches 50 percent of the number at which suspension, revocation, or denial of a license to purchase alcoholic beverages is required.

(c) The department shall adopt regulations establishing a uniform system for the reduction of points based on periods of time within which no additional points are accumulated by a licensee.

Sec. 04.18.090. CANCELLATION, SUSPENSION, REVOCATION, AND DENIAL OF A LICENSE. (a) The department shall cancel a license to purchase alcoholic beverages upon determination that

(1) the licensee failed to give the required or correct information in his application; or

(2) the license was obtained fraudulently.

(b) The department shall suspend, revoke, or deny a license to purchase alcoholic beverages of a person who exceeds the point accumulation permitted under AS 04.18.080. Suspension, revocation, or denial of a license may not be for more than one year.

(c) When the department proposes to take action under (b) of this section, it shall notify the licensee or applicant that the proposed action shall become effective 30 days from the date of the notice. The licensee or applicant has the right within the 30-day period to make an oral or written answer in which he may controvert any point in issue and he may present evidence and arguments for the consideration of the department pertinent to the action proposed to be taken. Upon receipt

of the answer the department shall make findings on the matter and shall notify the licensee or applicant of its decision by registered mail. If the department's decision is to take the proposed action, the department shall notify the licensee or applicant of his opportunity for a hearing under AS 04.18.100.

Sec. 04.18.100. HEARING AND REVIEW. (a) Before the department may suspend, revoke, or deny a license to purchase alcoholic beverages, the licensee or applicant shall be given an opportunity for an administrative hearing conducted by the department under regulations of the department governing practice and procedure consistent with due process of law. A hearing shall be informal, but the person who requests a hearing may retain an attorney. In making a determination, the hearing officer must state the reasons for his determination and indicate the evidence relied on. If warranted the hearing officer may order the department to suspend, revoke, or deny the license or adjust the person's point accumulation under AS 04.18.080.

(b) A person aggrieved by a decision of a hearing officer may within 30 days initiate a proceeding in district court to rescind the department's action by filing a notice of appeal. The court shall conduct a hearing de novo. The action of the department suspending, revoking, or denying a license is stayed and does not take effect during the pendency of an appeal.

Sec. 04.18.110. VIOLATION. Violation of this chapter or a regulation adopted under this chapter is a class B misdemeanor.

Sec. 04.18.120. DEFINITION. In this chapter "department" means the Department of Public Safety.

* Sec. 3. This Act takes effect July 1, 1982.

SB

846

Alaska State Legislature

Senate

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

TO: Senator Fischer, Chairman
Senate State Affairs Committee

FROM: Senator Ferguson, Chairman
REAA Budget Oversight Committee

SUBJ: Senate Bill 846 - Architectural Barrier Regulations

DATE: March 29, 1982

Testimony received by the REAA Budget Oversight Committee has indicated that regulations regarding architectural barriers have had an adverse impact on maintenance and operations costs as well as construction costs in the rural school districts. These regulations include both the interim regulations for barrier-free facilities as well as the exterior ramps required by these regulations. Compliance involves an abnormal amount of manual labor during the winter months to keep the ramps free of snow and ice.

Although a multi-story structure has proven to be the most fuel efficient, the code requirements for elevators cause many districts having "bush" schools to utilize single story construction. The primary objection to the elevator installation in bush communities is the prohibitive costs of maintenance and restricted availability of service. The result of this code restriction is less energy efficient buildings.

REAA school districts are required to build ramps for the handicapped and to comply with other regulations for the access of the handicapped in villages without sidewalks or roads.

Senate Bill 846 would allow the Commissioner of DOTPF to make exemptions to these regulations in such cases as those that have been occurring in the REAA school districts.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 846
Title An Act relating to architectural barrier regulations
Requested by Senator Fischer Date

II. FISCAL DETAIL
Agency Affected Department of Transportation & Public Facilities
Program Category Affected Planning and Programming
BRU, Program, Or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

In those Capital Projects where the Commissioner waives the existing handicapped regulations, it would facilitate the better development of the Capital Projects.

IV. DATE March 30, 1982 PREPARED BY John C. Bates
AGENCY DOT/PF
PHONE 465-3900

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

SB

892

PRISONER POPULATION

April 20, 1982

NAME OF INSTITUTION	capacity N	capacity E	MALE					FEMALE					TOTAL
			MISDEMEANANT		FELON		sub tot	MISDEMEANANT		FELON		sub tot	
			unsent.	sent.	unsent.	sent.		unsent.	sent.	unsent.	sent.		
KETCHIKAN	22	30	1	2	15	12	30 29	0	1	0	1	2	31 30
JUNEAU	90	100	8	12	18	88	126	0	0	1	0	1	127
FAIRBANKS	110	118	18	38	41	70	165 152	4	0	1	1	6	171 158
ANCHORADE 3rd	70	80	0	2	42	45	89 87						89 87
ANCHORAGE 6th	100	115	15	0	60	3	78	2	4	10	0	16	94
POST 6th	90	90	16	30	33	5	84						84
A.W.F.	28	30						0	6	0	25	31	31
EAGLE RIVER	80	100		0	0	123	123 99						123 99
NOME	30	34	4	7	12	14	37	0	0	0	0	0	37
PALMER	213	213		22		140	162 140						162 140
In-State TOTALS			62	113	221	520	852 911a	6	11	12	27	49 56a	901 967

F.B.P.

120	(m)
2	(f)

Halfway Houses	male	female
Ketchikan	1	0
Juneau	0	0
Fairbanks	15	0
Anchorage	2	0
Annex - 6'	0	0
Post - 6'	0	0

Halfway Houses	male	female
A.W.F.	0	7
Eagle R.	24	0
Nome	0	0
Palmer	22	0
TOTAL	46	7

GRAND TOTAL

1162

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

I. REQUEST

Bill/Resolution No. Senate Bill No. 892

Title An act providing for the issuance of general obligation bonds..."

Requested by Finance Committee Date 4/20/82

II. FISCAL DETAIL

Agency Affected Health & Social Services

Program Category Affected Administration of Justice

BRU, Program, Or Subprogram(s) Affected Various

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

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Source)	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

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

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

See attached sheet

IV. DATE April 22, 1982 PREPARED BY Joanne C. Clark

AGENCY Health & Social Service

PHONE 465-3331

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

Fiscal Note Cont'd

Southeast Regional Youth Facility		$7,000.0
Planning & Engineering	$373.0	
Land & Site Preparation	600.0	
Construction & Equip.	5,372.0	
Administration & Other	655.0	
Fairbanks Correctional Center Addition		$6,555.0
Prison for Long Term Felons		$41,000.0
Planning & Engineering	$14,000.0	
Construction	27,000.0	
Fairbanks Youth Facility Wing		$5,358.5
Planning & Engineering	$643.0	
Construction	3,751.0	
Equipment	321.5	
Admin. & Other	643.0	
Capital Construction Reserve Fund		$1,855.0

Project Title	Location (s)	Election Districts Served	Start Date	Completion Date
Armory/OMS	Kotzebue	21	July 83	June 85

AGENCY REQUEST			Operational Cost & No. Personnel Increase -- (Decrease)		First Operating Year 84	Ultimate Annual Year 85	GOVERNOR'S REQUEST Approved	Deferred	Disapproved
1002	Federal Receipts	3,280.2	Funding	Federal Receipts			1002	Federal Receipts	
1003	G/F Match	1,915.2		General Fund	7.1	7.1	1003	G/F Match	
1004	General Fund		Source				1004	General Fund	
1005	I/A Receipts						1005	I/A Receipts	
	G O. Bonds		Total Annual Operational Cost increase		7.1	7.1		G.O. Bonds	
			Position (FTE) NC		0	0			
			Previous Year-Priority	Agency Priority	Governor's Priority				
	Total	5,195.4	GF-82-8	GF-83-4				Total	

PROJECT DESCRIPTION

This project is the Headquarters Armory for the 3rd Scout Battalion from which sub units will be operationally controlled. The 18,000 sq. ft. building will have one assembly hall, offices, arms vaults, and other storage areas. It also includes an OMS (maintenance shop) which was previously listed on a separate project. However, a reduction of the cost will be a benefit if both facilities are in the same building.

35a PROJECT DESCRIPTION – PROPOSED CAPITAL PROJECT

CATEGORY Public Protection

AGENCY Military Affairs

PROGRAM Life & Property Protection

Revised Date

FY 83

L.I 1143(7-81)

Capital Project Expenditures (Cash Flow)	Total	Budget Year	Budget Year Plus 1	Budget Year Plus 2	Budget Year Plus 3	Budget Year Plus 4	Remaining Cost
Planning and Engineering	230.0	230.0					
Land							
Construction	4200.0	0	4200.0				
Equipment							
Administration and Other	764.4	470.4	294.0				
Total Annual Expenditure (Capital Cost)	5194.4	700.4	4494.0				

Project Justification

PROJECT NEED STATEMENT:

The unit is presently housed in the former White Alice Communications Center of the Air Force. The unit is required to perform the same mission as the Nome and Bethel units but is in a building 1/3 the size. The Air Force could request the return of the building at any time; this is not likely to happen in the near future. The building is crowded which does nothing for the unit recruiting effort or operational efficiency. The present OMS building is a 1,000 sq.ft. garage consisting of two (2) small bays and no space for storage or administration. A much larger facility of 3,000 sq.ft. is considered to be the minimum adequate. As with the armory at Kotzebue, this building could be repossessed by the Air Force at any time, and if so, there would be no place to provide the required vehicle maintenance for the unit.

DOCUMENTATION OF ESTIMATED CAPITAL COST:

Costs were obtained from Department of Transportation-LCC computations completed for a previous budget submission and adjusted for inflation for FY83. The Federal Government normally supports this type of construction at 75% for the armory and 100% of the OMS. Certain features of this building; such as required by State building codes, are not supported by Federal money which increases the State share of the construction costs. The State also must fund all costs incurred by DOT&PF for design and administration of the contract as shown below:

ITEM	TOTAL RQMT %	FEDERAL MATCH %	STATE RQMT %	COSTS $000 FEDERAL	COSTS $000 STATE
Const Costs (Contractor)	100.0	73.0	27.0	3,066.0	1,134.0
Site Investigation (A/E)	0.6	0.0	0.6	0	25.2
Design Costs (A/E)	7.4	3.8	3.6	159.6	151.2
Admin Costs (DOTPF)	0.4	0.0	0.4	0	16.8

Project Type

- [X] Building Construction (C)
- [ ] Other Improvement (I)
- [ ] Equipment (E)
- [ ] Land (L)
- [ ] Professional Services (P)
- [ ] Other (O)

Project Characteristics

- [X] Totally New Facility
- [ ] Addition to Existing Facility
- [ ] Renovation of Existing Facility
- [ ] Major Maintenance or Repair
- [ ] Supplement Previously Authorized
- [ ] Funds to Enable Completion
- [ ] One of Several Phases
- [ ] Major External Funding Source
- [ ] Other

Site Features

NO	YES	
[ ]	[X]	Site Currently Owned?
[ ]	[X]	All Utilities Available?
[ ]	[X]	Access Already Available?

PROJECT TITLE Armory, Kotzebue

CATEGORY Public Protection

AGENCY Military Affairs

PROGRAM Life & Property Protection

PROJECT JUSTIFICATION

35b PROPOSED CAPITAL PROJECT

Revised Date

FY 83

DOCUMENTATION OF ESTIMATED CAPITAL COST (continued):

ITEM	TOTAL RQMT %	FEDERAL MATCH %	STATE RQMT %	COSTS $000 FEDERAL	COSTS $000 STATE
Design Costs (DOTPF)	3.4	0.0	3.4	0	142.8
Const Admin Costs (DOTPF)	4.9	1.3	3.6	54.6	151.2
Contingency Fund[2]	7.0	0.0	7.0	0	294.0
				3280.2	1,915.2

	TOTAL
Const Costs (Contractor)	4,200.0
Site Investigation (A/E)	25.2
Design Costs (A/E)	310.8
Admin Costs (DOTPF)	16.8
Design Costs (DOTPF)	142.8
Const Admin Costs (DOTPF)	205.8
Contingency Fund[2]	294.0
	5,195.4

Federal costs figured at 95% of OMS and 70% of armory costs.

ANALYSIS OF ESTIMATE OF OPERATIONAL EXPENSE:

This new building will not require any additional positions, the old positions will be transferred. Utilities will increase only slightly over the old facility due to the fact that the new building will be much more energy efficient even though it is larger.

IDENTIFICATION OF ALTERNATIVES CONSIDERED:

Armory Portion:

A. Not building the armory: This alternative will force the adaption of the alternative below or force us to retain the Air Force facility. The existing Air Force building is not considered adequate for armory purposes. In addition, the Air Force at any time could request the building be returned to them and we would have no alternative but to comply, therefore leaving the entire headquarters without a facility.

B. Renting/leasing a facility: Until recently, this was the method of operation for the units. The Department was renting a facility for $46,800 per year for approximately 4,000 square feet. This area was adequate only for the full-time administrative personnel and their records. The supply function was operating out of the 1,200 square foot Scout Armory and had no place to store winter clothing, weapons, repair parts, and other operating supplies. There was no place for staging personnel, training, security, or classroom functions. In short, the unit was operating on a shoestring and future operations, disasters, or measures will be clearly hampered by the lack of

IDENTIFICATION OF ALTERNATIVES CONSIDERED (Continued):

OMS Portion:

a. Leasing/renting of adequate facilities: This Department has already canvassed the community for space to rent until this project is constructed. There are no facilities available which would satisfactorily accommodate the required maintenance function.

b. Do not construct the project: This alternative is not considered feasible since it is what we are now doing, and it is not adequate as described in paragraph 1 above. It does not contain adequate space for the maintenance of the vehicles now on hand, and there are more vehicles ordered for the Battalion. If this project is not constructed, the vehicle maintenance necessary for the missions of the 3rd Battalion will be jeopardized.

Project Title	Location(s)	Election Districts Served	Start Date	Completion Date
Civil Air Patrol Maintenance Hangar	Anchorage	All	Jul 82	Dec 83

AGENCY REQUEST			Operational Cost & No. Personnel Increase -- (Decrease)		First Operating Year 83	Ultimate Annual Year 84	GOVERNOR'S REQUEST Approved	Deferred	Disapproved
1002	Federal Receipts		Funding Source	Federal Receipts			1002	Federal Receipts	
1003	G/F Match			General Fund			1003	G/F Match	
1004	General Fund	3,918.8					1004	General Fund	
1005	I/A Receipts						1005	I/A Receipts	
	G.O. Bonds		Total Annual Operational Cost		0	0		G.O. Bonds	
			Position (FTE)		0	0			
			Previous Year-Priority	Agency Priority	Governor's Priority				
	Total	3,918.8	GF-82-10	GF-83-7				Total	

PROJECT DESCRIPTION

Construct a 120' x 120' maintenance hangar with office/shop/storage wings of 30 x 120 by stories for a total of 28,800 S.F. on 7.4 acres leased to the Civil Air Patrol at Elmendorf Air Force Base airport.

35a PROJECT DESCRIPTION – PROPOSED CAPITAL PROJECT

01-1143-(7-81)

CATEGORY Public Protection

AGENCY Military Affairs

PROGRAM Life & Property Protection

Page 1 of 1

Revised Date 9/30/81

FY 83

Capital Project Expenditures (Cash Flow)	Total	Budget Year	Budget Year Plus 1	Budget Year Plus 2	Budget Year Plus 3	Budget Year Plus 4	Remaining Cost
Planning and Engineering	253.4	253.4					
Land							
Construction	3,389.8		3,168.0	221.8			
Equipment							
Administration and Other	2756	120.4	155.2				
Total Annual Expenditure (Capital Cost)	3,918.8	373.8	3,323.2	221.8			

Project Justification

PROJECT NEED STATEMENT:

The present maintenance facility occupies hangar space provided by the USAF Enhancement and Modification plans indicate future hangar space will not be available. CAP has relocated from one facility to another on the average of every two years.

The CAP airfleet consists of 30 aircraft and is maintained by a contractor based at Elmendorf AFB. In order to respond in a timely manner, the aircraft and equipment must be maintained in a virtual state of readiness.

DOCUMENTATION OF ESTIMATED CAPITAL COST:

Based on estimates provided by the Departments facility engineer, construction costs for this location will be approximately $110/SF. Therefore, the construction cost of the facility will be $110 X 28,800 SF = $3,168,000. In addition, DOT costs must be included since their operation is funded from capital funds rather than the general fund. These costs are as follows:

ITEM	TOTAL RQMT %	COST
Const Costs (Contractor)	100.0	3168.0
Site Investigation (A/E)	0.6	19.0
Design Costs (A/E)	7.4	234.4
Admin Costs (DOTPF)	0.4	12.7
Design Costs (DOTPF)	3.4	107.7
Const Admin Costs (DOTPF)	4.9	155.2
Contingency Fund	7.0	221.8
TOTAL		3,918.8

Project Type

- [x] Building Construction (C)
- [ ] Other Improvement (I)
- [ ] Equipment (E)
- [ ] Land (L)
- [ ] Professional Services (P)
- [ ] Other (O)

Project Characteristics

- [x] Totally New Facility
- [ ] Addition to Existing Facility
- [ ] Renovation of Existing Facility
- [ ] Major Maintenance or Repair
- [ ] Supplement Previously Authorized
- [ ] Funds to Enable Completion
- [ ] One of Several Phases
- [ ] Major External Funding Source
- [ ] Other

Site Features

NO	YES	
[ ]	[x]	Site Currently Owned?
[ ]	[x]	All Utilities Available?
[ ]	[x]	Access Already Available?

PROJECT TITLE Civil Air Patrol Maintenance Hangar

CATEGORY Public Protection

AGENCY Military Affairs

PROGRAM Life & Property Protection

PROJECT JUSTIFICATION

35b PROPOSED CAPITAL PROJECT

Revised Date

FY 83

ANALYSIS OF ESTIMATED OPERATIONAL COST:

No change is estimated for operating expense as a result of this project. Traditional the utilities and maintenance has been provided by the USAF.

IDENTIFICATION OF ALTERNATIVES CONSIDERED:

Leasing commercial space has been considered as an alternative but due to scarcity of hangar space and prohibitive cost it was not considered acceptable.

Project Title	Location(s)	Election Districts Served	Start Date	Completion Date
Southeast Regional Youth Facility (28 beds)	Ketchikan/S.E. Alaska	1	8/82	10/83

AGENCY REQUEST			Operational Cost & No. Personnel Increase -- (Decrease)	First Operating Year FY 84*	Ultimate Annual Year FY 85	GOVERNOR'S REQUEST Approved X	Deferred	Disapproved
1002	Federal Receipts		Federal Receipts			1002 Federal Receipts		
1003	G/F Match		Funding: General Fund	1,515.3	2,147.0	1003 G/F Match		
1004	General Fund	7,000.0	Source:			1004 General Fund		7000.0
1005	I/A Receipts					1005 I/A Receipts		
	G.O. Bonds		Total Annual Operational Cost /9 mos.	1,515.3	2,147.0	G.O. Bonds		
			Position (FTE)	22.5	30.0			
			Previous Year Priority	Agency Priority 83-8	Governor's Priority 83-8			
	Total	7,000.0				Total		7000.0

PROJECT DESCRIPTION *9 months

The Division of Family and Youth Services is mandated to provide secure detention and treatment services to juvenile offenders. Presently, there are juvenile facilities in Fairbanks and Anchorage and a 4-bed unit is to be opened in FY 82 in Juneau. These facilities will serve the Northern, Southcentral, and partially the Southeast[illegible] regions, however, there is no facility specifically for juvenile delinquents in the total Southeastern region.

This project will result in the construction of a youth facility to serve the Ketchikan proper area, as well as other communities in the Southeastern region. The three functions to be housed in the facility are:

1. Community Services: 24-hour intake assessment, disposition investigation and reporting, probation supervision and treatment services, and community resource development monitoring;
2. Detention Program: short-term residential placement for children and youth awaiting court action and disposition;
3. Long-Term Residential Unit: a structured six to eight month treatment program for adjudicated delinquents requiring residental care.

The detention unit will accommodate a maximum of 8 youth, while the long-term treatment unit will consist of a 20 bed cottage which will be separate from the rest of the facility. Both male and female youth offenders will be served by the facility. Funds were appropriated in FY 82 to DOT/PF for planning the construction of the facility. Actual construction is to begin in FY 83.

Department of Health and Social Services is contracting with DOT/PF (using $65,000 FY 82 PFPF funds) to provide final design and cost estimates. DOT/PF cost estimate is forthcoming.

35a PROJECT DESCRIPTION – PROPOSED CAPITAL PROJECT

CATEGORY Administration of Justice

AGENCY Health and Social Services

PROGRAM Offender Confinement, Reform., and Supervision (Youth Svcs.)

Revised Date

FY 83

00282

Capital Project Expenditures (Cash Flow)	Total	Budget Year	Budget Year Plus 1	Budget Year Plus 2	Budget Year Plus 3	Budget Year Plus 4	Remaining Cost
Planning and Engineering	373.0	373.0					
Land and Site Preparation	600.0	600.0					
Construction and Equipment	5,372.0	5,372.0					
Equipment							
Administration and Other	655.0	655.0					
Total Annual Expenditure (Capital Cost)	7,000.0	7,000.0					

Project Justification

PROJECT NEED: Institutional population figures point to the need for more youth institutional program beds throughout Alaska. The Fairbanks program consisting of twelve beds has consistently experienced an overload, and there is a waiting list in excess of ten juveniles at the McLaughlin Youth Center. A survey of existing private placement facilities indicates that they are also operating at full capacity. As a result of the shortage of institutional beds, some youth offenders will require out-of-state placement.

Because of increased industrial activity in the area, Ketchikan is expected to undergo a 30% growth rate over the next 10 years. The construction of a Regional Youth Facility in Ketchikan would address deficiencies in the number of available beds, as well as growing regional needs. In addition, the facility will provide more continuity of treatment resources within the community and allow children and youth to be placed closer to home, thereby allowing for increased family support in treatment plans. Regional programs are viewed as being more efficient and effective than other alternatives.

ESTIMATED CAPITAL COSTS: Based on DOT/PF planning formulas, the cost of the facility is computed to be $7 million. This is based on an average cost of $218,750/bed (28 total detention and program beds). Land acquistion and preparation estimate of $600,000 may prove to be low recognizing the fact that bedrock could be encountered and water and sewage systems could be costly.

1. Education: a school program will be provided under an agreement with the Ketchikan school district. Three classrooms for academic subjects and one for vocational training will be required.

Project Type

- [x] Building Construction (C)
- [ ] Other Improvement (I)
- [ ] Equipment (E)
- [ ] Land (L)
- [ ] Professional Services (P)
- [ ] Other (O)

Project Characteristics

- [x] Totally New Facility
- [ ] Addition to Existing Facility
- [ ] Renovation of Existing Facility
- [ ] Major Maintenance or Repair
- [ ] Supplement Previously Authorized
- [ ] Funds to Enable Completion
- [ ] One of Several Phases
- [ ] Major External Funding Source
- [ ] Other

Site Features

NO	YES	
[x]	[ ]	Site Currently Owned?
[x]	[ ]	All Utilities Available?
[x]	[ ]	Access Already Available?

PROJECT TITLE S.E. Regional Youth Facility

CATEGORY Administration of Justice

AGENCY Health and Social Services

PROGRAM Offender Confinement, Reform., and Supervision

Revised Date

FY 83

00283

35b PROJECT JUSTIFICATION PROPOSED CAPITAL PROJECT

2. Medical: it will be the responsiblity of the facility to maintain physical and mental health programs to protect and treat both accidental and acute illnesses. The medical section will require sufficient room for a nurse's office, medical equipment storage, and an examination room. The medical section should be attached to the admissions area of the detention unit.

3. Food Service: a separate kitchen and dining area for residents and staff must be included.

4. Recreation: adequate recreation space is needed both within the facility and outside. Because of the frequency of inclement weather, consideration should be given to construction of a large, covered recreation area. Interior space in the form of a multi-purpose room should also be provided.

5. Maintenance: a maintenance area for the upkeep and repair of the premises is required.

6. Supply and Storage: sufficient space should be allotted for supplies, storage, and a commissary for the residents.

7. General Office Space: sufficient space for administrative, support, and counseling staff is required.

The cost estimate includes land acquisition and preparation, fixtures, and the purchasing of all initial equipment and supplies, including those needed for the listed support functions.

The Southeast Regional Youth Facility should conform to all State and local fire code and building standards, and comply with Chapter 52 of the Administrative Code on Juvenile Correctional Facilities and Juvenile Detention. The facility should also conform to the "Manual of Standards for Juvenile Detention and Facility Services," published by the Commission on Accreditation for Corrections; and sponsored by the American Correctional Association. The facility should meet, if not exceed the "Standards and Guides for Detention of the Children and Youths," published by the National Council on Crime and Delinquency; and the "Manual of Standards for Juvenile Training Services," published by the Commission on Accreditation for Corrections, and sponsored by the American Correctional Association.

OPERATING EXPENSES: Estimated costs include staffing of the facility (30 positions), their support costs, heat, utilities, juvenile transportation including vehicle purchase, clothing, medical, and evaluation needs. Staffing will be as follows: Administrative - 1 Youth Treatment Program Superintendent, 1 Clerk Typist III, 1 Nurse I, and 1 Maintence Man WG IV; Dentention Unit - 1 Unit Leader, 2 Youth Counselor III, and 6 Youth Counselor II; Long-Term Treatment Program - 1 Unit Leader, 4 Youth Counselor III, and 8 Youth Counselor II; Food Service - 1 Service Manager, 3 Cooks WG VII. Total costs for 9 months in FY 84 are estimated at $1,515,300; however, $300,000 and 7 positions have been requested in the FY 83 operating budget. If that amount is appropriated, a remaining $1,215,300 will be needed to operate the new facility in FY 84.

ALTERNATIVES CONSIDERED: Alternatives have been explored as to the best methods to provide confinement and reform services to detained and institutionalized delinquents in Southeastern Alaska. The alternatives listed in the plan were to renovate; build a new facility incorporating diversion, detention, field service, and long-term program; or to utilize existing detention facilities. It was felt by both the Division of Family and Youth Services and the Planning Committee (consisting of residents from Southeastern Alaska) that to build a new facility incorporating diversion, detention, field service, and long-term program would be more feasible and cost-effective than the two other options.

Southeast Regional Youth Facility

CONTINUATION FROM: 35b

CATEGORY Administration of Justice

AGENCY Health and Social Services

PROGRAM Offender Confinement, Reform And Supervision

Revised Date

FY 83

C0385

Project Title	Location (s)	Election Districts Served	Start Date	Completion Date
Fairbanks ADDITION 80 BEDS	Fairbanks	Senate Dist. D	09/01/82	07/01/83

AGENCY REQUEST			Operational Cost & No. Personnel Increase -- (Decrease)		First Operating Year 84	Ultimate Annual Year 84	GOVERNOR'S REQUEST Approved [X] Deferred [ ] Disapproved [ ]		
1002	Federal Receipts		Funding Source	Federal Receipts			1002	Federal Receipts	
1003	G/F Match			General Fund	2,608.0	2,608.0	1003	G/F Match	
1004	General Fund	6,555.0					1004	General Fund	6555.0
1005	I/A Receipts						1005	I/A Receipts	
	G.O. Bonds		Total Annual Operational Cost		2,608.0	2,608.0		G.O. Bonds	
			Position (FTE)		39	39			
			Previous Year Priority	Agency Priority 83-9		Governor's Priority 83-9			
	Total	6,555.0						Total	6555.0

PROJECT DESCRIPTION

In addition to the increment outlining the need for a 300-bed close custody facility, we request here funding for an 80-bed facility to be constructed in the Fairbanks area, preferably on the grounds of the present State Correctional Center in Fairbanks. The construction and design appropach which is being utilized for the 100-bed Palmer Unit can be used. This will result in significant time and cost savings. While a site adaptation of the Palmer Addition design might not be possible under state procedures, we would, by this approach, avoid replication of a great deal of work.

The existing Fairbanks Correctional Center has been increased by 80 beds to a capacity of just under 200. Many short-term, low risk offenders from the Fairbanks area housed at the Fairbanks Correctional Center contribute to the overcrowding there, and others are sent to Palmer which removes them unnecessarily from their home communities. This also results in substantial costs to the State. A minimum to light medium facility in Fairbanks would enable the existing Fairbanks correctional facility which serves as a combination city jail and state correctional center to overcome any problems related to the need for separation of sentenced and unsentenced prisoners.

We propose this approach as an alternative to the initial proposal to address the entire need for extra bed space by construction of one large "state penitentiary." The result will be that the State will have greater flexibility for management of its inmate population and offenders closer to their home communities.

35a PROJECT DESCRIPTION – PROPOSED CAPITAL PROJECT

CATEGORY Administration of Justice

AGENCY Dept. of Health & Social Servs.

PROGRAM Offender Confinement, Reform., & Supervision

Revised Date

FY 83

00285

Capit. Project Expenditures (Cash Flow)	Total	Budget Year	Budget Year Plus 1	Budget Year Plus 2	Budget Year Plus 3	Budget Yea. Plus 4	Remaining Cost
Planning and Engineering							
Land							
Construction							
Equipment							
Administration and Other							
Total Annual Expenditure (Capital Cost)	6,555.0	6,555.0					

Project Justification

Project Need: One 80 bed medium to minimum custody facility designed and constructed identical to the additional facility at the Palmer Correctional Center.

Estimated Capital Cost: $6,555,000

Alternatives Considered: The alternative is to continue to operate the facility under poor correctional practices and transferring prisoners out of the Northern Region who have short terms remaining on their sentences.

Project Type

- [X] Building Construction (C)
- [ ] Other Improvement (I)
- [ ] Equipment (E)
- [ ] Land (L)
- [ ] Professional Services (P)
- [ ] Other (O)

Project Characteristics

- [X] Totally New Facility
- [ ] Addition to Existing Facilty
- [ ] Renovation of Existing Fac.
- [ ] Major Maintenance or Repair
- [ ] Supplement Previously Authorized
- [ ] Funds to Enable Completion
- [ ] One of Several Phases
- [ ] Major External Fund. Source
- [ ] Other

Site Features

No	Yes	
[ ]	[X]	Site Currently Owned?
[ ]	[X]	All Utilities Avail.?
[ ]	[X]	Access Already Avail.?

PROJECT TITLE Fairbanks Addition

PROJECT JUSTIFICATION
35b PROPOSED CAPITAL PROJECT

CATEGORY Administration of Justice

AGENCY Dept. of Health & Soc. Svcs.

PROGRAM Offender Confinement, Reform. & Supervision

Revised Date 10/6/81

FY 83

00287

Project Title	Location(s)	Election Districts Served	Start Date	Completion Date
300 + 100 beds Prison for Long-Term Felons	Palmer	Senate Dist. D	01/01/83	

AGENCY REQUEST			Operational Cost & No. Personnel Increase -- (Decrease)		First Operating Year 1984	Ultimate Annual Year 1986	GOVERNOR'S REQUEST Approved X / Deferred / Disapproved		
1002	Federal Receipts		Funding Source	Federal Receipts			1002	Federal Receipts	
1003	G/F Match			General Fund	7,500.0	9,500.0	1003	G/F Match	
1004	General Fund	41,000.0					1004	General Fund	41000.0
1005	I/A Receipts						1005	I/A Receipts	
	G.O. Bonds		Total Annual Operational Cost		7,500.0	9,500.0		G.O. Bonds	
			Position (FTE)		140.0	186.0			
			Previous Year Priority	Agency Priority 83-10		Governor's Priority 83-10			
	Total	41,000.0						Total	41000.0

PROJECT DESCRIPTION

Division of Adult Corrections has evaluated its prisoner capacity situation taking into account the following factors: (1) The sharp increase in the prison population and drastically revised population projections through 1990. (2) Capacity to be gained by reason of the facilities now in construction or in planning. (3) Dates when these facilities come on line. (4) Need to eliminate overcrowding and upgrade conditions of confinement to meet constitutional standards. (5) Bed space capacity to be lost as a result of closing the 6th Avenue Annex at lease expiration and the irretrievably substandard 3rd Avenue facility. (6) Division of Adult Corrections plans to increase community placements to 10% of the prisoner population. (7) Division of Adult Corrections' commitment to reducing dependency on FBP placements.

By September 1983, the scheduled completion date of the current capital program (excluding replacement projects at Bethel and Nome), Alaska will be able to dispense with inappropriate FBP placements and will have an up-to-standard, in-state capacity of about 1271 with flexibility for inmate management and emergencies. Projections indicate that the population will be about 1200 at that time. However, in 1986, at which time the 6th Avenue Annex lease will expire and the 3rd Avenue facility will have been deactivated as a jail, the inmate capacity would be 1141 (reflecting slight proportional increases in community placements and FBP placements of non-Alaskan offenders). Projections indicate that the population in 1986 will be at about 1500. The bed space deficit would, thus, be about 360.

Conclusion: We should request funding in FY '83 for construction of a 300-bed facility within 50 miles of Anchorage.

35a PROJECT DESCRIPTION – PROPOSED CAPITAL PROJECT

CATEGORY Administration of Justice

AGENCY Dept. of Health & Social Servs.

PROGRAM Offender Confinement Reform., & Supervision

Revised Date

FY 83

00288

1. The facility will be expanded by an additional 100 beds in FY '85. Approximately 40 acres of land will be needed. It should have a full security perimeter and the capacity for safely confining high risk, long-term prisoners. Most such prisoners are tractable and cooperative, but the facility should include a 25 to 30 bed special management unit (with separate outdoor recreation provided). For the general population facilities for appropriate training, employment, recreation and rehabilitative programs should be provided, as well as facilities for visiting, medical care and other essential services. Although the facility could be a distance of as much as 50 miles from Anchorage, it should be located reasonably accessible to community resources and family visiting.

   Due to the urgent need for housing, preliminary planning began with funds provided by P.F.P.F.

2. In addition to the above proposed facility, a minimum to light medium security facility of 80 beds utilizing a low cost fast track type of construction should be built in the Fairbanks area. The need for this facility will be discussed in a separate increment.

Prison for long term felons

PROJECT DESCRIPTION – PROPOSED CAPITAL PROJECT

CATEGORY Administration of Justice

AGENCY Dept. of Health & Social Servs.

PROGRAM Offender Confinement, Reform., & Supervision

Revised Date

FY 83

00289

Capital Project Expenditures (Cash Flow)	Total	Budget Year	Budget Year Plus 1	Budget Year Plus 2	Budget Year Plus 3	Budget Year Plus 4	Remaining Cost
Planning and Engineering	18,000.0	14,000.0	-0-	4,500.0			
Land							
Construction	36,000.0	27,000.0	-0-	8,500.0			
Equipment							
Administration and Other							
Total Annual Expenditure (Capital Cost)	54,000.0	41,000.0	-0-	13,000.0			

Project Justification

Projected Needs: An example of the type of institution to be constructed is as follows:

1. 40 acres of land.
2. Double security fencing, lighting, and larm fence around perimeter.
3. Three guard stations located at the prison vehicle gate, administrative area and overlooking the outdoor recreation area of the maximum security area of the prison.
4. A 40-bed independently fence maximum security unit.
5. A total of ten 26-bed housing clusters to provide housing for 260 close custody prisoners.
6. One combination dining hall, food service and warehouse building.
7. One combination vocational, maintenance, and prison industries building.
8. One combination academic, chapel, and library building.
9. One administrative support building consisting of: 12 offices for staff; 2 waiting areas; 1 receptionist station; 2 entrance vestibules; 1 minor control room and sally port; 1 major control room and sally port; 1 staff locker room; 1 mail room; 1 staff training room; 2 public restrooms; 2 conference rooms;

Project Type

- [x] Building Construction (C)
- [ ] Other Improvement (I)
- [ ] Equipment (E)
- [ ] Land (L)
- [ ] Professional Services (P)
- [ ] Other (O)

Project Characteristics

- [x] Totally New Facility
- [ ] Addition to Existing Facility
- [ ] Renovation of Existing Facility
- [ ] Major Maintenance or Repair
- [ ] Supplement Previously Authorized
- [ ] Funds to Enable Completion
- [ ] One of Several Phases
- [ ] Major External Funding Source
- [ ] Other

Site Features

NO	YES	
[x]	[ ]	Site Currently Owned?
[ ]	[x]	All Utilities Available?
[ ]	[x]	Access Already Available?

PROJECT TITLE Prison for long term felons

35b PROJECT JUSTIFICATION PROPOSED CAPITAL PROJECT

CATEGORY Administration of Justice

AGENCY Dept. of Health & Social Servs.

PROGRAM Offender Confinement, Reform.,

Revised Date

FY 83

90290

2 attorney interview booths; 1 prisoner contact visiting room; 1 prisoner secure visiting room; 1 combination staff library lounge and muster room, including toilet facilities.

10. One combination gym, auditorium, and inmate store building.

11. One combination hospital, prisoner receiving and treatment building.

12. One sewage treatment plant and building.

The alternatives to the above are as follows. The Federal Bureau of Prisons have placed a 200-bed limit on housing Alaska long-term felons in federal prisons. We have been averaging between 185 and 200 prisoners in the federal prisons for the past two years. Presently, all of Alaska prison facilities are inadequate for housing long-term offenders; therefore, there is no viable alternative.

Project Title	Location(s)	Election Districts Served	Start Date	Completion Date
Fairbanks Youth Facility Wing (32 beds)	Fairbanks/Northern Reg.	20	8/82	2/84

AGENCY REQUEST			Operational Cost & No. Personnel Increase -- (Decrease)		First Operating Year FY 84	Ultimate Annual Year FY 85	GOVERNOR'S REQUEST Approved X	Deferred	Disapproved
1002	Federal Receipts		Funding Source	Federal Receipts			1002 Federal Receipts		
1003	G/F Match			General Fund	2,995.6	2,227.6	1003 G/F Match		
1004	General Fund	5,358.5					1004 General Fund		5358.5
1005	I/A Receipts						1005 I/A Receipts		
	G.O. Bonds		Total Annual Operational Cost		2,995.6	2,227.6	G.O. Bonds		
			Position (FTE)		36.0	36.0			
			Previous Year Priority	Agency Priority	Governor's Priority				
	Total	5,358.5	N/A	83-11	83-11		Total		5358.5

PROJECT DESCRIPTION

The Division of Family and Youth Services is mandated to provide secure detention and treatment services to juvenile offenders. The Fairbanks Youth Facility was opened in 1981 to provide both detention and long-term treatment services to juvenile delinquents in the Northern region. The detention facilities are co-ed and can house eight juveniles, while the treatment unit can only house twelve males determined by the court to be delinquent.

Since the initial opening of the facility the number of juveniles served has far exceeded the capabilities of the facility. This project will result in the construction of: A) a twelve (12) bed detention unit added to the existing 8 bed detention unit, thereby increasing the total detention capacity to twenty beds; and B) a twenty (20) bed Program Unit which will increase the total long-term care unit from 12 to 32 beds and allow for the provision of treatment services to girls residing in the Northern region. This increase will bring the total bed capacity to 52.

The FY 82 authorization will provide for the planning and designing of the wing by DOT/PF, while the FY 83 request will provide for actual construction and equipping of the new wing.

The attached map shows where the proposed wing would be added on.

The Department of Health and Social Services is contracting with DOT/PF (using $40,000 FY 82 PF/PF funds) to provide design and cost estimates. DOT/PF cost estimate is forthcoming.

35a PROJECT DESCRIPTION – PROPOSED CAPITAL PROJECT

CATEGORY Administration of Justice

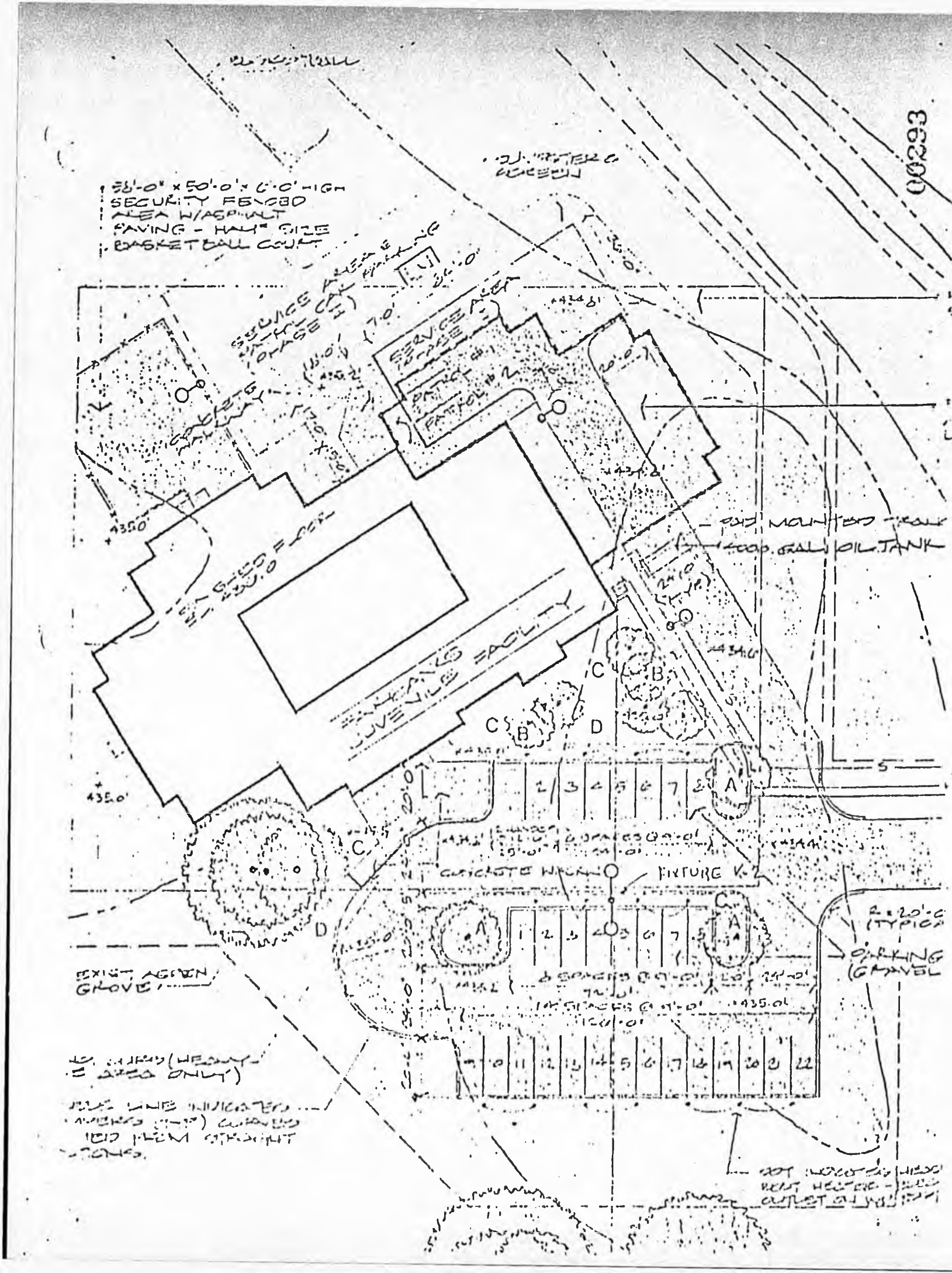
AGENCY Health and Social Services

PROGRAM Offender Confinement, Reform., and Supervision (Youth Svcs.)

Revised Date

FY 83

00292


00293
58'-0" x 50'-0" x 6'-0" HIGH SECURITY FENCED AREA W/ASPHALT PAVING - HALF SIZE BASKETBALL COURT
SERVICE ENTRANCE
PATIO #1
PATIO #2
SERVICE ENTRANCE
EXISTING FACILITY
PAD MOUNTED TRANSF.
1000 GALL OIL TANK
EXIST. ASPHALT PAVING
CONCRETE WALK
FIXTURE K
EXIST. ASPHALT PAVING
EXIST. ASPHALT PAVING (HEAVY-DUTY AREA ONLY)
EXIST. ASPHALT PAVING
EXIST. ASPHALT PAVING
EXIST. ASPHALT PAVING

Capital Project Expenditures (Cash Flow)	Total	Budget Year	Budget Year Plus 1	Budget Year Plus 2	Budget Year Plus 3	Budget Year Plus 4	Remaining Cost
Planning and Engineering	643.0	643.0					
Land	-0-	-0-					
Construction	3,751.0	3751.0					
Equipment	321.5	321.5					
Administration and Other	643.0	643.0					
Total Annual Expenditure (Capital Cost)	5,358.5	5358.8					

Project Justification

PROJECT NEED:

A. Detention Unit

The Fairbanks Youth Facility has the responsibility of providing a short-term residential program for juveniles from the Fourth Judicial District who have been detained for one of the following reasons: 1) to assure court appearances; 2) to protect the community; and 3) to protect themselves.

The primary responsibility of the Detention Unit is to provide secure care and custody of juveniles until completion of their court process and/or until their transfer to a treatment program. It is also the goal of the Detention Unit to provide these juveniles with surroundings and experiences which are conducive to positive growth and rehabilitation.

Although the length of stay for juveniles at the Fairbanks Youth Facility Detention Unit is relatively short, varying from just overnight to several weeks depending on the court process, an intensive effort is made to accomplish some short-term treatment goals. In order to reach these goals, both individual and group counseling are provided by the youth counselor staff. This counseling is in addition to a comprehensive point system designed to modify unacceptable behavior.

The detained juveniles are provided with academic evaluations as well as a school program. Contract psychiatrists and psychologists are also available to provide court ordered diagnostic evaluations and consultation for the detention staff in dealing with problem residents.

Project Type

- [x] Building Construction (C)
- [ ] Other Improvement (I)
- [x] Equipment (E)
- [ ] Land (L)
- [ ] Professional Services (P)
- [ ] Other (O)

Project Characteristics

- [ ] Totally New Facility
- [x] Addition to Existing Facility
- [ ] Renovation of Existing Facility
- [ ] Major Maintenance or Repair
- [ ] Supplement Previously Authorized
- [ ] Funds to Enable Completion
- [ ] One of Several Phases
- [ ] Major External Funding Source
- [ ] Other

Site Features

NO	YES	
[ ]	[x]	Site Currently Owned?
[ ]	[x]	All Utilities Available?
[ ]	[x]	Access Already Available?

PROJECT TITLE Fairbanks Youth Facility

CATEGORY Administration of Justice

AGENCY Health and Social Services

PROGRAM Offender Confinement, Reform., and Supervision

35b PROJECT JUSTIFICATION PROPOSED CAPITAL PROJECT

Revised Date

FY 83

C0294

The Detention Unit at the Fairbanks Youth Facility operates as a separate unit within the facility. In this way it separates those juveniles awaiting a court decision from the committed youths in a treatment program.

The Fairbanks Youth Facility Detention Unit presently has the capability to house eight juveniles. Since its opening on April 6, 1981, the Detention Unit has been in an overcrowded, or overloaded, situation. The following figures indicate the average monthly population on Detention:

April - 6.9 residents (4.7 males, 2.3 females)
May - 8.3 residents (6.2 males, 2.1 females)
June - 11.6 residents (9.3 males, 2.4 females)
July - 11.9 residents (9.7 males, 2.2 females)

These populations resulted in the Detention Unit being overloaded 7 days in April, 23 days in May, and the entire months of June and July.

In order to handle the increasing juvenile population in the Northern Region the Detention Unit should be expanded. A twelve (12) bed Detention Unit is needed in order to provide adequate space for youth detained.

B. Program Unit

The Program Unit is presently experiencing two problems. The first problem is the lack of available space; only twelve (12) males can be accommodated at the Fairbanks Youth Facility. The second problem involves the treatment of females as presently the Fairbanks Youth Facility has capabilities for only a unisex unit. All females requiring a secure residential treatment program have to leave the Fairbanks area.

There is a need for expansion of the program area. The present twelve (12) bed Program Unit would house females, and a twenty (20) bed cottage program would adequately provide services to those boys from the Northern Region who require an institutional setting.

The expansion of the existing Fairbanks Youth Facility will provide more continuity of treatment resources within the community, and allow children and youth to be placed closer to home, thereby allowing for increased family support in treatment plans. The provision of regional treatment services is viewed as being more efficient and effective than other alternatives.

ESTIMATED CAPITAL COSTS: Facility cost estimate is based on historical DOT/PF construction cost data for similar construction plus inflation.

600 sq.ft./bed x 20 beds x $225/sq.ft. x 1.35 =	$3,645,000
470 sq.ft./bed x 12 beds x $225/sq.ft. x 1.35 =	$1,713,500
	$5,358,500

The existing facility was designed to allow for add-on space, and expansion can be achieved with minimum changes to the structure.

ESTIMATED OPERATIONAL COSTS: Additional operational costs for FY 84 will fund new staff, related support items; purchase of medical and dental care, psychological and psychiatric evaluation and treatment; and pre-release clothing for juveniles placed in the facility, as well as their transportation costs. Additional staffing will be as follows: Administration - 1 Youth Treatment Program Superintendent, 1 Administrative Assistant I, 1 Clerk Typist III, 1 Cook WG VII, and 1 Maintenance Man WG IV Custodial Worker; Detention Program - 1 Unit Leader, 2 Youth Counselors III, and 6 Youth Counselors II; Short-Term Treatment Program - 2 Unit Leaders, 4 Youth Counselors III, and 15 Youth Counselors II. Total estimated operational costs are $2,933,860. Additional heat and lights 17,640 sq. ft. @ $3.50 = $61,743. Total $2,995,603.

IDENTIFICATION OF ALTERNATIVE CONSIDERED: Due to existing backlogs in the McLaughlin Youth Center, there are no other in-state alternatives for the provision of long-term care. To add a wing on to the existing Fairbanks Youth Facility would be a more feasible and cost-effective long-term solution than either sending juvenile offenders out-of-state or constructing a new facility.

PROJECT TITLE	LOCATION(S)	ELECTION DISTRICTS SERVED	START DATE	COMPLETION DATE
Capital Construction Reserve Fund	Statewide	A 11	07/82	

AGENCY REQUEST			Operational Cost & No. Personnel INCREASE - (DECREASE)		First Operating YR. _____	Ultimate Annual YR._____	GOVERNOR'S REQUEST APPROVED [X]	DEFERRED [ ]	DISAPPROVED [ ]	
1002	Fed. Rec.		Funding Source	Federal Receipts			1002	Fed. Rec.		
1003	G/F Match			General Fund			1003	G/F Match		
1004	G. F.	855.0					1004	G. F.		1855.0
1005	I/A Receipts						1005	I/A Receipts		
	G.O. Bonds		Total Annual Operational Cost		No Change	-0-		G.O. Bonds		
			Position (FTE)		-0-	-0-				
			Prev. Yr-Priority	Agency Priority 83-14	Governor's Priority 83-14					
	TOTAL	855.0							TOTAL	1855.0

PROJECT DESCRIPTION:

The 1980 Capital Corrections Bond Act (Ch. 99/SLA 80) established a $2,002,000 contingency for correctional facilities projects. The intent of this fund, in this time of uncertain capital cost and rapid inflation, is to ensure that funds are available to award contracts for capital construction projects. Funds are to be used to supplement project award only on approved and established project scope. By having this fund available, we may award approved projects without reducing scope or delaying the project until the next legislative session in order to secure additional funding. Delays further increase costs and slow availability of completed facilities. The 99/80 funds has been utilized successfully on four projects in order to make timely and proper award: Alaska Women's Facility; Juneau Women's and Children's Center' Anchorage Pre-Trial Facility; and Ketchikan Regional Jail.

The intent of this FY '83 request is to replenish the 99/80 appropriation to the $2 million level; and future year requests would be made only to supplement funds expended during the previous year, so that we began each fiscal year with the $2 million capital construction reserve.

35a PROJECT DESCRIPTION – PROPOSED CAPITAL PROJECT

CATEGORY Admin. of Justice

AGENCY Dept. of Health & Soc. Svcs.

PROGRAM Offender Confinement, Reform. & Supervision

Revised Date

FY 83

00304

G1-1143(7-81)

Capital Project Expenditures (Cash Flow)	Total	Budget Year	Budget Year Plus 1	Budget Year Plus 2	Budget Year Plus 3	Budget Year Plus 4	Remaining Cost
Planning and Engineering							
Land							
Construction							
Equipment							
Administration and Other							
Total Annual Expenditure (Capital Cost)	9,710.0	855.0	855.0	2,000.0	2,000.0	2,000.0	2,000.0

Project Justification

Project Need: In order to return the capital contingency fund to the $2 million level, it is necessary to replenish the following committed or expended funds: Anchorage Pre-Trial Award, $77,888: Juneau Women's and Children's commitment, up to $80,000.

Capital and Operating Cost: Nothing additional.

Project Type

- [X] Building Construction (C)
- [ ] Other Improvement (I)
- [ ] Equipment (E)
- [ ] Land (L)
- [ ] Professional Services (P)
- [ ] Other (O)

Project Characteristics

- [ ] Totally New Facility
- [ ] Addition to Existing Facilty
- [ ] Renovation of Existing Fac.
- [ ] Major Maintenance or Repair
- [ ] Supplement Previously Authorized
- [X] Funds to Enable Completion
- [ ] One of Several Phases
- [ ] Major External Fund. Source
- [ ] Other

Site Features

No	Yes	
[ ]	[X]	Site Currently Owned?
[ ]	[X]	All Utilities Avail.?
[ ]	[X]	Access Already Avail.?

PROJECT TITLE Capital Const. Reserve Fund

CATEGORY Admin. of Justice

AGENCY Dept. of Health & Soc. Svcs.

PROGRAM Offender Confinement, Reform. & Supervision

Revised Date

FY 83

00305

PROJECT JUSTIFICATION

PROPOSED CAPITAL

Project Title	Location(s)	Election Districts Served	Start Date	Completion Date
Multi Unit Armory	Anchorage	7-12	Jul 81	Dec 86

AGENCY REQUEST			Operational Cost & No. Personnal Increase -- (Decrease)		First Operating Year 86	Ultimate Annual Year 86	GOVERNOR'S REQUEST Approved / Deferred / Disapproved		
1002	Federal Receipts	1,405.9	Funding Source	Federal Receipts	31.3	31.3	1002	Federal Receipts	
1003	G/F Match	5,247.1		General Fund			1003	G/F Match	
1004	General Fund						1004	General Fund	
1005	I/A Receipts						1005	I/A Receipts	
	G.O. Bonds		Total Annual Operational Cost		205.3	205.3		G.O. Bonds	
			Position (FTE)		0	0			
			Previous Year-Priority	Agency Priority		Governor's Priority			
	Total	$6,653.0	NONE (81)	GF08301				Total	

PROJECT DESCRIPTION

This project will construct a 63,727 square foot (SF) armory and an 11,506 SF OMS in the Anchorage area. The armory will consist of a 9,000SF drill hall plus administrative, office, locker, latrine, weapons security, and kitchen area for all the Anchorage based Army National Guard units. The shop will consist of ten maintenance bays for vehicle and equipment maintenance and also space for warehouse, admin, and special use functions.

GENERAL:

This project request supplements two existing projects which are being merged into one request. These two projects are the Anchorage Armory and the Anchorage OMS, which are included in Chapter 80, SLA 79. The reason for lumping the two projects together is to obtain a lower construction and planning cost of the total requirement.

These two projects have been delayed for several reasons, the main one being the lack of FY 79, 80, and 81 capital monies on the federal side. The budget cuts of the Carter Administration caused a severe reduction in the nationwide ARNG construction program. This, in turn caused a "backing up" of planned construction projects nationwide, which included these two projects.

The second reason for the escalation is the increase in scope of the armory project. Originally slated for 45,000 SF, the recent reorganizations within the state ARNG system has mandated the scope to increase to the presently planned 63,727 SF.

When this project was conceived and authorized by the federal government, only the needs of the Army Guard troop units were considered. During the past several months, the facilities requirements of the entire Department were reviewed. At that time, it became clear that as a Department we are still short facility space. For this reason, it has been determined that it would be in the Department's and State's best interest to retain the existing facilities for use by this Department rather than sell these and build new facilities sometime in the future. The present facilities will be used as follows after completion of the new facilities:

PROJECT DESCRIPTION - PROPOSED CAPITAL PROJECT

CATEGORY Public Protection

AGENCY Military Affairs

PROGRAM Life & Property Protection

Revised Date 10/30

RECEIVED FY 83
NOV 01 1981
BUDGET & MANAGEMENT

Mountain View:

a. COMSEC equipment and distribution center: The COMmunications SECurity (COMSEC) Material Direct Support Activity (CMDSA) is a new requirement. It is responsible for the storage, distribution, and maintenance of all communication security equipment and software for all ARNG units within the state from Ketchikan to Barrow. The facility that houses this agency must provide secure storage and processing space for all documents and equipment used statewide. Most of this equipment and documents are classified secret or higher. The CMDSA consists of four separate areas: storage, shipping and receiving, equipment maintenance/repair parts, and office space for the four full time personnel. It is estimated that this function will require about one sixth of one of the present buildings, and must have one of the existing security vaults.

b. COMPAC: The Consolidated Military Personnel Administration Center, (COMPAC) is also a new requirement which is at present squeezed into the MacKay building with the OTAG staff. The present quarters are substandard as far as space goes, since the total office population is 36, of which are not yet on board at the present time. The subunit is responsible for the maintenance of over 9,000 records for all the units statewide. It also requires space for word processing, computer link up with existing ARNG computers, duplicating equipment, and the necessary office furniture and files to maintain the personnel and records mentioned earlier. It is estimated that the section will require about half of one of the present buildings.

c. Reproduction and publications center and storage: This section is already located at the Mountain View facility since there is no other place available to them. It is a relatively new function in it's present mode, since it now has a complete issue of reproduction equipment, something it has never had before. This equipment consists of a reproduction press, paper drills, paper cutter, binder, collater, master maker, etc. In addition to the reproduction center, there is a requirement for general office space for the four full time workers, plus space for the storage of bench stock and more than 1,400 state and federal forms for daily use by this Department and it's units statewide. Present space is about one sixth of one of the existing buildings.

d. ADES warehouse and storage: The ADES warehousing and storage is presently situated at the Alcantra Armory in between Palmer and Willow. It is in 1940 vintage quanset huts which have far outlived their design life and are in very poor condition. It is envisioned that the one complete building on the Mountain View complex will be used to house this valuable emergency gear which includes drugs. This will accomplish two things: First, it will provide security to include vault space for drugs, and second, it will make the equipment more readily available to a larger portion of the population with a lesser requirement for transportation in the event of an emergency.

Jewel Lake Armory:

a. Air National Guard headquarters: There is presently no space available on Kulis Air Guard Base for the headquarters of the ANG. Approximately a third of the existing armory will be utilized for this function. Some of the space will have to be reconfigured to office space to house this and the other function within the Department.

b. Army National Guard HHD(-) headquarters: The missions of this unit are so diverse, there will be no room in the new facility for the Alaska State Area Command (ASAC), portion of the unit. ASAC is responsible for coordination with ADES and other emergency services personnel in time of emergency, and is also tasked with the planning of military assistance to civil authorities as a full time requirement. It requires an area which can readily be expanded to accommodate additional manpower in event of emergency, accomodate the necessary communication gear, and house on a day to day basis a complete planning staff for weekend duty. Over a third of the complex will be used for this function.

c. Recruiting and retention: When the armory and the planned OTAG building is constructed, there will still be a requirement for recruiting and retention functions within the immediate Anchorage area. This is because the recruiting section must be readily available to the population center. Therefore, they will require space equivalent to about one sixth of the existing facility.

The original funding of the Anchorage Armory and Anchorage OMS projects under Chapter 80, SLA 79 was for "other" funds, which consisted of $3,692.0 federal, and $2,770.3 state programmed receipts monies for a total of $6,462.3. In view of this, a review of the past funding and the present funding request given below to clarify the proposed funding of the projects as it new requested:

ITEM	FED COST	STATE COST	TOTAL COST
ARMORY (Ch80/79)	3,026.2	2,018.4*	5,044.6
OMS (Ch80/79)	665.8	751.9*	1,417.7
SUBTOTAL	3,692.0	2,770.3*	6,462.3
ARMORY/OMS (RQMT)	1,405.9**	2,476.8	3,882.7
TOTAL	5,097.9	5,247.1***	10,345.0

*Programmed receipts
** Amount of additional federal authorization required by this request.
*** Total amount of state funds (GF) required to complete the projects.

CONTINUATION
FROM: 35A

CATEGORY Public Protection
AGENCY Military Affairs
PROGRAM Life & Property Protection

Page 3 of 3
Revised Date

FY 83

FACILITY	EXISTING BED	BEDS APPROPRIATED FOR CONSTRUCTION	BEDS REQUESTED FOR CONSTRUCTION
Ketchikan	28	<28> 30 FY 83 *	20 FY 85 (A)
Juneau Mens	95	36 FY 84	50 FY 88
Juneau Womens	0	2 FY 82	0
Fairbanks	110	67 FY 84	80 FY 83
3rd Avenue	70	<20> FY 82-83	<50> FY 86
6th Avenue	96	0	<96> FY 86
Ridgeview Mens	45	0	<45> FY 83-84
Eagle River Mens	80	80 FY 82	0
Eagle River Womens	28	0	15 FY 85
Palmer	113	100 FY 82	0
Post Road	0	180 FY 84	0
Nome	28	<28> 50 FY 84	20 FY 88
Bethel	0	33 FY 83	20 FY 86
Long-Term Anchorage	0	0	300 FY 83 100 FY 86
Long-Term Fairbanks	0	0	300 FY 88
	693	502	714

* Fiscal year in which beds are completed and available for occupancy.

A Fiscal year in which appropriations are requested.

32 ANALYTIC STATEMENT (Six-Year Capital Program)

CATEGORY Administration of Justice

AGENCY Dept. of Health & Soc. Svcs.

PROGRAM Offender, Confinement, Reform & Supervision

Revised Date 10/20/81

FY 83

00251

OCT 20 1981

INSTATE BED CAPACITY COMPARED WITH PROJECTED PRISONER POPULATION

Facility	1981	1982	1983	1984	1985	1986	1987	1988	1989
Ketchikan	28	30	30	30	30	50	50	50	50
Juneau Mens	95	95	131	131	131	131	131	181	181
Juneau Womens	0	2	2	2	2	2	2	2	2
Fairbanks	110	110	177	257	257	257	257	257	257
3rd Ave	70	50	50	50	50	0	0	0	0
6th Ave Mens & Womens	96	96	96	96	96	0	0	0	0
Ridgeview Mens	45	45	0	0	0	0	0	0	0
Eagle River Mens	80	160	160	160	160	160	160	160	160
Eagle River Womens	28	28	28	28	43	43	43	43	43
Palmer	113	213	213	213	213	213	213	213	213
Post Road	0	0	180	180	180	180	180	180	180
Nome	28	28	50	50	50	50	50	50	70
Bethel	0	0	33	33	33	53	53	53	53
Long Term Fac. Anch.	0	0	0	300	300	400	400	400	400
Long Term Fac. Fbks	0	0	0	0	0	0	0	0	300
INSTATE BED TOTAL	693	857	1150	1530	1545	1539	1539	1589	1909
PRISONERS	875-1075	1035-1225	1182-1360	1330-1500	1488-1625	1625-1773			

32 ANALYTIC STATEMENT
(Six-Year Capital Program)

CATEGORY Administration of Justice

AGENCY Dept. of Health & Soc. Svcs.

PROGRAM Offender Confinement, Reform., and Supervision

Page 8 of 91

Revised Date 10/20/81

FY 83

00250

PRISONER POPULATION

April 20, 1982

NAME OF INSTITUTION	N capacity E	MALE					FEMALE					TOTAL
		MISDEMEANANT		FELON		sub tot	MISDEMEANANT		FELON		sub tot	
		unsent.	sent.	unsent.	sent.		unsent.	sent.	unsent.	sent.		
KETCHIKAN	22 30	1	2	15	12	30	0	1	0	1	2	32
JUNEAU	90 60	6	13	18	88	125	0	0	1	0	1	126
FAIRBANKS	110 118	13	20	41	70	144	1	0	1	1	3	147
ANCHORAGE 3rd	70 80	0	2	11	10	23						23
ANCHORAGE 6th	100 115	12	0	10	3	73	2	2	10	0	14	94
POST 6th	90 90	12	20	35	5	84						84
A.W.F.	28 30						0	1	0	3	4	24
EAGLE RIVER	80 100	41	0	0	12	123						123
NOME	30 34	4	7	12	14	37	0	0	0	0	0	37
PALMER	23 23		2		2	4						4
In-State TOTALS		62	73	221	220	952	16	11	12	25	49	701

F.B.P.

26	(m)
2	(f)

Halfway Houses	male	female
Ketchikan	1	0
Juneau	0	0
Fairbanks	15	0
Anchorage	2	0
Annex - 6'	0	0
Post - 6'	0	0

Halfway Houses	male	female
A.W.F.	0	7
Eagle R.	0	0
Nome	0	0
Palmer	0	0
TOTAL	18	7

GRAND TOTAL

1125

FACILITY	EXISTING BED	BEDS APPROPRIATED FOR CONSTRUCTION	BEDS REQUESTED FOR CONSTRUCTION
Ketchikan	28	<28> 30 FY 83 *	20 FY 85 (A)
Juneau Mens	95	36 FY 84	50 FY 88
Juneau Womens	0	2 FY 82	0
Fairbanks	110	67 FY 84	80 FY 83
3rd Avenue	70	<20> FY 82-83	<50> FY 86
6th Avenue	96	0	<96> FY 86
Ridgeview Mens	45	0	<45> FY 83-84
Eagle River Mens	80	80 FY 82	0
Eagle River Womens	28	0	15 FY 85
Palmer	113	100 FY 82	0
Post Road	0	180 FY 84	0
Nome	28	<28> 50 FY 84	20 FY 88
Bethel	0	33 FY 83	20 FY 86
Long-Term Anchorage	0	0	300 FY 83 100 FY 86
Long-Term Fairbanks	0	0	300 FY 88
	693	502	714

* Fiscal year in which beds are completed and available for occupancy.

A Fiscal year in which appropriations are requested.

32 ANALYTIC STATEMENT
(Six-Year Capital Program)

CATEGORY Administration of Justice

AGENCY Dept. of Health & Soc. Svcs.

PROGRAM Offender, Confinement, Reform & Supervision

Page 9 of 91

Revised Date 10/20/81

FY 83

00251

OCT 2 0 1981

INSTATE BED CAPACITY COMPARED WITH PROJECTED PRISONER POPULATION

Facility	1981	1982	1983	1984	1985	1986	1987	1988	1989
Ketchikan	28	30	30	30	30	50	50	50	50
Juneau Mens	95	95	131	131	131	131	131	181	181
Juneau Womens	0	2	2	2	2	2	2	2	2
Fairbanks	110	110	177	257	257	257	257	257	257
3rd Ave	70	50	50	50	50	0	0	0	0
6th Ave Mens & Womens	96	96	96	96	96	0	0	0	0
Ridgeview Mens	45	45	0	0	0	0	0	0	0
Eagle River Mens	80	160	160	160	160	160	160	160	160
Eagle River Womens	28	28	28	28	43	43	43	43	43
Palmer	113	213	213	213	213	213	213	213	213
Post Road	0	0	180	180	180	180	180	180	180
Nome	28	28	50	50	50	50	50	50	70
Bethel	0	0	33	33	33	53	53	53	53
Long Term Fac. Anch.	0	0	0	300	300	400	400	400	400
Long Term Fac. Fbks	0	0	0	0	0	0	0	0	300
INSTATE BED TOTAL	693	857	1150	1530	1545	1539	1539	1589	1909
PRISONERS	875-1075	1035-1225	1182-1360	1330-1500	1488-1625	1625-1773			

32 **ANALYTIC STATEMENT**
(Six-Year Capital Program)

CATEGORY Administration of Justice

AGENCY Dept. of Health & Soc. Svcs.

PROGRAM Offender Confinement, Reform., and Supervision

Page 8 of 91

Revised Date 10/20/81

FY 83

00250

POSITION PAPER/Department of Health & Social Services

POSITION PAPER
SENATE BILL NO. 892

"An Act providing for the issuance of general obligation bonds in the amount of $110,000,000 for the purpose of paying the cost of construction of and improvements to court, corrections, military, and public safety facilities; and providing for an effective date."

A. This Act incorporates several capital improvement projects into a general obligation bond proposal, together with projects for the Court and the Departments of Public Safety, Military Affairs, and Health and Social Services. The projects for the Department of Health and Social Services relate to the operation of programs for our Division of Adult Corrections and Division of Family and Youth Services.

DIVISION OF ADULT CORRECTIONS

1. Division of Adult Corrections has evaluated its prisoner capacity situation taking into account the following factors: (1) The sharp increase in the prison population and drastically revised population projections through 1990. (2) Capacity to be gained by reason of the facilities now in construction or in planning. (3) Dates when these facilities come on line. (4) Need to eliminate overcrowding and upgrade conditions of confinement to meet constitutional standards. (5) Bed space capacity to be lost as a result of closing the 6th Avenue Annex at lease expiration and the irretrievably substandard 3rd Avenue facility. (6) Division of Adult Corrections plans to increase community placements to 10% of the prisoner population. (7) Division of Adult Corrections' commitment to reducing dependency on FBP placements.

2. By September 1983, the scheduled completion date of the current capital program (excluding replacement projects at Bethel and Nome), Alaska is planning to have an up-to-standard, in-state capacity of about 1271 with flexibility for inmate management and emergencies. Projections indicate that the population will be about 1300 at that time, however as a rule of thumb we plan on having 10% of our inmate population on furlough status in the community at any given time. However, in 1986, at which time the 6th Avenue Annex lease will expire and the 3rd Avenue facility will have been deactivated as a jail, the inmate capacity would be 1141 (reflecting slight proportional increases in community placements and FBP placements of non-Alaskan offenders). Projections indicate that the population in 1986 will be about 1500. The bed space deficit would, thus, be about 360 close custody.

   a. 300 Bed Facility ($41,000,000) - We are requesting funding in FY '83 for construction of a 300-bed facility within 50 miles of Anchorage. The facility will be

expanded by an additional 100 beds in FY '85. Approximately 40 acres of land will be needed. It should have a full security perimeter and the capacity for safely confining high risk, long-term prisoners. Most such prisoners are tractable cooperative, but the facility should include a 25 to 30 bed special management unit (with separate outdoor recreation provided). For the general population facilities for appropriate training, employment, recreation and rehabilitative programs should be provided, as well as facilities for visiting, medical care and other essential services. Although the facility could be a distance of as much as 50 miles from Anchorage, it should be located reasonably accessible to community resources and family visiting.

b. 80 Bed Fairbanks Addition ($6,555,000) - In addition to the increment outlining the need for a 300-bed close custody facility, we will need funds for an 80-bed facility to be constructed in the Fairbanks area, preferably on the grounds of the present State Correctional Center in Fairbanks. The construction and design approach which is being utilized for the 100-bed Palmer Unit can be used. This will result in significant time and cost savings. While a site adaptation of the Palmer Addition design might not be possible under state procedures, we would, by this approach, avoid replication of a great deal of work. Many short-term, low risk offenders from the Fairbanks area housed at the Fairbanks Correctional Center contribute to the overcrowding there, and others are sent to Palmer which removes them unnecessarily from their home communities. This also results in substantial costs to the State. A minimum to light medium facility in Fairbanks would enable the existing Fairbanks correctional facility which serves as a combination city jail and state correctional center to overcome any problems related to the need for separation of sentenced and unsentenced prisoners.

c. Capital Construction Reserve Fund ($1,855,000) - The 1980 Capital Corrections Bond Act (Ch. 99/SLA 80) established a $2,002,000 contingency for correctional facilities projects. The intent of this fund, in this time of uncertain capital cost and rapid inflation, is to ensure that funds are available to award contracts for capital construction projects. Funds are to be used to supplement project award only on approved and established project scope. By having this fund available, we may award approved projects without reducing scope or delaying the project until the next legislative session in order to secure additional funding. Delays further increase costs and slow availability of completed facilities. The 99/80 funds have been utilized successfully on four projects in order to make timely and proper award: Alaska Women's Facility; Juneau Women's

and Children's Center, Anchorage Pre-Trial Facility and Ketchikan Regional Jail. The intent of this FY '83 request is to replenish the 99/80 appropriation to the $2 million level; and future year requests would be made only to supplement funds expended during the previous year, so that we began each fiscal year with the $2 million capital construction reserve.

DIVISION OF FAMILY AND YOUTH SERVICES

1. The Division of Family and Youth Services is mandated to provide secure detention and treatment services for juvenile offenders.

   a. Fairbanks Youth Facility Wing ($5,358,500) - The Fairbanks Youth Facility was opened in 1981 to provide both detention and long-term treatment services to juvenile delinquents in the Northern Region. The detention facilities are co-ed and can house eight juveniles, when the treatment unit can only house 12 males determined by the court to be delinquent. Since the initial opening of the facility the number of juveniles served has far exceeded the capabilities of the facility. This project will result in the construction of: 1) a twelve (12) bed detention unit added to the existing eight (8) bed detention unit, thereby increasing the total detention capacity to 20 beds; and 2) a 20 bed Program Unit which will increase the total long-term care unit from 12 to 32 beds and allow for the provision of treatment services to girls residing in the Northern region. Presently, the Fairbanks Detention facility is operating at double the design capacity to accommodate the need.

   b. Southeast Regional Youth Facility ($7,000,000) - Presently, there are juvenile facilities in Fairbanks and Anchorage. These facilities will serve the Northern, and Southcentral regions, however, there is no facility specifically for juvenile delinquents in the Southeast region. This project will result in the construction of a youth facility to serve the Ketchikan proper area, as well as outlying communities in the Southern region. The three functions to be housed in the facility are:

      1. Community Services: 24-hour intake assessment, disposition investigation and reporting, probation supervision, and treatment services;

      2. Detention Program: short-term residential placement for children and youth awaiting court action and disposition;

      3. Long-Term Residential Unit: a structured six to eight month treatment program for adjudicated

POSITION PAPER/Department of Health & Social Services

delinquents requiring residential care. The detention unit will accommodate a maximum of eight youth, while the long-term treatment unit will consist of a 20 bed cottage which will be separate from the rest of the facility. Both male and female youth offenders will be served by the facility.

B. The Department of Health and Social Services strongly supports the need for these correctional capital projects. Each is consistent with goals and objectives of the Department and this Administration.

Recommended by: Walt Jones / for — 4/22/82
Robert S. Hatrak, Director — Date
Division of Adult Corrections

Yvonne Eider Walker / for — 4/22/82
John Pugh, Director — Date
Division of Family and Youth Services

Approved by: Helen D. Beirne — 4/22/82
Helen D. Beirne, Commissioner — Date
Department of Health and Social Services

ALASKA STATE LEGISLATURE - SENATE

SENATOR RICHARD I. ELIASON
P.O. BOX 143
SITKA, ALASKA 99835

POUCH V
JUNEAU, ALASKA 99811

COMMITTEES
FINANCE
RESOURCES
STATE AFFAIRS

April 23, 1982

M E M O R A N D U M

To: Senator Vic Fischer, Chairman
Senate State Affairs

From: Senator Dick Eliason

This is a request that SB 892 be amended to include:

1. An $8,230,000 appropriation for the Sitka Police Academy

The proposed project is a joint facility between the Department of Public Safety and the Department of Military Affairs. The Department of Military Affairs has $1,437,500 available this project.

STATE
of ALASKA

MEMORANDUM

TO: Senator Vic Fischer, Chairman
Senate State Affairs Committee

DATE: 23 April 1982

FILE NO:

TELEPHONE NO: 465-4600

FROM: Lois L. Richardson
Administrative Services Division
Department of Military Affairs

SUBJECT: SB 892 Section #4

Attched are three capitol projects that the Department of Military Affairs proposes to include in the $11,000,000 Bond proposal in SB892.

Construction of a multi-unit armory in Anchorage on the outskirts of Ft. Richardson. (EXPRESSED IN THOUSANDS OF DOLLARS) $5,247.1

Construction of a Civil Air Patrol Maintenance Hangar on Elmendorf Air Force Base, Anchorage. (EXPRESSED IN THOUSANDS OF DOLLARS) $3,198.8

Construction of an Armory & Organizational Maintenance Shop in Kotzebue. (EXPRESSED IN THOUSANDS OF DOLLARS) $1,915.2

SENATOR
DON GILMAN
Juneau Ph.
(907) 465-4934

Alaska State Legislature

HOME ADDRESS
P.O. BOX 630
KENAI, ALASKA 99611
(907) 283-4182

DURING SESSION
POUCH V
JUNEAU, ALASKA 99811

State Senate

April 22, 1982

MEMORANDUM

To: Senator Vic Fischer

From: Senator Don Gilman

Re: Projects for Inclusion in SB 892 (Bond Bill for Public Safety)

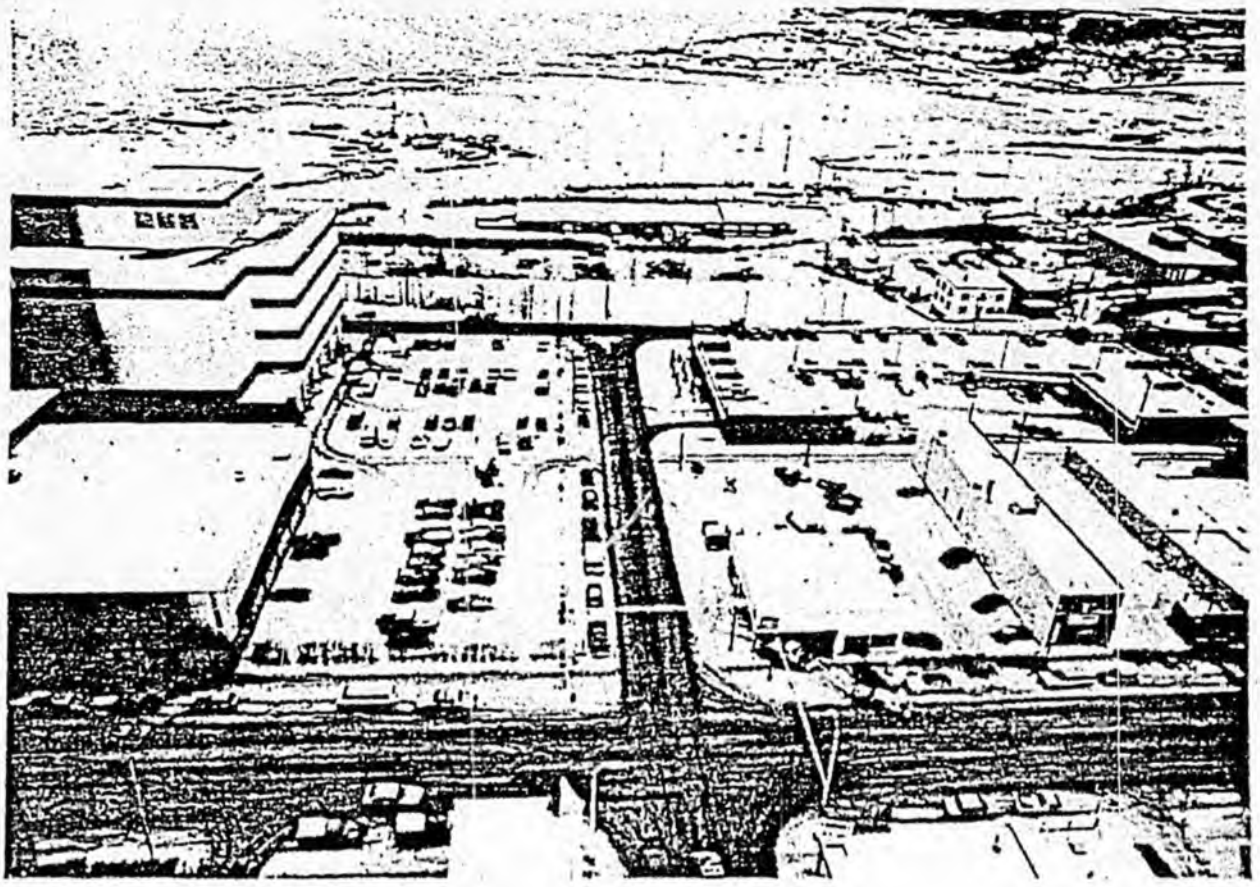
There are two items I would like to include as amendments to SB 892 in State Affairs.

SB 892 (Public Safety)

(1) Seward Highway Microwave Communications System	733.5
(2) Kenai Peninsula Borough Emergency Medical Services Sub-Area	376.0

Seward Microwave System was formerly in the Governor's capital request but is not in his amended list. I know you are aware that the Seward Highway is highly traveled by all residents of the state as well as large numbers of tourists from the Lower 48. This is the last section of major highway in the state not covered by trooper/EMS communications. The system's cost is high due to rugged terrain features unsuitable to normal radio communication linkups. This same unsuitability is responsible for the large numbers of highway accidents making the system all the more vital. This system will allow coordinated communication between troopers, ambulance corps, fire departments and hospitals. This will radically reduce time lag in qualified personnel reaching accident sites in medical emergencies. (See attached backup.)

Kenai EMS Sub-Area. This package provides vitally needed ambulances and medical and communications equipment to functioning EMS units on the Kenai Peninsula . These professional and volunteer people have assembled their request and submitted it through Southern Region Council EMS. I have deleted some of their major requests as they seem less closely related to the overall program (runway lighting and buildings). (See attachments.)



Anchorage Courthouse and Parking Lots

ANCHORAGE COURTHOUSE EXPANSION PROJECT

Project Description

The most significant item in the court system FY 83 capital budget is a request for funds to construct a five-floor court and office building connected to the present Anchorage courthouse complex. This proposed building would be located on the parking lot adjacent to the two existing buildings (called the old and new Anchorage buildings) and would add approximately 199,455 gross square feet of space. Besides providing for the expansion needs of the court system until 2010, the new building will allow for the expansion of the following court-related offices: judicial services section of the state troopers, department of law, public defender, and judicial council.

The new building will provide space for the following: fourteen trial courtrooms with adequate support space, one high-security arraignment courtroom, one courtroom designed specifically for use by members of the news media, four hearing rooms for family court including two for divorce matters and two for children's matters, and two probate court hearing rooms. The building will also allow for expansion by the clerk's office and law library. Office space will be provided for the public defender with separate public access, special prosecutions and appeals section of the attorney general's office, administrative director, area court administrator, central court supply storage and technical operations, which includes computer operations and statistical research.

Background

In order for a judicial facility to function properly, there is a need to maintain certain spatial relationships between the various elements of a courthouse plan. These include the judge's chamber, courtroom, jury room, and the relationship of these spaces to the prisoner holding facility, public circulation areas, jury assembly room, and clerical support spaces. Because of these unique architectural demands, additional space cannot always be added incrementally, as might be the case with ordinary office expansion.

As caseloads increase there is a corresponding growth in judicial, support and related agencies' staffs. Judicial facilities must then be remodeled, expanded, or relocated in order to allow for the necessary amount of space and its proper distribution. Inadequate numbers of courtrooms can lead to poor utilization of judicial resources and inadequate clerical or support space can result in inefficient use of personnel.

When a court facility reaches its maximum limits, the expansion of the court into spaces vacated by other agencies and/or the remodeling of existing spaces can often resolve the space problems for the immediate future. As growth continues, however, it may become necessary to construct new facilities to provide adequate judicial services.

Project Need

The existing Anchorage court complex is near its maximum capacity. Within three years the complex will be overcrowded to such an extent that the delivery of judicial services may be impaired. The staff offices of the administrative director, judicial council, public defender and probation offices have already been forced to move to leased space outside the court complex. The yearly rental costs to the state of Alaska for court-related offices outside the complex (including the department of law) is more than $400,000. The special prosecutions and appeals section of the district attorney's office must be moved out of the court complex within the next year in order to meet the existing demands for court support space. The court system has already received funding for and begun the detailed planning of this new Anchorage courthouse addition. The project will be coordinated so as to limit disruption of judicial services to the public.

Personnel Projections

Increases in court personnel, including judicial officers and support staff, are determined primarily by the growth in cases filed within the court system. It is assumed that the existing positive correlation between population growth and cases filed will continue.

The Anchorage superior court is expected to increase by an average of one judge for every four years in the future. Each additional superior court judge will also need approximately four full-time support staff. The district court is expected to increase by an average of one judge for every four years in the future. Each additional district court judge will also need approximately two full-time support staff including a law clerk and clerical staff. The number of personnel in domestic relations and children's matters is expected to increase by three in 1985 and double by the year 2010. The number of personnel in probate court is expected to increase by one in 1985 and more than double by year 2010.

The judicial services section of the state troopers, attorney general, public defender, judicial council and the office of the administrative director will all have expansion needs. The new addition will provide for all the above projections through the year 2010.

Design Considerations

A determination of the size and volume of the new building was based on an analysis of personnel and space requirements for each department likely to be housed in the new building. This facility program indicated the amount of space that would be required over the next thirty years. The program also took into account the special architectural considerations required by the difference in height between the existing buildings. (The new Anchorage building has five floors with mezzanine and basement and the old Anchorage building consists primarily of two floors with the western portion having three floors and a basement.) It was determined that the addition would have to occupy the entire parking lot if the addition is not to exceed the height of the existing new Anchorage building.

As the demand for judicial services has increased, the court system underwent numerous changes. For instance, the staff necessary for the new court of appeals had to be accommodated in space allocated for another purpose. Such modifications may have a negative impact on the efficient use of existing facilities. Therefore, maximum flexibility in the allocation and utilization of space is one of the most important considerations in the planning and design of the new courthouse addition.

One aspect of flexibility involves planning for the long-term expansion needs of each department. For instance, grouping similar functional areas (such as clerical departments) together rather than with courtrooms allows for greater ease in expansion and results in project savings. Another way of increasing flexibility is to avoid placing departments with very different physical requirements together. For example, if office space and courtrooms are mixed on the same floor, higher ceilings will be needed for an entire floor because of the courtroom areas.

Another design consideration that was addressed involved the manner in which the new and existing buildings would be attached. It was determined that the most economical and flexible way of accommodating the court system's space needs would be to extend each floor of the existing buildings into the proposed new building. While it is possible to connect the floors of the existing buildings with those of the new building by bridges, the degree of flexibility, as well as convenience, would be lessened by the lack of contiguous space. Also, the full extension of each floor of the existing buildings into the new building would provide an opportunity to continue, harmonize or complement the facade treatment of three buildings designed and built many years apart.

Conclusion

The court system has already received a 9.9 million dollar appropriation for the initial phases of this project. These funds will provide for the remodeling necessary to connect the new building with the existing complex and for planning design and engineering of the new facility. The capital budget request to construct this new Anchorage courthouse addition is $33,229,000, which includes funding for equipment and 1% for art in public places. This project has already begun and development of

detailed plans is underway. During FY 1983, bids for construction of the facility will be ready for advertising. It is anticipated that during FY 1983 the initial steps of the construction process will be completed. By the end of FY 1985 relocation into the new facility will be achieved.

AUTOMATION IN THE ALASKA COURT SYSTEM

Current Automated Activities

Over the past years, the Alaska Court System has implemented a number of automated systems to assist the administrative office and the Anchorage trial courts in managing their caseload. Systems implemented have included a statewide docketing/case reporting system, a jury selection/payroll system and several case processing and accounting applications for the Anchorage courts.

Increasing Workload Does Not Equal New Personnel Positions

In the past, when a local court demonstrated an increase in its workload, new clerical positions were added to the court to cope with the increased duties. Proposed constitutional limitations on operating budget expenditures, if passed, will make it extremely difficult to respond to increasingly complex records processing/case management tasks in this manner. Mounting local court caseloads and increasingly complex litigation must be handled by existing staff without sacrificing current levels of efficiency.

Automated Records Systems Are One Answer To Current/Future Problems

With the recent evolution of automated office technology, it is now possible for the Alaska Court System to look to automated records processing systems as a solution to the problems identified above for both local courts and the administrative office.

Initial and ongoing costs of implementing new systems will be offset by reduced operating costs or by cost avoidance in many of Alaska's courts. In order for these systems to be cost justified, they must provide day-to-day operational support for clerical staff in the courts. That is, they must be able to relieve the clerical staff of some of the time-consuming duties that they currently must perform manually. In addition, the new systems must assist the court in managing its caseload more efficiently. Hence, the goals of any such systems are increased management efficiency and to avoid having to hire new personnel to meet the demands of increased case filings and complex clerical procedures.

Trial courts around the United States that manually process all records typically require one full-time clerical position for every 300-350 annual non-traffic cases filed in the court as well as one full-time clerical position for every 3,000 to 3,500 traffic cases filed in the court. A review of the staff to filing ratios in Alaska's courts indicates that these ratios are applicable in Alaska.

Trial courts that have implemented automated systems which provide integrated case management, case calendaring, accounting, forms generation and word processing capabilities typically require one full-time clerical position for every 450-700 non-traffic cases filed as well as one full-time clerical position for every 4,500 to 5,500 traffic cases filed. Several trial courts, most notably in the states of Washington and Oregon,

STATE OF ALASKA
DEPARTMENT OF HEALTH & SOCIAL SERVICES
DIVISION OF ADULT CORRECTIONS

ANALYSIS OF PRISON POPULATION

MARCH 1982

INTRODUCTION

This report was prepared for the Division of Adult Corrections by Arthur Young & Company. It presents historical trends in the prison population and factors that influence the prison population in Alaska. In addition, the report includes a "snap-shot" view of sentenced prisoners derived from several surveys conducted by the Division of Adult Corrections between 1979 and present. These surveys include responses from inmates housed both inside and outside the State. The data used in this report was provided by the Division of Adult Corrections, and as such, was not verified by Arthur Young & Company.

The graphic displays presented on the following pages are divided into two principal sections. The first section contains trend analyses of the prison population and factors that influence the population. The principal source of data for this section is the Division of Adult Corrections Master Plan data base which includes a record for each arrest within the Correction System (over 100,000 bookings between 1974 and present). The second section contains the demographic "snap-shot" derived from surveys by the Division of Adult Corrections of sentenced prisoners which are housed in-state and out-of-state. The in-state surveys were conducted in August 1981 and January 1982. The out-of-state surveys were conducted in August 1979 and August 1981. In addition, other data was obtained from the Alaska Department of Labor, U.S. Department of Commerce, and the Division of Adult Corrections.

It should be noted that legislative, judicial, and administrative policy changes may have a significant impact on prison populations. Alaska has instituted a number of policy changes in the periods analyzed. Examples of such changes include mandatory minimum sentencing enacted in 1974, establishment of the VPSO program, mandatory DWI incarceration enacted in 1978, and enactment of the new Criminal code which was effective in January of 1980. Various other potentially significant policy changes have been enacted which are beyond the scope of this report. Because of the recency and significance of these changes, it is difficult to assess their present or future impact in prison populations. The reader, however, should be aware of these policy changes when reviewing the material contained in this report.

TABLE OF CONTENTS

	Page
Introduction	1
Trend Analyses	3
Graph Listings:	
- Monthly Average Daily Prison Population	4
- State Population by Age Cohorts/Ethnicity	5
- Total Admissions	6
- Admissions by Class of Offense	6
- Disposition of Admissions	7
- Commitments by Class of Offense	7
- Average Sentence Length	8
Demographic Analyses (In-State vs. Out-of-State)	9
Graph Listings:	
- Age	10
- Ethnicity	11
- Education	12
- Crime Description	13
- Time in State before Arrest	14
- Location of Booking Facility	15
- Time Remaining to Tentative Release	16
- Current Custody Status	17
- Disciplinary Record:	
- Major Infractions	18
- Minor Infractions	19
- Prior Institutional Experience	20
- Felon vs. Misdemeanant (in-state only)	21
- Sex (in-state only)	21
- Good Time Lost (in-state only)	22

TREND ANALYSES

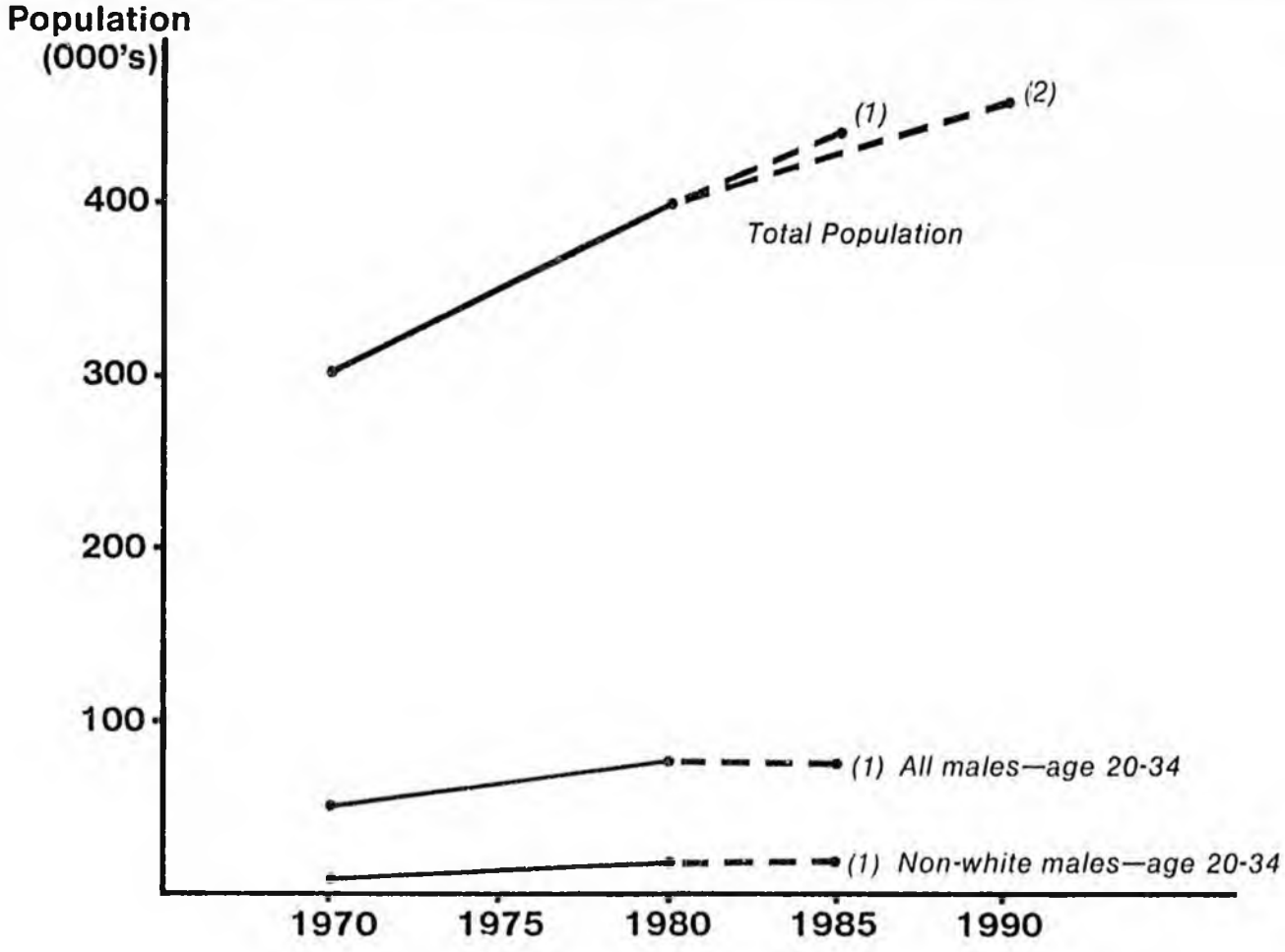
The material presented on the following pages is based principally upon data derived from the adult portion of the Master Plan data base. This data base records every booking (or arrest) into a corrections facility. These bookings are referred to as "admissions" within this report. Only one admission is recorded for each offense (for example, a transfer between facilities will not count as a new admission). The data base contains data from July 1, 1974 (the beginning of fiscal year 1975) through December 31, 1981.

MONTHLY AVERAGE DAILY PRISON POPULATION



Source:
Division of Adult Corrections;
Research Department.

STATE POPULATION BY AGE COHORTS/ETHNICITY



Average Annual Compound Growth Rates.

	1970-1980	1980-1985	1980-1990
Total population			
Bureau of the Census	2.9%	1.7%	1.6%
Alaska Department of Labor	N/A	2.2	N/A
All males age 20-34	4.0	1.2	N/A
Non-white males age 20-34	6.5	2.9	N/A

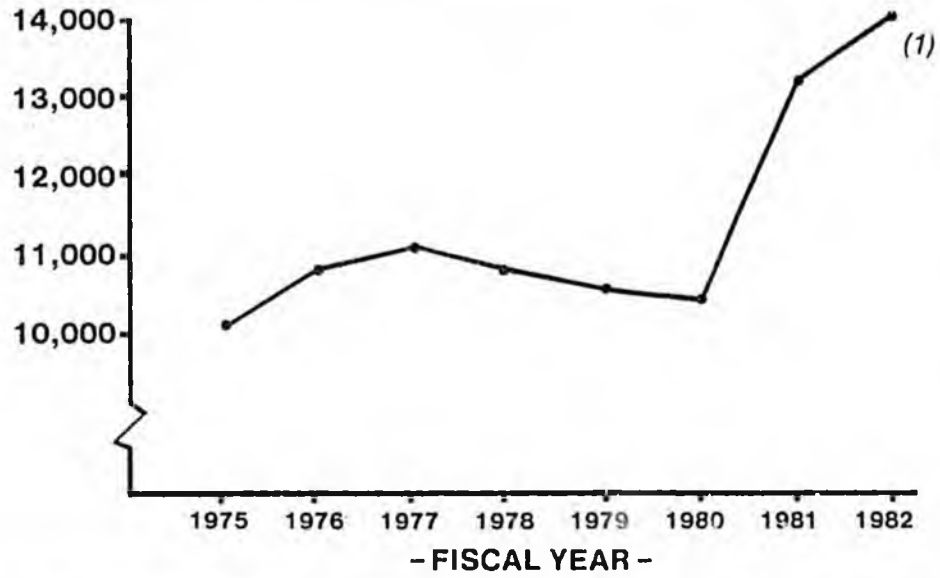
Sources:

– U.S. Department of Commerce, Bureau of the Census; 1970 and 1980 census data.

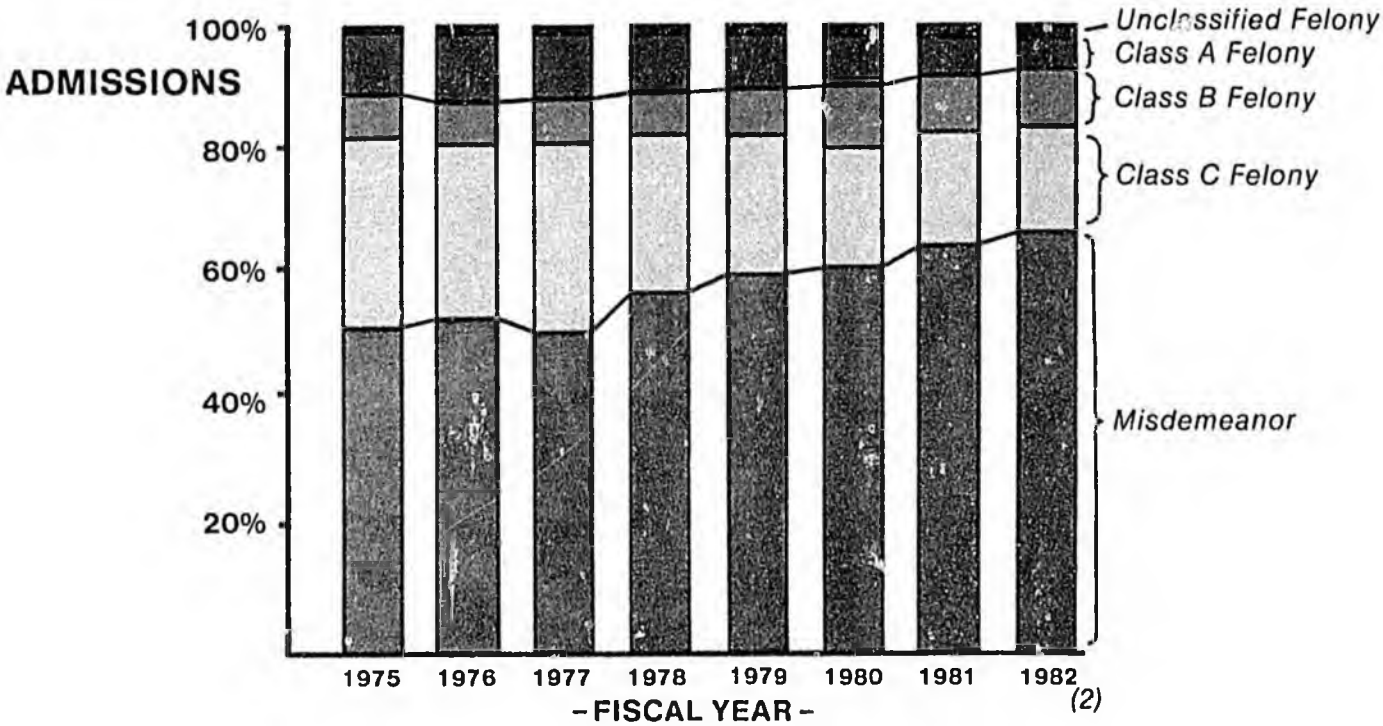
(2) – U.S. Department of Commerce, Bureau of the Census; Population Estimates and Projections, Series P-25, No. 796, 1979. Average of Series II A, B & C.

(1) – Alaska Department of Labor, Research Department; Illustrative Population Projections: 1981 to 1985. Draft Report 1982. Average of Series A, B & C.

TOTAL ADMISSIONS



ADMISSIONS BY CLASS OF OFFENSE



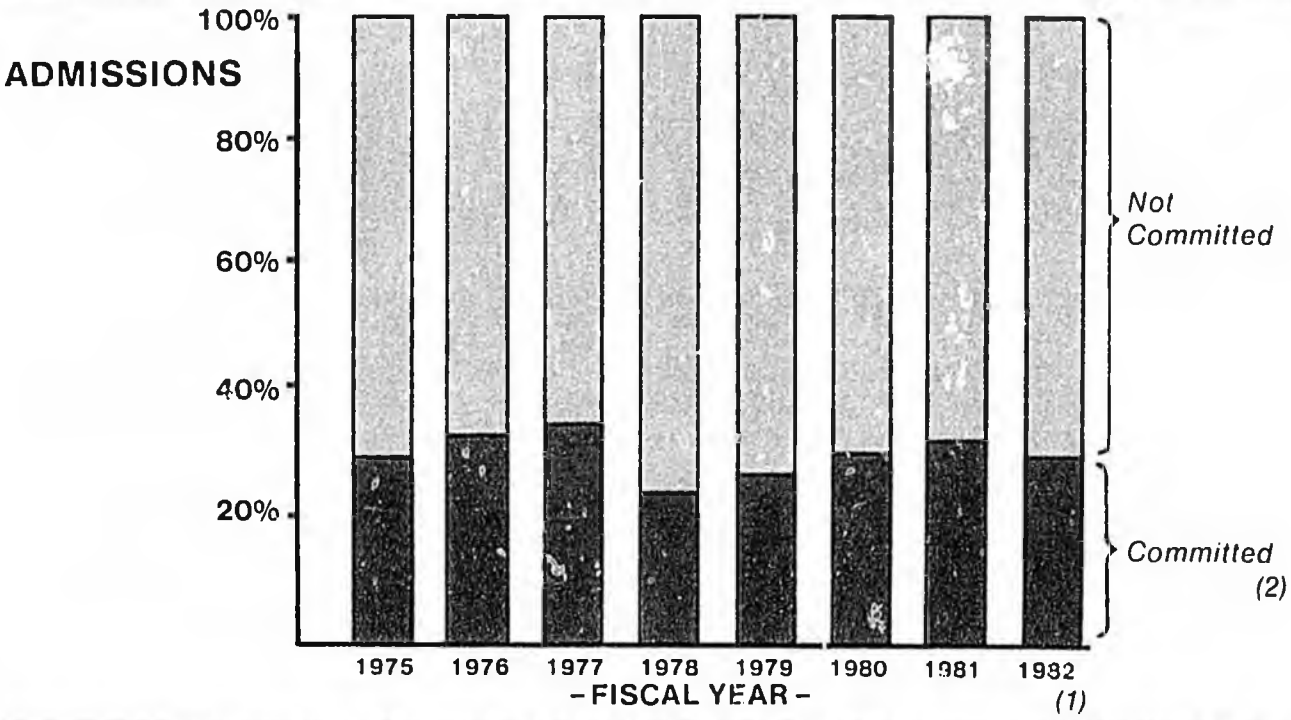
(1) Annualized based on six months available data

(2) Based on six months available data

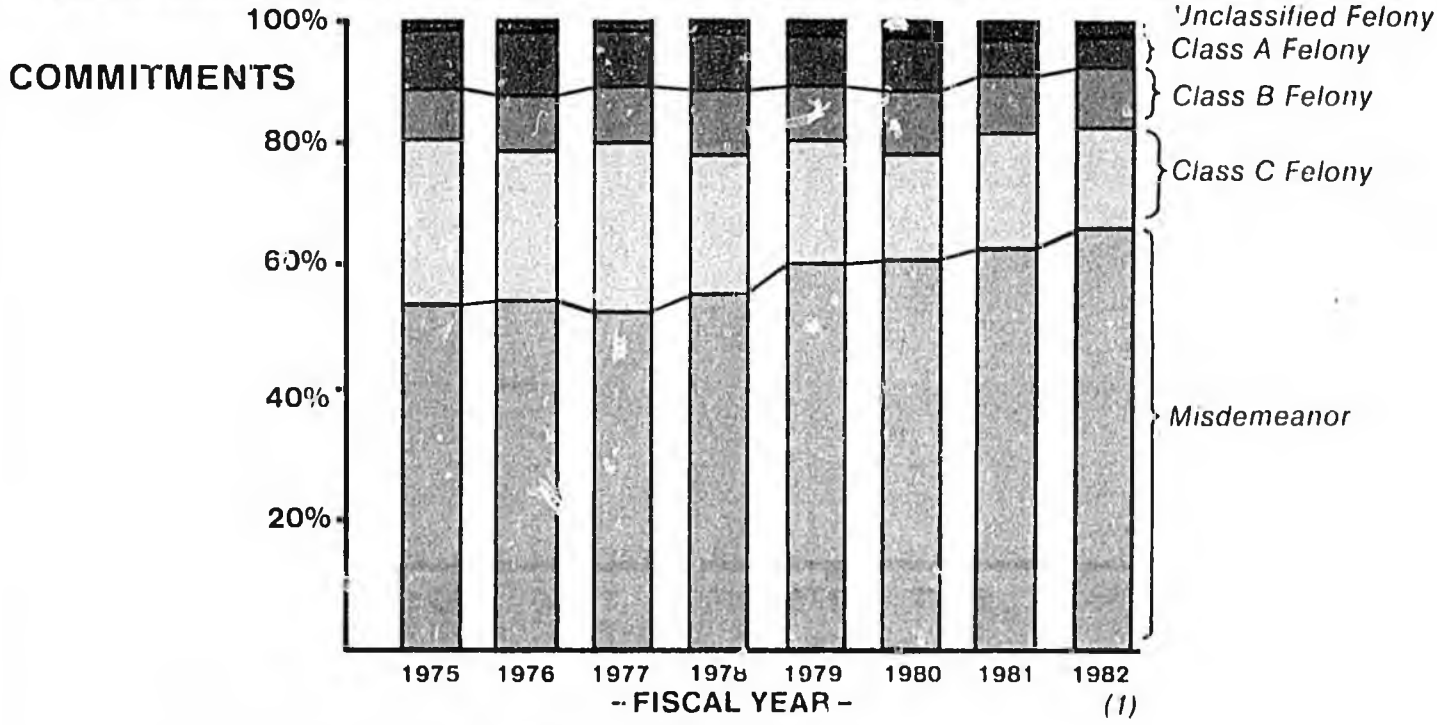
Source:
Division of Adult Corrections—Master Plan data base

Note: The data base contains only the description of the crime committed (e.g., murder, robbery, etc.) For this graph, crime names were recorded to their highest level of crime classification.

DISPOSITION OF ADMISSIONS



COMMITMENTS BY CLASS OF OFFENSE



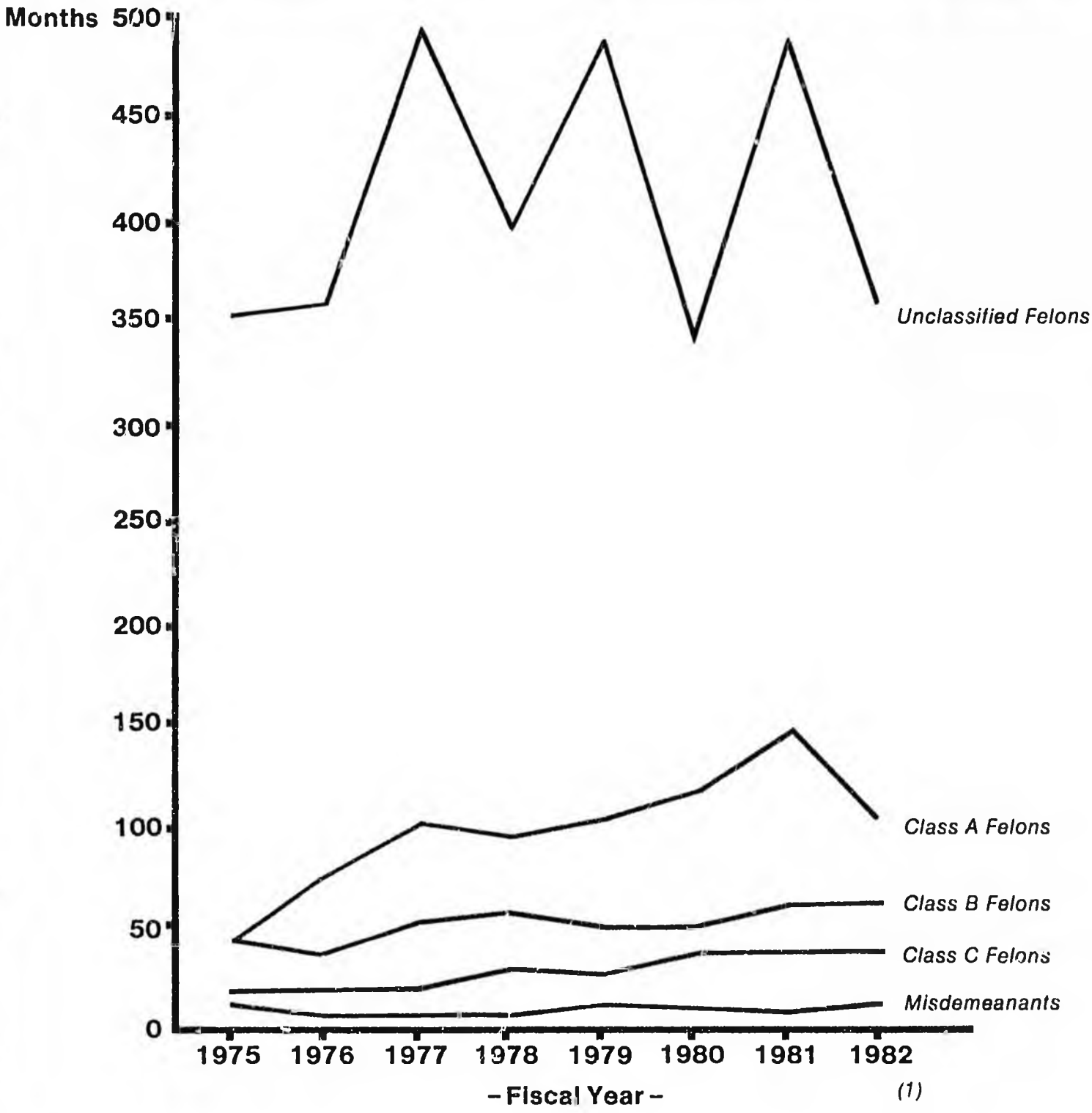
(1) Annualized based on six months available data

(2) A committed individual is one whose sentence includes a period of incarceration.

Source:
Division of Adult Corrections—Master Plan data base

Note: The data base contains only the description of the crime committed (e.g., murder, robbery, etc.). For this graph, crime names were recorded to their highest level of crime classification.

AVERAGE SENTENCE LENGTH



(1) Based on six months available data

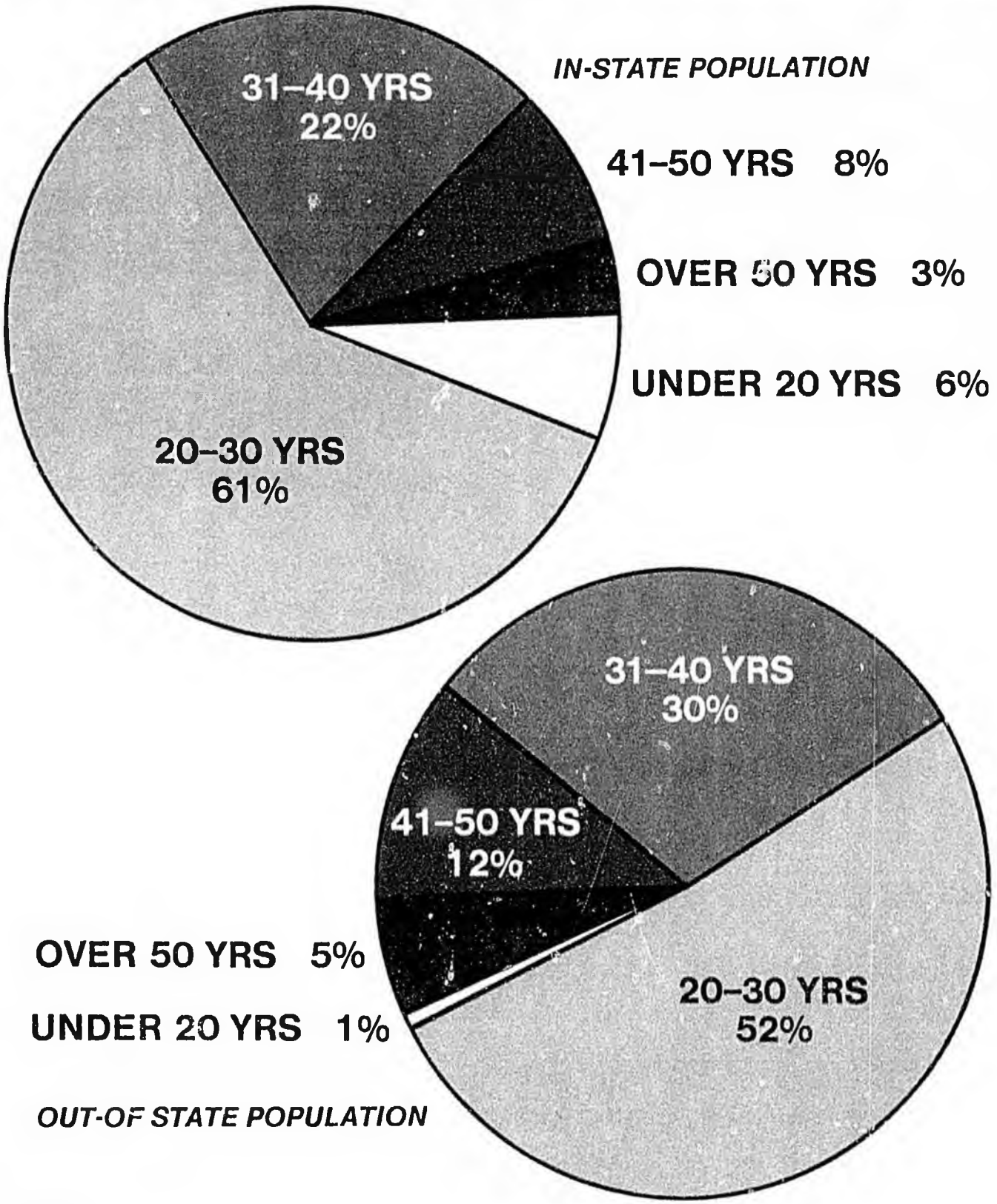
Source:
Division of Adult Corrections—Master Plan data base

DEMOGRAPHIC ANALYSES

The material presented on the following pages is based on several surveys of the sentenced adult prison population conducted and compiled by the Division of Adult Corrections. Surveys include data on prisons that are housed both within State facilities and those housed outside the State (principally held in Federal Bureau of Prison System). The in-state results are based on surveys conducted in August, 1981 and January, 1982. The out-of-state results are based on surveys conducted in August, 1979 and August, 1981.

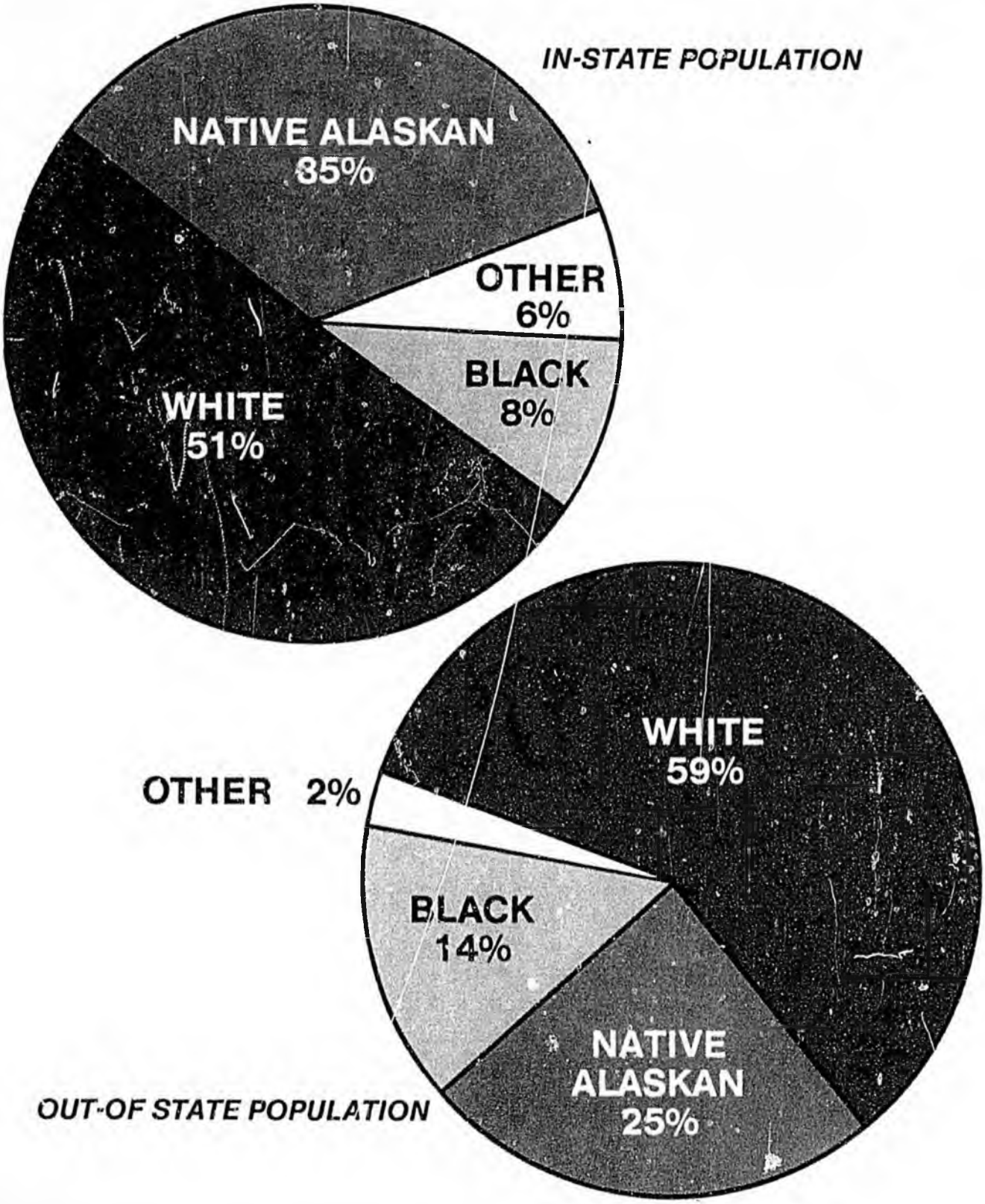
With few exceptions, the survey results for both the in-state and out-of-state prison populations were consistent between their respective survey dates. That is, the response on the earlier surveys varied little from the latter surveys. Therefore, with one exception (Out-of-State Crime Description), average responses are presented.

AGE



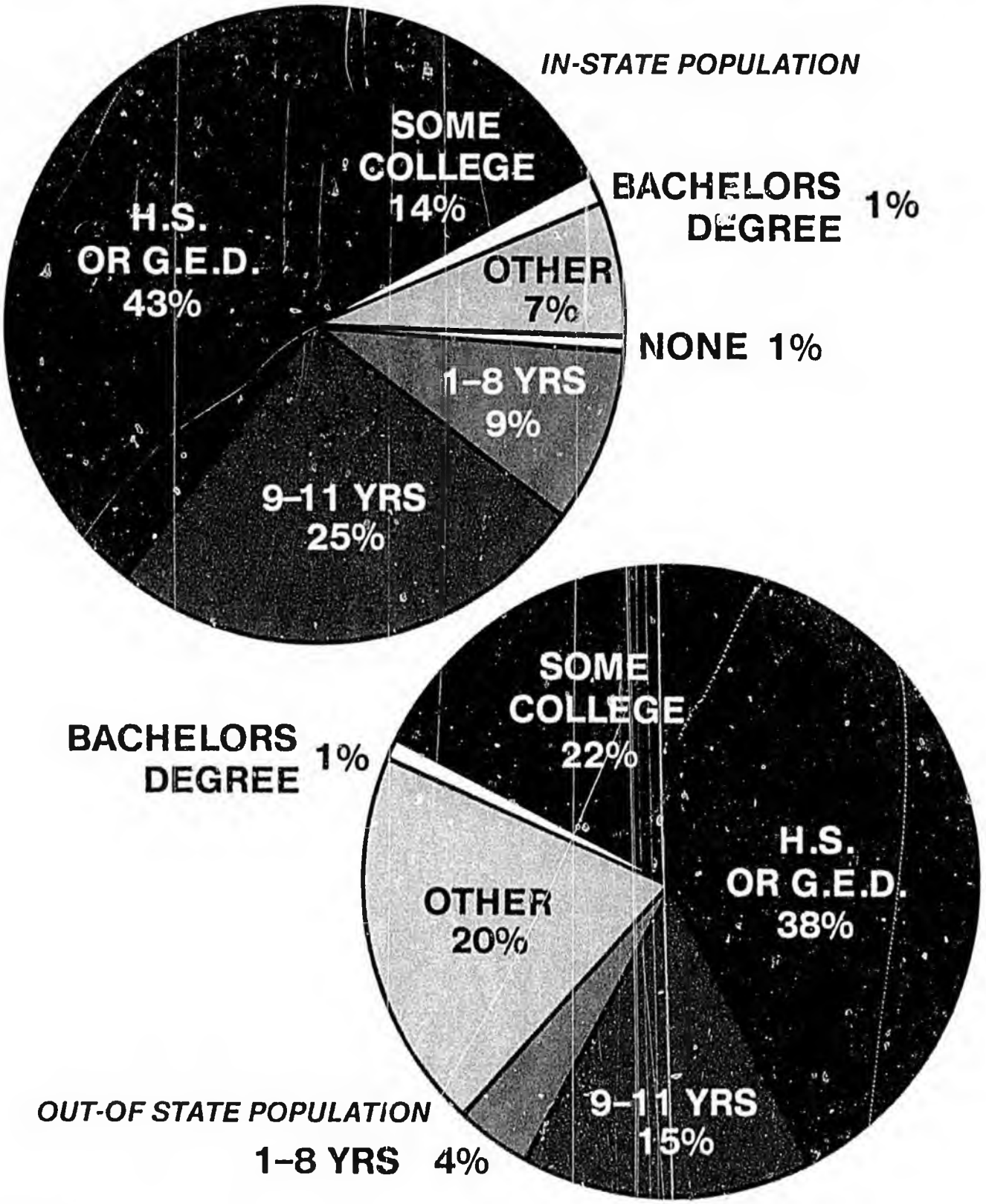
Sources:
Division of Adult Corrections—Survey of In-State Adult Inmate Prison Populations, August, 1981, January, 1982.
Division of Adult Corrections—Survey of Out-of-State Adult Inmate Prison Populations, August, 1979, August, 1981.

ETHNICITY



Sources:
Division of Adult Corrections—Survey of In-State Adult Inmate Prison Populations, August, 1981, January, 1982.
Division of Adult Corrections—Survey of Out-of-State Adult Inmate Prison Populations, August, 1979, August, 1981.

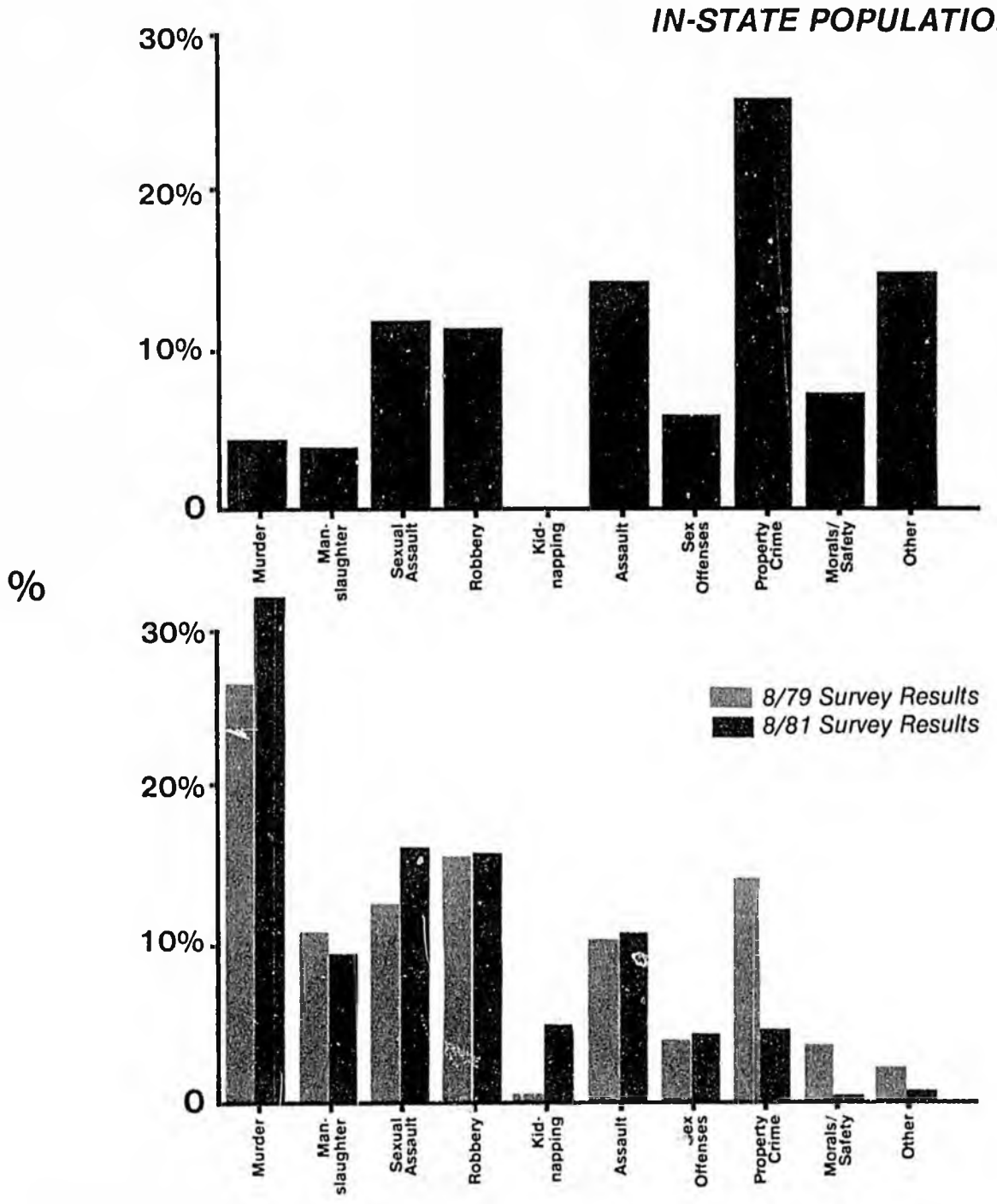
EDUCATION



Sources:
Division of Adult Corrections—Survey of In-State Adult Inmate Prison Populations, August, 1981, January, 1982.

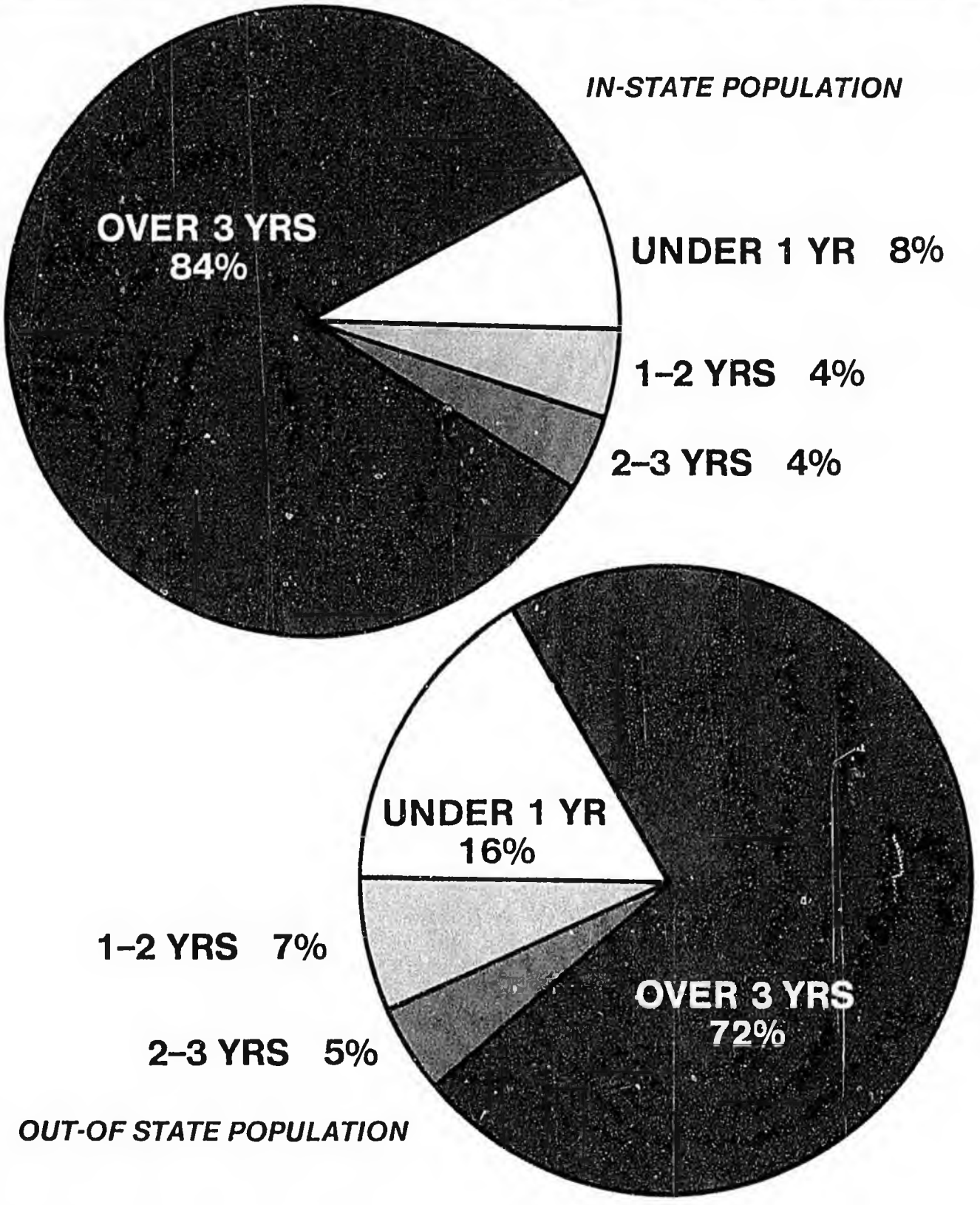
Division of Adult Corrections—Survey of Out-of-State Adult Inmate Prison Populations, August, 1981.

CRIME CLASSIFICATION



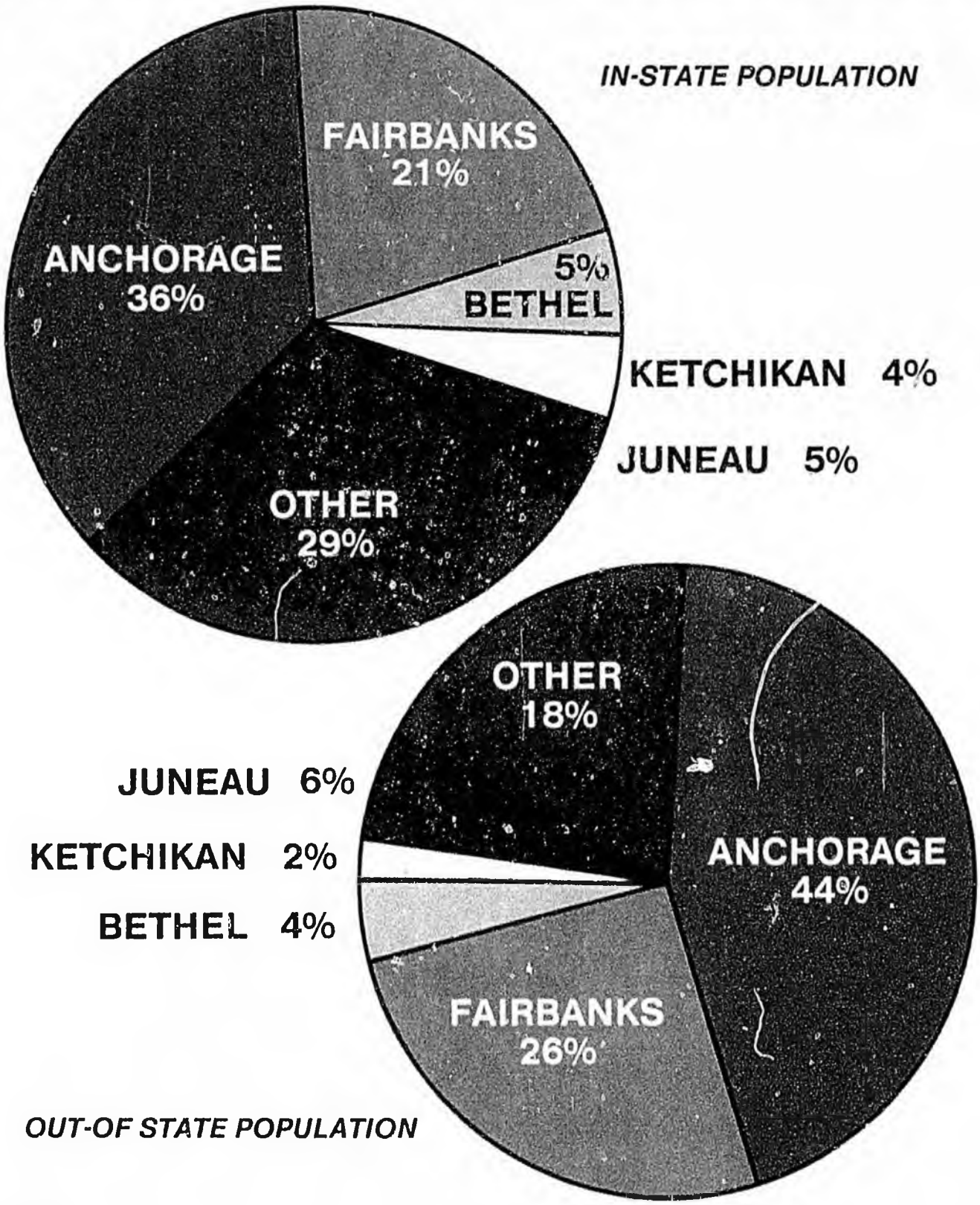
Sources:
Division of Adult Corrections—Survey of In-State Adult Inmate Prison Populations, August, 1981, January, 1982.
Division of Adult Corrections—Survey of Out-of-State Adult Inmate Prison Populations, August, 1979, August, 1981.

TIME IN STATE BEFORE ARREST



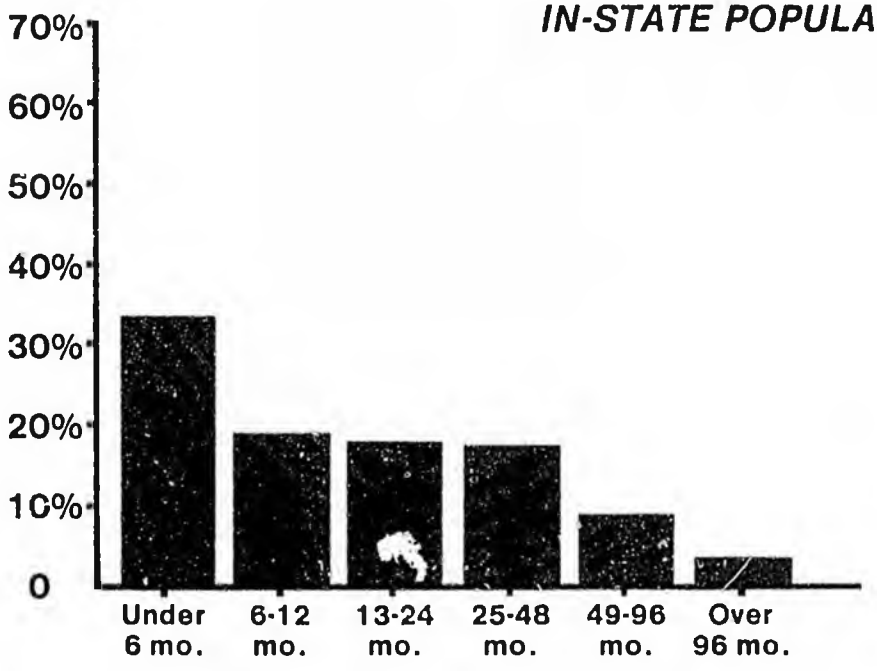
Sources:
Division of Adult Corrections—Survey of In-State Adult Inmate Prison Populations, August, 1981.
Division of Adult Corrections—Survey of Out-of-State Adult Inmate Prison Populations, August, 1979, August, 1981.

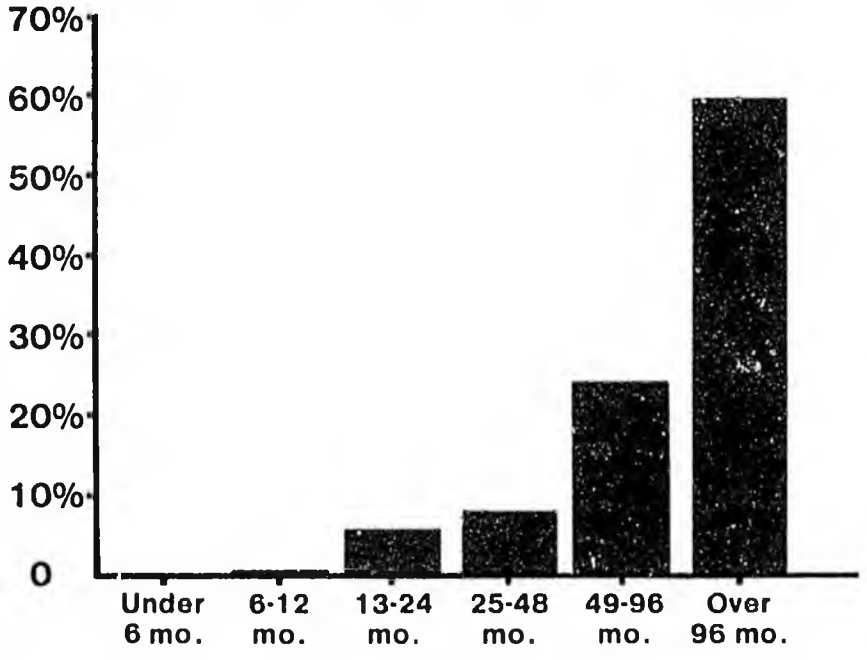
LOCATION OF BOOKING FACILITY



Sources:
Division of Adult Corrections—Survey of In-State Adult Inmate Prison Populations, August, 1981, January, 1982.
Division of Adult Corrections—Survey of Out-of-State Adult Inmate Prison Populations, August, 1979, August, 1981.

TIME REMAINING TO TENTATIVE RELEASE

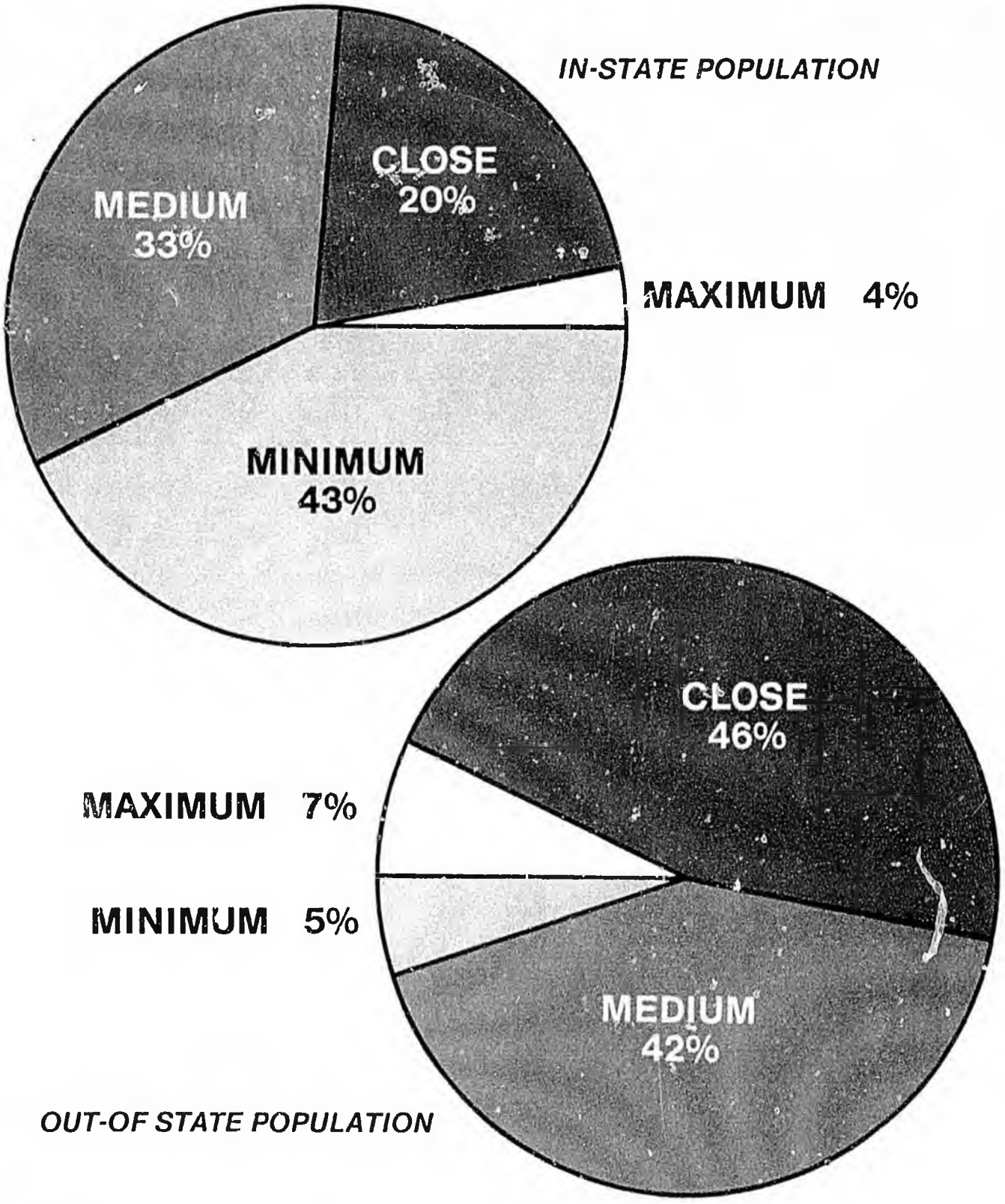




OUT-OF STATE POPULATION

Sources:
Division of Adult Corrections—Survey of In-State Adult Inmate Prison Populations, August, 1981, January, 1982.
Division of Adult Corrections—Survey of Out-of-State Adult Inmate Prison Populations, August, 1981.

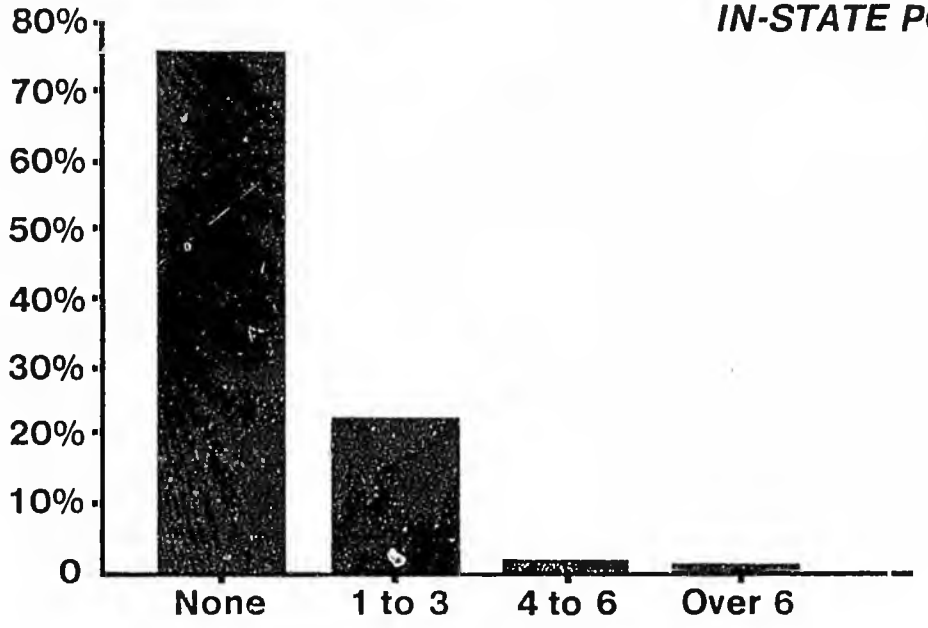
CURRENT CUSTODY STATUS



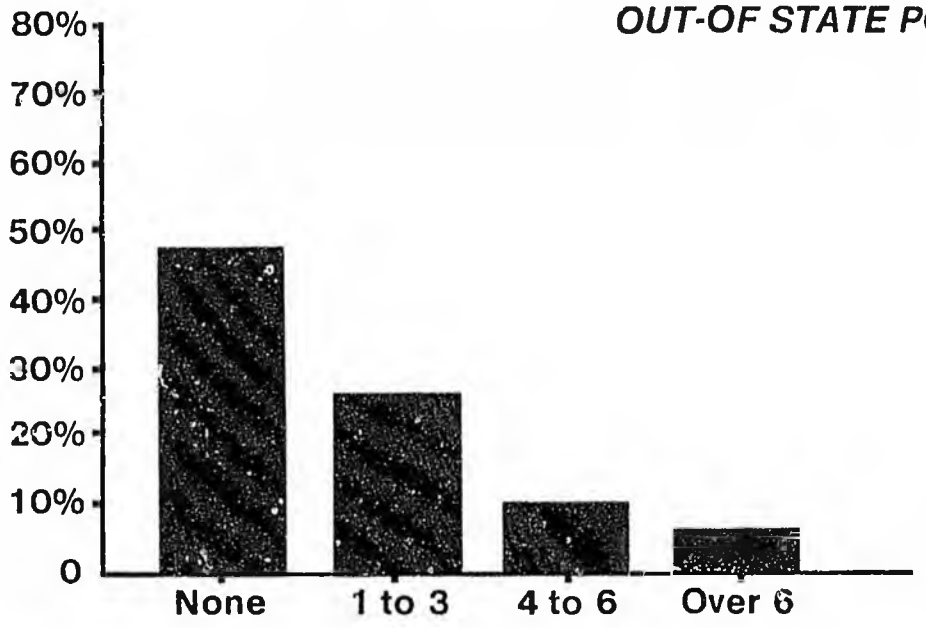
Sources:
Division of Adult Corrections—Survey of In-State Adult Inmate Prison Populations, August, 1981, January, 1982.
Division of Adult Corrections—Survey of Out-of-State Adult Inmate Prison Populations, August, 1981.

DISCIPLINARY RECORD—MAJOR INFRACTIONS

IN-STATE POPULATION

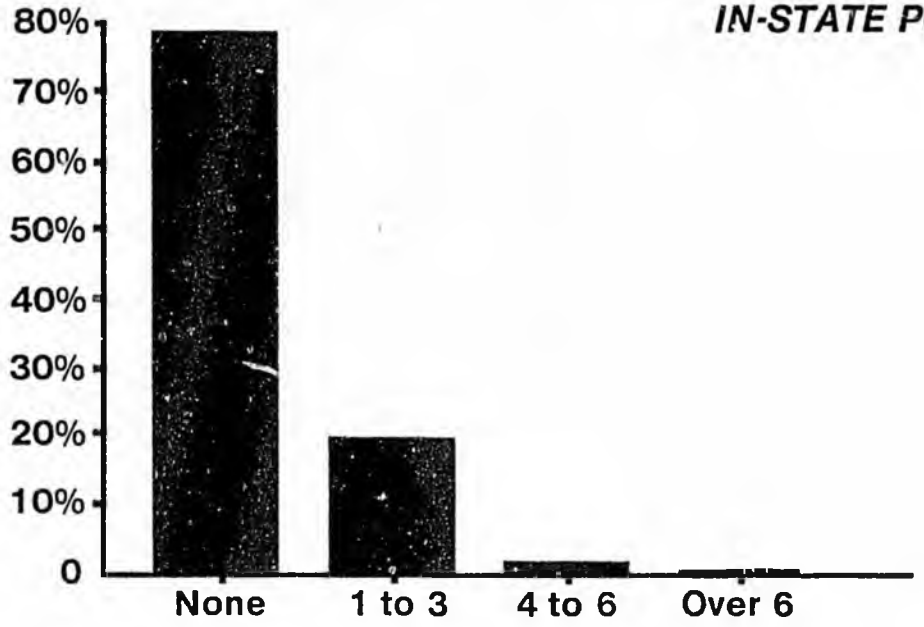


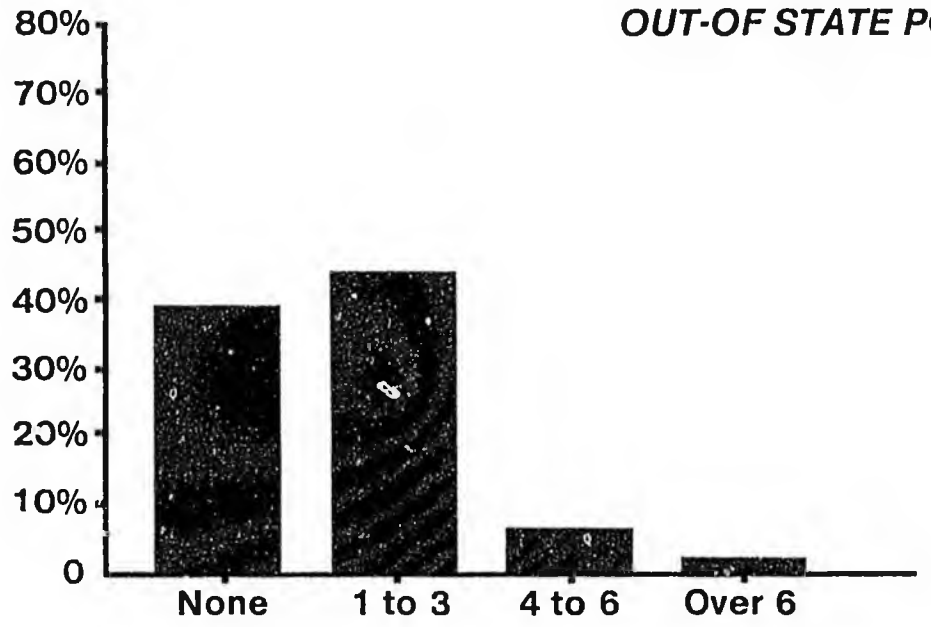
OUT-OF STATE POPULATION



Sources:
Division of Adult Corrections—Survey of In-State Adult Inmate Prison Populations, August, 1981, January, 1982.
Division of Adult Corrections—Survey of Out-of-State Adult Inmate Prison Populations, August, 1981.
Note: Disciplinary record relates to infractions within the prison system.

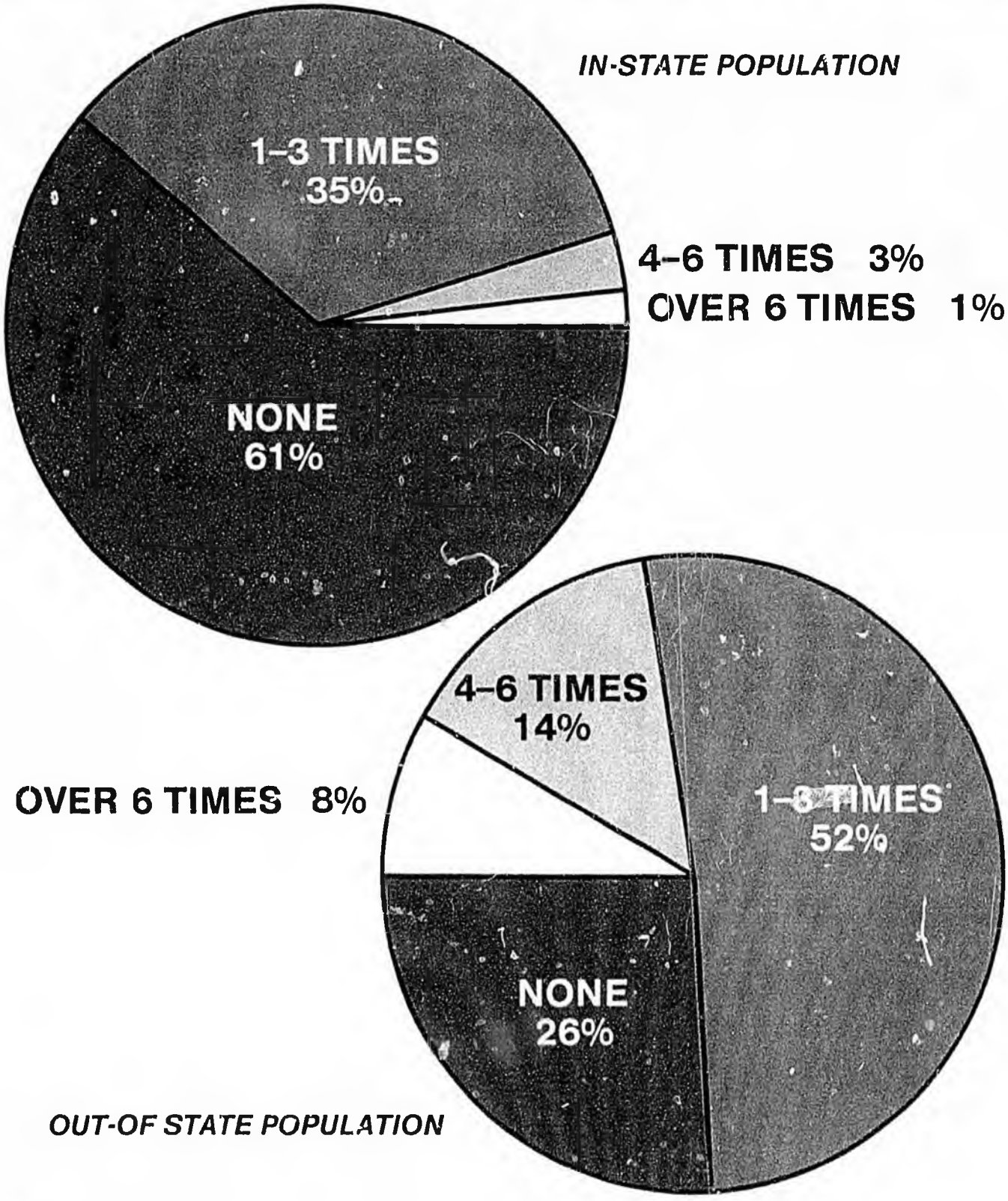
DISCIPLINARY RECORD—MINOR INFRACTIONS





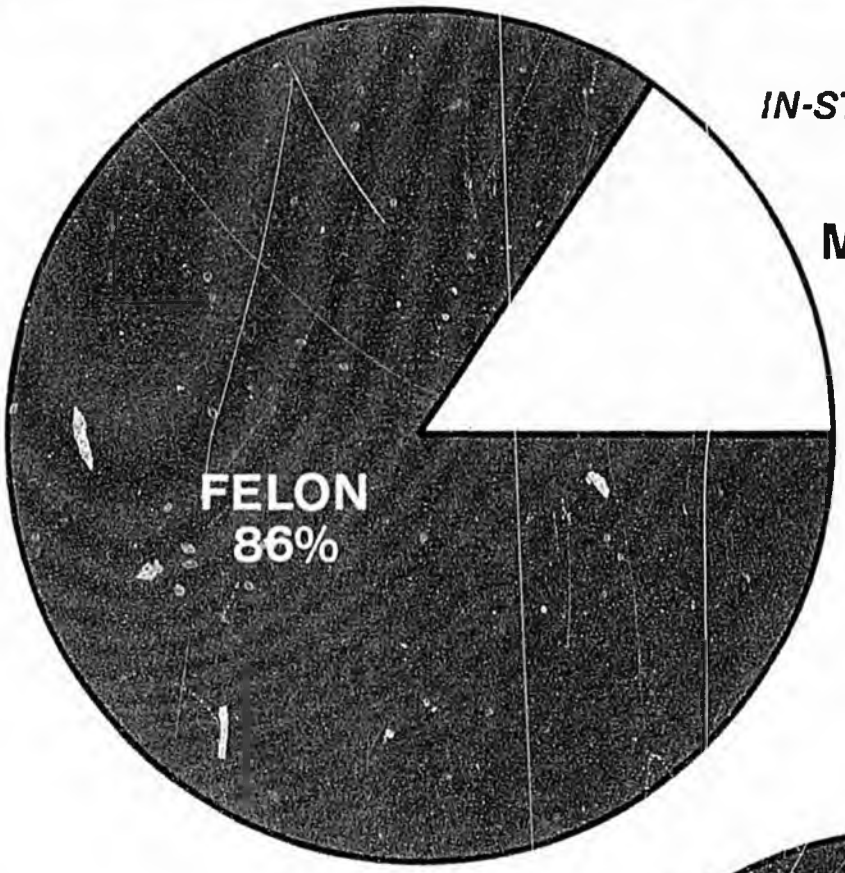
Sources:
Division of Adult Corrections—Survey of In-State Adult Inmate Prison Populations, August, 1981, January, 1982.
Division of Adult Corrections—Survey of Out-of-State Adult Inmate Prison Populations, August, 1981.
Note: Disciplinary record relates to infractions within the prison system.

PRIOR INSTITUTIONAL EXPERIENCE



Sources:
Division of Adult Corrections—Survey of In-State Adult Inmate Prison Populations, August, 1981, January, 1982.
Division of Adult Corrections—Survey of Out-of-State Adult Inmate Prison Populations, August, 1981.

FELON VS MISDEMEANANT

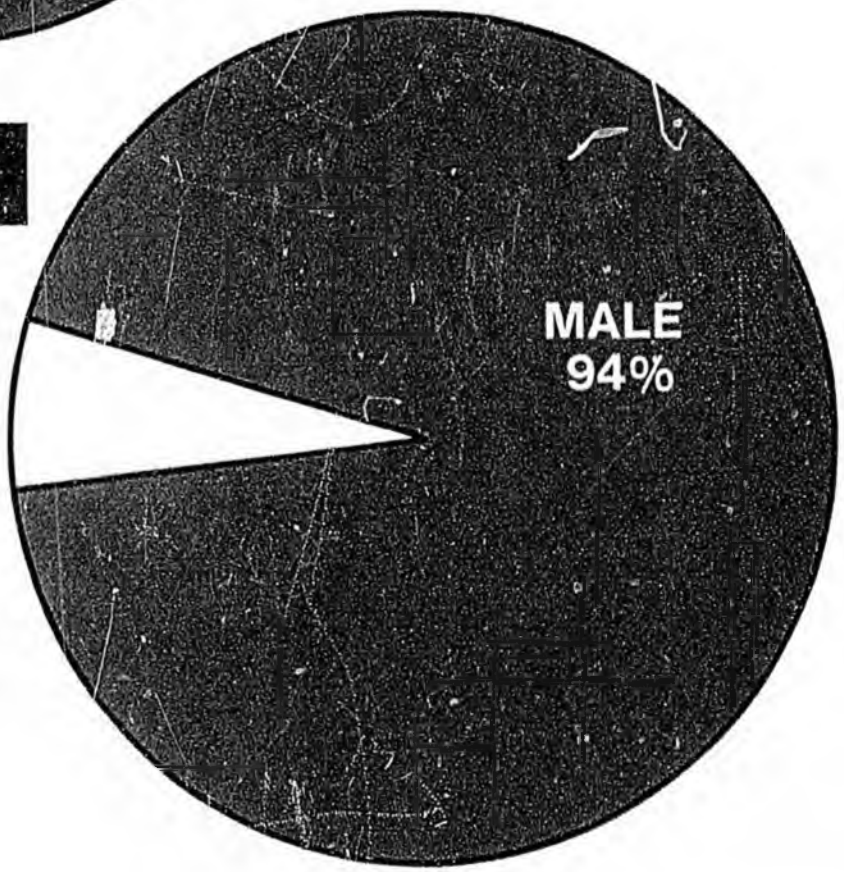


IN-STATE POPULATION

MISDEMEANANT 14%

SEX

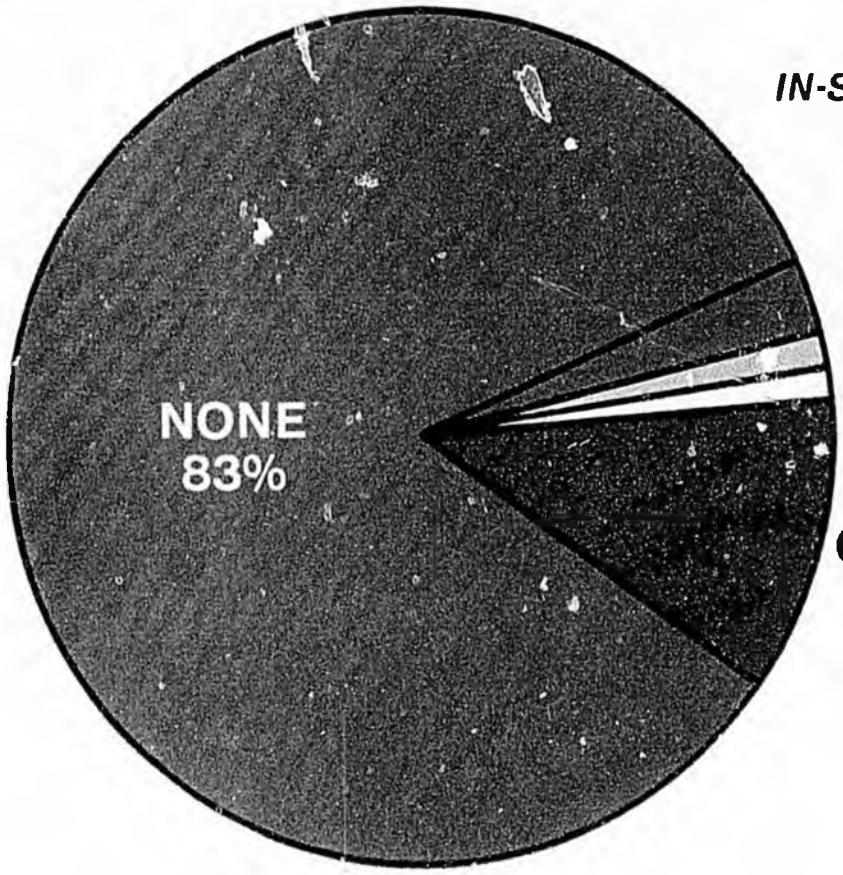
FEMALE 6%



IN-STATE POPULATION

Sources:
Division of Adult Corrections—Survey of In-State Adult Inmate Prison Populations, August, 1981, January, 1982.

GOOD TIME LOST



IN-STATE POPULATION

ONE DAY 3%
2-5 DAYS 2%
6-10 DAYS 1%

OVER 10 DAYS 11%

Sources:
Division of Adult Corrections—Survey of In-State Adult Inmate Prison Populations, January, 1982.

SR

7

POSITION PAPER/Department of Health & Social Services

POSITION PAPER

SENATE RESOLUTION NO. 7

"Requesting the Governor to proclaim a Declaration of War on Crime in Alaska."

The Department of Health and Social Services supports Senate Resolution No. 7 as we believe it could heighten citizen awareness of the problem of crime in Alaska. We commend the drafters of the resolution for recognizing the need for a broad social approach which encompasses enforcement, local autonomy, prevention and education. By implication, the resolution appears to support the Alaska State Constitution requirement that "penal administration shall be based on the principle of reformation and upon the need of protecting the public."

The Department welcomes the opportunity to work with the Governor and the Legislature on the critical problem of violence in our state. We recently held a Rural Violence Prevention Conference in which virtually all areas of rural Alaska were represented. Although no easy solutions were reached, the one unanimous conclusion made was that no area of the state is immune for the adverse effects of violence and the problems that it places on quality of life in our communities.

Our Department stands ready to assist in any possible way to facilitate the operations of a War on Crime. We realize that by working together with the court, public safety, medical community, education and research entities, legal professionals, local government, and nature organizations, we may gain foothold into permanent solution to this persistent problem.

Recommended by: R.L.C. by George Mundy
Robert Cole, Coordinator
Office of Alcoholism & Drug Abuse

Date: 5/12/81

Approved by: H. D. Beirne
Helen D. Beirne, Commissioner
Dept. of Health & Social Services

Date: 5/12/81

SR

20

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF TELECOMMUNICATIONS SERVICES

POUCH C
JUNEAU, ALASKA 99811
PHONE: (907) 465-2041

February 26, 1982

Honorable Vic Fischer, Chairman
Senate Committee on State Affairs
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. Chairman:

Re: Teleconference Equipment - Anchorage Pioneer's Home

With regards to placing teleconferencing equipment in the Anchorage Pioneer's Home, the following information provides equipment and installation costs as well as where the equipment can be purchased and how it is installed.

Teleconference Equipment: Audio conferencing equipment is manufactured by a variety of companies. For the purpose of installing equipment in the Anchorage Pioneer's Home, two equipment types are discussed which are well proven and in use.

Percision Components PC-50B: This is a widely used portable telephone and teleconference set providing hands free and two-way teleconferencing over the public telephone network. The unit includes a built in microphone plus the ability to tie in three desk top microphones. The microphones can be used singularly or in any combination. In addition the unit can be used as a telephone or as a public address system. The conference set is plugged into a standard telephone jack and 110 volt AV outlet. In the Pioneer's Home application, the conference set would be easily used, compact and flexible enough for a variety of applications. In addition, the PC-50B is available locally.

Darome Convener: Built in several models by the Darome Corporation of Harvard, Illinois, the Convener was developed jointly by the University of Wisconsin and Wisconsin Bell. It is probably the most widely used privately manufactured conference unit. The unit has a high quality speaker, one or multiple microphones and an amplifier. The unit also features recording, playback and additional speaker jacks, a volume control and a carrying case. The convener plugs directly into a modular phone jack accompanying an existing telephone and it also plugs into a standard 110 volt AC outlet. The Darome Convener is convenient to use, portable and easily set up.

Installation of teleconference equipment: The Anchorage Pioneer's Home has existing modular telephone jacks and 110 volt AC outlets in the conferencing location. Either teleconference unit described above can be set up in minutes by the staff. Essentially the conference unit employed is plugged into the phone and electrical outlet. The microphones are set up and plugged into the conference unit. To join a teleconference a phone call is either placed to, or received from, the teleconference network. Once the call is established and connected, the conference set is put into a conference mode and the speaker volume is adjusted. Conferencing can commence.

Costs of Equipment: The following costs are the purchase costs of the two units previously described. In addition, the tariffed costs of a one hour telephone call from Anchorage to Juneau is included.

Percision Component PC-50	$1,250.00
Darome Convener #610 (w/4 #491s microphones)	750.00
Long Distance Phone Call (hourly rate)	51.00

Purchasing Equipment: The Percision Components PC-50B can be purchased locally. The Darome Convener must be purchased from Harvard, Illinois.

Percision Component PC-50B Teleconference Unit:

Telelink Communications, Inc.
P.O. Box 1608
Juneau, AK 99802
(907) 586-6228
Attention: Stuart P. Browne, President

Darome Convener Model 610 w/4 #491s microphones:

Darome Corporation
711 E. Diggins St.
Harvard, IL 60033
(815) 943-5481
Attention: Angela Mundo, Customer Services

If I can provide you with additional information or particulars on the described conference units, installation or use, please contact me at your convenience. Thank you.

Sincerely,

Bob Frampton
Telecommunications Planner

BF/bb
Enclosure

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CS SR20
Title Requesting The Installation of Teleconference Facilities*
Requested by Senator Vic Fischer Date 3/10/82
*At The Anchorage Pioneers' Home

II. FISCAL DETAIL
Agency Affected Division of Pioneers' Benefits
Program Category Affected Social Services
BRU, Program, Or Subprogram(s) Affected Pioneers' Homes
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	0					
200 TRAVEL	0					
300 CONTRACTUAL	.6	.65	.7	.75	.8	.85
400 COMMODITIES	0					
500 EQUIPMENT	.9					
600 LAND & STRUCTURES	0					
700 GRANTS,CLAIMS,ETC.	0					
TOTAL	$1.5	.65	.7	.75	.8	.85

FUNDING (Thousands of Dollars)

GENERAL FUND	$1.5	.65	.7	.75	.8	.85
FEDERAL FUNDS	0					
OTHER (Specify Source)	0					
	$1.5	.65	.7	.75	.8	.85

POSITIONS

FULL TIME	0					
PART TIME	0					
TEMPORARY	0					

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

This fiscal note is for the purchase, installation and operation of teleconference equipment in the Anchorage Pioneers' Home. Contractual monies are for long distant toll charges at $51 per hour (Anchorage to Juneau).

IV. DATE 3/11/82 PREPARED BY Alex Hills
AGENCY Administration
PHONE 465-2041

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SENATE RESOLUTION NO. 20
Title Requesting the installation of teleconference facilities at the
Requested by Alaska Pioneers' Homes Date 1-21-82
Requested by Senate State Affairs Committee

II. FISCAL DETAIL
Agency Affected Legislative Affairs Agency
Program Category Affected General Government
BRU, Program, Or Subprogram(s) Affected Public Services
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		63.5				
200 TRAVEL		4.8				
300 CONTRACTUAL		17.3				
400 COMMODITIES		1.8				
500 EQUIPMENT		19.6				
600 LAND & STRUCTURES		-0-				
700 GRANTS,CLAIMS,ETC.		-0-				
TOTAL		107.0				

FUNDING (Thousands of Dollars)

GENERAL FUND		107.0				
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

100 - Personal Services - 4.5 months time; six sites at the 1982 Salary Schedule with 17% employer costs. 63.5

200 - Travel - Travel and per diem for orientation and training for six sites. 4.8

300 - Contractual - Installation costs - one time 1.4
LTN circuit charges - annual 10.8
Freight - twice yearly @$50x6 sites .6
(Annual) Telephone line charges - 6 sites - 2.1
Postage, advertising, etc. 2.4 17.3

400 - Commodities - F.Y. 83 impact for 6 sites ---------- 1.8

500 - Equipment - Ont-time charge:
Teleconference sets and microphones for six sites 7.3
Xerox 400 Telecopiers for six sites 12.3 19.6

TOTAL 107.0

IV. DATE 1-26-82 PREPARED BY M. R. Charney, Executive Director
AGENCY Legislative Affairs Agency
PHONE 465-3800

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

33-001 (Rev. 12/81)

MAUNELUK ASSOCIATION

P. O. Box 256
Kotzebue, Alaska 99752

Phone
(907) 442-3311
or
(907) 442-3313

February 08, 1982

Mr. Vic Fischer, Senator
Pouch V
Juneau, Alaska 99811

Dear Senator Fischer,

Thank you for your letter regarding Senate Resolution 20, to establish teleconference hookups in all Pioneer Homes or Senior Center's.

The intent of Resolution 20 most certainly has merit, however, at this time our community is small enough that the Legislative Affairs Office is readily accessible and available when the need arises.

Perhaps some of Alaska's larger communites such as Anchorage, Fairbanks, Ketchican, etc would benefit from such teleconference facilities. At this particular time I feel I can safely say that the Legislative Affairs Office fills our needs.

Thank you for your time and consideration.

Sincerely,

Marie Schwind, President

Chuck Greene, Director
Kotzebue Senior Citizens Cultural Center

cc: Senator Ferguson
Representative Adams

CJG/sn

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-4980

February 8, 1982

Senator Victor Fischer, Chairman
Alaska State Legislature
Senate State Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Mr. Chairman:

As requested, I have summarized the alternatives available to include the Pioneer Homes in the Legislative Teleconference Network as proposed in SR 20. I have discussed other teleconferencing alternatives with Sioux Plummer and Robert Frampton of the Division of Telecommunication Services. They will be submitting their recommendations under separate cover.

Options One and Two are those I discussed during the committee hearing last week. They are summarized on page two. Other alternatives are those which were raised during the hearing.

If you have any questions, I am available at 465-3836. I would be happy to discuss this further with the committee.

Respectfully,

Kathleen R. Baltes
Teleconference Coordinator

cc: M. R. Charney
C. B. Kadow

Option 1. Pioneer Homes included as part of teleconference circuit

Fiscal impact on Division of Public Services budget remains as stated in fiscal note.

100 - Personal Services	$ 63.5
200 - Travel & Per Deim	4.8
300 - Contractual Services	17.3
400 - Commodities	1.8
500 - Equipment	19.6
TOTAL	$107.0

(in thousands of dollars)

Advantages

1. Higher quality connection
2. Insensitive to heavy use because connected 24 hours per day

Disadvantages

1. Recurring cost unnecessary if there is little use
2. Prorated disconnect charge ($3.2 thousand maximum per location) if equipment is removed within five years of installation

Option 2. Pioneer Homes included on a "dial-up" basis

Fiscal impact remains the same in all categories except contractual services.

100 - Personal Services	$ 63.5
200 - Travel & Per Diem	4.8
300 - Contractual Services	10.7*
400 - Commodities	1.8
500 - Equipment	19.6
TOTAL	$103.0

* Although the monthly payment to Alascom would be deleted, the amount budgeted for long distance telephone would have to be increased. The $10.7 includes $5.1 for long distance charges and assumes that each site would be included for two hours each month for six months and assumes an added amount for bridge charges. Use can be allocated among sites on demand.

Advantages

1. Sensitive to amount of use. If low use, little cost.
2. Rapid implementation.

(Option 2 continued)

Disadvantages

1. Poorer quality connection.
2. Sensitive to amount of use. If heavy use, cost increases dramatically.

Other Alternatives

One suggestion was made to have each Pioneer Home use a speaker phone and establish a call to their local Information Office. The Information Office would also have a speaker phone available to pick up the hearing on the teleconference circuit. It has been my experience that similar arrangements have produced very poor sound quality. Individuals with hearing problems would have a difficult time participating.

The Department of Administration may include the Pioneer Homes in the state telecommunication plan. If they do so and if they provide staff, equipment and telephone lines, the essential elements will be in place to enable residents of the Pioneer Homes to participate in legislative teleconferences. Even in this case, I anticipate that the long distance charges to include the Pioneer Homes in those legislative teleconferences requested would be borne by the Division of Public Services. If each site were included for two hours each month for six months, an increase of $5.1 thousand dollars to the Division of Public Services budget would be necessary to offset increased participation costs.

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

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

DIVISION OF TELECOMMUNICATIONS SERVICES

JAY S. HAMMOND, GOVERNOR

POUCH C
JUNEAU, ALASKA 99811
PHONE: (907) 465-2186

February 9, 1982

Honorable Vic Fischer
Chairman
Senate State Affairs and Finance Committee
Pouch V
Juneau, AK 99811

Dear Mr. Chairman:

Re: Teleconference Facilities for Pioneers' Homes, SR 20

As requested, please note the attached recommendation from the Department of Administration, Division of Telecommunications Services regarding the installation of teleconference facilities to the Pioneers' Homes in Alaska.

Enclosed as well, is the just-completed draft report on teleconferencing for State Government, as prepared by Bob Frampton of this division. It offers more comprehensive information that may be helpful in your effort to provide teleconference facilities in the Pioneers' Homes. This report will remain in the draft stage, and should be considered as such, until hearings have been held to include public input for the final recommended plan.

I hope all this is useful. We will be happy to assist further; please call if you have any questions.

Sincerely,

Sioux Plummer
Director

SP/bb
Enclosure
cc: Alex Hills
Deputy Commissioner for Telecommuncations

02-822LH

BOB FRAMPTON
2041

PROVIDING TELECONFERENCE SERVICES TO THE PIONEER HOMES

INTRODUCTION

Senate Resolution 20, introduced January 14, 1982 in the Senate State Affairs Committee, requests the Alaska Legislative Council to direct the Legislative Affairs Agency to provide teleconference facilities at each Pioneer's Home site.

The Department of Administration, which administers the Pioneer Homes program, is currently developing a statewide teleconference plan including facilities for use by State government and other agencies (AS 44.21.230(e)).

AVAILABILITY OF TELECONFERENCE SERVICES

Presently two teleconference networks are operational in Alaska which are funded by State government. A third privately owned teleconference service also provides teleconferencing capabilities statewide. Both the Legislative Teleconference Network and the LEARN/Alaska Audio Conference Network are accessible from remote locations by telephone. The privately owned teleconference service, Telelink, Inc., is also accessible from any location in the state by telephone.

Currently, the Pioneers' Homes can access any of the three teleconference services using the telephone and public telephone system. Though convenient, this method of accessing teleconference networks has certain limitations without adding special conferencing handsets at the local conference site (i.e. Pioneers' Homes).

The main limitation associated with using the telephone handset is that only one person can communicate from a telephone at a time. By adding conference sets at each location the participants can hear conference discussions from a loud speaker and can converse interactively through microphones. Thus, a group at the local level can equally participate in a teleconference.

COMMUNICATIONS NETWORKING

There are basic network configurations capable of bringing remote locations together into a teleconference network. These configurations include dedicated circuits (leased from the local and long lines telephone companies); dial-up access (using the existing public telephone system); and, a combination of dedicated circuits with a dial-up capability.

Presently the Legislative Teleconference Network is a dedicated teleconference circuit (similar to a party line) with dial-up capabilities. The LEARN/Alaska conference network is only accessible on

Sioux
2041

a dial-up basis. Dedicated circuits are expensive with monthly recurring charges for the leased private circuits. However, extensive use of a teleconference network often justifies dedicated circuits as dialed-up toll charges can exceed the cost of dedicated lines. Justification of a dedicated circuit over a dial-up access system depends on the amount teleconference traffic anticipated.

RECOMMENDATION

If the Pioneers' Homes are to benefit from teleconference services, it is recommended that the services be provided on a dial-up basis. This option is selected as we currently do not know the amount of teleconference traffic anticipated from the Home sites; dial-up capabilities will allow the Homes to access other teleconference networks including the proposed State government teleconference network; the initial one-time capital expense would be minimal (the cost of teleconference handsets and local phone drops); and the system would be flexible to allow future expansion without considerable network configurations.

COSTS

The following costs include one-time capital expenses and estimated monthly recurring operational costs:

ITEM	Recurring Monthly	Capital
Teleconference Handsets (6 units)		$6,000
Local Phone Drops (6 sites)		500
Toll Charges*	$1,500	
Total	$1,500	$6,500

*Toll charges assume one hour of conferencing per week per site with calls terminating in Juneau plus occasional network access charges. This is not an absolute call pattern as variations do and will exist. For example, to access the LTN, the LTN conference center will call the Pioneers' Home and tie it into the LTN. For legislative applications (e.g. hearings) LTN assumes the toll charges. If the Pioneers' Home in Anchorage wanted to access the LEARN/Alaska Audio Conference Network to participate in an educational/instructional teleconference, no toll charges would be levied as LEARN/Alaska is centered in Anchorage. There are other variations, but for the basic toll charges illustrated, $1,500 is a reasonable monthly average.

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

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C
JUNEAU, ALASKA 99811

465-2200

January 28, 1982

Honorable Vic Fischer, Chairman
Senate Committee on State Affairs
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. Chairman:

Re: Senate Resolution 20

The Department of Administration, Division of Telecommunications Services is presently studying the feasibility of developing and implementing a Statewide teleconference network to serve the needs of State government as well as nonprofit agencies associated with State government services.

The plan is addressing several approaches for developing State teleconference facilities ranging from dedicated audio circuits to a Statewide dial-up network whereby anybody with a telephone could dial into a teleconference bridge. Considering that the Pioneers' Homes are currently under the management of the Department of Administration, it would seem appropriate that the Division of Telecommunications Services include the Homes into the Statewide plan currently under study.

Local hook-ups to the Pioneers' Homes would be fairly inexpensive and the conference sets required would take up very little space. Initial review of this proposed service would indicate that the Pioneers' Homes could easily dial into the proposed State teleconference network or the Legislative Teleconference Network could easily "call up" the Home sites and include them into a legislative teleconference.

If you have any questions about the current teleconference plan for State government use, please feel free to contact Sioux Plummer, Director, Division of Telecommunications Services at 465-2041. Thank you.

Respectfully,

Bill

W. R. Hudson
Commissioner

WRH/mjc
cc: Frederick B. Muller
Vernon L. Perry
Sioux Plummer
Keith Specking
Ron Lehr

FEB 1 1981

02-89LH

Introduced: 1/14/82
Referred: State Affairs and Finance

IN THE SENATE BY FISCHER

SENATE RESOLUTION NO. 20

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

Requesting the installation of teleconference facilities at the Alaska Pioneers' Homes.

BE IT RESOLVED BY THE SENATE:

WHEREAS the operation of teleconference facilities greatly enhances the opportunity for the people of Alaska to participate in the processes of state government; and

WHEREAS the persons living in the Pioneers' Homes have been residents of the state for many years and have unique and valuable perspectives and contributions to make to Alaska; and

WHEREAS many of the persons who reside in the Alaska Pioneers' Homes are among those least able to actively participate in state government; and

WHEREAS the installation of teleconference facilities in each Pioneers' Home will provide many of our most experienced Alaskans an opportunity to participate in many aspects of state government otherwise not available to them;

BE IT RESOLVED that the Alaska Senate requests the Alaska Legislative Council to direct the Legislative Affairs Agency to provide teleconference facilities at each Pioneers' Home site.

- Promote the the promotion of the teleconference facility & to include Dept of Admin in the resolve

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-4640

January 27, 1982

TO: M. R. Charney,
Executive Director

FROM: Charity B. Kadow CBK
Director

RE: SR 20 Fiscal Note

The following information has been compiled at your request and reflects the FY 83 budget impact of SR 20. If this Resolution is put into effect in FY 82, adjustments will be made in certain areas such as equipment and other items.

100	Personal Services	$ 54.3	Wages
		9.2	17% Employer Costs
		$ 63.5	TOTAL

This represents 4.5 months times 6 sites (27 man-hour months) at the reserve position schedule presented in the FY 83 budget. As Ketchikan is a session-only office with one position it is necessary to budget extra reserve hours. Sitka and Palmer would be effected in the same manner but are year-round offices. If teleconferences are multiple sites in these areas then the impact of additional positions must be considered. Anchorage and Fairbanks would need increase in reserve hours as multiple sites would have to be covered with existing staff. FY 83 budget has requested an upgrade in Wasilla and Fairbanks LTN staff from session to full time. If these are denied, SR 20 will have a definite impact on personnel needs.

200 Travel $ 4.8

This figure represents travel/per diem for orientation and training for 6 sites.

300	Contractual	$ .9	One time installation 6 sites
		10.8	Annual LTN circuit costs for 6 sites
		.6	Freight 2/year at $50 x 6 sites
		.5	Local telco install/service
		2.1	Annual local telco costs for 6 sites
		2.4	Postage, advertising, etc., extra FY 83 impact
		$ 17.3	TOTAL

As space within a Pioneer Home would be available, we are assuming that there would be no rent or space charge or any charge for the impact such as janitorial, furniture move, etc.

If the established Off-Net capability is used we would still have the above charges for local business lines and equipment plus the cost for bridges at $140 per hour, as well as a substantial increase in toll charges. Moderator costs would also remain in effect.

400	Commodities	$ 1.8	FY 83 impact for 6 sites
500	Equipment	$ 7.3	Telcon. sets for 6 sites
		$ 12.24	Xerox 400 Telecopier for 6 sites. These are standard at all telecon. sites.

Under positions in fiscal note, it would be appropriate to use language from fiscal note personnel category to indicate time is requested and not 4.5 new positions. However, it is correct to assume that positions may have to be added.

In the analysis section, I would like to show that some costs are one-time, recurring, and should SR 20 come into effect in FY 82 the fiscal note totals would have to be adjusted for FY 83.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

M E M O R A N D U M

November 12, 1981

SUBJECT: Teleconferencing in Pioneers' Homes ~~(Work Order No. 12-1955)~~

TO: Senator Vic Fischer

FROM: David T. Walker
Co-Revisor of Statutes

I eliminated the "copies clause" in the review process because it is generally reserved for mailings out-of-state. For example, there would not be a copies clause in a resolution requesting the Governor to perform but there would be a copies clause (copies to our congressional delegation and appropriate federal officials) if the resolution requested congressional action.

The Executive Director of this agency will automatically receive a copy of this resolution.

DTW:ljb

Enclosure

ok but maybe a Senate Resol. would do
love V.

12-1955
Sofo

please transpose these paragraphs

IN THE SENATE BY FISCHER

SENATE CONCURRENT RESOLUTION NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

Requesting the installation of teleconference facilities at the Alaska Pioneers' Home.

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

(1) WHEREAS the operation of teleconference facilities greatly enhances the opportunity for the people of Alaska to participate in the processes of state government; and

(3) WHEREAS ~~due to age, economic hardship, or disability~~, many of the persons who live in the Alaska Pioneers' Home are among those least able to actively participate in state government ~~without some form of assistance~~; and

(2) WHEREAS the persons living in the Pioneers' Home have been residents of the state for many years and have unique and valuable perspectives and contributions to make to Alaska; and

(4) WHEREAS the installation of teleconference facilities in each Pioneers' Home will provide many of our most experienced Alaskans an opportunity to participate in many aspects of state government otherwise not available to them;

(5) BE IT RESOLVED that the Alaska State Legislature requests the Alaska Legislative Council to direct the Legislative Affairs Agency to provide teleconference facilities at each Pioneers' Home site.

(6) COPIES of this resolution shall be sent to M.R. Charney, Executive Director of the Legislative Affairs Agency and Charity B. Kadow, Director of the Division of Public Services of the Legislative Affairs Agency.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C
JUNEAU, ALASKA 99811

465-2200

January 28, 1982

Honorable Vic Fischer, Chairman
Senate Committee on State Affairs
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. Chairman:

Re: Senate Resolution 20

The Department of Administration, Division of Telecommunications Services is presently studying the feasibility of developing and implementing a Statewide teleconference network to serve the needs of State government as well as nonprofit agencies associated with State government services.

The plan is addressing several approaches for developing State teleconference facilities ranging from dedicated audio circuits to a Statewide dial-up network whereby anybody with a telephone could dial into a teleconference bridge. Considering that the Pioneers' Homes are currently under the management of the Department of Administration, it would seem appropriate that the Division of Telecommunications Services include the Homes into the Statewide plan currently under study.

Local hook-ups to the Pioneers' Homes would be fairly inexpensive and the conference sets required would take up very little space. Initial review of this proposed service would indicate that the Pioneers' Homes could easily dial into the proposed State teleconference network or the Legislative Teleconference Network could easily "call up" the Home sites and include them into a legislative teleconference.

If you have any questions about the current teleconference plan for State government use, please feel free to contact Sioux Plummer, Director, Division of Telecommunications Services at 465-2041. Thank you.

Respectfully,

W. R. Hudson
Commissioner

WRH/mjc
cc: Frederick B. Muller
Vernon L. Perry
Sioux Plummer

02-B9LH

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF PIONEERS' BENEFITS

ANCHORAGE PIONEERS' HOME
923 W. 11TH STREET
ANCHORAGE, ALASKA 99501
PHONE: (907) 276-3414

February 4, 1982

Senator Vic Fischer, Chariman
Alaska State Legislature
Senate Committee on State Affairs
Pouch V
Juneau, Alaska 99811

Dear Senator Fischer:

Thank you very much for your letter of January 20, 1982 discussing Senate Resolution No. 20, teleconference facilities in Pioneers' Homes. I think this is an excellent idea and would be enthusiastically welcomed by many of our residents. I have written Anchorage legislators, encouraging their support of the concept.

Again, thank you for taking the time to inform me of the resolution.

Sincerely,

David H. Herndon
Manager
Anchorage Pioneers' Home

DHH/tlf

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF PIONEER BENEFITS – SITKA / P.O. BOX 198 – SITKA 99835

February 2, 1982

Honorable Senator Vic Fischer
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Fischer:

Thank you for your recent letter of January 20, 1982, and the copy of Senate Resolution 20 to establish teleconference installations in all Pioneers Homes. I am forwarding this on to my Supervisor and Director, Vernon L. Perry, for any input he might have from the standpoint of all the Homes. I can only speak for the Pioneers Home in Sitka, as you have requested.

I have talked with the President of our Residents Council for his thoughts on the proposal of teleconference units in the Home. He agrees that making access to this facility is a good idea and would be appreciated by the Senior Citizens here in the Sitka Home. However, it is possible the cost of equipment, installation and training of necessary personnel for its use might outweigh the possible benefits of the unit being physically located in the Home. In addition this would duplicate services already being performed here in Sitka. The Legislative Affairs Agency is located just three city blocks from the Pioneers Home, centrally located and easily accessible by the street level entrance. In the past twelve months I have utilized the teleconference facilities three times, once to testify. We have transported Pioneers to the agency one time when they expressed a desire to speak on an issue concerning Senior Citizens. As you see, this facility has not received extensive use in the past. It is quite likely that the units might be of more value in the metropolitan areas of Anchorage, Fairbanks and Palmer than Sitka.

On a more positive approach, it is noteworthy that having the facility in the Home would save time and effort on the part of the staff and the Pioneers when a subject of interest does appear that is important to them. Additionally, it would offer them the opportunity to become more involved in the affairs of the state which is an important facet we would like to encourage.

Again, thank you for this effort in behalf of our residents in the Pioneers Home and your concern in this area. If we can furnish any further information, please feel free to call on us at any time.

Sincerely,

Frank C. Sisson

Frank C. Sisson, LNHA
Manager, Sitka Pioneers Home

cc: Vernon L. Perry, Director

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C
JUNEAU, ALASKA 99811
465-2200

January 28, 1982

Honorable Vic Fischer, Chairman
Senate Committee on State Affairs
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. Chairman:

Re: Senate Resolution 20

The Department of Administration, Division of Telecommunications Services is presently studying the feasibility of developing and implementing a Statewide teleconference network to serve the needs of State government as well as nonprofit agencies associated with State government services.

The plan is addressing several approaches for developing State teleconference facilities ranging from dedicated audio circuits to a Statewide dial-up network whereby anybody with a telephone could dial into a teleconference bridge. Considering that the Pioneers' Homes are currently under the management of the Department of Administration, it would seem appropriate that the Division of Telecommunications Services include the Homes into the Statewide plan currently under study.

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If you have any questions about the current teleconference plan for State government use, please feel free to contact Sioux Plummer, Director, Division of Telecommunications Services at 465-2041. Thank you.

report this For this year.

Respectfully,

W. R. Hudson
Commissioner

WRH/mje
cc: Frederick B. Muller
Vernon L. Perry
Sioux Plummer
Keith Spraberry
Ron Lehr

FEB 1 1981

02-89LH

Introduced: 1/14/82
Referred: State Affairs and Finance

IN THE SENATE BY FISCHER

SENATE RESOLUTION NO. 20

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

Requesting the installation of teleconference facilities at the Alaska Pioneers' Homes.

BE IT RESOLVED BY THE SENATE:

WHEREAS the operation of teleconference facilities greatly enhances the opportunity for the people of Alaska to participate in the processes of state government; and

WHEREAS the persons living in the Pioneers' Homes have been residents of the state for many years and have unique and valuable perspectives and contributions to make to Alaska; and

WHEREAS many of the persons who reside in the Alaska Pioneers' Homes are among those least able to actively participate in state government; and

WHEREAS the installation of teleconference facilities in each Pioneers' Home will provide many of our most experienced Alaskans an opportunity to participate in many aspects of state government otherwise not available to them;

BE IT RESOLVED that the Alaska Senate requests the Alaska Legislative Council to direct the Legislative Affairs Agency to provide teleconference facilities at each Pioneers' Home site.

Dept/Admin

relate to interest/desire

determine which desire & justify permanent, or off-net facilities,

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SENATE RESOLUTION NO. 20
Title Requesting the installation of teleconference facilities at the
Requested by Alaska Pioneers' Homes Date 1-21-82
Requested by Senate State Affairs Committee

II. FISCAL DETAIL
Agency Affected Legislative Affairs Agency
Program Category Affected General Government
BRU, Program, Or Subprogram(s) Affected Public Services
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		63.5				
200 TRAVEL		4.8				
300 CONTRACTUAL		17.3				
400 COMMODITIES		1.8				
500 EQUIPMENT		19.6				
600 LAND & STRUCTURES		-0-				
700 GRANTS,CLAIMS,ETC.		-0-				
TOTAL		107.0				

FUNDING (Thousands of Dollars)

GENERAL FUND		107.0				
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

100 - Personal Services - 4.5 months time; six sites at the 1982 Salary Schedule with 17% employer costs. 63.5

200 - Travel - Travel and per diem for orientation and training for six sites. 4.8

300 - Contractual - Installation costs - one time 1.4
LTN circuit charges - annual 10.8
Freight - twice yearly @$50x6 sites .6
(Annual) Telephone line charges - 6 sites - 2.1
Postage, advertising, etc. 2.4 17.3

400 - Commodities - F.Y. 83 impact for 6 sites ---------- 1.8

500 - Equipment - Ont-time charge:
Teleconference sets and microphones for six sites 7.3
Xerox 400 Telecopiers for six sites 12.3 19.6

TOTAL 107.0

IV. DATE 1-26-82 PREPARED BY M. R. Charney, Executive Director
AGENCY Legislative Affairs Agency
PHONE 465-3800

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

33-001 (Rev. 12/81)

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

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF TELECOMMUNICATIONS SERVICES

POUCH C
JUNEAU, ALASKA 99811
PHONE: (907) 465-2041

February 26, 1982

file
SR20

Honorable Vic Fischer, Chairman
Senate Committee on State Affairs
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. Chairman:

Re: Teleconference Equipment - Anchorage Pioneer's Home

With regards to placing teleconferencing equipment in the Anchorage Pioneer's Home, the following information provides equipment and installation costs as well as where the equipment can be purchased and how it is installed.

Teleconference Equipment: Audio conferencing equipment is manufactured by a variety of companies. For the purpose of installing equipment in the Anchorage Pioneer's Home, two equipment types are discussed which are well proven and in use around the state.

Percision Components PC-50B: This is a widely used portable telephone and teleconference set providing hands free and two-way teleconferencing over the public telephone network. The unit includes a built in microphone plus the ability to tie in three desk top microphones. The microphones can be used singularly or in any combination. In addition the unit can be used as a telephone or as a public address system. The conference set is plugged into a standard telephone jack and 110 volt AV outlet. In the Pioneer's Home application, the conference set would be easily used, compact and flexible enough for a variety of applications. In addition, the PC-50B is available locally.

Darome Convener: Built in several models by the Darome Corporation of Harvard, Illinois, the Convener was developed jointly by the University of Wisconsin and Wisconsin Bell. It is probably the most widely used privately manufactured conference unit. The unit has a high quality speaker, one or multiple microphones and an amplifier. The unit also features recording, playback and additional speaker jacks, a volume control and a carrying case. The convener plugs directly into a modular phone jack accompanying an existing telephone and it also plugs into a standard 110 volt AC outlet. The Darome Convener is convenient to use, portable and easily set up.

Installation of teleconference equipment: The Anchorage Pioneer's Home has existing modular telephone jacks and 110 volt AC outlets in the conferencing location. Either teleconference unit described above can be set up in minutes by the staff. Essentially the conference unit employed is plugged into the phone and electrical outlet. The microphones are set up and plugged into the conference unit. To join a teleconference, a phone call is either placed to, or received from, the teleconference network. Once the call is established and connected, the conference set is put into a conference mode and the speaker volume is adjusted. Conferencing can commence.

Costs of Equipment: The following costs are the purchase costs of the two units previously described. In addition, the tariffed costs of a one hour telephone call from Anchorage to Juneau is included.

Percision Component PC-50	$1,250.00
Darome Convener #610 (w/4 #491s microphones)	750.00
Long Distance Phone Call (hourly rate)	51.00

Purchasing Equipment: The Percision Components PC-50B can be purchased locally. The Darome Convener must be purchased from Harvard, Illinois.

Percision Component PC-50B Teleconference Unit:

Telelink Communications, Inc.
P.O. Box 1608
Juneau, AK 99802
(907) 586-6228
Attention: Stuart P. Browne, President

Darome Convener Model 610 w/4 #491s microphones:

Darome Corporation
711 E. Diggins St.
Harvard, IL 60033
(815) 943-5481
Attention: Angela Mundo, Customer Services

If I can provide you with additional information or particulars on the described conference units, installation or use, please contact me at your convenience. Thank you.

Sincerely,

Bob Frampton
Telecommunications Planner

BF/bb
Enclosure

TELEPHONE PRODUCTS DIVISION

PC-50B CONFERENCE TELEPHONE

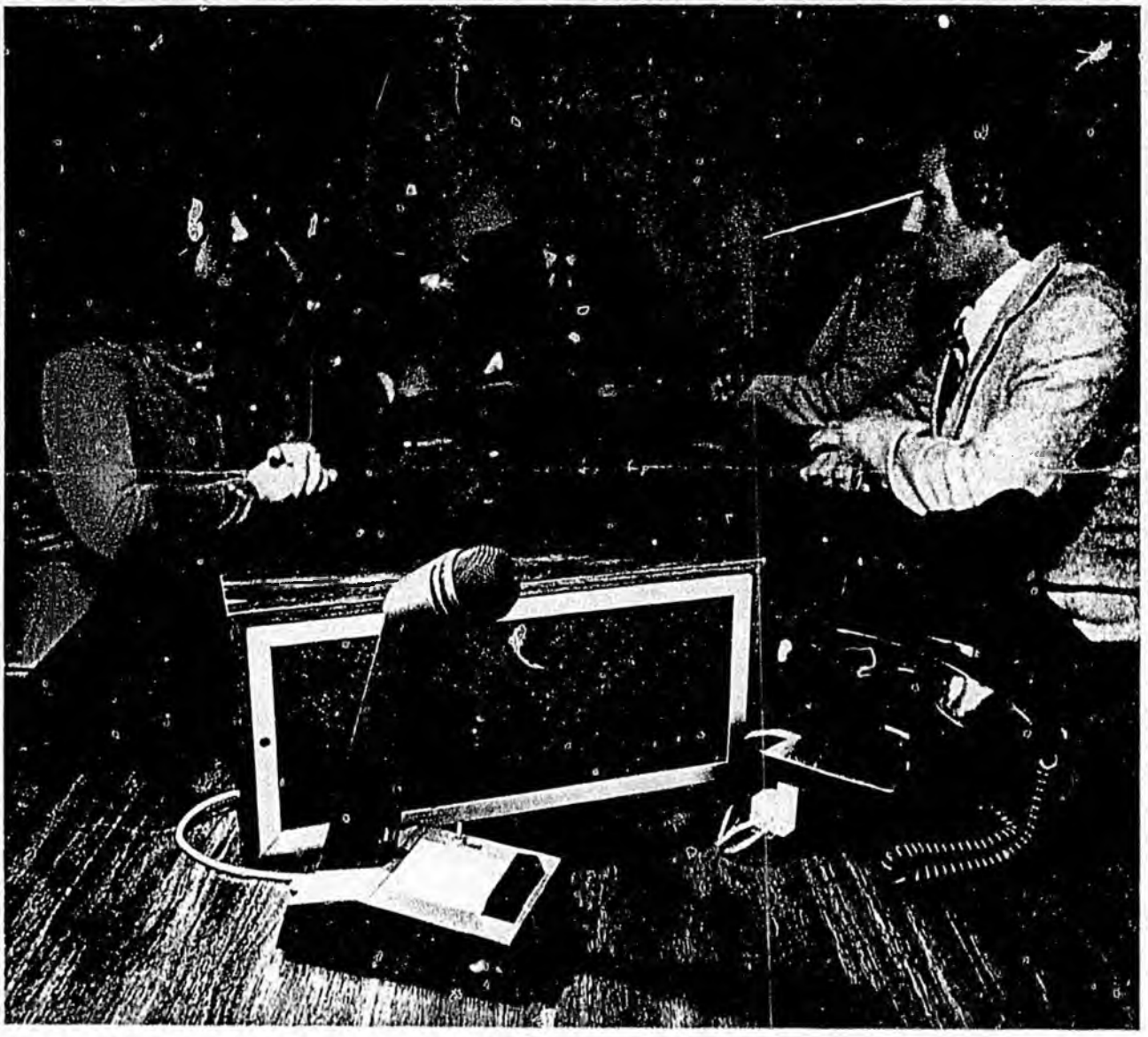


APPLICATION

The PC-50B is a portable, hands-free telephone for use in a classroom, conference room or small auditorium and permits 2-way audience participation in a call placed over the telephone network.

DESIGN FEATURES

- Hands-free communication using one, two or three microphones singularly or in any combination
- Voice switching accomplished with improved Type PC4B Speakerphone circuitry
- Transferring between hands-free and handset operation during conversation
- Can be used as telephone only
- Can be used as loudspeaker only
- Can be connected to a PA system for listening to both sides of conversation
- Plug-in installation into standard telephone jack and 110VAC outlet
- Compatible with four-wire line applications with optional 4-wire module (PC-50AM-4)
- A/A1 control leads available
- Either tone or pulse dialing
- FCC registered



DAROME CONVENER

Model 610

Anchorage Pioneer's Home would utilize 4 microphones (model #491s w/ press-to-talk and toggle switch on the microphone base). Telephone handset not included, but the modular jack is included with the unit carrying case.

= D R A F T =

INTERACTIVE AUDIO

A PLAN TO DEVELOP AND IMPLEMENT TELECONFERENCING FACILITIES FOR ALASKA'S STATE GOVERNMENT

PREPARED BY
DEPARTMENT OF ADMINISTRATION
DIVISION OF TELECOMMUNICATIONS SERVICES

February 198?

= D R A F T =

TABLE OF CONTENTS

SECTION I
- 1.1 Introduction
- 1.2 Teleconferencing
- 1.3 Teleconferencing Potential
- 1.4 Objectives

SECTION II
- 2.1 Existing Teleconference Networks
- 2.2 Private Teleconference Services

SECTION III
- 3.1 Dedicated vs Dial-Up Conference Networks
- 3.2 Communications Networking Options
  - A. Urban Service
  - B. Regional Service
  - C. Interstate Service

SECTION IV
- 4.1 Teleconference Facilities
- 4.2 Costs
- 4.3 Personnel

SECTION V
- 5.1 Discussion
- 5.2 Recommendations

SECTION VI
- 6.1 Pioneer Homes
- 6.2 Effect of a Capital Move on a State Teleconference Network and Plan
- 6.3 References

SECTION I

1.1 INTRODUCTION

By eliminating distance as an obstacle to holding meetings, teleconferencing has the capability to improve government efficiency and eliminate some of the time and expense involved in travel to and from meetings. The need to make instant decisions and to say "in touch" has made teleconferencing an effective job enhancement tool and a valuable management resource.

This paper explores development and implementation of a teleconference system to be used by State government in its normal daily activities and operations.

1.2 TELECONFERENCING

Teleconferencing, as the term is used in this paper, refers to interactive electronic communications connecting multiple groups, at geographically separate locations, for the purpose of holding and conducting meetings and other business. As such, teleconferencing extends from the simplest audio conference between three or more individuals using telephone handsets, linked together as an interactive group, through groups assembled in conference rooms equipped with hands-free conference sets and with our without visual aides (Stockbridge, 1980). Peripheral visual aid components, such as facsimile transmission equipment, can be employed in a teleconference facility to provide a diverse, interactive communications resource capable of meeting a wider range of teleconferencing applications.

1.3 TELECONFERENCING POTENTIAL

The teleconferencing medium has great potential for agencies conducting operations on a statewide basis. This potential includes:

1. Reduction in Travel Expenses: Agencies can reduce travel time away from the home office as well as contain travel costs and related expenses.

2. Enhancement of Decision Making: Agencies can enhance the decision making process by increasing the speed of making decisions.

3. Simplification of Scheduling Meetings: Agencies can schedule meetings that require participation on a statewide level, which would otherwise be cumbersome to coordinate due to weather, distance, logist of participants, and time required away from the home of or work place.

4. Increased Productivity: Agencies can reduce the time span between meetings and work sessions, thus accomplishing tasks in a more timely manner, and in the long term, realize an increase in productivity.

5. In-Service Training: Agencies can improve in-service training and on-the-job training opportunities enabling a wider range of instructional services to a greater number of State employees as well as to those agencies funded or assisted by State grants and/or financial aid.

1.4 OBJECTIVES

1. Development Plan: To submit to the Governor a long-term development plan for teleconference facilities and services, including facilities and services used both by State agencies and groups other than State agencies, (AS 44.21.230(e)).

2. Analyze Existing Systems: To analyze existing teleconference facilities and systems in terms of applicability, availability, access from remote, rural locations, and costs per hour of use.

3. Flexible Design: To design a flexible teleconference plan with facilities that will meet principal current requirements as well as realistic future requirements.

4. Encourage utilization: To encourage managers and other personnel to use teleconferencing for the purposes of performing management and operation functions, staff coordination, public hearings, and, among other functions, to provide greater access to in-service and on-the-job training opportunities.

SECTION II

2.1 EXISTING TELECONFERENCE NETWORKS

Currently there are two teleconference systems supported by State funding. The Legislative Teleconference Network (LTN) was established for use by the legislative community, but is offered for use by State agencies on a time available basis. The LEARN/Alaska Audio Conference Network was established for the educational community and is operated by the Department of Education and University of Alaska.

The Legislative Teleconference Network: The LTN serves Anchorage, Barrow, Bethel, Dillingham, Fairbanks, Haines, Homer, Juneau, Kenai, Ketchikan, Kodiak, Kotzebue, Mat-Su, Nome, Seward, Sitka, and Valdez. As a multipoint, closed circuit network (commonly referred to as a "dedicated" network), the LTN has the capability to dial conference participants into the network if they live in communities other than those listed above. In addition, the network can dial into other teleconference networks such as those in the Lower-48. The LTN also features one-and two-way video conference capabilities, computer based electronic mail and information status, storage and retrieval systems.

The LTN is used throughout the year. In 1980 the network accommodated 310 teleconferences and provided access to over 7,400 participants statewide. Of the 1980 teleconferences, 177 were legislative, 114 were non-legislative, and the remaining 19 were video conferences (Baltes, 1981). In addition, the network handles administrative traffic between the regional Legislative Information Offices and the central teleconference office in Juneau.

The LTN is managed by the Legislative Affairs Agency, Division of Public Services. The LTN is available for non-legislative users on a time available basis at $25 per hour per site.

The LEARN/Alaska Audio Conference Network: The LEARN/Alaska Audio Conference Network serves 103 sites statewide and is accessible from any telephone (commonly referred to as a "dial-up" network). The system can accommodate up to 80 sites on a single teleconference or several separate simultaneous teleconferences.

Managed by the University of Alaska Instructional Telecommunications Consortium, the network serves the educational community through the University, the Department of Education and the Rural Education Attendance Areas. The network complements both administrative functions and state-wide instructional requirements. Combining one-way video through the Instructional Television system, computer based electronic mail and other computer oriented instructional resources, the audio network can accommodate a variety of educational and instructional needs. Although the network is relatively new, commencing service in April of 1981, it is being used daily.

Currently, the network provides 70% of its' operational time for instructional purposes and the remaining 30% of the time is used for administrative functions (U of A, DOE, REAA). Although the University system is the major user, the network is intended to serve primary, secondary and post-secondary educational communities equally. Other users, such as non-profit organizations, have access to the network for educational/instructional purposes on a time available basis (Benning, 1981).

The LEARN/Alaska Audio Conference Network currently does not charge approved users; however, other users are responsible for their own toll charges (for long distance calls).

2.2 PRIVATE TELECONFERENCE SERVICES

Privately owned teleconference services specialize in audio conferencing for business and government operations. Because of technical limitations as well as other customer-oriented limitations found in traditional operator assisted conferencing, private teleconference services are becoming widely available in the contiguous states and are now available in Alaska.

One of the key elements of convenient audio conferencing is ease of access to a teleconference network. Private teleconference services offer rapid audio conference set-up time as all participants simply call into a central number at a specified time. If all sites are prompt in calling, it is possible to connect 10-18 locations in a matter of minutes. This "meet-me" approach permits the conference to start on time with a minimum of waiting. Often, private teleconference services employ automated equipment which permits this rapid set-up service without requiring an attendant.

A privately-owned teleconference service usually has a conference attendant, or operator on-line during an audio conference unless privacy is required. The attendant monitors the technical aspects of the conference and can make a variety of adjustments at the conference switchboard (often referred to as a "bridge") to assure continuing maximum sound quality. In some applications, the attendant is trained in teleconference protocol (as are the LTN and LEARN/Alaska moderators) to assist conferees in using the medium efficiently and effectively.

Privately-owned teleconference services often offer additional services such as automated conferencing (which does not require an attendant to set up a conference), facsimile (hardcopy) transfers, interconnects with other teleconference networks such as LTN, and user training, orientation and assistance.

SECTION III

3.1 DEDICATED VS DIAL-UP CONFERENCE NETWORKS

Dedicated Teleconference Networks: Dedicated teleconference networks are private phone lines formed by providing permanent circuits between specific locations. The local telephone company and the longlines carrier (Alascom, Inc.) provide the service and the customer (one ordering and paying for the dedicated lines) can employ the type of conference sets and transmission terminal equipment, such as facsimile hardware, desired.

The main advantage of a dedicated network is the around-the-clock availability of the circuit. Dedicated lines are very expensive, but if a teleconference network is used extensively, these can be more cost effective than frequent long distance calls. Another advantage of the dedicated line is the ability to match or balance electronic components employed at the two or more ends of the network. This feature protects the integrity of the network by reducing line noise.

Essentially, there are two types of dedicated networks: 1) a point-to-point network; and, 2) a multipoint network. A point-to-point dedicated network is a private line serving two specific points such as from Juneau to Anchorage. A multipoint dedicated network is a private line serving a series of points or locations such as from Juneau to Anchorage and on to Fairbanks. The LTN is a dedicated, multipoint audio conference network optimized for heavy traffic use and which incorporates both voice and facsimile transmission capabilities.

Dial-Up Teleconference Network: Dial-up teleconference networks are widely used in the contiguous states and are also available in Alaska. A dial-up network employees a "meet-me"" approach to teleconferencing by allowing conference participants to dial into a central telephone number whereby all conferees are connected into a teleconference. The key to the dial-up network is universal accessibility from any standard telephone handset, whether in the office, work place or at home.

Dial-up teleconference networks are employed when user traffic is too low to justify the costs of leasing the private lines required of a dedicated network. Ease of access, low user traffic and relatively lower user costs (the cost of a telephone call) make dial-up networks economically feasible.

Privately owned teleconference networks and the LEARN/Alaska Audio Conference Network are dial-up teleconference networks.

Both dedicated and dial-up teleconference networks have particular and unique features. However, certain features stand out:

1. dedicated point-to-point networks are closed circuit networks serving two locations at a high fixed cost;
2. dedicated multipoint networks are closed circuit "party lines" serving multiple locations at a high fixed cost;
3. multipoint networks have "privacy" limitations which can be improved upon with selective switching techniques to de-activate terminal equipment;
4. dial-up networks are accessible from the public telephone system, serve multiple locations at a relatively low fixed cost, are capable of the privacy offered by the public telephone system; and,
5. dial-up features can be incorporated with a dedicated network, at a high initial cost, but provide considerable privacy, accessibility and network flexibility.

3.2 COMMUNICATIONS NETWORKING AND OPTIONS (Table 1.1)

As described above, there are two basic teleconference network concepts: dedicated and dial-up. However, there are numerous network configurations depending on several use factors. Such factors would include: hours of anticipated use per day, week or month; number of locations to be served with a teleconference network; and, network applications or intended use.

The following network options are descriptions of network configurations which are practical to implement in Alaska. Operating costs of these options are included with the network descriptions. All teleconference network options assume that audio and facsimile transmission capabilities are required between Juneau, Anchorage and Fairbanks.

OPTION 1-A, Private Line Multipoint Network: This network configuration uses one completely interactive dedicated circuit between 3 points (Juneau, Anchorage and Fairbanks) and is essentially a party line similar to the LTN, (Fig 1-A).

Costs: The following operating costs are monthly recurring charges:

Full duplex type 3002 channel	$5,988	
Local charges	251	
Total monthly recurring charges		$ 6,239

An additional dedicated circuit can be added to the network for special applications (e.g. facsimile, slow scan video, etc.), freeing up the first dedicated circuit for full-time interactive audio, and, in the rare event of a circuit failure, providing a back-up circuit.

Additional ½ duplex circuit and local charges	$5,041	
Total recurring charges for 2 circuits		$11,280

TABLE 1.1

COMMUNICATIONS NETWORKING AND OPTIONS COMPARISONS

NETWORK CONFIGURATION	Option #	Ease of Access	Network Flexibility	Simultaneous Conferencing	Facilities Required	Fixed Costs per month*	$ per 2 hrs use per day+	$ per 4 hrs use per day+	$ per 6 hrs use per day+
Urban System									
Private Line Multipoint	1-A	P	P	N	Y	$6239	$156	$78	$52
Private Line Point-to-Point	2-A	P	G	Y	Y	$6900	$173	$87	$58
Dial-Up	3-A	E	G	N	N	$0	$303	$606	$909
Conference Operator	4-A	E	G	N	N	$0	$164	$328	$492
Statewide System									
Private Line Multipoint	1-B	P	P	N	Y	$19440	$486	$243	$162
Dial-Up	2-B	E	G	N	N	$0	$1302	$2604	$3906
Private Line Point-to-Point / Dial-Up	3-B	E	E	Y	Y	$12900	$323	$162	$108
(Dial-Up toll charges)	3-B					$0	$347	$693	$1039
Interstate System									
Private Line Multipoint	1-C	P	P	N	Y	$7091	$178	$89	$59
Dial-Up	2-C	E	G	N	N	$0	$392	$784	$1176

P = Poor; G = Good; E = Excellant; N = No; Y = Yes; * = $ per month for fixed lease expenses;
+ = for options with fixed costs, hrs use per day are equal to 40, 80 & 120 hrs / month

OPTION 2-A, Private Line Point-to-Point Network: This network configuration (Fig. 2-A) uses one completely interactive dedicated circuit between 2 sets of points (Juneau to Anchorage, and Fairbanks to Anchorage). The difference between this configuration and the preceding (Option 1-A) configuration is that, in essence, two separate circuits can be implemented, by selective switching techniques, allowing simultaneous teleconferences to occur between Juneau and Anchorage, and Fairbanks and Anchorage at any given time. This option provides greater flexibility as two separate circuits offer a wider range of applications and utilization.

Costs: The following operating costs are monthly recurring charges.

Full duplex type 3002 channel (Juneau to Anchorage)	$4,314	
Full duplex type 3002 channel (Fairbanks to Anchorage)	2,066	
Local charges	520	
Total monthly recurring charges		$ 6,900

An additional dedicated circuit can be added to the network for special applications as described in Option 1-A, but as a point-to-point circuit.

Additional ½ duplex circuit and local charges	$5,615	
Total recurring operating charges for 2 circuits		$12,515

OPTION 3-A, Dial-Up Network: This network configuration assumes that a privately owned teleconference service provides the conferencing connection between Juneau, Anchorage and Fairbanks, (Fig. 3-A). The customer pays the toll and the conference service charges.

Costs: The following operating costs assume that two, one-hour conferences are held daily for 20 days per month.

Juneau-Anchorage toll call	$51 per hr
Juneau-Fairbanks toll call	51 per hr
Private conference service (3 ports)	49.50 per hr
Total one-hour conference	$ 151.50
Two conferences per day	$ 303
Forty conferences per month	$6,060

OPTION 4-A, Conference Operator: This network configuration assumes that the long distance conference operator provides the conferencing connection between Juneau, Anchorage and Fairbanks, (Fig. 4-A). The customer pays the toll and conference service tariff (charges).

Costs: The following operating costs assume that two, one-hour conferences are held daily 20 days per month.

Juneau, Anchorage, Fairbanks conference call	$81.84 per hr
Two conference calls per day	$ 163.68
Forty conference calls per month	$3,273.60

Statewide Service: If teleconference services were implemented statewide to include the major rural regional centers with State office facilities, then audio conference and facsimile transmission capabilities could be extended into a statewide teleconference network. As stated previously, dedicated and/or dial-up network configurations are possible and practical for Alaska.

The following network configurations indicate practical network options which would provide teleconference services to Juneau, Anchorage, Fairbanks, Barrow, Kotzebue, Nome, Bethel, Dillingham, Kodiak, Sitka and Ketchikan. The monthly recurring operating costs of these networks are provided with the network descriptions.

OPTION 1-B, Statewide Private Line Multipoint Network: This network configuration uses one completely interactive dedicated circuit between 11 points or locations around the state and is essentially a party line similar to the LTN, (Fig 1-B).

Costs: The following operating costs are monthly recurring charges:

Full duplex type 3002 channel	$18,400	
Local charges	1,040	
Total monthly recurring charges		$19,440

An additional dedicated circuit can be added to the network for special applications (e.g. facsimile, slow scan video, etc.) freeing up the first dedicated circuit for full-time interactive audio, and, in the rare event of a circuit failure, providing a back-up circuit.

Additional ½ duplex circuit and local charges	$16,053	
Total recurring charges for 2 circuits		$35,493

OPTION 2-B, Statewide Dial-Up Network: This network configuration is essentially a statewide point-to-point network. However, the network uses the existing public telephone system and is not a dedicated network. In addition, connecting conferees into a conference mode requires a special bridge which in this option is provided by a privately owned teleconference service. It should be noted that the State could purchase it's own bridge, locate it in a central (Anchorage) facility and reduce toll charges accordingly. But, for the purpose of comparison to other statewide teleconference network options, this network model is centralized in Juneau and uses the services provided by a private teleconference service (Fig. 2-B).

Costs: The following recurring monthly operating charges assume that two, one hour teleconferences occur daily for 20 days per month.

All 11 sites:		
One hour toll call	$ 469	
Private conference service (11 ports)	182	
Total one hour conference		$ 651
Two conferences per day		$ 1,302
Forty conferences per month		$26,040

OPTION 3-B, Statewide Private Line Point-to-Point/Dial-Up Network: This network configuration combines two dedicated private line circuits between Juneau and Anchorage (1 circuit), and between Fairbanks and Anchorage (1 circuit) with a statewide dial-up capability from the regional centers (listed previously) or any other telephone accessing the public telephone system (Fig. 3-B). This network configuration features considerable flexibility (regional, inter-regional and statewide simultaneous conferencing) and through selective switching techniques, considerable privacy. This option does require bridging equipment as required of dial-up networks.

Costs: The two dedicated point-to-point circuits have monthly recurring charges. Three bridges, which provide the switching and conference connections for the dial-up capabilities, are leased. Toll charges are based on the rural regional centers dialing into the bridging equipment two hours per day, 20 days per month.

Full duplex type 3002 channel (Juneau to Anchorage)	$ 4,314	
Full duplex type 3002 channel (Fairbanks to Anchorage)	2,066	
Local charges	520	
Total monthly recurring charges		$ 6,900
3 leased bridges per month (1 ea. Juneau, Anchorage, Fairbanks)		$ 6,000
Toll charges per month		
Barrow, Kotzebue, Nome to Fairbanks	$ 3,184	
Bethel, Dillingham, Kodiak to Anchorage	$ 2,661	
Sitka, Ketchikan to Juneau	1,086	
Total toll charges per month		$ 6,931
Total recurring operating charges per month		$19,831

An additional dedicated circuit can be added to the network for special applications as described in Option 1-B, but as a point-to-point circuit.

Additional ½ duplex circuit and local charges	$ 5,615	
Total recurring operating charges per month		$25,446

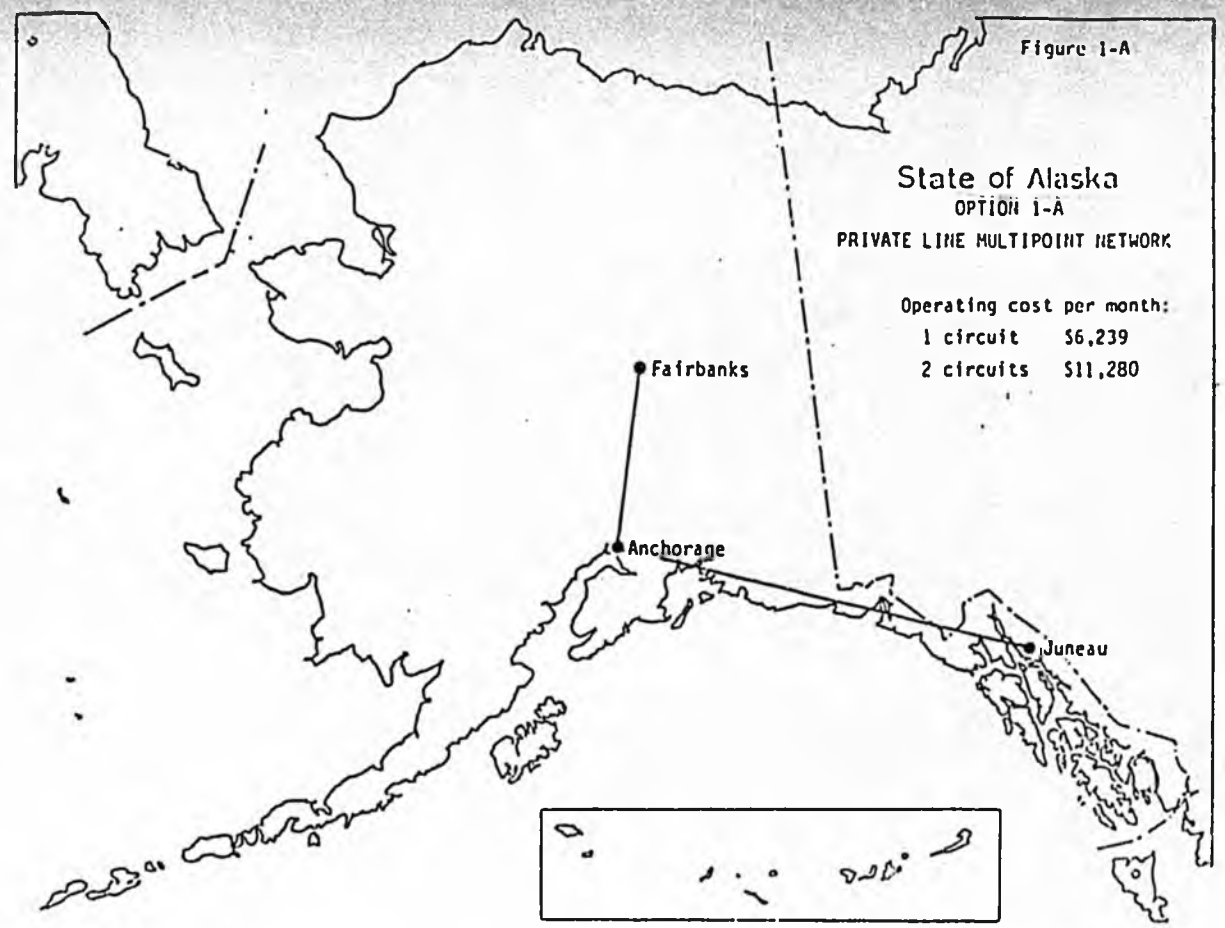


Figure 1-A
State of Alaska
OPTION 1-A
PRIVATE LINE MULTIPOINT NETWORK
Operating cost per month:
1 circuit $6,239
2 circuits $11,280
Fairbanks
Anchorage
Juneau

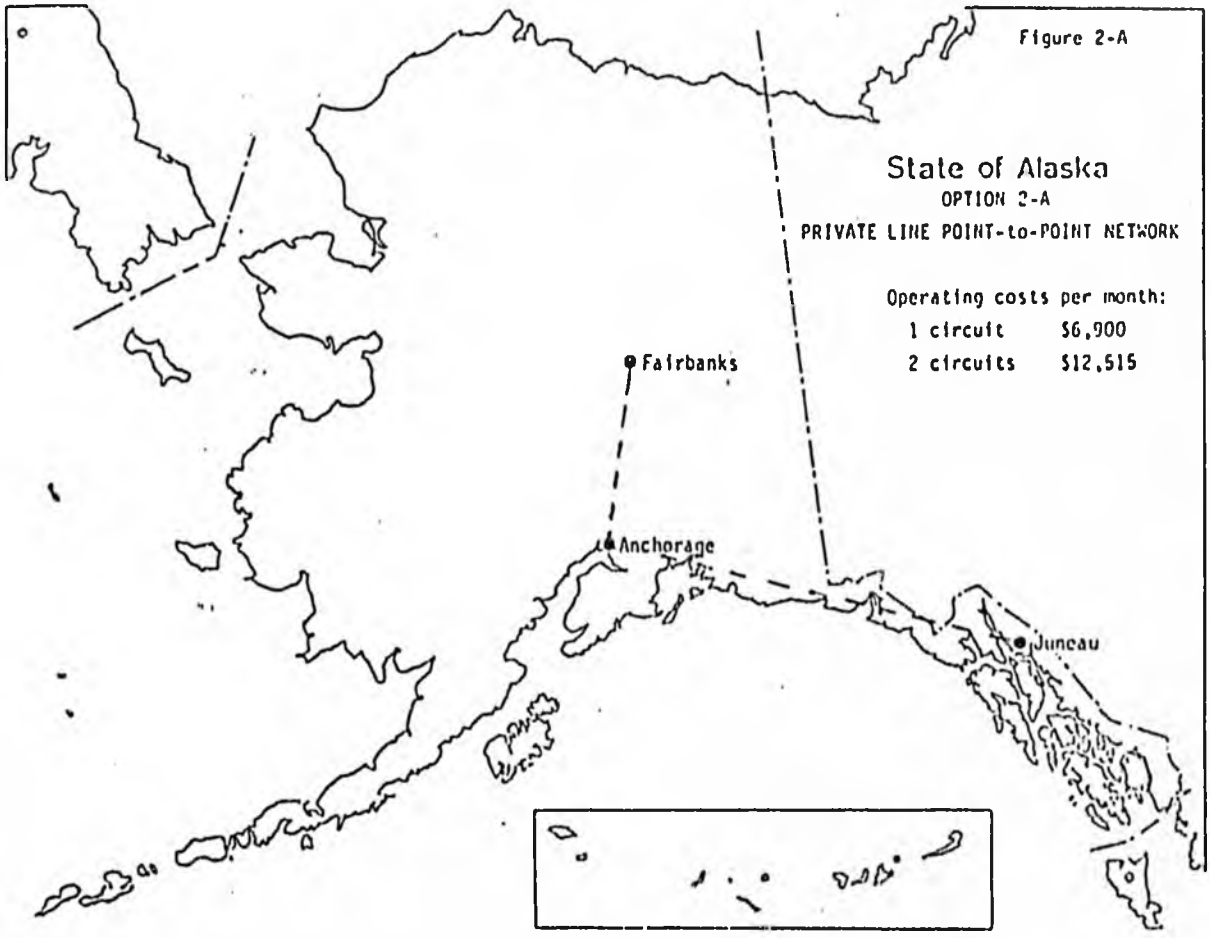


Figure 2-A
State of Alaska
OPTION 2-A
PRIVATE LINE POINT-to-POINT NETWORK
Operating costs per month:
1 circuit $6,900
2 circuits $12,515
Fairbanks
Anchorage
Juneau

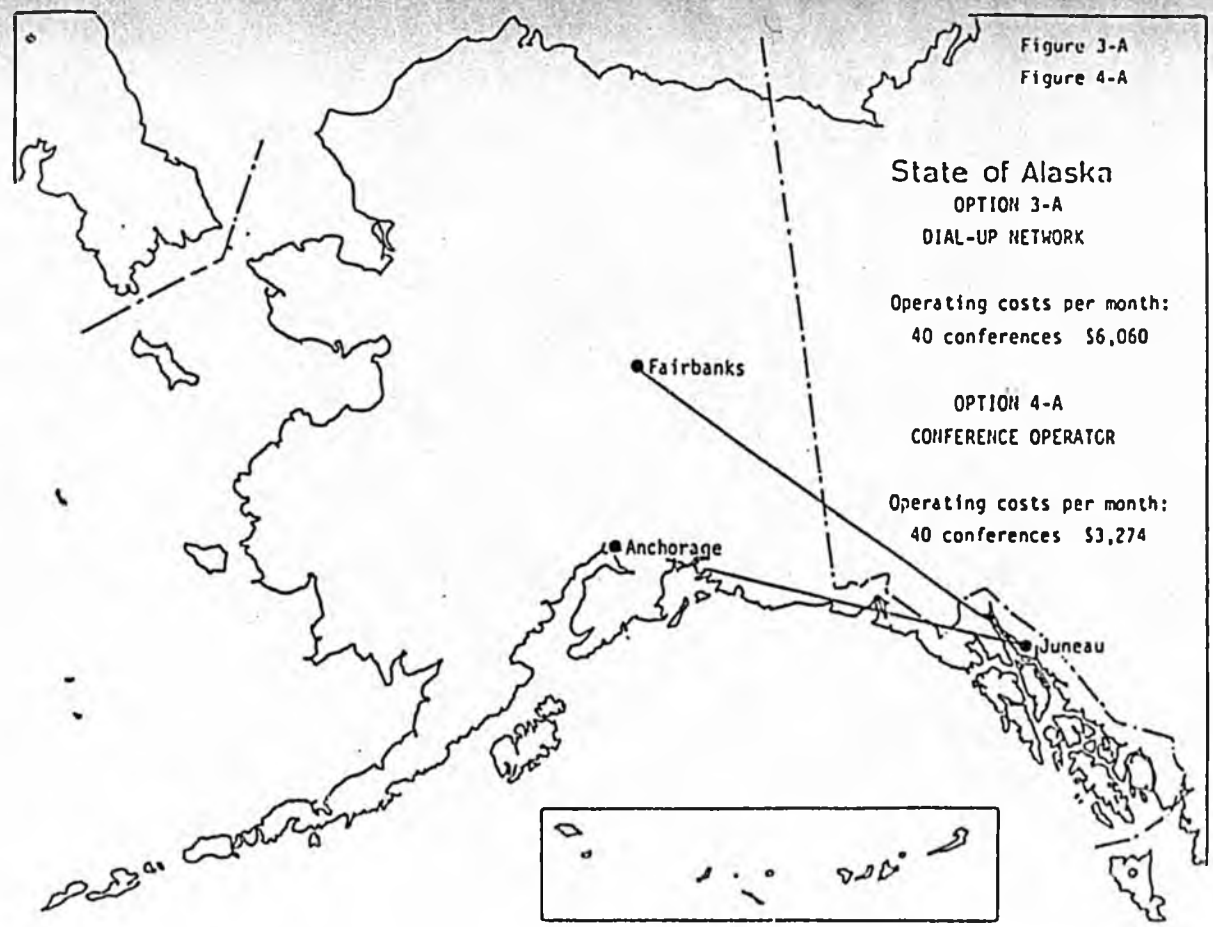


Figure 3-A
Figure 4-A
State of Alaska
OPTION 3-A
DIAL-UP NETWORK
Operating costs per month:
40 conferences $6,060
OPTION 4-A
CONFERENCE OPERATOR
Operating costs per month:
40 conferences $3,274
Fairbanks
Anchorage
Juneau

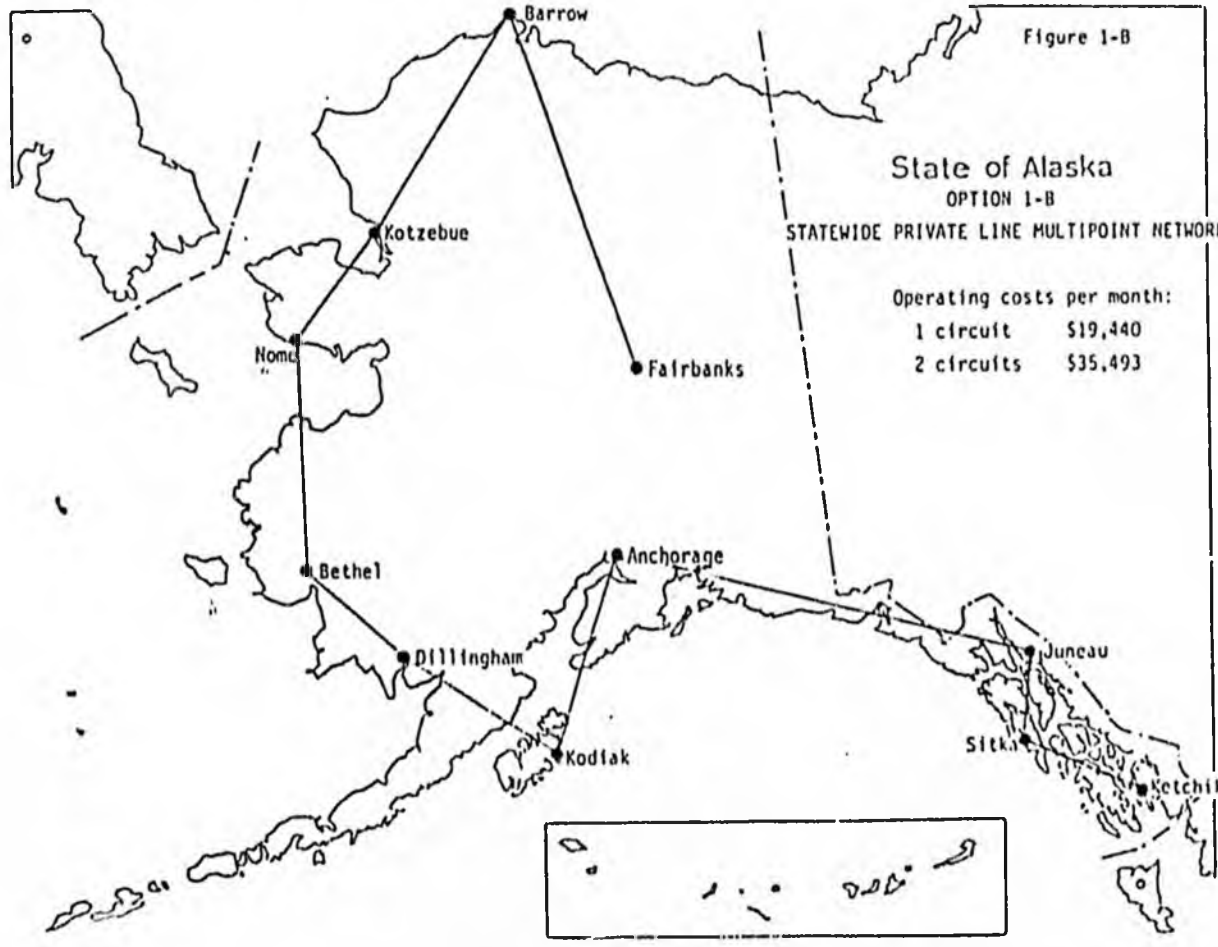
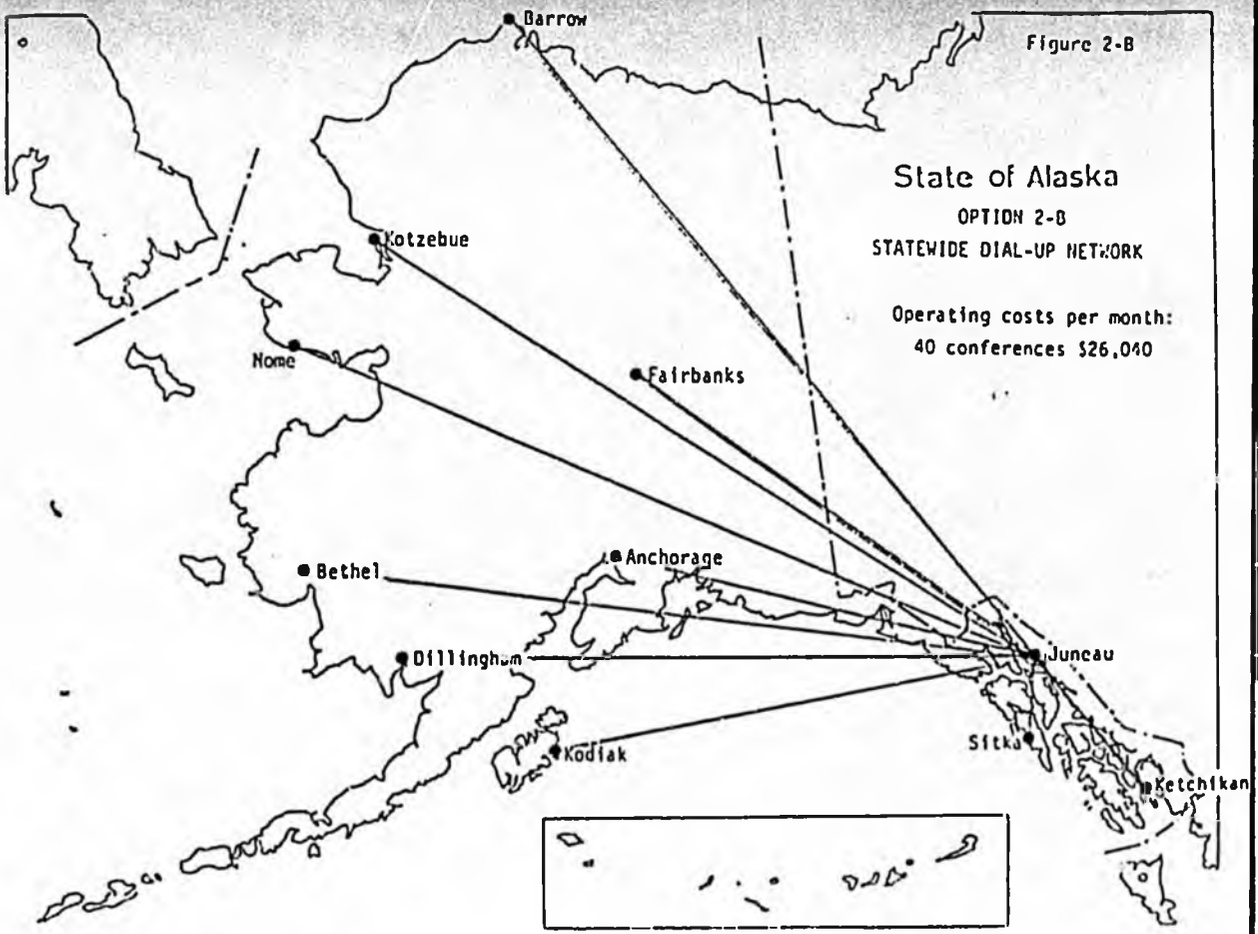
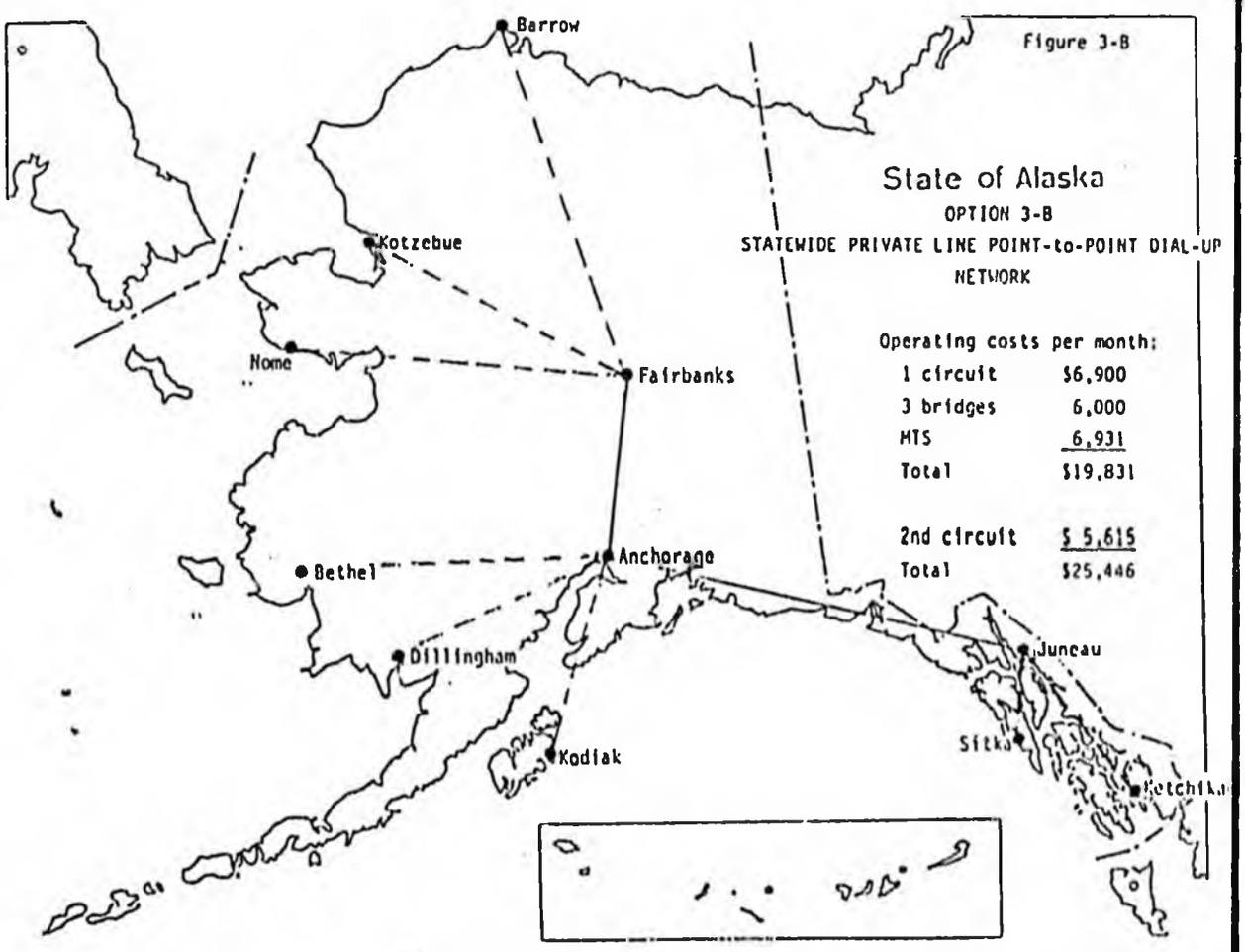


Figure 1-B
State of Alaska
OPTION 1-B
STATEWIDE PRIVATE LINE MULTIPOINT NETWORK
Operating costs per month:
1 circuit $19,440
2 circuits $35,493
Barrow
Kotzebue
Nome
Fairbanks
Bethel
Anchorage
Dillingham
Juneau
Kodiak
Sitka
Ketchikan


Barrow
Figure 2-B
State of Alaska
OPTION 2-B
STATEWIDE DIAL-UP NETWORK
Operating costs per month:
40 conferences $26,040
Kotzebue
Nome
Fairbanks
Bethel
Anchorage
Dillingham
Juneau
Kodiak
Sitka
Ketchikan


Barrow
Figure 3-B
State of Alaska
OPTION 3-B
STATEWIDE PRIVATE LINE POINT-to-POINT DIAL-UP NETWORK
Operating costs per month:
1 circuit $6,900
3 bridges 6,000
HTS 6,931
Total $19,831
2nd circuit $ 5,615
Total $25,446
Kotzebue
Nome
Fairbanks
Bethel
Anchorage
Dillingham
Juneau
Kodiak
Sitka
Ketchikan

Interstate Service: If teleconference services are anticipated to be required interstate (Seattle, e.g., Alaska Marine Highway), a network can be designed as a dial-up or dedicated service.

To illustrate an interstate teleconference network, Option 1-A (multipoint private line) and Option 3-A (Dial-Up Network) can be built upon to provide teleconferencing services to Seattle.

OPTION 1-C, Interstate Private Line Multipoint Network: This network configuration is a 4 point dedicated circuit serving Juneau, Anchorage, Fairbanks, and Seattle (Fig. 1-C). The network is completely interactive and functions as a party line similar to the LTN (which is an interstate network).

Costs: The following recurring operating charges are monthly interstate service charges:

Full duplex type 3002 channel		
Juneau, Anchorage, Fairbanks	$ 3,474	
Satellite channel (to Pt. Reyes, CA)	2,700	
AT&T circuit (Pt. Reyes to Seattle)	635	
Local charges (4 points)	282	
Total monthly recurring charges		$ 7,091

An additional dedicated circuit can be added to the network for special applications as described in Option 1-A.

Additional ½ duplex channel and local charges	$ 6,063	
Total monthly recurring charges		$13,154

OPTION 2-C, Interstate Dial-Up Network: This interstate network configuration assumes that a privately owned teleconference service provides the conferencing connections between Juneau, Anchorage, Fairbanks and Seattle, (Fig. 2-C). The customer pays the toll and conference service charges.

Costs: The following interstate operating costs assume that two, one hour conferences are held daily for 20 days per month.

Juneau-Anchorage toll call	$51 per hr	
Juneau-Fairbanks toll call	51 per hr	
Juneau-Seattle toll call	28 per hr	
Private conference service (4 ports)	66 per hr	
Total one hour conference		$ 196
Two conferences per day		392
Forty conferences per month		$ 7,840

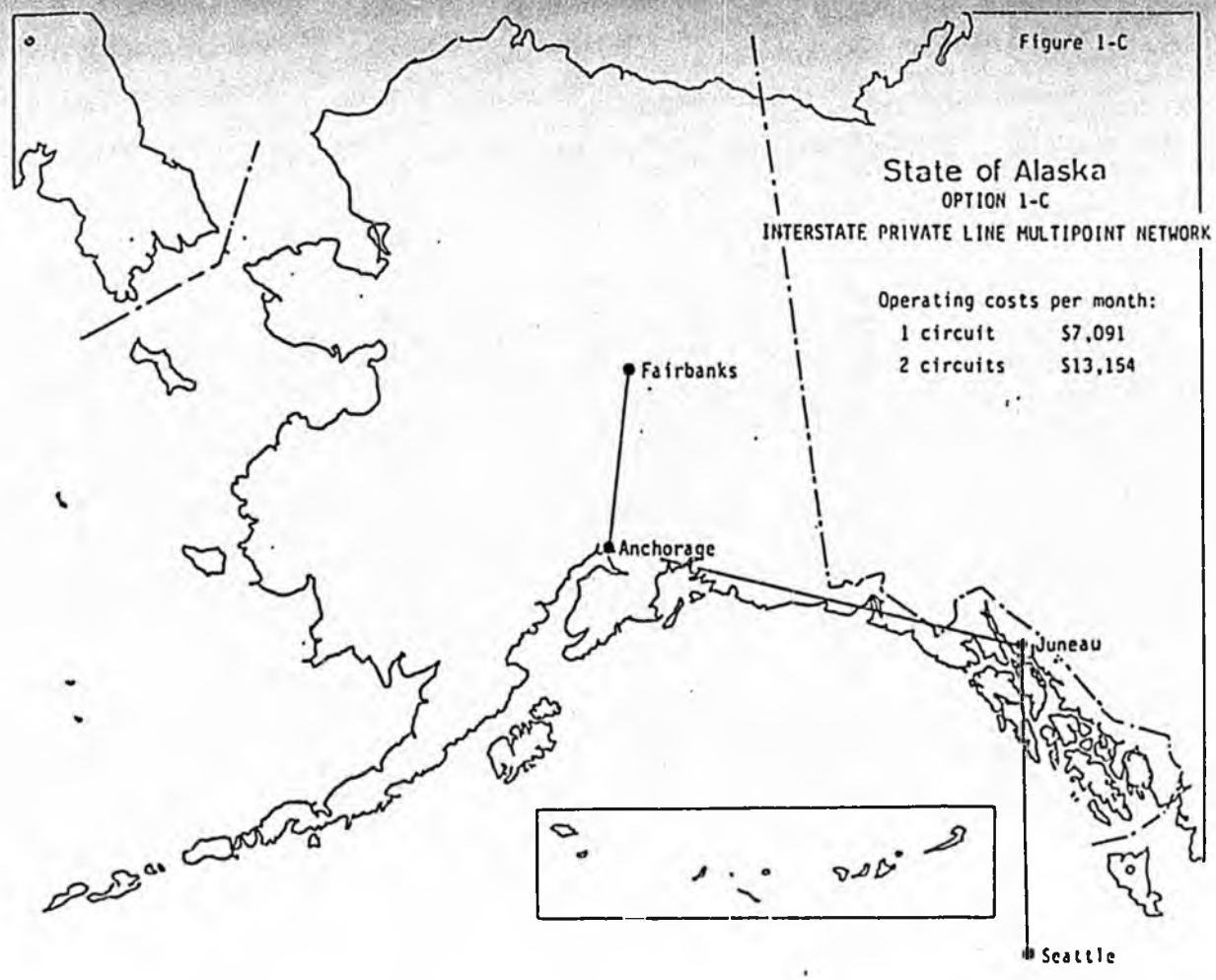


Figure 1-C
State of Alaska
OPTION 1-C
INTERSTATE PRIVATE LINE MULTIPOINT NETWORK
Operating costs per month:
1 circuit $7,091
2 circuits $13,154
Fairbanks
Anchorage
Juneau
Seattle

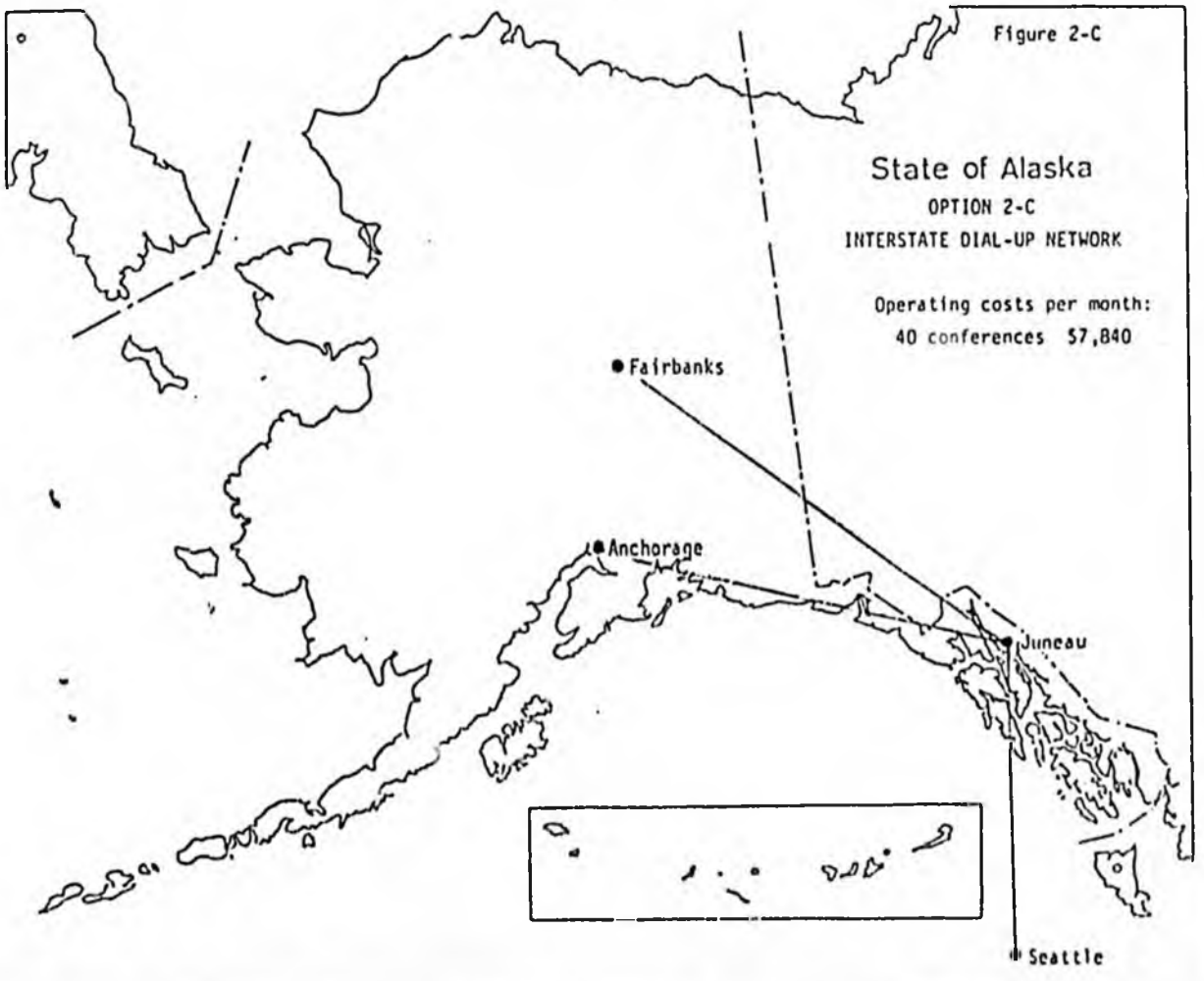


Figure 2-C
State of Alaska
OPTION 2-C
INTERSTATE DIAL-UP NETWORK
Operating costs per month:
40 conferences $7,840
Fairbanks
Anchorage
Juneau
Seattle

SECTION IV

4.1 TELECONFERENCE FACILITIES

Often multi-location teleconferencing can take place from the office or work place using the telephone handset, such as teleconferencing through the conference operator or a privately owned teleconference service. Although convenient, such an audio conference technique does not provide peripheral conference services, such as document transfer, without added inconvenience.

This section provides an overview of centralized audio conference facilities. Such facilities do not preclude the use of the telephone handset, but rather complement access to a teleconference network at the local level. A centralized facility is a location where 5 to 15 individuals can meet to participate in an audio conference. The facility would also provide peripheral services such as document transfer as well as copying and collating transferred documents. The information which follows regards the development of teleconference facilities in Juneau, Anchorage and Fairbanks including the peripheral components, physical layout and costs.

Facility: From an accessibility and convenience point of view, a facility central to State government operations (e.g. the State Office Building in Juneau) is preferred. It is possible that existing conference rooms can be easily adapted or modified to accommodate teleconference applications if the following criteria are met.

1. Room capacity: The conference room should comfortable seat approximately 15 conference participants. Added seating capacity may be desirable if observers are invited to conferences.

2. Room layout: A rectangular room with a length to width to height ratio of approximately 3:2:1 is suitable for audio conference applications, (AT&T, 1980). Thus a room 24' x 14' x 8' would accommodate 15 conference participants comfortable around an oblong or rectangular conference table, with an area set aside for observers.

3. Room access: The conference room should be accessed from the rear so that individuals entering or leaving the conference do not disrupt the proceedings.

4. Support room: A smaller room bordering the conference area is recommended to accommodate facsimile, copying and, if required, bridging equipment. This room would provide a sound barrier between support equipment and a conference in progress. Such a room would also have future application if slow scan video was implemented (which may require a control room).

5. Room furnishings: The conference room should have an adequate conference table to sit 15 participants with comfortable chairs.

6. Room comfort: The conference room must have ample lighting and ventilation as well as adequate heating.

7. Electrical and telephone: The conference room should have adequate electrical outlets and phone jacks.

8. Noise levels: Potential teleconference rooms should be evaluated for acoustical isolation from ambient sound disturbances. Elevator shafts, lavatories, fans, typewriters and street noise, among many other sources of noise, can be quite bothersome if transmitted over the teleconference network to other conference location

Audio Conference Hardware (terminal equipment): While it is possible to teleconference using an ordinary telephone handset, participants meeting at a central teleconference location will use terminal equipment providing microphones, speakers and amplification allowing "hands free" teleconferencing. Similar equipment can be employed by anyone participating in a dial-up, "meet-me" approach to teleconferencing, or in a two location teleconference using the public telephone system. However, when considering the development of centralized audio conference facilities, certain hardware components (a few essential, some optional) require evaluation based upon anticipated conference needs, levels of use, convenience and costs. The following components described audio conference terminal equipment and some peripheral hardware located in a versatile conference facility.

1. Audio conference sets: As the main component of the central facility, the audio conference sets consist of microphones and quality speakers with amplification. The units would be adaptable, serving groups from two to 15, with ample desk top microphones and two speakers either wall mounted or placed on a table top.

2. Facsimile equipment: Facsimile transmission equipment is a valuable aid to teleconferencing by providing the ability to transfer hard copy material (e.g. documents) between conference sites using the phone lines. Facsimile equipment is available which will send or receive documents at one minute or less per page and is capable of automatic copy transmission and reception (i.e. without attendant assistance).

3. Copy/collating equipment: Copying equipment greatly aids in the distribution of documents received from other sites by facsimile transfer. Likewise, collating equipment speeds up the process of compiling documents for distribution.

4. Two-way slow scan video (optional): Slow scan video is a still frame video transmission technique using phone lines or other narrow band transmission techniques (such equipment was employed on the Voyager spacecraft to transmit picture of Saturn back to earth). The application of slow scan provides conferees the ability to see conference participants at other sites, transfer graphic materials, photographs and text. Slow scan video images can be viewed on a television monitor, printed in hard copy and electronically saved for future reference. The equipment required for slow scan transmission includes: 1) television camera; 2) video bandwidth compressor and television monitor; 3) acoustic coupler for transmitting signals over phone lines; 4) video expander; and, 5) a television monitor at the receiving end.

5. Electronic blackboard (optional): Electronic blackboards are capable of transmitting graphic material (text or illustrations), handwritten on a pressure-sensitive blackboard, over telephone lines and circuits to other conference sites where the writing is received on a television monitor. As with slow scan video, electronic blackboards are a narrow band transmission technique. The equipment required for electronic blackboards include both transmitting and receiving components: 1) electronic blackboard; 2) transceiver modem; 3) memory; and, 4) television monitor.

6. Conference bridge (optional): Bridging equipment enables conference participants to be connected into a teleconference network. A dedicated, private line, conference network has bridging equipment inherent in network hardware and circuits provided by the longline carrier. Additional bridging equipment, which connects off-network calls to the network, is required to add dial-up capability to a dedicated teleconference network. Privately owned teleconference networks rely on bridging equipment and the public telephone system. Bridging equipment provides additional flexibility to a dedicated network, such as simultaneous conferencing at a given time. With a dedicated teleconference network, employing bridging equipment is optional. However, it provides a dial-up capability, allows considerably more flexibility to the network configuration, and greatly improved accessibility.

4.2 COSTS

Actual space availability for implementing central teleconference facilities is not currently known. Development of such facilities in Juneau, Anchorage and Fairbanks would require close cooperation with the Department of Administration, Division of General Services and Supply (Office of Space Management and Leasing) which is beyond the scope of this preliminary plan. However, leasing office space, through the private sector, currently runs approximately $2 per square foot in the communities mentioned.

Space costs: The following recurring monthly costs are for leasing office space suitable for teleconference applications in Anchorage, Fairbanks and Juneau

Facilities leasing - 3 locations (300 sq ft per site)	$ 1,800

Hardware costs: The following costs include both capital costs (one time expenses) and recurring monthly charges (operational expenses) for teleconference hardware. The essential and optional teleconference hardware components, discussed in the previous sub-section, are listed.

Audio Conference Hardware	Monthly Recurring		Capital
Conference sets (3 units)			$ 5,000
Facsimile equipment (3 units)			19,680
Copier w/collator (3 units)	$ 2,500	or	98,265
Optional Conference Hardware			
Slow Scan Video (3 units)			69,000
Electronic Blackboard (3 units)	1,665		
Conference Bridge (3 units)	6,000	or	150,000

4.3 PERSONNEL

If full-time teleconference facilities are to be considered in Juneau, Anchorage and Fairbanks, both maintenance and operation of the facilities must be considered ("full-time" refers to a facility being available 37.5 hours/week for scheduling and actual conference use).

Each conference site would require at least one person responsible for operating the facility, scheduling and assisting in teleconference preparations, and to assist in teleconference proceedings (i.e. operating facsimile equipment, duplicating, moderating if required, etc.). Equipment maintenance could be provided by existing State telecommunications maintenance facilities and technicians.

Costs: The following costs are annual recurring operating costs associated with personnel and maintenance for 3 teleconference facilities.

Operators (3 at $21,000 per year)	$ 63,000
Maintenance/Engineering (parts and labor)	5,000

SECTION V

5.1 DISCUSSION

It is recognized that modern communications and high technology applications cannot substitute for all travel, but meetings which consist of information exchange, discussion, and verbal presentations can often be very efficiently accommodated through teleconferencing. In terms of travel avoidance and timely information exchange, teleconference applications can be viewed as an effective job enhancement tool and management resource.

A major and valuable aspect of teleconferencing is potential universal access. Currently, Juneau has over 2,000 phone lines assigned to State government use. Statewide there are in excess of 6,000 phone lines in service to State agencies and operations. On a dial-up network, such as the LEARN/Alaska Audio Conference Network and the services offered by privately owned teleconference services, each phone line and telephone handset has the potential to tie into a teleconference network. In addition, the public access telephone system is global in terms of reaching over 400 million telephones worldwide.

Although teleconference networks, whether dial-up or dedicated private line, may appear to have rather high operational costs, these recurring costs are not so high when compared to the high cost of travel. For example: An overnight (including per diem), roundtrip from Anchorage to Juneau costs approximately $380; an overnight, round trip from Fairbanks to Juneau costs approximately $420; and, an overnight, round trip from Fairbanks to Anchorage costs approximately $260. If five trips from Anchorage to Juneau, from Fairbanks to Juneau, and from Fairbanks to Anchorage could be avoided per week (one round trip per community per day), a weekly travel savings would amount to approximately $5,300; monthly, approximately $21,200; and yearly, approximately $254,400. Considering employee work time lost in transit, approximately an additional $40,000 could benefit from travel avoidance yearly. Teleconferencing can be very cost effective, (Table 1.2)

5.2 RECOMMENDATIONS:

The following conclusions have been developed as recommendations from the findings established in this study.

Recommendation #1: That, for the interim, the use of existing teleconference networks, including those services which are privately owned, be encouraged on the department and division levels of State government. The Department of Administration, Division of Telecommunications Services should promote teleconferencing, provide teleconferencing orientations and assist in developing a teleconferencing "awareness". In addition, assistance with scheduling, training and operations of facilities should be provided as required.

Recommendation #2: That teleconference network use and associated costs be charged against travel budgets to encourage travel avoidance whenever practical. This recommendation would require a revision, or modification, of State budgeting policies to allow, or require, teleconferencing expenses to be charged against travel budgets. This action would simplify and expedite implementation of a State teleconference plan.

Recommendation #3: That agencies be encouraged to purchase teleconference terminal equipment to be employed in the office to accommodate two point or multipoint teleconferencing using the public telephone system.

Recommendation #4: That statewide hearings be held regarding the development and implementation of a State teleconference plan. The hearings would gain valuable State, private and public opinions as to the acceptance of such a plan. In addition, it is recommended that such hearings be held via existing teleconference networks, providing the opportunity for those in attendance to have "hands-on" experience with a teleconference system.

Recommendation #5: Based upon the results and findings generated from the proposed statewide hearings, if the overall reaction is favorable, that the Department of Administration, Division of Telecommunications Services develop a two year teleconference pilot (demonstration) project based upon the following considerations (Table 1.3, Fig 1.D):

A. That the Division of Telecommunications Services, in conjunction with the Division of General Services and Supply, plan and develop teleconference facilities in Juneau, Anchorage and Fairbanks.
B. That consideration be given to sharing existing, or planned, dedicated audio circuits to ensure maximum utilization of leased communications lines.
C. That teleconference facilities be equipped with: 1) audio conference sets; 2) facsimile transmission equipment; and, 3) copying and collating equipment to complement facsimile capabilities.
D. That bridging equipment be considered at each teleconference facility, as part of a pilot project, to ensure universal access to the teleconference network on a dial-up basis.
E. That demonstration projects regarding other teleconference applications be considered including slow scan video and electronic blackboards.
F. That, if shared circuits do not prove adequate to meet State use requirements, 2 dedicated private line circuits be employed, as a point-to-point network between Juneau-Anchorage and Fairbanks-Anchorage, (Fig. 2-D).

Recommendation #6: It is recommended that the above proposed Pilot Project be evaluated and modified as required to ensure an efficient and effective State teleconference system capable of meeting departmental and divisional requirements.

TABLE 1.2

ILLUSTRATION OF POTENTIAL TELECONFERENCE BENEFITS

TRAVEL EXPENSES

TRAVEL ROUTE[1]	MONTHLY[2]	YEARLY
Anchorage to Juneau ($380)	$7,600	$91,200
Fairbanks to Juneau ($420)	8,400	100,800
Fairbanks to Anchorage ($260)	5,200	62,400
Total	$21,200	$254,400

DEDICATED TELECONFERENCE NETWORK

FIXED COSTS[3]	MONTHLY	YEARLY
Point-to-Point Circuit	$6,900	$82,800
Facilities	4,300	51,600
Total	$11,200	$134,400

TRAVEL AVOIDANCE

BENEFITS[4]	MONTHLY	YEARLY
Savings	$10,000	$120,000

Assumptions (1-4):

1. round trip air fare plus overnight per diem;
2. 20 round trips per month;
3. recurring monthly costs including full duplex pt-to-pt circuit, office space and copying/collating equipment; and,
4. benefits = travel expenses - fixed costs.

TABLE 1.3

TELECONFERENCE PILOT PROJECT

COSTS

COMPONENTS	MONTHLY OPERATING COSTS	CAPITAL
Facilities -office space (3 sites @ 300 sq ft ea)	$1,800	
Audio Conference Sets (3 units)		$5,000
Facsimile Equipment (3 units)		19,800
Copying/Collating Equipment (3 units)	2,500	
Bridging Equipment (3 units)		150,000
Private Line Circuit (full duplex pt-to-pt circuit)	6,900	
(local connect charges)		520
Toll Charges*	3,500	
Personnel	5,250	
Maintenance	450	
Total	$19,400	$175,380

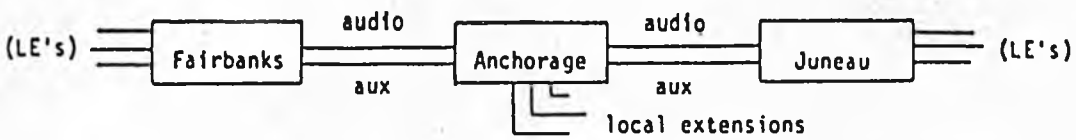
SLOW SCAN VIDEO PILOT PROJECT

COSTS

COMPONENTS	MONTHLY OPERATING COSTS	CAPITAL
Slow Scan Video Equipment		$69,000
Private Line Circuit (1/2 duplex pt-to-pt circuit)	$5,612	
(local connect charges)		520
Total	$5,612	$69,520

*Assumes 20, one hour toll calls per month, from: Barrow, Kotzebue and Nome to Fairbanks; Bethel, Dillingham and Kodiak to Anchorage; and, Sitka and Ketchikan to Juneau.

Figure 2-D
Network Diagram



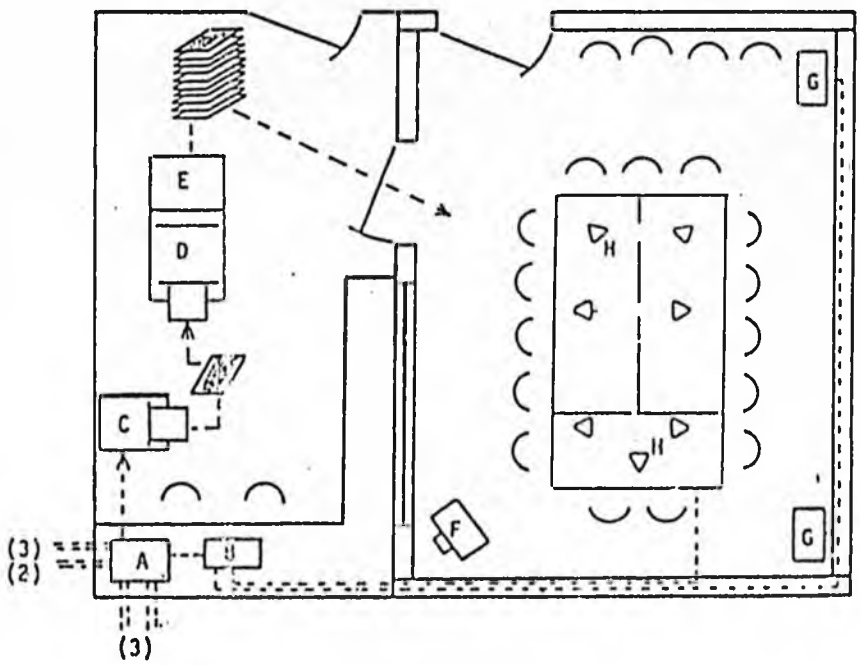


Figure 1-D
Teleconference Center

(1) Dail-Up Lines
(2) Local Extensions
(3) Inter-City Lines
(e.g. Fig 2-D)

(A) Switching and Control Equipment
(B) Audio Conference Equipment
(C) High Speed Facsimile Equipment
(D) Copying Equipment
(E) Collating Equipment
(F) Television Monitor
(G) Conference Speakers
(H) Conference Microphones

SECTION VI

6.1 PIONEER HOMES

Senate Resolution 20, introduced January 14, 1982 in the State Affairs and Finance Committee, requests the Alaska Legislative Council to direct the Legislative Affairs Agency to provide teleconference facilities at each Pioneers' Home site. Considering that the Pioneer Homes are currently managed by the Department of Administration, Division of Pioneers' Benefits, it would appear appropriate for the Homes to be provided teleconference services under this teleconference plan.

Considering the options previously presented, the Pioneer Homes could be incorporated in a teleconference network on a dial-up basis. As such, the Homes would also have access to the Legislative Teleconference Network and the LEARN/Alaska Audio Conference Network. Dedicated private line expenses would not be required as the Pioneer Homes are not anticipated to generate the heavy user traffic volumes required to justify the expense of dedicated circuits.

This proposes that the Pioneer Homes be equipped with teleconference audio terminal equipment. For the six Homes, the one-time capital expense would be approximately $6,000 including installation charges. Toll charges would vary, but an approximate figure of $40 per hour per location would be sufficient for each teleconference. Accessing the LTN, for legislative applications, would not generate toll charges to the Homes as the LTN assumes toll charges. Accessing the LEARN/Alaska Audio Conference Network and the proposed State teleconference network would generate toll charges (exceptions being Anchorage Pioneer Home for LEARN/Alaska network, and the Fairbanks and Anchorage Pioneer Homes for the proposed State network).

Providing teleconference services to the Pioneer Homes would not be complicated, would be relatively inexpensive and would provide Alaska Pioneers better access to State government and continuing educational opportunities. In addition, such teleconferencing facilities and network access would aid the Division of Pioneers' Benefits administering services to the Homes.

6.2 EFFECT OF A CAPITAL MOVE ON A STATE TELECONFERENCE NETWORK AND PLAN

If the State elects to develop a dedicated teleconference network with statewide accessibility (dial-up capabilities), the effects of a Capital relocation on the proposed network would be minimal. The only significant effects of such a Capital move would require additional circuits and teleconference facilities at the new Capital site.

Before the Capital is relocated, the proposed teleconference plan could be operational and usage, most likely, would rapidly increase . Assuming that this teleconference plan were operational, the main effect would be to add dedicated circuits from Anchorage to the new Capital site and to develop a teleconference facility at the site. The economic impact would be minimal.

6.3 REFERENCES

AT&T: "Teleconference Center Construction Guidelines"; Preliminary Bell System Voice Communications Technical Reference Manual PUB42903, 1980.

Baltes, Kathleen: Legislative Teleconference Network; January, 1982.

Benning, Marjorie: LEARN/Alaska Audio Conference Network; January, 1982.

Browne, Stuart: TELELINK, Inc.; January, 1982.

Roache, Judy: Alascom, Inc.; January, 1982.

Stockbridge, Christopher; "Multilocation Audiographic Conferencing"; Telecommunications Policy, June, 1980.

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

SCR

13

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SCR 13
Title Preservation of the House of Wickersham
Requested by Senate Finance Date 5/8/81

II. FISCAL DETAIL
Agency Affected Natural Resources - Parks
Program Category Affected NRMEC - Parks & Recreation
BRU, Program, or Subprogram(s) Affected Park Operations - Parks Administration
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		3.0				
200 TRAVEL		9.4				
300 CONTRACTUAL		5.0-10.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		17.4-22.4				

FUNDING (Thousands of Dollars)

GENERAL FUND		17.4-22.4				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY		1				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
The costs identified above would be used by the task force to develop a plan for the continued operation and preservation of the House of Wickersham. Tasks to be accomplish would include the following: (1) prepare the work plan; (2) evaluate the academic and research significance of the collection; (3) inventory and appraise the value of the documents, artifacts, and real estate; (4) identify acquisition and operating program alternatives with cost estimates; (5) identify a recommended program with cost analysis.

Travel costs would be for two or three meetings of the task force, composed of the Director of Parks, Tourism, and Libraries and Museums, the Executive Director of the Alaska Historical Commission, and certain members of the University of Alaska professorial staff; contractual costs would be for the inventory and appraisal of the collection and real estate; the project employee would serve as staff.

IV. DATE 5/11/81 PREPARED BY Hilton Wolfe
AGENCY Natural Resources - Parks
PHONE 465-2421

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

33-001 (Rev. 12/80

ALASKA VISITORS ASSOCIATION

Please reply to:

Post Office Box 2220
Anchorage, Alaska 99510
(907) 279-4116

Tourism is everybody's business.

March 4, 1981

Honorable Vic Fischer
Pouch V
Juneau, AK 99811

Dear Senator Fischer:

The attached "House of Wickersham" Resolution was passed by the Alaska Visitors Association Board of Directors at their meeting in Juneau, February 23, 1981.

We respectfully draw it to your attention and request any assistance you may be able to offer in the implementation of this resolution.

Sincerely,

ALASKA VISITORS ASSOCIATION

R Klug

Rolf Klug
President

Gary Walker

Gary Walker
Executive Director

RK:GW/bl

Attachment

RESOLUTION NO. 6

SUBJECT: "HOUSE OF WICKERSHAM"

WHEREAS, a significant portion of Alaska's documented and written history during the years 1900 through 1930 is recorded only in the diaries and papers and manuscripts of Alaska's pioneer judge, James Wickersham; and

WHEREAS, the House of Wickersham, located in Juneau, Alaska, is itself also of major historical significance because it probably is the first large home built in Alaska after the purchase from Russia and is a fine example of Victorian architecture of the period and is built upon the site of the New Boston Gold Mining Claim and was owned first by the principals of the Treadwell Mine and was later acquired by Judge Wickersham as his home; and

WHEREAS, the House of Wickersham is certified on the National Register of Historic Places and the private collection of historic documents, diaries and papers is of major significance along with the historic photo files and artifacts; and

WHEREAS, the histories of Nome, the Aleutians, Fairbanks, Eagle, Anchorage, Mt. McKinley, Valdez, Skagway, Wrangell, Sitka, Ketchikan and Juneau are preserved and represented in these early documents, making the Wickersham collection of major statewide importance; and

WHEREAS, in years past most of the major private historic collections have been sold off or moved out of Alaska being lost forever to future generations; and because this is probably the last and single most important and largest private Alaskana historical collection remaining; and

WHEREAS, it seems appropriate that this historical treasure of our state should be recognized and preserved for the benefit of all Alaskans now and in centuries to come;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Alaska Visitors Association, acting on the sponsorship and request of the Juneau Chapter of AVA, recommends to the Governor and appropriate state officials, and to each member of the Legislature, and the Alaska Congressional Delegation that negotiations be commenced for the State to consider the acquisition of the historic real property known as the House of Wickersham and the Wickersham collection of documents, photos, diaries and artifacts; and

BE IT FURTHER RESOLVED that the appropriate state officials be requested to coordinate with the various federal government agencies and private foundations who have grants and matching funds for such historical restoration and preservation; and

BE IT FURTHER RESOLVED that the State consider the implementation of an appropriate plan coordinated to restore the home and preserve the documents to allow historians, scholars and all Alaskans and visitors to Alaska to view and share this historic treasure; and

BE IT FURTHER RESOLVED that the above Resolution be distributed to all the above named state administration, legislative and congressional officials.

Introduced: 2/27/81
Referred: State Affairs

IN THE SENATE BY THE STATE AFFAIRS COMMITTEE

SENATE CONCURRENT RESOLUTION NO. 13

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

Relating to the preservation of the House of Wickersham.

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

WHEREAS a significant portion of Alaska's documented and written history during the years 1900 through 1930 is recorded only in the diaries, papers, and manuscripts of Alaska's pioneer judge, James Wickersham; and

WHEREAS the House of Wickersham, located in Juneau and built on the site of the New Boston gold mining claim, is itself of major historical significance as one of the first large homes built in Alaska after the purchase from Russia, and as a fine example of Victorian architecture; and

WHEREAS the House of Wickersham has been certified for inclusion on the National Register of Historic Places, and its private collection of historic documents, diaries, papers, photo files, and artifacts is of major significance to scholars of early twentieth century Alaska; and

WHEREAS the histories of Nome, the Aleutian Islands, Fairbanks, Eagle, Anchorage, Mt. McKinley, Valdez, Skagway, Wrangell, Sitka, Ketchikan, and Juneau are preserved and represented in these early documents, making the Wickersham collection of major statewide importance; and

WHEREAS in years past many private historic collections have been sold or removed from Alaska; and

WHEREAS it seems appropriate that the Wickersham collection and its repository should be recognized and preserved for the benefit of all Alaskans now and in centuries to come;

BE IT RESOLVED by the Alaska State Legislature that the governor is respectfully requested to establish a task force to develop a plan for the

continued operation and preservation of the House of Wickersham; and be it

FURTHER RESOLVED that the governor appoint the directors of the division of tourism of the Department of Commerce and Economic Development and the division of parks of the Department of Natural Resources and other officers of state government concerned with the history of the state to serve on the task force; and be it

FURTHER RESOLVED that the governor invite the appropriate federal agencies and historical associations to work with the task force toward the achievement of its goal.


SCR
28

Nimbus draws fire from state Senate

By Empire Staff

A resolution to move "Nimbus" and replace it with a memorial to honor war veterans "is just about the most unanimous" piece of legislation Sen. Brad Bradley has introduced, according to the Anchorage Republican.

A wave of laughter rippled through the Senate chambers today after Bradley's resolution was read, and Senate President Jay Kerttula commented, "We may provide accommodations for Sen. Bradley, at that."

Bradley said he has only found two people — and they were local residents — who appreciate the bright green metal sculpture.

"It's an atrocious color .... It's an atrocious piece of art — if it is art. I don't think it's a credit to Juneau or the tourism industry," said Bradley.

Bradley criticized the Juneau landmark, located across from the Capitol on the grounds of the State Court Building, as "not perfected. This thing's got hammer marks on it."

"It's the most inappropriate thing we (the state) could spend some $50,000 of the taxpayers' money on," he said.

Bradley suggested the sculpture could be shipped to Willow or Delta for buffalo chip target practice.

More seriously, he recommended the sculpture be melted down, reshaped and the names of Alaska's war veterans inscribed — so as not to waste the metal.

"Alaska is the only state in the union that has only one memorial" to its veterans, said Bradley, a retired lieutenant colonel in the U.S. Army. The memorial is a "mere flagpole" located in Anchorage, he said.

SCR

47

TESTIMONY ON SCR 47

My name is Joanne Erskine. I use my maiden name -- my married name was Cose.

I was born in 1934, married a brand new 2d Lieutenant in 1954, and was divorced in Anchorage in 1974-75.

My husband and I had four sons born in 1955, 1956, 1958 and 1960; I was a homemaker for 20 years, living at 8 different military bases. There were two one-year separations while my husband served in Vietnam and Iran while the family remained in the states.

As is common in military marriages, there was abuse, physical and mental.

When we divorced, my husband got custody of our sons who told the judge they preferred to stay with him; he retired at the rank of Lt. Col.; went to work in engineering at RCA, and remarried.

Superior Court awarded me half the retirement, but it was never paid due to appeals, which kept the case in court for 7 years, until finally decided by the U.S. Supreme Court last June in the McCarty decision. This ruling, which upheld the 1979 ruling of the Alaska Supreme Court in my case, Cose v. Cose, held that military pensions are not property subject to court order in cases of divorce or separation.

I never received any of my former spouse's military pension, nor other support, nor real estate, nor court award of attorney fees for litigation, which came to $16,000.

For 5 of the 7 years since my divorce my annual income has been between $3,000 and $3,800.

I have experienced many of the problems common to displaced homemakers, plus some that may be unusual. Despite having been educated, I have had a very hard time competing in the job market. I lost my first job, and others, because of inability to produce on a competitive basis. I went outside to graduate school in Oregon armed with a $2500 Alaska student loan and little

else, and got my masters degree after 4 years. I have been frequently unemployed, often underemployed, sometimes with no income whatsoever, and obliged to move in with someone else because I couldn't pay the rent. Last year I moved 7 times. The only public assistance I have been eligible for often has been Food Stamps; and I don't know how I would have managed without them, degrading though it is.

So much for personal data. I have a few general statistics:

The state of Alaska has more military personnel and veterans per capita than any other state.

Military couples suffer the highest divorce rate of any occupational group. The strains of military life are considerable, and they fall most heavily on the wife, who cannot, as the husband does, carry her support network with her from station to station.

Women born in 1934 experience the highest divorce rate of any birth year group. Born in the depression, wed in the silent fifties when marriage and family was still the only thing to do; then as consciousness changed, rebelling against the constraints of our existence -- it's been a struggle. But for older women, some of whom are destitute, it's far worse.

Although I have not yet located and formed organizational links with other women in this situation, I know they are there, they are many, and they are hurting. I wish to speak for them.

I mentioned the strains of military life. The chief incentive for undergoing them is the liberal pension waiting after 20 or 30 years of service. It is usually a military couple's major, or even their only, asset.

Since 1979 when the Alaska Supreme Court ruled in my case, no judge in Alaska has been able to order a share of the pension paid to the wife when a military couple divorces. Since last June, this has been true

nationwide.

This is a gross injustice, that cries out for remedy. Corrective legislation has been introduced in both houses of Congress* but languishes in the Armed Services Committees, with, in the words of Sen. Ted Stevens, "no further action contemplated."

Legally, domestic law has always been the province of the states, and remains so. This issue rose to the U.S. Supreme Court because a few states, notably Alaska, were diverging from the prevailing practice of treating the pension as a divisible asset after the end of long-term marriages.

The federal statute on military pensions as currently written permits payments from pensions for child support or alimony. Alaska courts, I have been advised, seldom grant alimony. The statute is silent on the pension as property in a divorce settlement. The U.S. Court has now issued its opinion on the effects of that silence.

I cannot believe Congress ever intended former military spouses to be cut off as they now are.

* H.R. 1711, H.R. 4902, and S. 1814.

Introduced: 3/15/82
Referred: State Affairs

IN THE SENATE BY THE STATE AFFAIRS COMMITTEE

SENATE CONCURRENT RESOLUTION NO. 47

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

Relating to property rights of divorced persons to the military pensions of their former spouses.

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

WHEREAS the United States Supreme Court ruled in June of ~~this year~~ 1981 that a military pension is not property subject to division by a court as part of a divorce settlement; and

WHEREAS the effect of this ruling on former spouses of military personnel has been devastating; and

WHEREAS middle-aged and older persons who are divorced after years of marriage to a person in the military face particular hardship because they are often unable to compete in the job market; and

WHEREAS after divorce all military benefits to the former spouse cease, often leaving the former spouse without medical insurance coverage or other assistance; and

WHEREAS the spouses of military personnel are often unable to pursue careers of their own because they must move whenever required by the military service; and

WHEREAS former spouses of military personnel, especially older women, are sometimes forced to seek welfare and other public assistance; and

WHEREAS since current welfare and public assistance costs need to be reduced, it makes no sense to deprive a former spouse of a fair share of a military pension earned during the marriage thereby forcing that former spouse to obtain public assistance; and

WHEREAS the spouses of military personnel serve their country and

deserve security in their old age, just as enlisted persons do; and

WHEREAS often the military pension is the main asset that a couple has;

BE IT RESOLVED that the Alaska State Legislature respectfully requests the Alaska delegation in Congress to introduce and support legislation making a military pension subject to division between spouses who are obtaining a divorce.

COPIES of this resolution shall be sent to and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

SJR

6

SYNOPSIS OF TESTIMONY ON SJR 6 - "PROPOSING AN AMENDMENT TO THE CONSTITUTION OF THE STATE OF ALASKA RELATING TO SESSIONS OF THE LEGISLATURE." An all-sites teleconference and hearing held on 11/17/81

SOURCE	LENGTH OF SESSION	PROVISIONS FOR EXTENSION		REMARKS
		# of days	vote required	
Sen. Tim Kelly	120 days	no extension		Rather than extensions, can, if needed, have special sessions limited to subjects included in call
Gov. Jay Hammond	90 days	15 days	concurrence of governor and leaders of both houses within 3 days of the end of regular session for not more than 15 days	Also, provide for less than current 15 day delay before special session can meet
Bill Miles	120 days	10 days (can be renewed)	majority of both houses	
Mark Beltz	90 days	no position		
Nels Anderson	120 days	10 days	2/3 vote of each house	Also, all special sessions limited to 5 days
Joe Graham	90 days	no position	3/4 vote	Also, no per diem until both houses organized or after session limit
Anchorage Chamber of Commerce	90 days	2-10 days	2/3 vote	
FREE Committee	120 days	see Remarks	2/3 vote	Vote on extension should specify number of days and subjects
Common Sense for Alaska	120 days	no position		
Soroptomists International of Anchorage	90 days	see Remarks	2/3 vote of each house	Vote on extension should specify number of days and subjects
Bradley Shaffer	90 days		3/4 vote	Length of special sessions should be limited

Committee Minutes
Senate State Affairs Committee

Anchorage, Alaska
11-17-81, 9:30 a.m.

Members present: Sen. Fischer, Chair
Sen. Eliason
Sen. Stimson

Other legislators: Sen. Kelly

Hearing: All sites teleconference and hearing on limiting the length of legislative sessions

Committee Calendar: SJR 6, "Proposing an amendment to the Constitution of the State of Alaska relating to sessions of the legislature."

Witnesses:
Anchorage:
Sen. Tim Kelly, sponsor of SJR 6
Pouch V, Juneau, Alaska 99811

Bill Miles, representing self
Anchorage, Alaska

Mark Albert Beltz, representing self
Anchorage, Alaska

Joe Graham, representing self
Spenard area, Anchorage

Jan Faiks, Anchorage Chamber of Commerce Board of Directors
612 F Street, Anchorage, Alaska 99501

Jan Bomhoff, Anchorage Women's Club FREE Committee
P. O. Box 4-2955, Anchorage, Alaska 99509

Neely Taylor, Common Sense for Alaska
P. O. Box 4-1104, Anchorage, Alaska 99509

Mary Bargaran, Soroptomists Int'l of Anchorage
P. O. Box 561, Anchorage, Alaska 99510

Juneau: Keith Specking, Office of the Governor
Pouch A, Juneau, Alaska 99811

Dillingham: Nels Anderson, representing self
General Delivery, Dillingham, Alaska

Proceedings:

Sen. Fischer called the meeting to order at 9:30 a.m. and stated that the purpose of the hearing was to discuss limiting the length of

legislative sessions. There is presently no constitutional limit imposed on the length of legislative sessions; the drafters of the constitution sought to establish a proper balance between the legislative branch and the strong executive power. Sen. Fischer outlined aspects of the session limitation question the committee hoped to hear addressed by testimony:

--should a constitutional limit be established or not? Why?

—if a limit is established, what should regular session length be: 90, 100, 120 days, or what other period?

—should provision be made for extending a regular session? If so, by simple majority or by two-thirds vote of the legislature: In increments of 10 or 30 days or some other period?

--what other things should the legislature consider in acting on the issue?

Sen. Tim Kelly, sponsor of SJR 6, was the first to testify. He thanked the committee for holding hearings on the issue, which had been "dear to my heart since election in 1976". Sen. Kelly stated that the legislature should be encouraging more Alaskans to participate in the legislative process. Their participation might be promoted by a session length which would permit them to pursue non-legislative business for the greater part of the year. SJR 6 proposes a 120 day limit in the form of a constitutional amendment to be put before the voters at the next general election. Sen. Kelly stated that he would also like to see all special sessions called by the legislature limited to subjects included in the call. The subject limit should apply to any extensions of the regular session; if extending the session were to become a regular practice, a subject limit would focus attention of the legislature on the critical issues.

Sen. Eliason stated his agreement with Sen. Kelly's testimony.

Keith Specking, from the Office of the Governor, presented Governor Hammond's statement on session limitation. Governor Hammond's statement began, "In my twelve years of legislative service, there was only one session which warranted more than 90 days. That was the first session during which we set up the entire state government--and we did that in but 84." The inadequate pay and the necessity to conclude the work expeditiously in order to return to the private sector at first insured relatively brief sessions. Various factors, including increased pay, benefits, staff and workload, and recent "ephemeral funding 'surpluses'" have contributed to the extension of legislative sessions. The statement from Gov. Hammond indicated that any limitation on session length should: 1.) provide ample time to complete work on crucial matters; 2.) serve to reduce the legislative "logrolling" normally required to bring sessions to close; and 3.) provide for less than the current undue 15 day delay before a session could be extended, as is the case now with special sessions. Gov. Hammond proposed a constitutional limitation on session length some years ago and intends to reintroduce it this year for consideration by the legislature. His

proposal establishes a session "target" of 90 days. An extension provision specifies that with the concurrence of the governor and leaders of both houses the legislature might reconvene within 3 days of the regular session's conclusion for no more than 15 days. Subjects to be considered would be confined to a list of specific measures approved by the governor and a majority of each house. Gov. Hammond concluded his statement with the reference to a public advisory vote which demonstrated the public's support for a session limitation. "Those who disagree with the concept should argue their case to the public, not deny the public the right to set the terms and conditions imposed upon the public's servants. To do otherwise constitutes public servicing." This concluded presentation of the Governor's statement by Keith Specking, Legislative Assistant to the Governor.

Bill Miles, representing himself as a private citizen, provided a brief history of his involvement in the issue. He mentioned his experience as a member of the House of Representatives (concluded in 1980); at the outset he did not support a limit, but after his experience as a legislator he supported it. Legislation calling for a limitation on session length passed the House, but not the Senate, during the time Bill Miles served in the legislature. A limit is necessary, Bill Miles stated. He feels that people work better when they have goals, and he cited examples of the many professionals for whom goals and deadlines are an integral part of the work world: judges, newspeople, and Congress members to name a few. He stated support for a 120-day limit, and thinks 90 days is inadequate time for the complex work with which 60 laypersons in a new environment must deal. By way of extension provisions, Bill suggested that either a) arrangements for an immediate special session or b) provide for extensions (10 day renewal period).

Sen. Fischer stated that a referendum approved by the people by a 3 to 1 margin provided for extension by simple majority vote of the legislature. He asked Bill Miles whether he favored extension by simple majority vote or by 2/3 vote of both houses. Bill Miles responded that he favored extension by simple majority. Sen. Fischer inquired whether such an extension should require the concurrence of the governor. Bill responded that the legislature should determine it, that the decision should not be made solely by leadership, and should go to the floor for a vote.

Sen. Kelly stated that the number of days in the session per se was not important; that 90 day limits end up with extension arrangements. He prefers the concept of a straight 120 day limit. He pointed out that when the governor calls a special session he must wait 15 days after the conclusion of the regular session to do so. When the legislature calls itself into session there is no wait period.

Sen. Eliason asked of Bill Miles whether he favored calling special session by simple majority. Bill Miles affirmed that he did. Sen. Eliason suggested that if a special session were allowed to be called by simple majority that it would result in the same problems the legislature faces now with lengthy sessions.

Sen. Fischer discussed Bill Egan's position; former Governor Egan favors a 120 day limit. During the last 20 days of a session bills may be forwarded. Bill Miles pointed out that one doesn't always know when the session will end, so it is difficult to determine when the last 20 days would be, and a special mechanism would have to be set up if Gov. Egan's system were to function.

Mark Albert Beltz, testifying as a private citizen, stated that he favors a shorter session, preferably with a 90 day limit, and that he felt the legislators should work longer hours. He also stated that he felt the session should start not on the 4th Monday of January, as provided in SJR 6, but on the second Monday, as is traditional. Sen. Kelly pointed out that this is covered by existing law. Sen. Fischer clarified this further by stating that the constitution leaves it open to change by law, an option which has been exercised. Current law provides for the session to begin on the second Monday. Sen. Fischer also made reference to Mark Albert Beltz's remark that the legislators waste alot of time, stating that the legislators currently work seven days a week, for long hours, and that delays are not due to wasting time and lack of work on the part of legislators.

Nels Anderson, former state representative and majority leader, testified from Dillingham as a private citizen. He complimented Sen. Kelly on his persistence in continuing a drive to get a limit on the sessions. Nels Anderson stated that he once opposed a session limit, and that he now favors a constitutional amendment limiting the session. He suggested a session of no less than 120 days with some provision for extension in 10 day increments by a 2/3 majority vote of each house. He pointed out that there is a tendency near the end (of the session) for things to pile up; "when adjournment fever hits it is hard to follow the movement of bills through committee". Nels Anderson stated that special sessions should be limited to five days whether they are called by the governor or by the legislature.

Joe Graham, resident of the Spenard area of Anchorage, supports a 90 day limit. He feels that a deadline would serve to get things in motion on the important issues. He prefers extension by a 3/4 vote, and suggested the insertion of a clause providing that there be no per diem until both houses were organized and that there be no per diem after the session limit deadline.

Jan Faiks, representing the Anchorage Chamber of Commerce Board of Directors, testified in support of a 90 day session, with a required 2/3 vote for a maximum of two 10-day extensions. The Chamber of Commerce has been polling gatherings of members and guests. Their Dec. 7 poll will ask members about session limit provisions. Jan Faiks stated that in some other states immediately following the election the legislators are paid for 10 days for organization prior to Christmas holidays. In Wyoming, she stated, budget work is conducted prior to convening.

Sen. Fischer inquired whether this meant if we limited per diem only no constitutional amendment would be required to limit the length of legislative sessions. Jan Faiks responded, "Something like that!" Sen.

Fischer mentioned that he introduced legislation last year providing for the earlier organization of the legislature. Jan stated that her personal view is in favor of earlier organization with per diem. She feels that people would be happy with a limit, not necessarily a specific number of days.

Sen. Eliason reiterated his support for "sudden death without extensions". Sen. Kelly stated that a 90 day limit is, in effect, a 110 day session as people know an extension is available, and that he would be happy with any limit. Sen. Fischer mentioned that any imposition or limitation on legislative action is regarded as strengthening the hand of the governor. Jan Faiks, speaking on her own behalf, noted that the legislature's power is, in part, their holding of the purse strings. She favors a 2/3 majority vote for an extension.

Jan Bomhoff, representing the Anchorage Women's Club FREE Committee, went on record as supporting a 120 day limit, and a 2/3 vote for any extension. Extension provisions should specify the number of days in the extension and the subject matter to be discussed. Jan Bomhoff stated that a shorter session would promote citizen involvement, topics of broader interest (rather than the proliferation of smaller issues), and better accomplishment of the work. She suggested legislators limit their own per diem this session prior to enacting a constitutional amendment. In response to Sen. Eliason's question, "Should the legislature be subject to the governor in making an extension?" Jan Bomhoff responded "No".

Neely Taylor, representing the Board of Common Sense for Alaska, stated the board's support for a 90 day limit. There was no formal position stated on extension provisions. Neely Taylor stated his personal views on why there is a need for a limit: to promote a citizen legislature and more citizen involvement in the process. The public loses interest during a long session, and the expense involved is great. (Mark Albert Beltz had previously stated the cost to run about $20,000 per day.) Neely stated that a shorter session would result in limiting "political brinksmanship" which he defined as a form of political game-playing. The legislature should serve as a model of a trim economical organization. Alaska should be the 34th state to have a limit. Sen. Fischer stated that some people feel that a session limit will promote political brinksmanship. Neely responded that legislators will be more interested in getting their bills moving if a session limit is imposed.

Nels Anderson inquired about the rationale for choosing the 4th Monday of the month for session to convene. Sen. Kelly clarified this language as he had for Mark Albert Beltz, and said that the language should probably be changed to avoid further confusion. In response to Nels Anderson's question, "Do you have any objection to limitation on special sessions?" Sen. Kelly stated "There is no problem for me in a five day limit."

The meeting adjourned at 10:45, there being no further testimony at that time, and reconvened at 5:00 p.m.

Mary Bargaran, representing the Soroptomists International of Anchorage,

presented a letter provided by that group. The Soroptomists supports and urges adoption by the legislature of a legislative session of "the shortest duration possible" and in no event longer than 120 days (preferably 90 days). Any extension beyond 120 days (preferably 90 days) should require a 2/3 vote of both houses and include a "limited call" provision. The extension itself should be for a specific number of days. The letter was signed by Marsha Holloman, President of the group. Mary Bargaran suggested that an extension should be for a maximum of six to ten days.

Sen. Stimson inquired of Mary what the advantage to the state would be of such a limit. Mary Bargaran stated that it was "an economical thing" and that 90 days should be sufficient time for the business to be conducted.

Sen. Stimson said that while he did see a need for a goal, a short session was to the advantage of lobbyists, most of whom are in Juneau to stop legislation. He asked if there were any advantage other than economics. Mary responded that it would be an overall saving to the state. Sen. Stimson asked if the idea of a special session bothered her, to which she responded, "No". Sen. Stimson described the logjam of bills near the end of the session. A limit, he said, would force legislators to break the logjam of bills in Finance Committee, for example. He would like to see each bill accompanied by a statement of purpose.

There being no further testimony, with the exception of informal dialogue between a Sitka observer and Senators Stimson and Fischer, the hearing/teleconference was adjourned at 5:30 p.m.

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954
Interim office: 511 West 4th Ave., Suite 5,
Anchorage, Alaska 99501 phone: 278-3654

Official Business

M E M O R A N D U M

TO: Legislators

FROM: Sen. Vic Fischer

DATE: Nov. 6, 1981

RE: Limiting length of legislative sessions

The Senate State Affairs Committee is holding a statewide teleconference/public hearing November 17 to consider amending Alaska's constitution to limit session length. Before the committee is Senate Joint Resolution No. 6, which would require adjournment no later than 120 days after a regular session begins. Alternatives are also under consideration.

This year's 165 day session is providing a major impetus to efforts to limit session length. Although I had long been opposed to a constitutional limit on philosophical and theoretical grounds, my own experience in the Senate during the past session has convinced me that establishing a constitutional limit is the only practical way we can bring the legislative session to an end without an awful waste of time, money and energy, to say nothing of taxing the public's patience.

We would appreciate your giving us your comments on the various aspects of the session limitation question:

--should a constitutional limit be established or not? Why?

--if a limit is established, what should regular session length be: 90, 100, 120 days, or what other period?

--should provision be made for extending a regular session? If so, by simple majority or by two-thirds vote of the legislature? In increments of 10 or 30 days or some other period?

--what other things should the legislature consider in acting on the issue?

The hearing will be Tuesday, November 17, from 9:30 a.m. to noon and 5:00 to 8:00 p.m. (AST) at the Anchorage Legislative Information Office, 1024 West Sixth Avenue. A statewide teleconference hookup will provide access from communities throughout Alaska.

Your contribution to this hearing will be greatly appreciated. You can provide testimony in person or by written statement.

If you wish to testify orally in Anchorage or elsewhere, please call my office (278-3654) and tell us what time would be most convenient for you. We will try to schedule you accordingly. Should you so prefer, you may without prior arrangement come to the hearing in Anchorage or speak from one of the other communities.

We will also receive written testimony. Any statements received in time will be read during the hearing for everyone's information, unless the writer prefers we not do so.

I do hope you will provide us with oral or written testimony on the session limit issue.

Senator Fischer, Chairman
State Affairs Committee
Alaska State Senate

Dear Senator Fischer:

I suggest a simple constitutional amendmend:

"Within 10 days after the end of the legislative session, each legislator shall schedule, thoroughly advertise & hold a public meeting with constituents in a centrally accessible location to explain & defend actions taken during the session."

The time allowed should be short to maximize accountability. If all Anchorage legislators (for instance), or any group of them, wanted to hold a joint meeting, that might be appropriate & would not be ruled out. Legislators with overlapping constituencies should not have simultaneous meetings, unless it's all one meeting.

What do you think? Sorry I missed the teleconference. I arrived at 11:25 & can't be here this evening. Good luck! Rick Wicks 524 8 Mumford 99504 277-1931

LEGISLATIVE RULES STUDY

Prepared by: Common Sense for Alaska Research Committee

STATE	CONFERENCE COMMITTEES	FREE CONFERENCE COMMITTEES	BILL CONTENT RULE	"GERMANE" DEFINITION	PUBLIC NOTICE OF COMMITTEE MEETINGS	JOINT COMMITTEE MEETINGS	RECOMMENDATIONS USED TO PASS BILL OUT OF CMTE	INTERIM COMMITTEES AUTHORIZATION	LIMITATION ON SESSION LENGTH	CODE OF ETHICS & DISCIPLINE	CONTRACTING PROCEDURES	LOBBYING LAWS	RULES REVIEW & ENFORCEMENT	LIMIT ON BILLS INTRODUCED	TIME LIMIT FOR CMTE TO PROCESS BILL	RULE WAIVER PROCEDURES	LEGISLATIVE OVERSIGHT
ALABAMA	YES 1(1)	NO	YES 3(1)	NO	NO 5(1)	YES 6(1)	YES 7(1)	YES 8(1)	YES 9(1)	YES 10(1)	NO 11(1)	YES 12(1)	YES 13(1)	YES 14(1)	YES 15(1)	YES 16(1)	NO 17(1)
ALASKA	YES 1(2)	YES 2(2)	YES 3(2)	YES 4(2)	NO 5(2)	YES 6(2)	YES 7(2)	YES 8(2)	NO	NO	NO	YES 12(2)	NO	NO 14(2)	NO	YES 16(a)	NO
ARIZONA	YES 1(3)	YES 2(3)	YES 3(3)	YES 4(3)	YES 5(3)	YES 6(3)	YES 7(3)	YES 8(3)	NO	YES 10(3)	NO	YES 12(3)	YES 13(3)	YES 14(3)	YES 15(3)	YES 16(b)	YES 17(3)
ARKANSAS	YES 1(4)	NO	YES 3(a)	NO 4(4)	YES 5(4)	YES 6(4)	YES 7(4)	YES 8(4)	YES 9(4)	NO	YES 11(4)	YES 12(4)	YES 13(4)	YES 14(4)	YES 15(4)	YES 16(b)	NO 17(4)
CALIFORNIA	YES 1(5)	YES 2(5)	YES 3(5)	YES 4(5)	YES 5(5)	YES 6(5)	YES 7(5)	YES 8(5)	NO	YES 10(5)	YES 11(5)	YES 12(5)	YES 13(5)	NO	YES 15(5)	YES 16 (5)	NO
COLORADO	YES	YES 2(6)	YES 3(6)	NO	YES 5(6)	YES 6(6)	YES 7(6)	YES 8(6)	NO	NO 10(6)	YES 11(6)	YES 12(6)	YES 13(6)	NO	YES 15(6)	YES 16(6)	YES 17(6)
CONNECTICUT	YES 1(7)	NO	NO 3(7)	YES 4(7)	YES 5(7)	YES 6(7)	YES 7(7)	YES 8(7)	YES 9(7)	YES 10(7)	YES 11(7)	YES 12(7)	NO	YES 14(7)	YES 15(7)	YES 16(b)	YES 17(7)
DELAWARE	NO 1(8)	NO	YES 3(8)	NO	YES 5(8)	YES 6(6)	YES 7(8)	NO	YES 9(8)	YES 10(8)	YES 11(8)	YES 12(8)	NO	YES 14(8)	YES 15(8)	YES 16(b)	YES 17(8)
FLORIDA	YES 1(9)	NO	YES 3(9)	YES 4(9)	YES 5(9)	YES 6(9)	YES 7(9)	YES 8(9)	YES 9(9)	YES 10(9)	NO	YES 12(9)	YES 13(9)	YES 14(9)	YES 15(9)	YES 16(a)	YES 17(9)
GEORGIA	YES 1(10)	NO	YES 3(10)	NO 4(10)	YES 5(10)	NO	YES 7(10)	YES 8(10)	YES 9(10)	YES 10(10)	NO	NO	NO	NO	YES 15(10)	YES 16(b)	NO
HAWAII	YES 1(11)	NO	YES 3(11)	NO	YES 5(11)	YES 6(11)	YES 7(11)	YES 8(11)	YES 9(11)	YES 10(11)	NO 11(11)	YES 13(11)	YES 13(11)	YES 14(11)	YES 15(11)	YES 16(11)	YES 17(11)
IDAHO	YES 1(12)	NO	YES 3(12)	YES 4(12)	NO 5(12)	YES 6(12)	YES 7(12)	YES 8(12)	YES 9(12)	NO	NO	YES 12(12)	NO	NO	NO	YES 16(12)	YES 17(12)
ILLINOIS	YES 1(13)	NO 2(13)	YES 3(13)	YES 4(13)	YES 5(13)	YES 6(13)	YES 7(13)	YES 8(13)	NO	YES 10(13)	NO 11(13)	YES 12(13)	NO	YES 14(13)	YES 15(13)	YES 16(b)	YES 17(13)
INDIANA	YES 1(14)	NO	YES 3(14)	YES 4(14)	YES 5(14)	YES 6(14)	YES 7(14)	YES 8(14)	YES 9(14)	YES 10(14)	NO 11(14)	YES 12(14)	YES 13(14)	YES 14(14)	NO 15(14)	YES 16(14)	YES 17(14)
IOWA	YES 1(15)	YES 2(15)	YES 3(15)	YES 4(15)	YES 5(15)	YES 6(15)	YES 7(15)	YES 8(15)	NO	YES 10(15)	NO 11(15)	YES 12(15)	YES 13(15)	YES 14(15)	YES 15(15)	YES 16(15)	YES 17(15)
KANSAS	YES 1(16)	NO	YES 3(16)	NO 4(16)	NO 5(16)	YES 6(16)	YES 7(16)	YES 8(16)	YES 9(16)	YES 10(16)	YES 11(16)	YES 12(16)	YES 13(16)	YES 14(16)	YES 15(16)	YES 16(16)	YES 17(16)
KENTUCKY	YES 1(17)	YES 2(17)	YES 3(17)	YES 4(17)	YES 5(17)	YES 6(17)	YES 7(17)	YES 8(17)	YES 9(17)	YES 10(17)	YES 12(17)	YES 12(17)	NO	YES 14(17)	NO 15(17)	YES 16(17)	YES 17(17)
LOUISIANA	YES 1(18)	NO	YES 3(a)	YES 4(18)	YES 5(18)	YES 6(18)	YES 7(18)	YES 8(18)	YES 9(18)	YES 10(18)	NO 11(18)	YES 12(18)	YES 13(18)	YES 14(18)	YES 15(18)	YES 16(18)	YES 17(18)
MAINE	YES 1(19)	NO	NO 3(19)	YES 4(19)	YES 5(19)	YES 6(19)	YES 7(19)	YES 8(19)	YES 9(19)	YES 10(19)	YES 11(19)	YES 12(19)	YES 13(19)	YES 14(19)	YES 15(19)	YES 16(b)	YES 17(19)
MARYLAND	YES 1(20)	YES 2(20)	YES 3(20)	YES 4(20)	YES 5(20)	YES 6(20)	YES 7(20)	YES 8(20)	YES 9(20)	YES 10(20)	YES 11(20)	YES 12(20)	NO	YES 14(20)	NO	YES 16(a)	NO
MASSACHUSETTS	YES 1(21)	NO	NO	YES 4(21)	YES 5(21)	YES 6(21)	YES 7(21)	YES 8(21)	NO	YES 10(21)	YES 11(21)	YES 12(21)	YES 13(21)	YES 14(21)	YES 15(21)	YES 16(21)	YES 17(21)
MICHIGAN	YES 1(22)	NO	YES 3(22)	YES 4(22)	YES 5(22)	YES 6(22)	YES 7(22)	YES 8(22)	NO	YES 10(22)	NO 11(22)	YES 12(22)	YES 13(22)	NO	NO	YES 16(22)	YES 17(22)
MINNESOTA	YES 1(23)	YES 2(23)	YES 3(23)	YES 4(23)	YES 5(23)	YES 6(23)	YES 7(23)	YES 8(23)	YES 9(23)	YES 10(23)	NO 11(23)	YES 12(23)	YES 13(23)	YES 14(23)	YES 15(23)	YES 16(a)	YES 17(23)
MISSISSIPPI	YES 1(24)	NO	NO 3(24)	NO	YES 5(24)	YES 6(24)	YES 7(24)	YES 8(24)	YES 9(24)	NO 10(24)	NO	YES 12(24)	NO	YES 14(24)	YES 15(24)	YES 16(24)	YES 17(24)
MISSOURI	YES 1(25)	NO	YES 3(25)	YES 4(25)	YES 5(25)	NO	YES 7(25)	YES 8(25)	YES 9(25)	NO 10(25)	YES 11(25)	YES 12(25)	NO	YES 14(25)	NO 15(25)	YES 16(b)	NO
MONTANA	YES 1(26)	YES 2(26)	YES 3(26)	YES 4(26)	NO 5(26)	YES 6(26)	NO 7(26)	YES 8(26)	YES 9(26)	YES 10(26)	NO	YES 12(26)	YES 13(26)	YES 14(26)	YES 15(26)	YES 16(26)	NO
NEBRASKA	NO 1(27)	NO	YES 3(27)	NO 4(27)	YES 5(27)	NO 6(27)	YES 7(27)	YES 8(27)	YES 9(27)	NO	YES 11(27)	YES 12(27)	NO	YES 14(27)	YES 15(27)	YES 16(27)	YES 17(27)
NEVADA	YES 1(28)	NO 2(28)	YES 3(28)	YES 4(28)	YES 5(28)	YES 6(28)	YES 7(28)	YES 8(28)	YES 9(28)	YES 10(28)	NO	YES 12(28)	NO	YES 14(28)	NO	YES 16(b)	YES 17(28)
NEW HAMPSHIRE	YES 1(29)	NO	YES 3(29)	YES 4(29)	YES 5(29)	YES 6(29)	YES 7(29)	YES 8(29)	NO	YES 10(29)	NO	YES 12(29)	NO	YES 14(29)	YES 15(29)	YES 16(b)	YES 17(29)
NEW JERSEY	YES 1(30)	YES 2(30)	NO	NO 4(30)	YES 5(30)	YES 6(30)	YES 7(30)	NO 8(30)	NO	YES 10(30)	NO 11(30)	YES 12(30)	YES 13(30)	NO	NO	YES 16(a)	YES 17(30)
NEW MEXICO	YES 1(31)	NO	YES 3(31)	NO	YES 5(31)	YES 6(31)	YES 7(31)	YES 8(31)	YES 9(31)	NO	NO 11(31)	YES 12(31)	NO	YES 14(31)	NO	YES 16(a)	YES 17(31)
NEW YORK	YES 1(32)	YES 2(32)	YES 3(32)	NO	YES 5(32)	YES 6(32)	YES 7(32)	NO	NO	YES 10(32)	YES 11(32)	YES 12(32)	NO	YES 14(32)	NO	YES 16(32)	YES 17(32)
NORTH CAROLINA	YES 1(33)	NO	NO	YES 4(33)	YES 5(33)	YES 6(33)	YES 7(33)	YES 8(33)	NO	YES 10(33)	NO 11(33)	YES 12(33)	YES 13(33)	YES 14(33)	YES 15(33)	YES 16(33)	YES 17(33)
NORTH DAKOTA	YES 1(34)	NO	YES 3(34)	YES 4(34)	YES 5(34)	YES 6(34)	YES 7(34)	YES 8(34)	YES 9(34)	NO	NO	YES 12(34)	YES 13(34)	YES 14(34)	YES 15(34)	YES 16(a)	YES 17(34)
OHIO	YES 1(35)	NO	YES 3(35)	YES 4(35)	YES 5(35)	YES 6(35)	YES 7(35)	YES 8(35)	NO	YES 10(36)	NO 11(35)	YES 12(35)	NO	YES 14(35)	NO 15(35)	YES 16(35)	NO 17(35)
OKLAHOMA	YES 1(36)	NO	YES 3(36)	YES 4(36)	NO	YES 6(36)	YES 7(36)	YES 8(36)	YES 9(36)	YES 10(36)	NO 11(36)	YES 12(36)	YES 13(36)	YES 14(36)	YES 15(36)	YES 16(b)	YES 17(36)
OREGON	YES 1(37)	NO	YES 3(37)	YES 4(37)	YES 5(37)	YES 6(37)	YES 7(37)	YES 8(37)	NO	YES 10(37)	YES 11(37)	YES 12(37)	NO	YES 14(37)	YES 15(37)	YES 16(37)	YES 17(37)
PENNSYLVANIA	YES 1(38)	NO	YES 3(a)	NO 4(38)	YES 5(38)	NO 6(38)	YES 7(38)	YES 8(38)	NO	YES 10(38)	NO	YES 12(38)	NO	NO	NO	YES 16(38)	NO 17(38)
RHODE ISLAND	NO	NO	YES 3(39)	YES 4(39)	YES 5(39)	YES 6(39)	YES 7(39)	NO	YES 9(39)	NO	NO 11(39)	YES 12(39)	NO	YES 14(39)	YES 15(39)	YES 16(39)	YES 17(39)
SOUTH CAROLINA	YES 1(40)	YES 2(40)	YES 3(40)	YES 4(40)	YES 5(40)	YES 6(40)	YES 7(40)	YES 8(40)	YES 9(40)	YES 10(40)	NO	YES 12(40)	NO	NO	NO	YES 16(40)	NO
SOUTH DAKOTA	YES 1(41)	YES	YES 3(41)	YES 4(41)	YES 5(41)	YES 6(41)	YES 7(41)	YES 8(41)	YES 9(41)	NO 10(41)	NO 11(41)	YES 12(41)	NO	YES 14(41)	YES 15(41)	YES 16(41)	YES 17(41)
TENNESSEE	YES 1(42)	YES 2(42)	YES 3(42)	YES 4(42)	YES 5(42)	YES 6(42)	YES 7(42)	NO 8(42)	YES 9(42)	YES 10(42)	NO	YES 12(42)	YES 13(42)	YES 14(42)	YES 15(42)	YES 16(a)	NO
TEXAS	YES 1(43)	NO	YES 3(43)	NO	YES 5(43)	YES 6(43)	YES 7(43)	YES 8(43)	YES 9(43)	NO 10(43)	YES 11(43)	YES 12(43)	NO	YES 14(43)	NO	YES 16(b)	NO
UTAH	YES 1(44)	NO	YES 3(44)	YES 4(44)	YES 5(44)	YES 6(44)	YES 7(44)	YES 8(44)	YES 9(44)	YES 10(44)	NO 11(44)	YES 12(44)	NO	YES 14(44)	YES 15(44)	YES 16(44)	NO 17(44)
VERMONT	YES 1(45)	YES 2(45)	YES 3(45)	YES 4(45)	NO 5(45)	YES 6(45)	YES 7(45)	YES 8(45)	NO	NO	NO 11(45)	YES 12(45)	YES 13(45)	YES 14(45)	YES 15(45)	YES 16(45)	YES 17(45)
VIRGINIA	YES 1(46)	NO	YES 3(46)	YES 4(46)	NO	YES 6(46)	YES 7(46)	YES 8(46)	YES 9(46)	NO 10(46)	NO	YES 12(46)	YES 13(46)	NO 14(46)	NO	YES 16(46)	YES 17(46)
WASHINGTON	YES 1(47)	YES 2(47)	YES 3(47)	NO	YES 5(47)	YES 6(47)	YES 7(47)	YES 8(47)	YES 9(47)	YES 10(47)	NO	YES 12(47)	NO 13(47)	YES 14(47)	YES 15(47)	YES 16(b)	NO
WEST VIRGINIA	YES 1(48)	NO	YES 3(a)	YES 4(48)	YES 5(48)	YES 6(48)	YES 7(48)	YES 8(48)	YES 9(48)	NO	NO	YES 12(48)	YES 13(48)	YES 14(48)	YES 15(48)	YES 16(5)	YES 17(48)
WISCONSIN	YES 1(49)	NO	YES 3(49)	YES 4(49)	YES 5(49)	YES 6(49)	YES 7(49)	YES 8(49)	NO	YES 10(49)	YES 11(49)	YES 12(49)	YES 13(49)	NO	NO 15(49)	YES 16(b)	YES 17(49)
WYOMING	YES 1(50)	YES 2(50)	YES 3(50)	NO	YES 5(50)	YES 6(50)	YES 7(50)	YES 8(50)	YES 9(50)	NO	NO 11(50)	YES 12(50)	NO	YES 14(50)	NO	YES 16(a)	NO

Soroptimist International of Anchorage, Alaska
Northwestern Region
Soroptimist International of the Americas, Inc.

P. O. Box 561
Anchorage, Alaska 99510

Senator Vic Fischer
Chairman, State Affairs Committee
221 E. 7th Ave. #204
Anchorage, Alaska 99501

Dear Senator Fischer,

Soroptimist International of Anchorage supports and urges adoption by the legislature of a legislative session of the shortest duration possible and in no event longer than 120 days (preferably 90 days). Any extension beyond 120 days (preferably 90 days) should require a 2/3 vote of both houses and include a "limited call" provision. The extension itself should be for a specific number of days.

Marsha D. Holloman

President, Soroptimist
International of Anchorage

11-17-81

STATEMENT ON LIMITING LEGISLATIVE SESSION

Presented By

Keith Specking, Legislative Assistant
to the Governor

In my twelve years of legislative service, there was only one session which warranted more than 90 days. That was the first session during which we set up the entire state government -- and we did that in but 84.

Inadequate pay and the necessity to conclude our work expeditiously in order to return to our private sector endeavors at first insured relatively brief sessions. Over time, this changed. The sense of urgency which prevailed in the early years diminished. Increased pay, benefits, staff and workload, compounded by the increasing magnitude and complexity of issues, all served to extend legislative sessions. Most recently, ephemeral funding "surpluses" and resultant attempts by a multidude of interests to secure ever larger cuts of the pie, encumbered the legislature with a host of decisions not confronting those previous legislatures which had no "surplus funds" to dole out.

Ironically, however, it is precisely because of our current "easy money" condition that many have become convinced that both a limitation on spending and session length are now imperative. Gone, with elimination of the income tax, are constraints imposed by public indignation as to how we spend their tax dollars. Gone is the need to insure that

development projects must "pay their own way." Gone is the need to say "no" to "worthy projects" simply because the money's not there.

Any limitation on session length should:

1. Provide ample time to complete work on crucial matters.

2. Serve to reduce the legislative "logrolling" normally required to bring sessions to close, and

3. Provide for less than the current undue 15 day delay before a session could be extended, as is the case now with special sessions.

Some years ago I proposed a constitutional limitation on session length which would have met these objectives. I intend to reintroduce it this year for your consideration.

This would establish a session length "target" of 90 days. If work on crucial issues were not completed by then, only with the concurrence of the governor and leaders of both houses could a special extension of no more than 15 days be called. This could reconvene within 3 days of the regular session's conclusion. Subjects to be considered would be confined to a list of specific measures approved by the governor and a majority of each house.

As we all know, weeks and millions of dollars were added unnecessarily to many sessions under a system which permits a single individual to frustrate the will of the majority in behalf of an issue of crucial concern to himself. If 90 days only were allotted for such activities with the recognition that then such "special issues" would fall through the cracks, I suspect we would seldom see sessions of agonizingly long duration. Especially would such be the case if the spending limitation proposal you passed last year were also adopted.

Certainly with the abundant increase in staff and interim committee activity it would seem that a <u>reduction</u> in session length would have resulted. That precisely the opposite happened, I believe, is very simply attributed to the fact that there is no self imposed pre-session target for either spending or length upon which all parties can agree.

Few individuals have the necessary self discipline to establish such targets and adhere to them absolutely, unless <u>absolutely</u> compelled to do so. How then can we possibly expect a group of 60 to do so?

A public advisory vote demonstrated the public's overwhelming support for a session limitation. Those who disagree with the concept should argue their case to the public, not deny the public the right to set the terms and

conditions imposed upon the public's servants. To do otherwise constitutes public servicing.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

State or other jurisdiction	Year	Regular sessions: Legislature convenes* Month	Day	Limitation on length of session	Special sessions: Legislature may call†	Legislature may determine subject	Limitation on length of session
Alabama	Annual	Apr.	3rd Tues. (a,b)	30 I. in 105 C	No	2/3 vote each house	12 I. in 30 C
		Feb.	1st Tues.				
		Jan.	2nd Tues.(c)				
Alaska	Annual	Jan.	3rd Mon.(a)	None	2/3 vote of membership	Yes(d)	30 C
		Jan.	2nd Mon.				
Arizona	Annual	Jan.	2nd Mon.	None(e)	Petition 2/3 members, each house	Yes(d)	None
Arkansas	Odd(f)	Jan.	2nd Mon.	60 C(f)	No	(g)	None(g)
California	Even(h)	Dec.	1st Mon.	None	No	No	None
Colorado	Annual(i)	Jan.	Wed. after 1st Tues.	None	Vote 2/3 members, each house	Yes(d)	None
Connecticut	Annual(i)	Odd: Jan.	Wed. after 1st Mon.	(j)	No	No	None
		Even: Feb.	Wed. after 1st Mon.	(j)			
Delaware	Annual(k)	Jan.	2nd Tues.	June 30	Jt. call, presiding officers, both houses	Yes	None
Florida	Annual	Apr.	Tues. after 1st Mon.(b)	60 C(f)	Jt. call, presiding officers, both houses	Yes	20 C(f)
Georgia	Annual(k)	Jan.	2nd Mon.	40 I.	Petition 3/5 members, each house	Yes(d)	(l)
Hawaii	Annual(k)	Jan.	3rd Wed.	60 I.(f)	Petition 2/3 members, each house	Yes	30 I.(f)
Idaho	Annual	Jan.	Mon. on or nearest 9th day	None	No	No	20 C
Illinois	Annual(k)	Jan.	2nd Wed.	None	Jt. call, presiding officers, both houses	Yes	None
Indiana	Annual	Jan.	2nd Mon.(b)	Odd: 61 I. or Apr. 30 Even: 30 I. or Mar. 15	No	Yes	30 I. in 40 C
Iowa	Annual(k)	Jan.	2nd Mon.	None(m)	Petition 2/3 members, each house	Yes	None
Kansas	Annual(k)	Jan.	2nd Mon.	Odd: none Even: 90 C(f)	Petition to governor of 2/3 members, each house	Yes	None
Kentucky	Even	Jan.	Tues. after 1st Mon.	60 I.	No	No	None
Louisiana	Annual	Apr.	3rd Mon.	60 I. in 85 C	Petition majority, each house	Yes(d)	30 C
Maine	Even(h)	Dec.	1st Wed.	None	Vote of majority of each party, each house	Yes(d)	None
	Even(i)	Jan.	1st Wed. after 1st Tues.				
Maryland	Annual	Jan.	2nd Wed.	90 C(f,n)	Petition majority, each house	Yes	30 C
Massachusetts	Annual	Jan.	1st Wed.	None	Yes	Yes	None
Michigan	Annual(k)	Jan.	1st Wed.	None	No	No	None
Minnesota	Odd(o)	Jan.	Tues. after 1st Mon.	120 I. or 1st Mon. after 3rd Sat.	No	Yes	None
Mississippi	Annual	Jan.	Tues. after 1st Mon.	(f,p)	No	No	None
Missouri	Annual	Jan.	Wed. after 1st Mon.	Odd: June 30 Even: May 15	No	No	60 C
Montana	Odd	Jan.	1st Mon.	90 I.	Petition majority, each house	Yes	None
Nebraska	Annual(k)	Jan.	1st Wed. after 1st Mon.	Odd: 90 I.(f) Even: 60 I.(f)	Petition 2/3 members	Yes	None
Nevada	Odd	Jan.	3rd Mon.	60 C(m)	No	No	20 C(m)
New Hampshire	Odd	Jan.	1st Wed. after 1st Tues.(b)	(m)	Yes	Yes	None(m)
New Jersey	Annual	Jan.	2nd Tues.	None	Petition majority, each house	Yes	None
New Mexico	Annual(l)	Jan.	3rd Tues.	Odd: 60 C Even: 30 C	Petition 3/5 members, each house	Yes(d)	30 C
New York	Annual(k)	Jan.	Wed. after 1st Mon.	None	Petition 2/3 members, each house	Yes(d)	None
North Carolina	Odd(o)	Jan.	Wed. after 2nd Mon.	None	Petition 3/5 members, each house	Yes	None
North Dakota	Odd	Jan.	1st Mon.(b,q)	80 N	No	Yes	None
Ohio	Annual	Jan.	1st Mon.(q)	None	Jt. call, presiding officers, both houses	Yes	None
Oklahoma	Annual(k)	Jan.	Tues. after 1st Mon.	90 I.	No	No	None
Oregon	Odd	Jan.	2nd Mon.	None	Petition majority, each house	Yes	None
Pennsylvania	Annual(k)	Jan.	1st Tues.	None	Petition majority, each house	No	None
Rhode Island	Annual(k)	Jan.	1st Tues.	60 I.(m)	No	No	None
South Carolina	Annual(k)	Jan.	2nd Tues.(b)	None	No	Yes	None
South Dakota	Annual	Jan.	Odd: Tues. after 3rd Mon. Even: Tues. after 1st Mon.	45 I. 30 I.	No	No	None
Tennessee	Odd(o)	Jan.	1st Tues.(b)	90 I.(m)	Petition 2/3 members, each house	Yes	30(m)
Texas	Odd	Jan.	2nd Tues.	140 C	No	No	30 C
Utah	Annual(l)	Jan.	2nd Mon.	Odd: 60 C Even: 20 C	No	No	30 C
Vermont	Odd(o)	Jan.	Wed. after 1st Mon.	None(m)	No	Yes	None
Virginia	Annual(k)	Jan.	2nd Wed.	Even: 60 C(f) Odd: 30 C(f)	Petition 2/3 members, each house	Yes	None
Washington	Annual	Jan.	2nd Mon.	Odd: 105 C Even: 60 C	Petition 2/3 members, each house	Yes	30C
West Virginia	Annual	Jan.	2nd Wed.(r)	60 C (f, n)	Petition 3/5 members, each house	Yes(s)	None
Wisconsin	Annual	Jan.	1st Tues. after Jan. 8(t)	None	No	No	None
Wyoming	Annual(l)	Jan.	Odd: 2nd Tues.	40 I.	No	Yes	None
			Even: 2nd Tues.	20 I.			

Hawaii (l)	*	...	*(o)	...	10(i,p)	45 A(i,p)	(p)	2/3 elected	Immediately
Idaho	...	...	*	...	5	10 A	...	2/3 elected	July 1(n)
Illinois	...	*(q)	*(d)	...	60(f)	60 P(f)	...	3/5 elected(c)	January 1(n,t)
Indiana	*	...	...	...	7	7 A	...	Majority elected	Proclamation of gov.
Iowa	*	*	*	*	3	30 A(s)	30 A(s)	2/3 elected	July 1(n)
Kansas	*	...	*	...	10	10 P	...	2/3 elected	Upon publication
Kentucky	...	...	*	...	10	10 A	...	Majority elected	90 days after adjournment
Louisiana (l)	...	...	*	...	10(f)	20 P(f)	...	2/3 elected	60 days after adjournment
Maine	*	...	...	...	10	(m)	...	2/3 present	90 days after adjournment
Maryland (l)	*	*	*(t)	*	6	30 P(m)	...	3/5 elected	June 1(u)
Massachusetts	*	*(q)	*(d)	*	10(i)	...	10 P	2/3 present	90 days
Michigan	*	...	*	*	14(f)	...	14 P(f)	2/3 elected & serving	90 days after adjournment
Minnesota	*	...	*	...	3	...	14 P	2/3 elected	Aug. 1(v)
Mississippi	...	...	*	*	5	15 P(m)	...	2/3 elected	60 days
Missouri	...	...	*(d)	...	15(s)	45 P(m,s)	...	2/3 elected	90 days after adjournment(v,s)
Montana	...	*(q)	*	*	5(f)	25 A(f)	...	2/3 present(e)	July 1
Nebraska	*	*	*(y)	...	5	5 A	...	3/5 elected	3 mo. after adjournment
Nevada	*	*	...	...	5	10 A	...	2/3 elected	July 1
New Hampshire	*	*	...	...	5	...	5 P	2/3 elected	60 days
New Jersey	...	*(q)	*(d)	...	10(z)	45 A(z,s)	45 A(aa)	2/3 elected	July 4
New Mexico	*	*	*	...	3	...	20 A	2/3 present	90 days after adjournment(v)
New York	*	...	*	...	10	...	30 A(f)	2/3 elected	20 days
North Carolina	...	...	(ab)	...	(ab)	(ab)	(ab)	...	30 days after adjournment
North Dakota	...	...	*(d)	*	3	15 A	...	2/3 elected	July 1
Ohio	*	*	*	...	10	10 A	...	3/5 elected	90 days after filed with secretary of state
Oklahoma	*	...	*	...	5	...	15 A	2/3 elected(e)	90 days after adjournment
Oregon	*	...	*	*	5	20 A	...	2/3 present	90 days after adjournment
Pennsylvania	*	...	*(d)	...	10(f)	30 A(f)	...	2/3 elected	60 days
Rhode Island	...	...	...	...	6	10 A(f)	...	3/5 present	10 days after adjournment
South Carolina	*	...	*	*	5	(m)	...	2/3 present	20 days
South Dakota	*	*	*	*	5	15 A	...	2/3 elected	July 1(n)
Tennessee	*	...	*(d)	...	10	10 A	...	Majority elected	40 days
Texas	*	*	*	...	10	20 A	...	2/3 present	90 days after adjournment
Utah	*	...	*	...	5	10 A	...	2/3 elected	60 days after adjournment
Vermont	*	...	...	...	5	...	3 A	2/3 present	July 1
Virginia	...	*	*	*	7(f)	...	30 A(f)	2/3 present(ac)	1st day of 4th mo. after adjournment
Washington	...	...	*	*	5	20 A	...	2/3 present	90 days after adjournment
West Virginia	*	...	*(d)	*	5	45 A(ad)	...	Majority elected(e)	90 days after final passage by legislature
Wisconsin	*	...	*	*	6	...	6 P	2/3 present	Upon publication
Wyoming	*	*	*	...	3	15 A(f)	...	2/3 elected	Immediately
American Samoa	*	*	*	...	10	...	30 P	2/3 elected	(w)
Guam	...	...	*	...	10	...	30 P	14 members	(w)
Mariana Islands	...	...	*	...	10	30	...	3/4 elected	(w)
Puerto Rico	...	...	*(d)	*	10	...	30 P(f)	2/3 elected	Specified in act
Virgin Islands	...	*	*	*	10	...	30 P(f)	2/3 elected	15 days (w)
U.S. Congress	...	...	...	...	10	...	10 P	2/3 present	Immediately

Key:
P—days after presentation to governor
A—days after adjournment of legislature

(a) Sundays excluded.
(b) Bill is returned to house of origin with objections.
(c) Penal acts, 60 days.
(d) The governor can also reduce items in appropriations measures.
(e) Revenue and appropriations bills. Alaska: 2/3 elected. Illinois: appropriation reductions, majority elected. Montana: 3/5. Oklahoma: emergency bills, 3/4. West Virginia: budget and supplementary appropriations, 2/3 elected.
(f) Sundays included.
(g) Regular sessions: the last day which either house may pass a bill (except statutes calling elections, statutes providing for tax levies or appropriations for usual current expenses of the state, and urgency statutes) is August 31 of even-numbered years. All bills given to the governor during the 12 days prior to August 31 of that year become law unless vetoed by September 30. Special sessions: 12 days.
(h) Regular sessions: January 1 next following 90-day period from date of enactment. Special sessions: 91st day after adjournment.
(i) Except Sundays and legal holidays. Hawaii: except Saturdays, Sundays, holidays, and any days in which the legislature is in recess prior to adjournment.
(j) Special acts: immediately.
(k) Only by originating house.
(l) Constitution withholds right to veto constitutional amendments.
(m) Bills vetoed after adjournment shall be returned to the legislature for reconsideration. Georgia: returned within 35 days from the date of adjournment for reconsideration within the first 10 days of the next session. Maine: returned within 3 days after the next meeting of the same legislature which enacted the bill or resolution. Maryland: reconsidered at the next meeting of the same General Assembly. Mississippi: returned within 3 days after the beginning of the next session. Missouri: bills returned within 4 days of adjournment or later in first session are considered at beginning of 2nd session. Bills returned in second session are considered on automatic veto session held for no more than 10 days beginning on the first Wednesday following the first Monday in September. South Carolina: within 2 days after the next meeting.
(n) Effective date for acts which become law on or after July 1. Georgia: January 1. Idaho: special sessions, 60 days after adjournment. Illinois: July 1 of next calendar year. Iowa: special sessions, 90 days after adjournment. South Dakota: 91st day after adjournment.
(o) The governor can only reduce items in the executive appropriations measures. The governor can neither reduce nor item veto items in the legislative or judicial budgets, but he may veto the budget as a whole.
(p) The governor must notify the legislature 10 days before the 45th day of his intent to veto a measure on that day. The legislature may convene on 45th day after adjournment to consider vetoed measures. If the legislature fails to reconvene, the bill does not become law. If the legislature reconvenes, it may pass the measure over the governor's veto or it may amend the law to meet the governor's objections. If the law is amended, the governor must sign the bill within 10 days after it is presented to him for it to become law.
(q) Amendatory veto.
(r) Any law may have another effective date specified. Bills passed after June 30 which specify an earlier effective date must receive the approval of 3/5 of the members elected to each house.
(s) The governor must sign or veto all bills presented to him. Iowa: during the last three days of the session. Missouri: if the governor fails to return the approved or vetoed bill, the legislature by joint resolution may direct the enrollment of the bill and it becomes law.
(t) Item veto on supplementary appropriation bills and capitol construction bill only. The general appropriation bill may not be vetoed.
(u) Bills passed over governor's veto are effective on 30 days or on date specified in bill, whichever is later.
(v) Appropriations acts. Minnesota: July 1. Missouri: immediately. New Mexico: immediately.
(w) All laws require approval by Secretary of Interior.
(x) In event of a recess of 30 days or more, legislature may prescribe by joint resolution that laws previously passed and not effective shall take effect 90 days from beginning of recess.
(y) No appropriation can be made in excess of the recommendations contained in the governor's budget unless by a 2/3 vote. The caucus is not subject to veto by the governor.
(z) If house of origin is in temporary adjournment on the 10th day (Sundays excepted) after presentation to governor, bill becomes law on day house of origin reconvenes unless returned by governor on that day.
(aa) Bills not signed by governor do not become law if the 45th day after adjournment sine die comes after the end of the legislative year.
(ab) Governor has no approval or veto power.
(ac) Including majority elected
(ad) Five days for appropriations bills.

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

Roger H. Gay
c/o P.O. Box 3-4103 ECS
Anchorage AK.
99501

Hello,

First I would like to express my appreciation for this Legislative Teleconference Network which enables me to express my views Concerning Chapter 49. I would also like to take this time to mention the fine jobs being done by the employees of the Legislative Affairs Agency.

I have a prepared statment which I hope to read in it's entirty. I will speak individually on the three subsections as listed under Section 1. Findings and Purpose.

Starting with 39.49. Section 1. subsection(1). Why do we need to establish a bureaucracy to "prescribe standards of conduct for Public Officers," When we already have a standard of conduct for public officers. I refer to, of course, to the Constitution of the United States and the Constitution of the State of Alaska, Article 6 paragraph 3 and Article 12 section 5 respectivly. Both of which require all public officers to swear to support and defend the Constitutions of the United States and the State. The ethics of public officers are crystal clear. They are bound by law and oath to support the Constitutions. This is what they were put in place to do, their oath of office is their only authorization.

In referance to subsection(2) of section 1. of 39.49., I can only agree that the public needs to educate and inform public officers as to their duties and responsibilities.

Subsection(3) of Section 1 of 39.49. makes one wonder what was the intent of this Legislation.

It looks really good on the outside. The Commission appears to offer the public protection from corrupt officers. But here in 39.49.190 we find a loophole a whale of corruption could leap through. 39.49.190 subsection (1) effectively nullifies any protection implied, by this legislation, to the people.

For you to legislate 39.49.190 with subsection (1) intact is a mockery. Subsection (1) states that the commission may ignor a request for an advisory opinion and thereby sanction a public officer to continue to violate the law by assuming that no opinion, constitutes no violation. And then binds the Commission to no opinion, or to an opinion contrary to the law. This subsection does a real good job of protecting everybody except the citizen.

When a citizen takes the time to point out, to a public officer, a discrepency in the use of official power, the citizen should be considered, or assumed, knowledgable of the situtions and facts and therefore correct in his judgement.

I suggest we replace Section 39.49.190 subsection (1) with the following paragraph. Upon written request, from a citizen, a public officer or former public officer shall be required to file a request for an advisory opinion as to whether stated facts and circumstances may constitute a violation of this chapter. If an advisory opinion is not issued within 30 days, after the request is filed with the commission, the public officer or former public officer shall consider that the facts and circumstances stated in the request "do" constitute a violation of this chapter, the opinion issued or considered issued is binding on the commission in a subsequent charge concerning the public officer or former pudic officer who sought the opinion and acted in reliance on it unless materiel facts were

I feel it is important to point out that this legislation delegates powers that are are already vested in the Office of Governor. I would like to know where the legislators got the authority to transfer powers from one Branch of the Government to an Other. Article III section 16 of the Alaska Constitution clearly states that it is the responsibility of the Governer to insure "the faithful execution... and enforce compliance with any constitutional or legislative mandate, or restrain violation of any constitutional or legislative power, duty, or right by any officer, department or agency of the state or any of it's political subdivisions.

In closing I would like to reiterate that not only does this "Bill", as presented, ~~subvert and~~ intentionally subvert and circumvent the peoples right and authority to bring grievences before the proper official, but does so behind a smokescreen of concern for the public interest.

Furthermore this bill is clearly unconstitutional as I pointed out when I referred to Article III Section 16 of the Alaska State Constitution.

This bill should be filed with the other numerous, unconstitutional Bills, Acts, laws, and resolutions for which the Alaska Legislature is renowned.

Respectfully Submitted

Royce W. Hay

SJR

9

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

SJR 9

PROPOSED AMENDMENT TO THE

ALASKA CONSTITUTION LIMITING TERMS

OF LEGISLATORS

This bill proposes a constitutional amendment to limit House legislatve terms to not more than four consecutive full two year terms and Senate legislative terms to not more than two consecutive full four year terms. Only terms which begin after December 31, 1982 are affected.

Alaska State Legislature

SENATOR
M. "ED" DANKWORTH

REPRESENTING
SENATE DISTRICT 12-J

COMMITTEES
VICE-CHAIRMAN
JUDICIARY
RESOURCES

FINANCE
REGULATORY REVIEW

Senate

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2425 HIALEAH DRIVE
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IN SESSION
POUCH V
JUNEAU, ALASKA 99811
PHONE: (907) 465-3749

February 27, 1980

I Ke Harvey

Honorable Thomas B. Stewart
Juneau Court & Office Bldg.
Juneau, Alaska 99811

Dear Tom,

I have attached a copy of SJR 42 which I recently introduced in the Senate. This resolution would amend our state constitution to limit the number of consecutive years that a legislator may serve to; eight years in the House and eight years in the Senate.

My personal philosophy is one that would generally oppose any law which would restrict the right of the public to choose a candidate. I do believe, that when there is a substantial change in the function of one of the branches of government, that a review of the checks and balance of power is in order.

I suppose that my chief concern has been that the legislature has developed into a year-round operation. The legislature now, more than perhaps was invisioned in the beginning, manages and developes one of the richest natural resource deposits in the world. Because of the Legislature's internal wealth and liberal rules of operation, an incumbent legislator has an unpresidented advantage over the average citizen seeking to compete with him for office. On the federal level, It has been suggested that an incumbent candidate has roughly $400,000. to $500,000. advantage over a challenger. Through the seniority system, and this added political advantage, a political dynasty is built and an unjustifiable concentration of power is shared by a few individuals.

It appears to me, that we may have reached that time when, in order to safeguard and keep intact the principal of a citizen's legislature; we ought to consider some of the

limits this bill would provide. I have set out a few of my thoughts and those which compelled me to introduce this legislation. Because of your experience, particularly in the writing of the state constitution, and your valued judgment; I would like to impose upon you a request that you give me your views, pro or con, concerning this legislation.

Thank you in advance.

Sincerely,

M. "Ed" Dankworth
State Senator

MED/mc

Enclosure

Alaska State Legislature

SENATOR
M. "ED" DANKWORTH

REPRESENTING
SENATE DISTRICT 12-J

COMMITTEES
FINANCE, CO-CHAIRMAN
RULES, VICE-CHAIRMAN

TRANSPORTATION
LEGISLATIVE BUDGET & AUDIT

Senate

HOME ADDRESS
2425 HIALEAH DRIVE
ANCHORAGE, ALASKA 99503
HOME PHONE: (907) 277-0683

IN SESSION
POUCH V
JUNEAU, ALASKA 99811
PHONE: (907) 465-3753

Monday, February 9, 1981

Don Patterson
P. O. Box 2953
Palmer, Alaska 99645

Dear Mr. Patterson:

Thanks for your message concerning Senate Joint Resolution 9, a proposal to limit the number of consecutive terms State Legislators may serve.

The resolution would amend the Constitution of the State of Alaska if it passes the legislature and is approved by the voters at the next general election. If the amendment is adopted by the voters it would go into effect after December 31, 1982. After that date, no legislator, Representative or Senator, could serve more than eights years consecutively in the same elective position. The current terms of existing legislators would not be affected by this proposal.

Thanks for taking time to share your views on this matter with me. I appreciate hearing from you.

Sincerely,

ED DANKWORTH
Senator

ED/mg

CONSTITUTIONAL AND STATUTORY PROVISIONS FOR LENGTH AND NUMBER OF TERMS OF ELECTED STATE OFFICIALS

State	Governor	Lieut. governor	Secretary of state	Attorney general	Treasurer	Auditor	Controller	Education	Agriculture	Labor	Insurance	Mines	Land	Univ. regents	Bd. of education	Public util. comm.	Exec. council	Miscellaneous
Alabama	4(2)	4(2)	4(2)	4(2)	4(2)	4(2)	...	...	4(2)	...	...	...	...	...	4(1)	4(U)	...	...
Alaska	4(2)	4(2)	...	...	...	...	...	...	...	...	...	2(1)	...	...	...	6(U)	...	...
Arizona	4(U)	...	4(U)	4(U)	4(O)[a]	...	...	4(U)	...	...	...	...	2(U)	...	...	...	...	...
Arkansas	2(U)	2(U)	2(U)	2(U)	2(U)	2(U)	...	...	...	...	...	...	...	...	...	...	...	Bd. of Equalization—4(U)
California	4(U)	4(U)	4(U)	4(U)	4(U)	...	4(U)	4(1)	...	...	...	...	...	...	...	...	...	...
Colorado	4(U)	4(U)	4(U)	4(U)	4(U)	...	...	...	...	...	...	...	...	6(U)	6(U)	...	...	...
Connecticut	4(U)	4(U)	4(U)	4(U)	4(U)	...	4(U)	...	...	...	...	...	...	...	...	...	...	...
Delaware	4(2)[b]	4(U)	...	4(U)	2(U)	2(U)	...	...	...	...	4(U)	...	...	...	...	...	...	...
Florida	4(2)	4(U)	4(U)	4(U)	4(U)	...	4(U)	4(U)	4(U)	...	[k]	...	...	...	[c]	4(U)	...	...
Georgia	4(2)	4(U)	4(U)	4(U)	...	...	4(U)	4(U)	4(U)	4(U)	[d]	...	...	...	...	6(U)	...	...
Hawaii	4(U)	4(U)	...	...	...	...	...	...	...	...	...	...	...	...	4(1)	...	...	...
Idaho	4(U)	4(U)	4(U)	4(U)	4(U)	4(U)	...	4(U)	...	...	...	...	...	...	...	...	...	...
Illinois	4(U)	4(U)	4(U)	4(U)	...	...	4(U)	...	...	...	...	...	...	...	...	...	...	Bd. of Trustees, Univ. of Illinois —6(U)
Indiana	4(2)	4(U)	4(2)[e]	4(2)	4(2)[e]	4(2)[e]	...	4(U)	...	...	...	...	...	...	...	...	...	...
Iowa	4(1)	4(1)	4(1)	4(1)	4(1)	4(1)	...	...	4(1)	...	...	...	...	...	...	...	...	...
Kansas	4(2)	4(2)	4(U)	4(U)	4(U)	...	...	...	...	...	4(U)	...	...	...	4(U)	...	...	...
Kentucky	4(O)	4(O)	4(O)	4(O)	4(O)	4(O)	...	4(O)	4(O)	...	...	...	[f]	...	...	...	...	Railroad Commission—4(U)
Louisiana	4(2)	4(U)	4(U)	4(U)	4(U)	...	...	4(U)	4(U)	...	4(U)	...	...	...	6(U)	6(U)	...	Elections commissioner—4(U)
Maine	4(2)	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Maryland	4(2)	4(U)	...	4(1)	...	...	4(U)	...	...	...	...	...	...	...	...	...	...	...
Massachusetts	4(U)	4(U)	4(U)	4(U)	4(U)	4(U)	...	...	...	...	...	...	...	...	...	...	2(U)	...
Michigan	4(U)	4(U)	4(U)	4(U)	...	...	...	...	...	...	...	...	...	8(U)	8(U)	...	...	...
Minnesota	4(U)	4(U)	4(U)	4(U)	4(U)	4(U)	...	...	...	...	...	...	...	...	...	...	...	...
Mississippi	4(O)	4(U)	4(U)	4(U)	4(O)	4(U)	...	4(U)	4(U)	...	4(U)	...	4(U)	...	...	4(U)	...	Highway Commission—4(U)
Missouri	4(2)[b]	4(U)	4(U)	4(U)	4(2)[b]	4(1)	...	...	...	...	...	...	...	...	...	...	...	...
Montana	4(U)	4(U)	4(U)	4(U)	...	4(U)	...	4(U)	...	...	[l]	...	...	...	...	4(U)	...	...
Nebraska	4(2)	4(U)	4(U)	4(U)	4(2)[g]	4(U)	...	...	...	...	...	...	...	6(U)	4(U)	6(U)	...	...
Nevada	4(2)	4(1)	4(U)	4(U)	4(U)	...	4(U)	...	...	...	...	...	...	6(U)	4(U)	...	...	...
New Hampshire	2(U)	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	2(1)	...
New Jersey	4(2)	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
New Mexico	4(O)[h]	4(O)[h]	4(O)[h]	4(O)[h]	4(O)[h]	4(O)[h]	...	...	...	...	...	...	4(O)[h]	...	6(U)	...	...	Corporation Commission—6(U)
New York	4(U)	4(U)	...	4(U)	...	...	4(U)	...	...	...	...	...	...	...	...	...	...	...
North Carolina	4(2)[b]	4(2)[b]	4(U)	4(U)	4(U)	4(U)	...	4(U)	4(U)	4(U)	4(U)	...	...	...	...	...	...	...
North Dakota	4(U)	4(O)	4(U)	4(U)	4(2)	4(U)	...	4(U)	4(U)	4(U)	4(U)	...	...	...	...	6(U)	...	Tax commissioner—4(U)
Ohio	4(2)[i]	4(U)	4(U)	4(U)	4(U)	4(U)	...	...	...	...	...	...	...	...	6(1)	...	...	...

THE LEGISLATORS
Numbers, Terms, and Party Affiliations
As of January 1978

State or other jurisdiction	Senate					House					House and senate totals
	Democrats	Republicans	Vacancies	Total	Term	Democrats	Republicans	Vacancies	Total	Term	
Alabama	34	0	...	35(a)	4	103	2	...	105	4	140
Alaska	12	8	...	20	4	25	15	...	40	2	60
Arizona	16	14	...	30	2	22	38	...	60	2	90
Arkansas	34	1	...	35	4	95	5	...	100	2	135
California	26	14	...	40	4	57	23	...	80	2	120
Colorado	17	18	...	35	4	30	35	...	65	2	100
Connecticut	22	14	...	36	2	91	60	...	151	2	187
Delaware	13	8	...	21	4	26	15	...	41	2	62
Florida	30	9	...	40(a)	4	93	27	...	120	2	160
Georgia	52	4	...	56	2	156	24	...	180	2	236
Hawaii	18	7	...	25	4	41	10	...	51	2	76
Idaho	15	20	...	35	2	22	48	...	70	2	105
Illinois	34	25	...	59	(b)	94	83	...	177	2	236
Indiana	28	22	...	50	4	48	52	...	100	2	150
Iowa	26	24	...	50	4	59	41	...	100	2	150
Kansas	19	21	...	40	4	65	60	...	125	2	165
Kentucky	29	9	...	38	4	78	22	...	100	2	138
Louisiana	38	1	...	39	4	101	4	...	105	4	144
Maine	12	21	...	33	2	89	62	...	151	2	184
Maryland	39	8	...	47	4	125	15	1	141	4	188
Massachusetts	34	6	...	40	2	192	44	1	240(a)	2	280
Michigan	24	14	...	38	4	68	42	...	110	2	148
Minnesota	48	19	...	67	4	100	34	...	134	2	201
Mississippi	50	2	...	52	4	117	3	1	122(a)	4	174
Missouri	22	12	...	34	4	112	51	...	163	2	197
Montana	25	25	...	50	4(c)	57	43	...	100	2	150
Nebraska	Nonpartisan election			49	4	Unicameral legislature					49
Nevada	17	3	...	20	4	35	5	...	40	2	60
New Hampshire	12	12	...	24	2	175	219	6	400	2	424
New Jersey	27	13	...	40	4(d)	54	26	...	80	2	120
New Mexico	33	9	...	42	4	48	22	...	70	2	112
New York	21	36	3	60	2	87	58	4	150(a)	2	210
North Carolina	47	3	...	50	2	114	6	...	120	2	170
North Dakota	18	32	...	50	4	50	50	...	100	2	150
Ohio	21	12	...	33	4	62	37	...	99	2	132
Oklahoma	39	9	...	48	4	79	22	...	101	2	149
Oregon	24	6	...	30	4	37	23	...	60	2	90
Pennsylvania	28	20	2	50	4	118	84	1	203	2	253
Rhode Island	45	5	...	50	2	83	17	...	100	2	150
South Carolina	43	3	...	46	4	111	12	1	124	2	170
South Dakota	12	23	...	35	2	22	48	...	70	2	105
Tennessee	23	9	...	33(a)	4	66	32	...	99(a)	2	132
Texas	27	4	...	31	4	131	19	...	150	2	181
Utah	17	12	...	29	4	35	40	...	75	2	104
Vermont	9	21	...	30	2	75	74	...	150(a)	2	180
Virginia	35	5	...	40	4	76	21	...	100(a)	2	140
Washington	29	20	...	49	4	62	36	...	98	2	147
West Virginia	28	6	...	34	4	91	9	...	100	2	134
Wisconsin	22	11	...	33	4	66	33	...	99	2	132
Wyoming	12	18	...	30	4	29	32	...	62(a)	2	92
All States	1,306	618	5	1,981(a)	...	3,772	1,783	15	5,581(a)	...	7,562
American Samoa	Nonpartisan election			18	4	Nonpartisan election			21	2	39
Guam	14	7	...	21	2	Unicameral legislature					21
Puerto Rico	14(e)	13(f)	1	28	4	32(e)	17(f)	2	51	4	79(g)
TTPI	(h)	(h)	...	12	4	(h)	(h)	...	22	4	34
Virgin Islands	(i)	(i)	...	15	2	Unicameral legislature					15

(a) The following members in current legislatures are not Democrats or Republicans: Alabama 1; Florida 1; Massachusetts 3; Mississippi 1; New York 1; Tennessee senate 1, house 1; Vermont 1; Virginia 3; Wyoming 1. Total: senate 3, house 11.

(b) All senators ran for election in 1972 and all will run every 10 years thereafter. Senate districts are divided into thirds. One group elects senators for terms of 4 years, 4 years, and 2 years; the second group for terms of 4 years, 2 years, and 4 years; the third group for terms of 2 years, 4 years, and 4 years.

(c) After each decennial reapportionment, lots will be drawn for ½ the senators to serve an initial 2-year term. Subsequent elections will be for 4-year terms.

(d) Senate terms beginning in January of second year following the U.S. decennial census are for 2 years only.

(e) New Progressive Party.

(f) Popular Democratic Party.

(g) The constitution provides for selection of additional members from the minority party after a general election in which it elects fewer than 9 members in the senate and 17 members in the house. Total house and senate composition can reach 104 members.

(h) At present there is no organized national party.

(i) Party affiliations were not available.

CONSTITUTIONAL QUALIFICATIONS FOR ELECTION TO STATE OFFICE*

State or other jurisdiction	Governor and lieutenant governor				Legislature					
					Age		State resident (years)		District resident, house & senate (years)	
	Age	U.S. citizen (years)	State citizen/ resident (years)	Other	House	Senate	House	Senate		Other
Alabama	30	10	7(a)	...	21	25	3	3	1	...
Alaska	30	7	7	(b)	21	25	3	3	1	(b)
Arizona†	25	10	5(a)	...	25	25	3	3	1	(c)
Arkansas	30	(d)	7	...	21	25	2	2	1	(c)
California	(b)	5	5	(b)	(b)	(b)	3	3	1	(b, c)
Colorado	30	(d)	2	...	25	25	...	...	1	(c)
Connecticut	30	...	...	(b)	21	21	...	...	(e)	(b)
Delaware	30	12	6	...	24	27	3	3	1	...
Florida	30	...	7	(b)	21	21	2	2	(e)	(b)
Georgia	30	15	6(a)	...	21	25	2	4	1	(c)
Hawaii	30	...	5	(b)	Age of majority	(f)	3	3	...	(b)
Idaho	30	(d)	2	...	(b)	(b)	...[g]	...	1	(b, c)
Illinois	25	(d)	3	...	21	21	...	...	2	(c)
Indiana	30	5	5	...	21	25	2	2	1	(c)
Iowa	30	(d)	2	...	21	25	1	1	60 da.	(c)
Kansas(g)	...	...	...	...	(b)	(b)	...	...	(e)	(b)
Kentucky	30	...	6(h)	...	24	30	2	6	1	(a)
Louisiana	25	5	5	...	18	18	2	2	1	(b)
Maine†	30	15	5	(i)	21	25	1	1	3 mo.	(a, c)
Maryland	30	...	5	(b)	21	25	1	1	(j)	(c)
Massachusetts	...	...	7	...	...	...	...	5	(e)	...
Michigan	30	...	...	(b)	21	21	...	...	(e)	(b, k)
Minnesota	25	(d)	1	...	(b)	(b)	1	1	6 mo.	(b)
Mississippi	30	20	5	...	21	25	4	4	2	(b)
Missouri	30	15	10	...	24	30	2	3	1	(b)
Montana	25	(d)	2	...	...	...	1	1	6 mo. (l)	...
Nebraska	30	(d)	5(h)	...	(l)	21	(l)	...	1	(b)
Nevada	25	...	2	(b)	(m)	(m)	(m)	(m)	...	(b)
New Hampshire†	30	...	7	...	...	30	2	7	(e)	...
New Jersey†	30	20	7	...	21	30	2(n)	4(a)	1	(b)
New Mexico	30	(d)	5	...	21	25	...	...	(e)	...
New York	30	(d)	5	...	...	...	5	5	1	(c)
North Carolina	30	5	2	...	(n)	25	...	2	1	(b)
North Dakota	30	(d)	5	(b)	18	18	1	1	(e)	(b)
Ohio(g)	(b)	...	...	(b, o)	(b)	(b)	...	...	1	(b, o)
Oklahoma	31	(d)	...	(b)	21	25	...	...	(c)	(b, k)
Oregon†	30	(d)	3	...	21	21	...	...	1	(c)
Pennsylvania	30	(d)	7	...	21	25	4(a)	4(a)	1	...
Rhode Island	(b)	1 mo.	1 mo.	(b, p)	(b)	(b)	1 mo.	1 mo.	1 mo.	(b, p)
South Carolina	30	5	5(h)	...	21	25	...	...	...	(b)

South Dakota	...	(d)	2	...	25	25	2	2	...	(b, c, p)
Tennessee(q)	30	(d)	7(a)	...	21	30	3	3	1	(c)
Texas	30	(d)	5	...	21	26	2	5	1	(b, c)
Utah (r)	30	...	5(h)	(b)	25	25	3	3	6 mo.	(b, c)
Vermont	...	...	4	...	...	30	2	...	(e)	...
Virginia	30	(d)	5	(b)	21	21	...	...	(e)	...
Washington	(b)	(d)	...	(b)	(b)	(b)	...	...	...	(b, c)
West Virginia†	30	...	5(a)	(a, b)	(a, b)	25	5(a)	5(a)	1	(b, n, p)
Wisconsin	(b)	(d)	...	(b)	(b)	(b)	1	1	...	(b)
Wyoming†	30	(d)	5	(b)	21	25	...	...	1	(a, c)
American Samoa	35	(s)	1	(t)	25	30	(u)	(u)	(u)	(c, v)
Guam	30	(d)	5	(b)	U	25	U	5	...	...
Puerto Rico†	35	5	5	...	25	30	2	2	1	(w)
Virgin Islands	30	5	...	(b)	...	21	...	3	3	(b, c)

*Some states may have established statutory qualifications.

†The state does not provide for office of lieutenant governor. In Arizona, Oregon, and Wyoming, the secretary of state is elected statewide and is first in line of succession to governorship; for these reasons, that individual is listed as a lieutenant governor although office not officially so titled. Age cited in constitutions of Arizona and Wyoming for this office is 25. Oregon constitution lists no age.

U—Unicameral legislature.

(a) Citizen of the state.

(b) Must be a qualified voter. Maryland: 5 years; Michigan: governor 4 years; Oklahoma: 6 months; Virginia: 5 years.

(c) U.S. citizen. Maine: 5 years.

(d) Number of years not specified.

(e) Reside in district, no time limit. Massachusetts: House 1 year; Vermont: House 1 year.

(f) The age of majority in Hawaii is 18.

(g) Kansas and Ohio have no constitutional qualifications for the office of governor. Ohio provides that no member of Congress or other person holding state or federal office shall be governor.

(h) Resident and citizen.

(i) Governor must be resident of the state during the term for which he is elected.

(j) If the district has been established for at least 6 months, residency is 6 months. If the district was established for less than 6 months, residency is length of establishment of district.

(k) No person convicted of a felony for breach of public trust within preceding 20 years or convicted for subversion shall be eligible.

(l) Shall be a resident of the county if it contains one or more districts or of the district if it contains all or parts of more than one county.

(m) By statute an age of 21 minimum and a 1 year state residency has been established for membership in the legislature.

(n) A conflict exists between two articles of the constitution specifying age for house members. Depending on interpretation, minimum age is 21 or age of qualified voter (18).

(o) No person convicted of embezzlement of public funds shall hold any office.

(p) No bribery convictions: South Dakota, West Virginia: No bribery, perjury, or infamous crimes.

(q) Office of lieutenant governor was created by statute. He is chosen by members of the senate of which he is a member and the office bears the title of speaker. The speaker must reside one year immediately preceding his election in the county or district he represents.

(r) Lieutenant governor and secretary of state are the same individual.

(s) Must be a U.S. citizen or U.S. national.

(t) No dishonorable discharge.

(u) Live in American Samoa for 5 years and bona fide resident 1 year.

(v) Senator must be a registered Matai.

(w) Write and speak English and Spanish.

Oklahoma	4(2)	4(U)	4(I)	4(I)	4(I)	4(I)	...	4(I)	...	4(U)	4(U)	4(I)[j]	...	...	...	6(U)	...	Commissioner of charities & corrections—4(U); Examiner & inspector—4(I)
Oregon	4(2)[e]	...	4(2)[e]	4(U)	4(2)[e]	...	...	4(U)	...	4(U)	...	...	...	...	...	...	...	...
Pennsylvania	4(2)	4(2)	...	...	4(2)	4(2)	...	...	...	...	...	...	...	...	...	...	...	...
Rhode Island	2(U)	2(U)	2(U)	2(U)	2(U)	...	...	...	...	...	...	...	...	...	...	...	...	...
South Carolina	4(O)	4(U)	4(U)	4(U)	4(U)	...	4(U)	4(U)	4(U)	...	...	...	...	...	...	...	...	Adjutant & inspector general—4(U)
South Dakota	4(2)	4(2)	4(U)	4(U)	4(U)	4(U)	...	...	...	...	...	...	4(U)	...	...	6(U)	...	...
Tennessee	4(O)	...	...	...	...	...	...	...	...	...	...	...	...	...	...	6(U)	...	...
Texas	4(U)	4(U)	...	4(U)	4(U)	...	4(U)	...	4(U)	...	...	...	4(U)	...	6(I)	...	...	Railroad Commission—6(U)
Utah	4(U)	4(U)	[j]	4(U)	4(O)	4(O)	...	...	...	...	...	...	...	...	4(U)	...	...	...
Vermont	2(U)	2(U)	2(U)	2(U)	2(U)	2(U)	...	...	...	...	...	...	...	...	...	...	...	...
Virginia	4(O)	4(I)	...	4(I)	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Washington	4(U)	4(U)	4(U)	4(U)	4(U)	4(U)	...	4(U)	...	...	4(I)	...	4[,	...	...	...	...	...
West Virginia	4(2)	...	4(2)	4(I)	4(I)	4(I)	...	...	4(I)	...	...	...	...	...	...	...	...	...
Wisconsin	4(U)	4(U)	4(U)	4(U)	4(U)	...	...	4(U)	...	...	...	...	...	...	...	...	...	...
Wyoming	4(U)	...	4(U)	...	4(O)	4(U)	...	4(U)	...	...	...	...	...	...	...	...	...	...

First entry refers to number of years per term. Second entry (in parentheses) refers to number of terms.

Symbols:

(U)—No provision for number of terms allowed.
(O)—Cannot succeed himself.
(I)—May hold office for unlimited number of terms.

[a] Must wait 2 years before being eligible again.
[b] Absolute 2-term limit, not necessarily consecutive.
[c] Governor and Cabinet ex officio.
[d] Comptroller general is ex officio insurance commissioner.
[e] Eligible for 8 out of 12 years.
[f] Secretary of state holds this office.
[g] After 2 consecutive terms, must wait 2 years before being eligible again.
[h] Must wait 1 full term before being eligible for any office, with the exception of lieutenant governor who is eligible immediately for the office of governor.
[i] After 2 consecutive terms, must wait 4 years before being eligible again.
[j] Lieutenant governor and secretary of state are the same individual.
[k] State treasurer also serves as insurance commissioner.
[l] State auditor is also insurance commissioner.

LEGISLATIVE STUDY COMMITTEE REPORT

PART I

Sponsored by

General Federation of Women's Clubs

Anchorage FREE Committee

Prepared by

Jan Bomhoff and Jan Faiks

January, 1981

VIII.

LIMIT TERMS OF OFFICE

The FREE Committee strongly believes in the concept of a citizen legislature versus professional lawmakers. For this reason, and others, FREE feels that there should be a limitation on the number of terms a Representative and Senator may serve. Surprisingly, a good portion of the responding legislators favored this concept.

FREE feels that a limitation would serve as an incentive for more citizens to seek elective office - the perception being that incumbents are generally pretty difficult to unseat. New faces bring fresh approaches to programs and issues, needed at all times, but especially now in Alaska with its vast natural resource wealth.

When legislators remain in one house for a long period of time, excessive power over colleagues and staff seems to develop, as do legislative cliches. By dispersing the concentration of power, it will be more difficult for a handful of "long time" legislators to control legislation contrary to the wishes of the majority.

One legislator commented during the discussions that it was difficult for even the "good guy" legislators to remain free of obligations to their colleagues. In the lawmaking process there is always give and take, and legislators who have been on the job for a long time will inevitably build up a certain amount of "favors due" and

"favors owed", so that it becomes increasingly difficult to judge matters under consideration solely on their merit.

FREE recommends the following limitations on the terms of office:

1. Senate - two 4-year consecutive terms.
2. House - four 2-year consecutive terms.
3. Present incumbents would begin counting their terms with the effective date of the law.

Using FREE's formula, legislators popular with their constituents could remain in the legislature, but would have to change Houses every eight years. Thereby, the right of the citizen to choose his lawmakers remains intact.

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*Juneau

May 2, 1980

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210 NORTH FRANKLIN STREET
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907 586-6994, 586-6997

Senator M. "Ed" Dankworth
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Ed:

Belatedly I am acknowledging your letter of March 21 and the enclosure. I have mixed feelings about SJR 42. As you acknowledged, there is some value in experience, continuity and professionalism in the legislative branch.

On the other hand, the advantages of an incumbent are enormous, as you say. The remoteness of the state capital, the relatively small size of the legislature, and the advantages of name familiarity, and other factors, can help maintain an "old boy" network. I think that in legislative work, like any other field, a worker can get calloused and stale over time.

I reached the point after eight years in the legislature where I was beginning to foresee a lack of freshness of ideas on my part. I felt it important to go back into the private sector and regenerate. There is a tendency to stay in the legislature when one has really creative matters on his or her agenda. To stay under those circumstances is a limitation on a person's own growth. It is as refreshing to leave after a time as it is to obtain office.

Also, I think there is something attractive in the notion of citizen-statesman. I like the idea that legislative service in a place like Alaska is a civic duty which concerned citizens share. Sometimes, when one is in office too long, he grows to feel that he owns the office; the sense of being a public servant is obscured.

It is a very difficult matter to generalize about because, of course, some people serve for decades with undiminished distinction. Senator Butrovich comes to mind. Others become complacent or lazy.

The argument can be made that the complacent and lazy should be removed by the people, and that the public's freedom of choice should not be diminished.

On balance, I would resolve my doubts in favor of something like SJR 42, except that I think I would favor four successive terms for house members, and three successive terms for senators as a limitation, and I would only require a senator to sit out for two years instead of "one full term."

I think the effect would be to bring new blood and fresh perspectives to the legislature from time to time to a greater degree than now is the case, and I think it would help bring the legislature closer to the people.

Thanks for seeking my views, and I hope this answers your inquiry.

Best regards,

Joe P. Josephson

JPJ/cw

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JOHN E. HAVELOCK • •

JAMES P. WETER (1877-1959)
F. M. ROBERTS (1880-1973)
JAMES C. HARPER (RETIRED)

March 31, 1980

The Honorable M. "Ed" Dankworth
Alaska State Senator
Pouch "V"
Juneau, AK 99811

Dear Ed:

While I have spent most of my legal career in occasional engagement with constitutional questions, I make no claim to having written the Alaska Constitution. Thanks for the compliment.

In general, I agree that something is seriously amiss with the Alaskan system of legislative representation. I would agree with you (perhaps as a partial consequence of the decay of the two party system) that we seem to be moving towards a system of constituencies based on personal fiefdoms supported by the power of incumbency. This style of government is not altogether new in America, being, in some regions of the South prior to the revival of the two party system, typical.

A limitation on number of terms served would have some effect in limiting such a system. In the absence of anyone supporting a better approach to the problem, I would support SJR 42 (assuming you have the technical bugs worked out).

As I think you certainly sense, we are moving into a period of extraordinary times in government. Government for the next decade will not be subject to the normal constraints of taxpayer resistance. We are moving from a form of government which is regulatory and lawmaking and which provides essential services to a government built around the function of disbursement of public wealth. I wonder whether the whole system doesn't need some examination under this style of government or, alternatively, we need to get the government out of this line of business.

Returning to your proposal, it is certainly a step in the right direction. Whether it will cure the disease or not, unaccompanied by other remedies, is another question.

Sincerely,

John E. Havelock

JEH:dw

Superior Court

State of Alaska

FIRST JUDICIAL DISTRICT
COURT AND OFFICE BUILDING
POUCH U
JUNEAU, ALASKA
99811

CHAMBERS OF
THOMAS B. STEWART, JUDGE, PRESIDING

April 1, 1980

The Honorable M. "Ed" Dankworth
Alaska State Senator
Pouch V
Juneau, Alaska 99811

Dear ~~Senator Dankworth~~:

This is in response to your letter of February 27, 1980, asking my views on SJR 42, which would amend the constitution to limit the number of consecutive years a legislator may serve.

While I can well understand and sympathize with your concern about the concentration of power in too few hands in the legislative body, I am frankly doubtful that the approach of limiting terms provides the best solution to that problem. Perhaps I am too strong an advocate of your expressed personal philosophy that would generally oppose any law restricting the right of the public to choose a candidate. It seems to me that the problem of too concentrated a power structure in the legislative body can and definitely should be addressed, but through a different mechanism.

It is not my intent to elaborate on thoughts in this regard at the present time, though I would be pleased to discuss them with you sometime in the future if you should desire it. At the moment I would simply reiterate my concern that restricting the public's choice in its selection of candidates in my view is not an appropriate answer.

With personal regards I am

Very truly yours,

Thomas B. Stewart
Presiding Judge

Dear Ed:

6MAR 80

Prior to the constitutional convention, I would have opposed legislation similar to your SJR 42. But in that convention I gave a lot of thought to just such a limitation since we were going to limit the governor, and in a sense put a limitation upon State judges.

After convention hours, Dayton Keene, who was the legislative branch comm advisor, Weldon Cooper, Emil Sady, and Ernest Bartley often met in my apt to discuss just the subject of your bill. Frankly I was looking for support from the consultants.

My presentation to them, was that historically we had many poor Governors- (of which we could do nothing) and that since the legislature had been established in 1913 we had had some pretty poor legislators. In those days the mining industry and fishing interests pretty well controlled those small legislatures of 24 people. But as state hood effort really came to life with the advent of Ernest Grueing as governor the full pressure of industry was felt. We had a number of pro mining and pro fish legislators who really controlled the legislature--much of it by seniority. ~~I sought to put a restrain on the legislature.~~

Dayton Keene who had been a legislator for some years felt my arguements were valid and that this might now be the time to put in a limitation- so was Bartley inclined. The others were of the opinion there probably was a necessity for such action, in this state as well as some other states. We all agreed that unicameralism would in no way better the situation. But then there was arguement presented that the people might feel and "infringement on voters rights.

As I look back now, I think the people would have accepted that limitation without a ~~squwk~~ complaint, because I heard very few questioning the limitation on the Governor tenure.

I beleive we discuss the subject in our committee meeting on several occassions. I discussed the matter extensively with my friend Senator Vic Rivers who was chairman of the Executive branch committee. he was inclined to agree in principal as he was including the limitation on the governor in his articl Rivers quietly polled a number of convention delegates reporting back to me that though they agreed on the gubernatorial limitation there was no favorabl concensus relative to legislators. So, I let the matter go as we already had some novel ideas in our article.

It is my feeling, in the light of the action of the state legislature over the last 8 or 10 sessions, the people might now be ready to accept a limit on terms of legislators, particularly since they have seen the benefits of a limitation on the governor.

I doubt if your SJR 42 will pass in the legislature--too many have a "good thing" going for themselves. But, if someone had the time and energy to see it through via referendum, I'm certain it would pass.

Certainly the time has come to put some brakes on the legislature. This maybe a start.

I am agreed with your bill, I hope it passes.

S M Stevens, USCP Ret.

STEVE McCUTCHEON
ALASKA PICTORIAL SERVICE
DRAWER 6144
ANCHORAGE, ALASKA 99502
(907) 344-1370

TO Dear Ed

DATE 6 Mar 80

SUBJECT STR42.

I am attaching some comments to your bill as requested.

It is in rough form and I must apologize- but, I've had notice a few minutes ago to catch a plane in theearly A. M.. thought I'd better send it, since 'll be gone for a spell.

Best regards, and best of luck

Steve

Form ML 5 N73 The Drawing Board, Inc., Box 505, Dallas, Texas

Alaska State Legislature

SENATOR
M. "ED" DANKWORTH

REPRESENTING
SENATE DISTRICT 12-J

COMMITTEES
FINANCE, CO-CHAIRMAN
RULES, VICE-CHAIRMAN

TRANSPORTATION
LEGISLATIVE BUDGET & AUDIT

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IN SESSION
POUCH V
JUNEAU, ALASKA 99811
PHONE: (907) 465-3753

Monday, February 23, 1981

Bert Hall
Box 378
Anchorage, Alaska 99510

Dear Mr. Hall:

Thank you for your note expressing support for SJR-9, which I co-sponsor, which would place a limitation on the number of consecutive terms legislators (both House & Senate) may serve in the Alaska State Legislature.

The proposal has drawn a great amount of support judging by the letters and messages my offices has received.

I appreciate your taking time to express your support. Thanks, again.

Sincerely,

ED DANKWORTH
Senator

ED/mg

Dankworth urges limited terms for state lawmakers

Our Juneau bureau

JUNEAU — If Sen. Ed Dankworth had his way, nearly half the state's 60 legislators would be disqualifed from holding office.

A constitutional amendment proposed by the Anchorage Republican would limit state senators to two consecutive terms in office and representatives three terms.

As it stands, 17 members of the House and 10 members of the Senate now are at or beyond Dankworth's proposed limits. One of them, Sen. Robert Ziegler, D-Ketchikan, is chairman of the Senate Judiciary Committee, which was assigned the task of studying Dankworth's bill.

For that reason, among others, most observers here weren't giving the bill much chance of passage.

However, Dankworth, serving his first term in the Senate, attempted to meet his more senior colleagues half way by including a "grandfather" clause in the bill.

So, if it should win a two-thirds majority of both houses, qualify for the 1980 election ballot and pass, the limitation would apply only to those terms of office to follow.

2/16 Times

A limit on service

SJR 42

ALASKA HAS HAD, over the years, a number of men and women who have served well for long periods of time as members of the legislature. That has been a plus for the territory and the state. But there are some offsetting minuses connected with long tenure in the legislature. And there is mounting evidence that the negative is beginning to far outweigh the positive.

Recognizing that legislative seniority also can lead to legislative abuses, one member of the Alaska Senate has proposed to put a lid on the number of consecutive terms a person could serve. The proposal has merit and deserves thoughtful consideration.

Sen. Ed Dankworth, the Anchorage Republican who two weeks ago was kicked off the Senate Finance Committee when he refused to play ball with some senior members of the club, proposed this the other day in a resolution calling for a constitutional amendment.

IF APPROVED by the legislature — and that's a big "if" — the resolution would go on the ballot for action by the voters of the state. It calls for the imposition of a constitutional limit restricting a person to two consecutive terms in the Senate or three consecutive terms in the House.

The net effect would be to allow a person six years of continuous House service or eight straight years of service in the Senate.

To make the proposal more palatable and to give it at least a chance of passage by the current crop of legislators, Sen. Dankworth included a grandfather clause. Under its provisions, the counting of terms would begin with approval of the constitutional amendment. Incumbent senators and representatives with long tenure — including such luminaries as Sens. Bill Ray of Juneau, Bob Ziegler of Ketchikan, George Hohman of Bethel, John Sackett of Galena and Clem Tillion of Halibut Cove — would not be immediately affected.

THE RESOLUTION has drawn some initial support. Signing on as co-sponsors were Republicans Arliss Sturgulewski and W.E. Bradley and Democrats Pat Rodey and Terry Stimson, all of Anchorage.

That's a good start. But clearly it is not enough. To succeed, the proposal must have widespread support, even from districts that have long placed their legislative affairs in the hands of one or two individuals.

A constitutional amendment limiting tenure would bring two significant changes. It would guarantee that a fresh flow of ideas, personalities and backgrounds would be injected into the legislative process. And it would be a barrier to the creation of legislative dynasties and would prevent any single legislator from assuming, on the basis of seniority, a seat of power that could impair good government for all the people of Alaska.

Tillion cracks down on Senate travel

JUNEAU (AP)—An angry Senate president has announced that senators traveling out of Juneau during the week will be on their own tab and not the state's, unless the travel is absolutely necessary.

Senate President Clem Tillion made the statement today after the Senate was one short of the necessary 11 members for a quorum.

The House took the day off, and for the last two weeks members of the Senate have received permission to be formally excused. But Tillion refused to give the entire body the day off.

The Senate had no business on its calendar and there were no committee meetings scheduled in Juneau. But Tillion said he wanted some committee reports, such as recommendations for "sunset" legislation to be officially received.

Ten members showed up when Tillion convened the Senate shortly after 10 a.m. Eight members had been officially excused previously, and two who were absent—Pat Rodey and Ed Dankworth—did not appear.

Tillion has long been an opponent of three-day weekends for the Legislature. When the House took Feb. 15 off, he refused to allow the Senate to take a holiday, saying if members knew they did not have to be in Juneau that Friday, they wouldn't have any committee work on Thursday.

After failing to get a quorum, Tillion expressed his anger at some members of the Senate who were holding a hearing in Anchorage on the Alaska Renewable Resources Corp.

"This is the capital of Alaska and this is where people should come to be heard by the Legislature," he said. Then he announced he was cutting off the travel expense reimbursements for senators who leave Juneau during the week.

"I'm not going to sign any more travel requests during the week," he said. "From now on, they are on their own money. There's no reason to go trucking off somewhere. They've had their fun and games."

Tillion said the Senate has two weeks of work left to do this year, and that the members were trying to extend that over another two months.

He said that perhaps it was time for the voters to force the Legislature into a time limit on its sessions.

"This is absolutely uncalled for," he said.

Limit proposed

Associated Press

Juneau — State senators would be limited to two terms and representatives to three under a constitutional amendment proposed in the Alaska Senate.

Sen. Ed Dankworth, R-Anchorage, filed the measure.

The amendment would disqualify nearly half the state's 60 legislators from office. At present, 17 members of the House and 10 members of the Senate are beyond Dankworth's proposed limits.

Wildlife board stipend rises

Associated Press

Juneau — Members of the state Board of Fisheries and Board of Game would receive $150 per day in per diem for attendance at board meetings under a bill approved by the Senate today.

The bill (SB358) was passed 19-1, and now goes to the House.



DANKWORTH

Currently board members receive travel expenses plus $100 for each day going to and from board meetings and for each day of meetings. The bill would increase the per diem to $150 per day.

Sen. Ed Dankworth, R-Anchorage, cast the lone "no" vote.

Tillion apologizes to two senators

JUNEAU (AP)—Senate President Clem Tillion today apologized to two senators who were absent without formal excuses Friday.

The absence of Sens. Pat Rodey and Ed Dankworth left the Senate without a quorum, meaning it could not convene and conduct business.

The House took Friday off and eight members of the Senate got formally excused from the session that Tillion planned to hold on Friday, despite the lack of a calendar of business.

Tillion, angered when he was one member short of the 11 needed for a quorum, announced that he would no longer sign expense forms for senators who travel out of Juneau during the week unless the trips were absolutely necessary.

Many of the senators who were absent had gone to Anchorage for a hearing, which Tillion said should have been held in Juneau or on the weekend.

Rodey and Dankworth criticized Tillion on the Senate floor, saying he apparently wanted the Senate in session while the House was off "for appearances."

Rodey added that he did not call the hearing in Anchorage, which he attended. "The leadership did," he said.

Dankworth also ticked off the list of Senate leaders who had been excused and asked why those not in key committee posts should have not been excused.

Further, both senators told Tillion that they had informed him they would be gone and Rodey said Tillion had even signed his travel request form.

"You were aware I wasn't going to be here," Dankworth said.

"I feel sandbagged," added Rodey, who said Tillion signed his travel request a week ago, but asked him not to formally request to be excused.

Tillion apologized to the two. "My anger was partly my own fault," he conceded. "It probably was an intemperate thing."

But he refused to back down from his warning that he will not approve any more committee hearings outside Juneau during the week unless they are absolutely necessary.

Anchorage Times
10/19/80

Safety valve

GOV. JAY HAMMOND has proposed several times that Alaska's governor should serve only a single, six-year term. He hasn't detonated much of a public explosion in support of the concept.

But there appears to be growing support, even among legislators, for a constitutional limit to the number of consecutive terms that can be served by members of the state's House and Senate.

Sen. Ed Dankworth, an Anchorage Republican, is a leader in this movement and he vows to press hard in the next session to win converts to his cause.

His idea is to avoid the buildup of legislative power in the hands of a few senators or representatives who now — by virtue of long years in office — pretty much rule the roost when it comes to influencing activities in Juneau.

ONE PROPOSAL is that members of the House serve no more than three consecutive two-year terms and members of the Senate be limited to no more than two consecutive four-year terms.

Such a limitation would help insure a turnover in office and guarantee that, periodically, new faces, new ideas and new personalities would flavor the legislative pot.

Under normal circumstances, there might be no attraction to the concept of limiting legislative service. But these are not normal times in Alaska.

THE STATE IS facing many years when enormous sums of money will be available for appropriation. It can be handed out wisely and used well. Or it can become a treasure to be plundered.

The fear is that the temptation to misuse this wealth might increase with the length of time a person serves in the legislature and thus assumes more and more power.

Signs already are blowing in the wind, indicating the danger is real. Sen. Dankworth's ideas on the subject merit serious consideration in the 1981 legislative session.

2/12/86 Times

A limit on service

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STR 42

The Anchorage Times

ROBERT B. ATWOOD
Editor and Publisher

WILLIAM J. TOBIN
Associate Editor
And General Manager

FRED DICKEY
Executive Editor

Page A-6 Thursday, October 9, 1980

Legislative terms

WITH THE growing interest in setting a constitutional or statutory limit on the amount of money Alaska's state government can spend on operating expenses, the time might also be ripe to consider another limitation.

What about putting a lid on how many terms a person can serve in the legislature?

Alaska's governor is restricted to two consecutive terms. If such a limit makes good sense for the state's chief executive, it might make equally good sense to bar people from building up legislative empires.

The two-term limit on the office of governor is to prevent the prospect of having a Huey Long seize control of the most powerful gubernatorial office in all America. When Alaska's constitution was drafted back in 1956-57, such a prospect was very much in the mind of the constitutional delegates.

HOWEVER, they saw no similar danger in the legislative branch. That's understandable. No one could have envisioned the immense power Alaska's lawmakers have today.

The subject did arise, says Steve McCutcheon, the delegate whose subcommittee dealt with the matter of legislative terms. It was discarded, he says, after only cursory consideration — but, in retrospect, it appears such a limit would have been wise.

Insofar as we have been able to determine, no other state imposes a constitutional limit on consecutive years of service in the legislature.

But several states do achieve something of the same result by requiring, either through custom or rule, that a legislator bow out after serving in a major leadership

A man who has been speaker of the House, for example, would not seek re-election after serving in that position. Another might cap his or her career as president of the Senate. The same limitation could apply to those who enjoy special authority as majority or minority leaders or as chairmen of principal legislative committees, such as Finance or Rules.

The reasons for such limitation are obvious.

For one thing, mandatory transfer of legislative power — by upward movement through the chairs, as it were — would avoid the possibility that one legislator, or group of legislators, could carve out a fiefdom within the legislative structure.

For another, it would guarantee an infusion of fresh blood, fresh energy and fresh ideas into the legislative process. Certain House and Senate seats have become virtually the personal possession of legislators who run time after time with no opposition or only a token show by a challenger.

THE POSSIBILITY of legislative abuse of power, never before a worry in Alaska, has become more and more alarming as the state's income and wealth soars. In recent months, examples have begun to become evident.

A legislator armed with a seat that is awarded to him election after election can hardly resist the temptation to become arrogant. And there are other temptations, far worse, that come with excessive legislative power.

For the benefit of all concerned, including legislators, consideration should be given to limiting terms of office — as well as government spending.

CONGRESSIONAL TENURE

HEARINGS

BEFORE THE

SUBCOMMITTEE ON THE CONSTITUTION

OF THE

COMMITTEE ON THE JUDICIARY

UNITED STATES SENATE

NINETY-FIFTH CONGRESS

SECOND SESSION

ON

S.J. Res. 27 and S.J. Res. 23

JOINT RESOLUTIONS PROPOSING AN AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES WITH RESPECT TO THE NUMBER OF TERMS OF OFFICE WHICH MEMBERS OF THE SENATE AND THE HOUSE OF REPRESENTATIVES MAY SERVE

MARCH 14, AND 15, 1978

Printed for the use of the Committee on the Judiciary

U.S. GOVERNMENT PRINTING OFFICE
77-720 O WASHINGTON : 1978

S521-49

say to a person who is elected: "Look, you are not a new resident of Washington—you are a resident of your own State or your own district. You are of the people who sent you here, and you will eventually, whether you like it or not, be returning to them."

The second thing that would be gained has to do with the human tendency to want to preserve yourself in a good job by saying "Yes" to everybody and "No" to nobody. That's one of the problems in Government now.

Q. Are you saying that lawmakers worry too much about getting re-elected?

A. Yes. I would hope that a limitation on service would create a greater sense of independence and a greater willingness to call them as we see them.

Q. But if every second-term Senator were a lame duck, ineligible for a new term, wouldn't the Senate's responsiveness to the public be reduced?

A. No. First of all, the people I know here who have already announced they're not going to be returning have just as great a sense of responsibility to their electorate as those who want to keep running, running and running.

You don't really elect people to be just walking public-opinion surveys. You elect them to exercise their best judgment on behalf of the people who sent them here. So I don't think that there is anything necessarily beneficial about being consumed with the need to touch every base and remain nonplussed on every issue just to get re-elected.

Too many politicians have said "Yes" to too many people for too long. They have attempted to aggregate support from one interest group after another in order to stay here forever.

Q. In most fields, it is assumed that experience sharpens a person's skills. Isn't this true of Government service, too?

A. I had always been told that when you come to the Senate as a freshman, you're supposed to be seen but not heard. But I haven't found that to be true at all. We are expected to start acting like Senators the day we arrive.

Secondly, we've already crossed this bridge with respect to the Presidency. Presidents, as a matter of constitutional law, are to serve no more than two terms.

And third, I wonder if being a Washington type is the kind of experience a person really should have. There is at least as much wisdom spread throughout the country as there is here. I am one who does not believe that Washington has some monopoly on intelligence or on the right kind of experience.

KEEPING CONTACT WITH "REAL WORLD"

Q. Even, so, shouldn't it be up to the voters to decide whether a legislator deserves another term, instead of mandating a lawmaker's retirement after 12 years?

A. I think there is a trade-off—and the gain would be substantially greater than what would be given up. You would be removing the possibility of one person serving in perpetuity, but in the State of Missouri, for example, there are thousands of people who are fully competent to serve in the United States Senate. This would result in a very minimal reduction in the pool of qualified people.

The gain, again, is the reduced incentive for a member of Congress to try to promise the world. No matter how much you promised, no matter how good your public relations might be, you would know that you would be returning to the workaday world as a matter of constitutional requirement.

That is precisely the kind of message that people here should be given: It is certain that you are going to have to return to the real world and live with the laws you helped enact.

Q. In effect, then, you want to abolish the "professional legislator."

A. Yes. There's a real problem today in the notion of a professional legislature, and we seem to keep furthering that notion.

Congress is almost always in session. We have just enacted in the Senate an ethics code which, in effect, says that we don't want Senators involved in the workaday world. In the name of ethics, we want them to free themselves from practice of law or practice of medicine or business so they will be available here full time.

I think that is probably moving in the wrong direction. We should view Government as a citizens' army, as made up of citizens who are performing public service for a limited period of time.

PART 2.—NEWSPAPER AND MAGAZINE ARTICLES

[From Roll Call, Oct. 27, 1977]

A NEW TRY TO LIMIT CONGRESSIONAL TERMS

(By Mimi Noel)

Four relatively freshman Members of Congress have decided to challenge a political system that has resisted change for 189 years. Chances are, they won't succeed and won't be remembered for their effort.

And still they try * * *

Sens. Dennis DeConcini (D-Ariz) and John C. Danforth (R-Mo) have joined Reps. John W. Jenrette (D-SC) and Robert W. Kasten (R-Wis) in an attempt to change the length of service for Members of Congress and the President. All have accepted positions, as directors, of the newly-formed Foundation for the study of Presidential and Congressional Terms.

"We're trying for grass roots support," Rep. Jenrette says, explaining: "The Congressional route has not had the support of senior Members * * * this is a new route—through the public."

The four Congressmen have introduced legislation that would limit, by Constitutional amendment, Congressional service. House Members would be allowed to serve six two-year terms while Senators would be allowed two six-year terms. The law-makers also proposed a single six-year term for the President.

In a press conference this week they agree that the "battle is uphill."

And still they try * * *

"The idea has been introduced a number of times," Rep. Jenrette said in an interview in the corridor outside the House Floor. "But it never got anywhere with individual Members supporting it * * * the Foundation takes away the self-serving aspects of it."

The group which will be directed by John C. Gartland, a former administrative assistant to Rep. Richard Kelly (R-Fla), is set to study four basic questions:

Should there be a limit to the number of years a Member of Congress can serve?

Should the terms for House Members be lengthened to three or four years?

Should Members of Congress be required to resign from office when actively seeking other federal office?

Should the President be limited to one, extended term in office?

The Foundation expects to capture attention through a program of public forums such as college debates, speeches and essay contests.

Throughout the past decade new Members of Congress have become increasingly restless with the bureaucracy involved in moving legislation through the Congress. More than a few have cited senior Members, committee chairmen to a large extent, for manipulating the due process.

These younger Members have come to believe that limiting the number of terms—in both the House and the Senate would work "for the people."

"After serving in Congress for two terms, I personally believe there is an urgent need to inject new blood and fresh ideas into our political system," Rep. Kasten said. "The issue of limited terms has been around for some time, but it has yet to draw the attention and serious study it deserves."

Remarking on "an anti-Washington" mood, Rep. Kasten said "professional politicians" fail to respond to the "concerns of average Americans."

Nevertheless, the Foundation has definite goals in mind. By next year, they hope to present the public with a chance to vote on the question of limiting both Congressional and Presidential terms on eight or 10 statewide ballots."

To Congressional sages who sat in on the Foundation's meeting, it was the same old argument of "new blood" versus seniority.

But each of the Congressmen present stressed the importance of legislators returning to private life, subject to the very laws he had voted on.

The legislators pointed to their own determination to retire after 12 years. But individual efforts would have little meaning unless the majority of Members in Congress showed active support.

Now, Jenrette is faced with the task of trying to find colleagues with 12 years or more seniority, to support the measure.

"We ought to have some Members in the House and Senate who have reached the terms by which they would have to retire in our proposal to give greater emphasis to what we have to say," Jenrette said.

Rep. Jenrette has already approached retiring Rep. George Shipley (D-Ill), with 22 years in the House, to lend his support to the anti-seniority proposal.

And still they try * * *

But among his colleagues, Jenrette has found apprehensions that he did not share.

"I've found one of the biggest concerns in limiting the terms is that some great contribution might be lost," Jenrette said. "They point to someone like Thomas Jefferson who was quite senior by the time he made many significant contributions."

Jenrette, at 41, finds the concept appealing that in eight and one-half years he will return to private business. A former lawyer, he already has plans afoot "to get my business up" once he leaves Congress.

But for many Members this would not be the case.

"If someone comes to Congress at 23, and then retires at 38, he has only completed half of his career so he can easily take on another profession," Jenrette said.

"But the problem comes when you speak about limiting middle-aged Congressmen between 30 and 40 * * * after only 12 years here there is no place to go."

Rep. Jenrette cited his own case as an example. He came to Congress at 39 and with such a 12-year limit, he would retire at 51.

"If I didn't have a law practice, at 51 I would have to go into private industry and start a new career * * * I don't think I could do it," he adds.

And still they'll try * * *

With Cartland as the Director and his one-time boss William E. Simon as Chairman of the Foundation Finance Committee, the major focus of the group will be public exposure.

"The impetus must come from the people before Congress will enact such a change," Sen. Danforth said. "Any amendment will be considered seriously in the Senate only if the public demands it."

Both freshman Sen. Danforth, and his freshman colleague Sen. DeConcini are firmly opposed to Members of their Chamber being viewed as "political careerists."

"In a seniority system, certain individuals come to possess very great power," Sen. DeConcini said. "While I am not suggesting that this power has been abused in my own experience, I am suggesting that the present system does create the opportunity for such abuse."

And so they remain optimists. They walk the halls, like knights without shining armor or white steed, looking for support. Their aging dragon, 189 years old, remains reincarnated in the form of stubborn senior colleagues.

And still they'll try * * *

[From U.S. News & World Report, Nov. 14, 1977]

Pro and Con—Limit a Lawmaker's Term in Congress?

Yes—Elected officials shouldn't be "permanent fixtures in Washington"

(Interview with Senator John C. Danforth, Republican, of Missouri)

Q. Senator Danforth, why do you favor a constitutional amendment prohibiting any person from serving more than 12 years in the Senate or the House?

A. It would accomplish two things:

First, it's important for elected officials who come to Washington to think of themselves as citizens who are only on leave to their Government—not permanent fixtures in Washington. A limitation on the length of service would

Q. Some people say that the perquisites of office, such as newsletters, a staff allowance and ready access to the press, come close to guaranteeing incumbents' re-election——

A. Right. I think the statistics are pretty clear that it's much easier for an incumbent to be re-elected than for a challenger to defeat him. This is another argument for limiting terms, although it is not an argument I rely on.

Q. Do any local or State governments have the kinds of limits on legislative service that you propose?

A. I don't think so. There are limits in some States on Governors serving more than one or two terms, but such limits are not found in the legislative branch.

Q. What are the prospects for your proposal?

A. It's not going to get anywhere unless there's a public outcry for it. The pressure is going to have to come from the people.

No—"Compulsory Retirement Is a Waste of Talent and Know-How"

(Interview with Senator Alan Cranston, Democrat, of California)

Q. Senator Cranston, why do you oppose limiting service in the Senate or the House to 12 years?

A. There's a contrary move now in our country to do away with compulsory retirement in most occupations, and I think that's a very, very sound direction for us to take.

Compulsory retirement in private industry is an inefficient waste of talent, know-how and productivity. It is bad for society and bad for business. Much the same could be said about compulsory retirement from Government service.

It should be left up to the voters to decide who can best represent them.

If the voters are satisfied with the performance of a Senator or a Congressman, they should not be deprived of his services and experience—nor should the country—by any arbitrary rule.

Q. We have placed a two-term limit on the Presidency. Why shouldn't a similar limit be applied to Congress?

A. Every rule has its exception, and the one exception that I make to the rule of leaving it up to the voters is the two-term limit on the Presidency.

A President who could serve endlessly would have a great opportunity to develop many of the attributes of a dictator. We've had trends toward one-man rule in our country in recent times. The two-term limit is a very solid barrier against that.

We have as much to fear from Government as we have to gain from Government. And the thing to fear from Government is too much power in too few hands. But Congress, given its makeup, will never be a dictatorship. The question does not apply to Congress, where so many people share authority and responsibility.

Q. Advocates of a limitation on service argue that if we did away with "professional legislators," Congress would be more responsive to the needs and wishes of the voters——

A. There are those who say that we've relied on the citizen soldier as the mainstay of our defense, and so we should now rely on the citizen politician in our legislative process. Actually, because of the sophisticated technology of modern warfare, our defense has to depend on highly trained professionals more and more.

Similarly, our Government has grown so complex that the concept of the inexperienced citizen politician is somewhat outmoded—at least to the degree that we shouldn't depend solely on inexperienced legislators. There should be a blend of the old and new in office, and under the present law we have that blend.

Q. So you see a clear need for people with many years of legislative experience——

A. Yes. In matters that involve public affairs and human relations, experience is a vital, indispensable part of the learning process. You learn not only what Government can do, but what it can't do. New Senators sometimes spin their wheels trying things that are impossible, or trying to launch vast spending programs that just won't work. With experience, you learn to focus your efforts where you can accomplish something significant.

John Sherman introduced the Sherman Antitrust Act in his 20th year in Congress. Paul Douglas introduced the Voting Rights Act in his sixteenth year. Clinton Anderson introduced the Medicare Act in his sixteenth year. Jacob Javits, a Republican, introduced the War Powers Act—a very significant piece of legislation in the post-Vietnam era—after serving more than a decade and a half in the Senate. Sam Ervin led the Watergate hearings in his nineteenth year in the Senate. Robert Wagner served 22 years; Robert Taft, Sr., 14 years; Stephen Douglas, 14 years; Henry Clay, 27 years; Robert LaFollette, 20 years; George Norris, 30 years. All of these careers would have been cut short, and the nation would have been the loser, if we'd had the limit that is proposed.

PROBLEM OF THE LAME DUCKS

Q. Don't legislators sometimes get out of touch with the people back home after many years in Washington?

A. If they do, they get tossed out by their constituents. The basic principle of representative democracy is that you elect people who are supposed to be responsive to the people they represent—not necessarily to always do what the people want, but to solicit their views, understand their problems, stay in touch and serve their best interests. Now, if you're in your final six-year Senate term, and the law says you can't run for re-election, you could become totally unresponsive to the people you serve.

Also, a lawmaker who is a lame duck would be less able to accomplish things. If somebody is on his way out, less attention is paid to his leadership. A Senator would be at his peak of capacity only in his first six years, and then he would lose his clout—and so would his constituents—in his second six years.

Q. It is sometimes argued that incumbents have advantages, such as newsletters, staffs and ready access to the press, that come close to guaranteeing re-election. How true is this?

A. I do have concern that incumbents have advantages. I think there are other ways to deal with the problem. On the bill to provide public financing for congressional-election campaigns, I voted to provide challengers more money than incumbents, for example.

Even so, there are plenty of incumbents knocked off on each go-around. It is noteworthy that several of the advocates of a limit on service recently defeated incumbent Senators. We do have new people coming in with new ideas. More than 50 percent of the House has been here less than six years. More than half of the Senate has been here less than 10 years.

There is no demonstrative need for anything as radical as changing our Constitution to make retirement after 12 years in office mandatory. The voters themselves have been doing a good job of keeping a healthy mixture of "new blood" and experienced "old hands" in Congress.

[From the Washington Post, Dec. 4, 1977]

THE GALLUP POLL—12-YEAR LIMIT FOR HILL MEMBERS FAVORED BY 60 PCT. OF VOTERS

(By George Gallup)

Princeton, N.J.—A solid majority of American voters, 60 per cent, now favor a law that would limit senators and House members to a maximum of 12 years in office.

The proportion in favor of a limit on the time in office for senators is up sharply since 1971, when the figure was 48 per cent. (The question on members of the House was not asked in the earlier survey.)

Although the upward trend is across-the-board with all major population groups, it is most pronounced among younger, better-educated voters.

Sen. John C. Danforth (R-Mo) recently proposed a constitutional amendment to limit senators and representatives to 12 years of service.

The sharp upturn in support for a limit on the terms of senators may be, in part, a reflection of their unfavorable public image. A recent Gallup survey showed both senators and representatives rated relatively low among a list of persons in 20 occupations in terms of honesty and ethical standards.

approve of the way Congress is handling its job.

Here is the question asked 1,523 adults from Nov. 4-7 and the trend:

"A law has been proposed which would limit a senator to two terms, or a total of 12 years in office. Would you favor or oppose such a law?"

[In percent]

	Favor	Oppose	No opinion
Latest	60	30	10
May 1971	48	39	13
January 1966	50	38	12
March 1964	49	38	13

Here are the results of the current survey by political affiliation:

[In percent]

	Favor	Oppose	No opinion
Republicans	64	29	7
Democrats	63	27	10
Independents	57	36	7

This question was also asked:

"A law has been proposed which would limit a member of the House of Representatives to three terms of four years apiece, or a total of 12 years. Would you favor or oppose such a law?"

[In percent]

	Favor	Oppose	No opinion
Latest	59	31	10
Republicans	62	29	9
Democrats	61	29	10
Independents	59	34	7

—The plan to limit senators to two terms of six years each has been advocated by at least two Presidents—Dwight D. Eisenhower and Harry S. Truman.

[From the Washington Post, Dec. 31, 1977]

Two Terms for Legislators?

(By Tom Braden)

"Politicians," according to Sen. John Danforth (R-Mo), "have a tendency to say 'yes' to all men and 'no' to none."

This trouble has been noted before. Walter Lippman described a politician as one who "decides not whether a proposition is good but whether it's popular; not whether it will work well and prove itself but whether the active-talking constituents will like it immediately."

And Sen. John F. Kennedy declared himself convinced that the desire to be re-elected exercises a strong brake upon "independent courage."

The problem of whether a politician should serve his conscience or his constituency has been with us at least since Edmund Burke. Sen. Danforth, who has made a certain mark during his first term for being refreshingly outspoken, thinks he has at least a partial solution.

Danforth has introduced a resolution proposing a constitutional amendment that would limit the terms of service in the House and Senate to 12 years, the equivalent of six terms for a representative and two terms for a senator. His point is that without the hope of settling down to a lifetime job, senators and representatives might vote their convictions. In fact, some might develop convictions so that they would come to Washington, do what they felt they ought to do and go home before too long.

There is something to be said for this argument, and there are other reasons why Danforth's suggestion is worth thinking about.

For example, a greater turnover in Washington might renew the nation's interest in the electoral process. According to the polls, the country is in great doubt as to whether government can accomplish anything worthwhile—or, indeed, anything at all. Most people who are eligible to vote don't.

For another, the Danforth proposal would put an end to the system of power by longevity.

Sen. Russell Long (D-La), for instance, has served in the Senate since 1948. At 60 and with at least two terms to go, he is likely to exercise more influence on the lives of his countrymen than any President they may elect. As chairman of the Senate's Finance Committee, Long pretty much decides how much we'll be taxed, how much we'll pay for gasoline, how much we'll get in Social Security payments when we retire and how much we'll get in Medicare when we're sick.

Yet Long is responsible to no one except the voters of Louisiana, whose votes he controls through one of the most powerful political machines in the country.

Danforth's amendment would rule out the possibility of any senator's or representative's wielding this kind of power, at least for a considerable length of time.

It is true that time is a great teacher and that experience provides wisdom. But there are four men in the Senate presently who have been there 30 years or more. You'd think that, if they had provided the country with much wisdom, we might know them well. Yet I venture that seven out of 10 readers of this column cannot name them.

I like the remark of Sen. Malcolm Wallop (R-Wyo), who supports Danforth: "There's no question that, if this amendment were adopted, men of extraordinary talent would not be here. But there's equally no question that men of extraordinary talent are ready to take their places."

[From the Family Weekly, 1978]

PRO AND CON—Should Congressmen's Terms Be Limited to 12 Years?

PRO—REP. DAN GLICKMAN (D.-KAN.)

For too many years we have had Congressional fiefdoms in Washington. History provides many examples of members of the House and Senate who have, through the privileges granted by seniority, created for themselves far-reaching powers. The problem of isolation exists on Capitol Hill. Members who have been in Washington too long tend to believe that it is the center of the universe; they lose contact with the people to whom they should be responding. A member who stays too long can and does begin to accept things as they are, to feel secure in the status quo. The advantages of incumbency make re-election, particularly in so-called "safe districts," an easy task for that member.

CON—REP. W. R. POAGE (D.-TEXAS)

The basic reason for limiting the term of executives—the President or governors—is that they are able to build up political machines based upon their appointive powers. Members of Congress have no such opportunity. While there may not be many members of Congress who will serve as long as I have (42 years), or as long as Sam Rayburn (49 years) or Carl Vincent (50 years), the people should have the opportunity to avail themselves of the service of any individual they want to serve them just as long as they want his service and he is able to serve. When the people decide they do not want a Congressman, they can and will replace him no matter how long his service has been.

[From the Miami, Florida News, Mar. 3, 1978]

No Push for Reform

Although that wise plan to limit the terms of congressmen to 12 years may be about as popular on Capitol Hill as Tongsun Park, it at least is going to get a two-day hearing this month before the Senate Constitution Subcommittee

chaired by Sen. Birch Bayh (D-Ind.). That gives reformers a few crumbs of satisfaction despite the scant hope that careerist-congressmen seriously would tamper with their comfortable baliwicks.

With Sen. Bayh showing little enthusiasm for the proposed constitutional amendment that would prevent politicians from parlaying incumbencies into lifetime jobs, the hearings aren't likely to spark any hard drive for reform. Sen. Barry Goldwater (R-Ariz.), who has been hanging around the Senate for a quarter of a century, is the only veteran offering support to the chief sponsors, Sens. Dennis DeConcini (D-Ariz.) and John Danforth (R-Mex.).

This country could cure a lot of ills by limiting congressional terms. It could put an end to political dynasties of families from "safe" districts. It could dilute the strength of the too-powerful committee chairmen. It could shatter the seniority system that rewards age instead of talent. It could bring more fresh blood and ideas into the legislative process and help remove government from the control of the WASPish lawyer clique.

To get this promising reform, the people will have to want it—the majority of congressmen probably never will.

[From the Birmingham, Alabama News, Mar. 15, 1978]

Bayh Not Impressed by Tenure-Limit Move

Washington (AP).—Sen. Birch Bayh, D-Ind., serving his third term in the Senate, doesn't think much of proposals to limit the tenure of members of Congress, sponsored largely by freshman senators.

In a statement opening hearings by the constitution subcommittee of the Senate Judiciary Committee, Bayh said he had "serious reservations on the merits of these proposals." He questioned whether the proposed constitutional amendments would weaken the legislative branch and whether the federal government would work as well "if it relied on less experienced legislators."

[From the Washington Post, Mar. 16, 1978]

Congressional Longevity

One of those perennial attempts to reform Congress by limiting the terms of its members was trotted out again this week before a Senate Judiciary subcommittee. Under consideration are two constitutional amendments that would limit the service of future senators and representatives to 12 or 15 years. Proposals like these have been floating around at least since 1951, when the Constitution was changed to restrict presidents to two full terms. We hope they continue merely to float and don't light.

It needs to be conceded that proponents of amendments like these, introduced by Sens. Dennis DeConcini (D-Ariz.) and John C. Danforth (R-Mo.), are focusing on a real problem: the stagnation that prolonged terms in high office can produce. The seniority system, even though it is not so strong now as it once was, places enormous power in the hands of longtime members of Congress solely because they have been there so long. That, coupled with the political advantages that incumbency generates, makes it increasingly difficult for new blood to fight its way to Washington. Even when a veteran member has dropped out of touch philosophically with his constituents, he is often able to stay in office because party officials prefer power to issues.

Sen. DeConcini also argues that this distribution of power operates to deny equal representation to voters in states and districts where hot political competition makes it difficult for any person to stay long in Congress; the representatives of those areas are never able to stand on an equal footing with those from districts that send back the same legislator election after election.

Those are valid and appealing arguments. They make the proposed limits on congressional terms seem attractive. But the senators have traced the problems to the wrong source and are thus prescribing the wrong cure. The evils—and they are that—of which they speak grow not out of unlimited service but out of the way in which Congress itself has chosen to treat that service. The cure, then, is not to keep particular people out of Congress, but rather to limit

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To attack this problem the other way, as the proposed constitutional amendments do, is to place an additional restriction on the right of voters to choose whomever they want to represent them in Washington. That right of choice is so fundamental that it should not be tampered with. Voters should be allowed to elect—and reelect—to Congress whom they please.

(From the Washington Post, Apr. 18, 1978)

Why We Should Limit Congressional Terms

(By Milton S. Eisenhower[1])

The Post's March 18 editorial "Congressional Longevity" cited some of the reasons given for advocating limited terms for representatives and senators. The editorial remarked that nothing would be gained by such limitations.

But it did not mention what I deem to be the most important reason for limiting representatives to three four-year terms and senators to two six-year terms. The electoral process operates in such a way that we tend to have permanent members of Congress, and to achieve that result the members must support not what is best for the United States but what will most please their constituents at a particular time.

Early in our history the problems facing the nation, while acute, were sufficiently simple that what citizens favored and what best served the national interest were essentially synonymous. Further, the desire of the professional politicians to achieve electoral immortality had not yet developed. Hence, in the early part of the 19th century a Congressional election saw nearly half of the members of the House of Representatives enter as freshmen.

Now the situation is vastly different. The problems the nation faces—energy, inflation, unemployment, imbalances in international trade and payments, the Middle East and African problems, crime—are complex. Citizens often lack basic facts essential to enlightened judgment. Members of the Senate and House have their staffs do publicly financed research, and committees hold prolonged hearings, often for months, on a single problem. A senator or representative therefore develops knowledge superior to that of most of his constituents. The task of statesmanship is for a congressman to vote for what is right (that is, what is best for the nation) and seek to inform constituents, convincing them, we hope, that his vote was the correct one.

[redacted] to realize that members of the Senate and the House lack the [redacted] to vote for what is needed, for in doing so they would offend powerful interest groups that have strong influence in political elections. Incumbents have found that the way to achieve electoral immortality is to behave as pressure groups wish.

The cost of a congressional election is now nearly 75 times as great as it was 90 years ago; in that costly process the advantages are with incumbents. They have the franking privilege. Every member is likely to have one or two employees on the public payroll who work almost exclusively in preparing for the next election. And of course the greater newsworthiness of incumbents helps them. The consequence is that today the historic [redacted]

[redacted] the seniority system. It is true, as the Post said, that Congress could change the seniority system without having a constitutional amendment on limited terms. But the problem has been evident for a long time, and little corrective action has been taken. I see no reason to believe that the House and Senate will radically change the rules.

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[1] The writer is a retired university president.

[illegible] the president. The chief executive should be limited to a single six-year term. He should have no incentive other than that of serving all the people, yet who is there today who cannot recall far-reaching and costly programs proposed and vigorously supported by presidents because they had wide temporary appeal yet proved in time to be wasteful and ineffective? Nearly every president in modern times has favored policies and programs that would contribute to his reelection. If there were evils in permitting the president to run for a third term—as the Congress and states decided—those same evils apply to election to a second term. Why, in our current economic disarray, have elected officials, including the president and governors, failed to uphold the law in the crippling coal strike? Why did they permit union miners to threaten and intimidate non-union miners so effectively that most non-union mines had to close? Why, when the Taft-Hartley Act was imposed, did not federal and state chief executives see to it that the law was observed?

The reason is obvious. The president and many governors are eligible for re-election. Pressure groups must not be offended—the political imperative.

That example, which involves an incumbent president and a few incumbent governors, could be duplicated with respect to policies and programs initiated by their predecessors.

A single six-year term for the president is gaining widespread support, and many states now limit governors to single terms. I think I may live to see the appropriate constitutional amendment adopted to limit the president to one six-year term. It may take longer to persuade the Congress to reform itself.

[From the Washington Post, Oct. 30, 1977]

Politics of Endurance

(By George F. Will)

T. S. Eliot warned against "dreaming of systems so perfect that no one needs to be good." But the oldest American political tradition is the search for institutional arrangements that minimize reliance on public spiritedness. An idea in that tradition—an idea that would make a kind of greatness impossible—is enjoying new currency.

The Foundation for the Study of Presidential and Congressional Terms has been formed to consider, among other questions, whether there should be limits to the number of terms members of Congress can serve. It is an old question in American politics.

Critics argued during ratification debates that the Constitution would produce an alien and irresponsible governing class—a "government of strangers"—because it did not provide for compulsory rotation of elective offices. Today interest in compulsory rotation has again become acute, again because of fear of a "professional political class."

[illegible]

According to Fiorina, the growth of the federal role in American life, and the attendant growth of bureaucracy, has enabled congressmen from formerly "marginal" districts to base their appeal on noncontroversial activities. These include delivering benefits from the "social pork barrel" and doing "casework"—nonpartisan constituent services, such as helping voters cope with regulatory agencies.

[illegible]

Such an amendment is a recipe for further reducing the power of the legislature relative to the "permanent government," the executive bureaucracy. It would prune deadwood, but also would prevent great legislative careers on the scale of Henry Clay's, Sam Rayburn's and Robert Taft's—the sort of careers that give continuity, cohesion and energy to the legislature. Besides, a "fresh face" is by another name a "rookie," with a lot to learn in a town where there is a lot to know.

Dennis DeConcini (D-Ariz.), another freshman senator and a director of the foundation, favors compulsory rotation of offices in order to produce "citizen-legislators" who "come to government briefly, bringing their varied experiences to bear on current problems. . . ." But it is sentimental to think that the "varied experiences" of the average citizen can be usefully "brought to bear" on the most important complexities (strategic arms, welfare reform, capital formation) of public policy.

Reformers also should consider that compulsory rotation of offices might mean "citizen legislators" who are, increasingly, older and wealthier amateurs. That might not be bad, but it should be considered. If no one can hope to make a career of politics, people will be more apt to enter politics later, after establishing a "real" career, and after establishing it so well that he or she can take a sabbatical.

"Serving as a member of Congress should not be viewed as a profession," says Danforth, "and it should never become a career." Americans cling to the idea that government in a modern state can be an amateur's avocation. But in government, as in other serious enterprises, knowledge is cumulative. Government is as much a profession as law or teaching; it is a learned activity and an increasingly complicated one.

Politics in our time has been ennobled by the long careers of such senators as John Stennis, Hubert Humphrey and Henry Jackson. Granted, long service is only a necessary, not a sufficient, condition of legislative greatness. Granted, greatness is rare, even among those who have long careers. But it should not be made impossible.

(By Dennis DeConcini[1])

With his usual flair and wit, George Will recently attacked a constitutional amendment introduced by Sen. John Danforth (R-Mo.) and me. The amendment, which would limit the number of terms representatives and senators could serve, was characterized by Will as the work of "rookies" who have "a lot to learn in a town where there is a lot to know."

Ostensibly, Will's comments addressed themselves to the practicalities of Washington politics.

[redacted]

[illegible] a practical argument, Will's position is not compelling. The 22nd Amendment prevents an individual from holding the office of President for more than 10 years. I am sure Will would concede that the responsibilities of a President are equal to those of a senator or representative—he might even be tempted to argue they are greater. After all, we demand of our Presidents that within a matter of months they put together an administration, develop a national policy, deal with international crises, serve as party leader and assume all the responsibilities of head of state. If the consequences of limiting the terms of senators and representatives are dire, as Will suggests, surely we should insist that the 22nd Amendment be repealed; perhaps we should insist that Presidents serve three, four or even five terms.

The legislature is the body of the people. It should be an elite group of professional decision-makers, removed by time, distance and experience from the people it serves and represents. To Will, the notion of a "citizen legislator" may be quaint and naive; to me, the growing reality of the "professional legislator" is frightening. It is yet another step away from the democratic ideal and another step toward rigid, unrepresentative institutions.

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In an age when the universal complaint is the apathy of our citizenry, we should be developing the institutional structures necessary to provide more opportunities to participate meaningfully in the political process. The philosopher Rousseau observed that the degree of commitment an individual has to the rules that govern him is directly related to the extent of his participation in their formation. The bonds of community presupposed by democratic order are rooted in this principle. As opportunities to participate decline, disaffection and alienation grow, the authority of both public and private institutions withers.

Limiting the terms of senators and representatives is no panacea for our social and political ills. But it may make our legislature more responsive and sensitive to our diverse interests. Ultimately, it is not the purpose of the legislature to govern; it is the purpose of the legislature to develop the national consensus necessary for legitimate governing.

Broad and often unchecked power tends to accumulate to long-term survivors in the political arena. A limitation of terms would restrain its growth. The framers of the Constitution were political realists who sought to create institutional barriers to protect against the capricious exercise of power. And, thus, a limitation of terms fits that spirit. Furthermore, the framers did not intend that the vagaries of electoral politics should determine which states and which citizens benefit most from the federal system. Length of tenure goes hand-in-hand with the political pork barrel.

One final note; Re-election to office is often not vindication by the electorate. No astute observer of the contemporary political scene [illegible] to the tremendous advantages of incumbency. [illegible] at the expense of [illegible] political and policy consensus, but solely as ombudsmen intervening with the ruling bureaucrats. Limiting terms forecloses making a career of the legislature; the overwhelming concern for job security will be removed, creating a shift in attitude, orientation and priorities.

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

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

Alaska State Legislature

SENATOR
M. "ED" DANKWORTH

REPRESENTING
SENATE DISTRICT 12-J

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IN SESSION
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DATE: 1/26/81

TO: Sen. Fischer

FROM: Sen. Dankworth

RE: SJR 9, which limits the number of terms a legislator may serve.

Please find the attached information taken from my file on SJR 9. I hope you will find these comments helpful.

Please feel free to contact my office should you need any further information. 465-3753. Thank you.

LEGISLATIVE STUDY COMMITTEE REPORT

PART I

Sponsored by

General Federation of Women's Clubs

Anchorage FREE Committee

Prepared by

Jan Bomhoff and Jan Faiks

January, 1981

VIII.

LIMIT TERMS OF OFFICE

The FREE Committee strongly believes in the concept of a citizen legislature versus professional lawmakers. For this reason, and others, FREE feels that there should be a limitation on the number of terms a Representative and Senator may serve. Surprisingly, a good portion of the responding legislators favored this concept.

FREE feels that a limitation would serve as an incentive for more citizens to seek elective office - the perception being that incumbents are generally pretty difficult to unseat. New faces bring fresh approaches to programs and issues, needed at all times, but especially now in Alaska with its vast natural resource wealth.

When legislators remain in one house for a long period of time, excessive power over colleagues and staff seems to develop, as do legislative cliches. By dispersing the concentration of power, it will be more difficult for a handful of "long time" legislators to control legislation contrary to the wishes of the majority.

One legislator commented during the discussions that it was difficult for even the "good guy" legislators to remain free of obligations to their colleagues. In the lawmaking process there is always give and take, and legislators who have been on the job for a long time will inevitably build up a certain amount of "favors due" and

"favors owed", so that it becomes increasingly difficult to judge matters under consideration solely on their merit.

FREE recommends the following limitations on the terms of office:

1. Senate - two 4-year consecutive terms.
2. House - four 2-year consecutive terms.
3. Present incumbents would begin counting their terms with the effective date of the law.

Using FREE's formula, legislators popular with their constituents could remain in the legislature, but would have to change Houses every eight years. Thereby, the right of the citizen to choose his lawmakers remains intact.

Dear Ed:

6 MAR 80

Prior to the constitutional convention, I would have opposed legislation similar to your SJR 42. But in that convention I gave a lot of thought to just such a limitation since we were going to limit the governor, and in a sense put a limitation upon State judges.

After convention hours, Dayton Keene, who was the legislative branch comm advisor, Weldon Cooper, Emil Sady, and Ernest Bartley often met in my apt to discuss just the subject of your bill. Frankly I was looking for support from the consultants.

My presentation to them, was that historically we had many poor Governors- (of which we could do nothing) and that since the legislature had been established in 1913 we had had some pretty poor legislators. In those days the mining industry and fishing interests pretty well controlled those small legislatures of 24 people. But as state hood effort really came to life with the advent of Ernest Grueing as governor the full pressure of industry was felt. We had a number of pro mining and pro fish legislators who really controlled the legislature--much of it by seniority. ~~I sought to put a restrain on the legislature.~~

Dayton Keene who had been a legislatur for some years felt my arguements were valid and that this might now be the time to put in a limitation- so was Bartley inclined. The others were of the opinion there probably was a necessity for such action, in this state as well as some other states. We all agreed that unicameralism would in no way better the situation. But then there was arguement presented that the people might feel and "infringement on voters rights.

As I look back now, I think the people would have accepted that limitation without a ~~@@@@~~ complaint, because I heard very few questioning the limitation on the Governor tenure.

I beleive we discuss the subject in our committee meeting on several occassions. I discussed the matter extensively with my friend Senator Vic Rivers who was chairman of the Executive branch committee. He was inclined to agree in principal as he was including the limitation on the governor in his articl Rivers quietly polled a number of convention delegates reporting back to me that though they agreed on the gubernatorial limitation there was no favorabl concensus relative to legislators. So, I let the matter go as we already had some novel ideas in our article.

It is my feeling, in the light of the action of the state legislature over the last 8 or 10 sessions, the people might now be ready to accept a limit on terms of legislators, particularly since they have seen the benefits of a limitation on the governor.

I doubt if your SJR 42 will pass in the legislature--too many have a "good thing" going for themselves. But, if someone haddthe time and energy to see it through via referendum, I'm certain it would pass.

Certainly the time has come to put some brakes on the legislature. This maybe a start.

I am agreed with your bill, I hope it passes.

S M Stevens

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May 2, 1980

Senator M. "Ed" Dankworth
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Ed:

Belatedly I am acknowledging your letter of March 21 and the enclosure. I have mixed feelings about SJR 42. As you acknowledged, there is some value in experience, continuity and professionalism in the legislative branch.

On the other hand, the advantages of an incumbent are enormous, as you say. The remoteness of the state capital, the relatively small size of the legislature, and the advantages of name familiarity, and other factors, can help maintain an "old boy" network. I think that in legislative work, like any other field, a worker can get calloused and stale over time.

I reached the point after eight years in the legislature where I was beginning to foresee a lack of freshness of ideas on my part. I felt it important to go back into the private sector and regenerate. There is a tendency to stay in the legislature when one has really creative matters on his or her agenda. To stay under those circumstances is a limitation on a person's own growth. It is as refreshing to leave after a time as it is to obtain office.

Also, I think there is something attractive in the notion of citizen-statesman. I like the idea that legislative service in a place like Alaska is a civic duty which concerned citizens share. Sometimes, when one is in office too long, he grows to feel that he owns the office; the sense of being a public servant is obscured.

It is a very difficult matter to generalize about because, of course, some people serve for decades with undiminished distinction. Senator Butrovich comes to mind. Others become complacent or lazy.

The argument can be made that the complacent and lazy should be removed by the people, and that the public's freedom of choice should not be diminished.

On balance, I would resolve my doubts in favor of something like SJR 42, except that I think I would favor four successive terms for House members, and three successive terms for senators as a limitation, and I would only require a senator to sit out for two years instead of "one full term."

I think the effect would be to bring new blood and fresh perspectives to the legislature from time to time to a greater degree than now is the case, and I think it would help bring the legislature closer to the people.

Thanks for seeking my views, and I hope this answers your inquiry.

Best regards,

Joe P. Josephson

JPJ/cw

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Legislative terms

WITH THE growing interest in setting a constitutional or statutory limit on the amount of money Alaska's state government can spend on operating expenses, the time might also be ripe to consider another limitation.

What about putting a lid on how many terms a person can serve in the legislature?

Alaska's governor is restricted to two consecutive terms. If such a limit makes good sense for the state's chief executive, it might make equally good sense to bar people from building up legislative empires.

The two-term limit on the office of governor is to prevent the prospect of having a Huey Long seize control of the most powerful gubernatorial office in all America. When Alaska's constitution was drafted back in 1956-57, such a prospect was very much in the mind of the constitutional delegates.

HOWEVER, they saw no similar danger in the legislative branch. That's understandable. No one could have envisioned the immense power Alaska's lawmakers have today.

The subject did arise, says Steve McCutcheon, the delegate whose subcommittee dealt with the matter of legislative terms. It was discarded, he says, after only cursory consideration — but, in retrospect, it appears such a limit would have been wise.

Insofar as we have been able to determine, no other state imposes a constitutional limit on consecutive years of service in the legislature.

But several states do achieve something of the same result by requiring, either through custom or rule, that a legislator bow out after serving in a major leadership

A man who has been speaker of the House, for example, would not seek re-election after serving in that position. Another might cap his or her career as president of the Senate. The same limitation could apply to those who enjoy special authority as majority or minority leaders or as chairmen of principal legislative committees, such as Finance or Rules.

The reasons for such limitation are obvious.

For one thing, mandatory transfer of legislative power — by upward movement through the chairs, as it were — would avoid the possibility that one legislator, or group of legislators, could carve out a fiefdom within the legislative structure.

For another, it would guarantee an infusion of fresh blood, fresh energy and fresh ideas into the legislative process. Certain House and Senate seats have become virtually the personal possession of legislators who run time after time with no opposition or only a token show by a challenger.

THE POSSIBILITY of legislative abuse of power, never before a worry in Alaska, has become more and more alarming as the state's income and wealth soars. In recent months, examples have begun to become evident.

A legislator armed with a seat that is awarded to him election after election can hardly resist the temptation to become arrogant. And there are other temptations, far worse, that come with excessive legislative power.

For the benefit of all concerned, including legislators, consideration should be given to limiting terms of office — as well as government spending.

2/16/86 Times

A limit on service

ALASKA HAS HAD, over the years, a number of men and women who have served well for long periods of time as members of the legislature. That has been a plus for the territory and the state. But there are some offsetting minuses connected with long tenure in the legislature. And there is mounting evidence that the negative is beginning to far outweigh the positive.

Recognizing that legislative seniority also can lead to legislative abuses, one member of the Alaska Senate has proposed to put a lid on the number of consecutive terms a person could serve. The proposal has merit and deserves thoughtful consideration.

Sen. Ed Dankworth, the Anchorage Republican who two weeks ago was kicked off the Senate Finance Committee when he refused to play ball with some senior members of the club, proposed this the other day in a resolution calling for a constitutional amendment.

IF APPROVED by the legislature — and that's a big "if" — the resolution would go on the ballot for action by the voters of the state. It calls for the imposition of a constitutional limit restricting a person to two consecutive terms in the Senate or three consecutive terms in the House.

The net effect would be to allow a person six years of continuous House service or eight straight years of service in the Senate.

To make the proposal more palatable and to give it at least a chance of passage by the current crop of legislators, Sen. Dankworth included a grandfather clause. Under its provisions, the counting of terms would begin with approval of the constitutional amendment. Incumbent senators and representatives with long tenure — including such luminaries as Sens. Bill Ray of Juneau, Bob Ziegler of Ketchikan, George Hohman of Bethel, John Sackett of Galena and Clem Tillion of Halibut Cove — would not be immediately affected.

THE RESOLUTION has drawn some initial support. Signing on as co-sponsors were Republicans Arliss Sturgulewski and W.E. Bradley and Democrats Pat Rodey and Terry Stimson, all of Anchorage.

That's a good start. But clearly it is not enough. To succeed, the proposal must have widespread support, even from districts that have long placed their legislative affairs in the hands of one or two individuals.

A constitutional amendment limiting tenure would bring two significant changes. It would guarantee that a fresh flow of ideas, personalities and backgrounds would be injected into the legislative process. And it would be a barrier to the creation of legislative dynasties and would prevent any single legislator from assuming, on the basis of seniority, a seat of power that could impair good government for all the people of Alaska.

STR 42

CONGRESSIONAL TENURE

HEARINGS

BEFORE THE

SUBCOMMITTEE ON THE CONSTITUTION

OF THE

COMMITTEE ON THE JUDICIARY

UNITED STATES SENATE

NINETY-FIFTH CONGRESS

SECOND SESSION

ON

S.J. Res. 27 and S.J. Res. 28

JOINT RESOLUTIONS PROPOSING AN AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES WITH RESPECT TO THE NUMBER OF TERMS OF OFFICE WHICH MEMBERS OF THE SENATE AND THE HOUSE OF REPRESENTATIVES MAY SERVE

MARCH 14, AND 16, 1978

Printed for the use of the Committee on the Judiciary

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say to a person who is elected: "Look, you are not a new resident of Washington—you are a resident of your own State or your own district. You are of the people who sent you here, and you will eventually, whether you like it or not, be returning to them."

The second thing that would be gained has to do with the human tendency to want to preserve yourself in a good job by saying "Yes" to everybody and "No" to nobody. That's one of the problems in Government now.

Q. Are you saying that lawmakers worry too much about getting re-elected?

A. Yes. I would hope that a limitation on service would create a greater sense of independence and a greater willingness to call them as we see them.

Q. But if every second-term Senator were a lame duck, ineligible for a new term, wouldn't the Senate's responsiveness to the public be reduced?

A. No. First of all, the people I know here who have already announced they're not going to be returning have just as great a sense of responsibility to their electorate as those who want to keep running, running and running.

You don't really elect people to be just walking public-opinion surveys. You elect them to exercise their best judgment on behalf of the people who sent them here. So I don't think that there is anything necessarily beneficial about being consumed with the need to touch every base and remain popular on every issue just to get re-elected.

Too many politicians have said "Yes" to too many people for too long. They have attempted to aggregate support from one interest group after another in order to stay here forever.

Q. In most fields, it is assumed that experience sharpens a person's skills. Isn't this true of Government service, too?

A. I had always been told that when you come to the Senate as a freshman, you're supposed to be seen but not heard. But I haven't found that to be true at all. We are expected to start acting like Senators the day we arrive.

Secondly, we've already crossed this bridge with respect to the Presidency. Presidents, as a matter of constitutional law, are to serve no more than two terms.

And third, I wonder if being a Washington type is the kind of experience a person really should have. There is at least as much wisdom spread throughout the country as there is here. I am one who does not believe that Washington has some monopoly on intelligence or on the right kind of experience.

KEEPING CONTACT WITH "REAL WORLD"

Q. Even, so, shouldn't it be up to the voters to decide whether a legislator deserves another term, instead of mandating a lawmaker's retirement after 12 years?

A. I think there is a trade-off—and the gain would be substantially greater than what would be given up. You would be removing the possibility of one person serving in perpetuity, but in the State of Missouri, for example, there are thousands of people who are fully competent to serve in the United States Senate. This would result in a very minimal reduction in the pool of qualified people.

The gain, again, is the reduced incentive for a member of Congress to try to promise the world. No matter how much you promised, no matter how good your public relations might be, you would know that you would be returning to the workaday world as a matter of constitutional requirement.

That is precisely the kind of message that people here should be given: It is certain that you are going to have to return to the real world and live with the laws you helped enact.

Q. In effect, then, you want to abolish the "professional legislator"——

A. Yes. There's a real problem today in the notion of a professional legislature, and we seem to keep furthering that notion.

Congress is almost always in session. We have just enacted in the Senate an ethics code which, in effect, says that we don't want Senators involved in the workaday world. In the name of ethics, we want them to free themselves from practice of law or practice of medicine or business so they will be available here full time.

I think that is probably moving in the wrong direction. We should view Government as a citizens' army, as made up of citizens who are performing public service for a limited period of time.

PART 2.—NEWSPAPER AND MAGAZINE ARTICLES

[From Roll Call, Oct. 27, 1977]

A NEW TRY TO LIMIT CONGRESSIONAL TERMS

(By Mimi Noel)

Four relatively freshman Members of Congress have decided to challenge a political system that has resisted change for 189 years. Chances are, they won't succeed and won't be remembered for their effort.

And still they try * * *

Sens. Dennis DeConcini (D-Ariz) and John C. Danforth (R-Mo) have joined Reps. John W. Jenrette (D-SC) and Robert W. Kasten (R-Wis) in an attempt to change the length of service for Members of Congress and the President. All have accepted positions, as directors, of the newly-formed Foundation for the study of Presidential and Congressional Terms.

"We're trying for grass roots support," Rep. Jenrette says, explaining: "The Congressional route has not had the support of senior Members * * * this is a new route—through the public."

The four Congressmen have introduced legislation that would limit, by Constitutional amendment, Congressional service. House Members would be allowed to serve six two-year terms while Senators would be allowed two six-year terms. The law-makers also proposed a single six-year term for the President.

In a press conference this week they agree that the "battle is uphill."

And still they try * * *

"The idea has been introduced a number of times," Rep. Jenrette said in an interview in the corridor outside the House Floor. "But it never got anywhere with individual Members supporting it * * * the Foundation takes away the self-serving aspects of it."

The group which will be directed by John C. Gartland, a former administrative assistant to Rep. Richard Kelly (R-Fla), is set to study four basic questions:

Should there be a limit to the number of years a Member of Congress can serve?

Should the terms for House Members be lengthened to three or four years?

Should Members of Congress be required to resign from office when actively seeking other federal office?

Should the President be limited to one, extended term in office?

The Foundation expects to capture attention through a program of public forums such as college debates, speeches and essay contests.

Throughout the past decade new Members of Congress have become increasingly restless with the bureaucracy involved in moving legislation through the Congress. More than a few have cited senior Members, committee chairmen to a large extent, for manipulating the due process.

These younger Members have come to believe that limiting the number of terms—in both the House and the Senate would work "for the people."

"After serving in Congress for two terms, I personally believe there is an urgent need to inject new blood and fresh ideas into our political system," Rep. Kasten said. "The issue of limited terms has been around for some time, but it has yet to draw the attention and serious study it deserves."

Remarking on "an anti-Washington" mood, Rep. Kasten said "professional politicians" fail to respond to the "concerns of average Americans."

Nevertheless, the Foundation has definite goals in mind. By next year, they hope to present the public with a chance to vote on the question of limiting both Congressional and Presidential terms on eight or 10 statewide ballots."

To Congressional sages who sat in on the Foundation's meeting, it was the same old argument of "new blood" versus seniority.

But each of the Congressmen present stressed the importance of legislators returning to private life, subject to the very laws he had voted on.

The legislators pointed to their own determination to retire after 12 years. But individual efforts would have little meaning unless the majority of Members in Congress showed active support.

Now, Jenrette is faced with the task of trying to find colleagues with 12 years or more seniority, to support the measure.

"We ought to have some Members in the House and Senate who have reached the terms by which they would have to retire in our proposal to give greater emphasis to what we have to say," Jenrette said.

Rep. Jenrette has already approached retiring Rep. George Shipley (D-Ill), with 22 years in the House, to lend his support to the anti-seniority proposal.

And still they try * * *

But among his colleagues, Jenrette has found apprehensions that he did not share.

"I've found one of the biggest concerns in limiting the terms is that some great contribution might be lost," Jenrette said. "They point to someone like Thomas Jefferson who was quite senior by the time he made many significant contributions."

Jenrette, at 41, finds the concept appealing that in eight and one-half years he will return to private business. A former lawyer, he already has plans afoot "to set my business up" once he leaves Congress.

But for many Members this would not be the case.

"If someone comes to Congress at 26, and then retires at 38, he has only completed half of his career so he can easily take on another profession," Jenrette said.

"But the problem comes when you speak about limiting middle-aged Congressmen between 30 and 40 * * * after only 12 years here there is no place to go."

Rep. Jenrette cited his own case as an example. He came to Congress at 30 and with such a 12-year limit, he would retire at 51.

"If I didn't have a law practice, at 51 I would have to go into private industry and start a new career * * * I don't think I could do it," he adds.

And still they'll try * * *

With Gartland as the Director and his one-time boss William E. Simon as Chairman of the Foundation Finance Committee, the major focus of the group will be public exposure.

"The impetus must come from the people before Congress will enact such a change," Sen. Danforth said. "My amendment will be considered seriously in the Senate only if the public demands it."

Both freshman Sen. Danforth, and his freshman colleague Sen. DeConcini are firmly opposed to Members of their Chamber being viewed as "political careerists."

"In a seniority system, certain individuals come to possess very great power," Sen. DeConcini said. "While I am not suggesting that this power has been abused in my own experience, I am suggesting that the present system does create the opportunity for such abuse."

And so they remain optimists. They walk the halls, like knights without shining armor or white steed, looking for support. Their aging dragon, 189 years old, remains reincarnated in the form of stubborn senior colleagues.

And still they'll try * * *

[From U.S. News & World Report, Nov. 14, 1977]

Pro and Con—Limit a Lawmaker's Term in Congress?

Yes—Elected officials shouldn't be "permanent fixtures in Washington"

(Interview with Senator John C. Danforth, Republican, of Missouri)

Q. Senator Danforth, why do you favor a constitutional amendment prohibiting any person from serving more than 12 years in the Senate or the House?

A. It would accomplish two things:

First, it's important for elected officials who come to Washington to think of themselves as citizens who are only on leave to their Government—not permanent fixtures in Washington. A limitation on the length of service would

Q. Some people say that the perquisites of office, such as newsletters, a staff allowance and ready access to the press, come close to guaranteeing incumbents' re-election——

A. Right. I think the statistics are pretty clear that it's much easier for an incumbent to be re-elected than for a challenger to defeat him. This is another argument for limiting terms, although it is not an argument I rely on.

Q. Do any local or State governments have the kinds of limits on legislative service that you propose?

A. I don't think so. There are limits in some States on Governors serving more than one or two terms, but such limits are not found in the legislative branch.

Q. What are the prospects for your proposal?

A. It's not going to get anywhere unless there's a public outcry for it. The pressure is going to have to come from the people.

No—"Compulsory Retirement Is a Waste of Talent and Know-How"

(Interview with Senator Alan Cranston, Democrat, of California)

Q. Senator Cranston, why do you oppose limiting service in the Senate or the House to 12 years?

A. There's a contrary move now in our country to do away with compulsory retirement in most occupations, and I think that's a very, very sound direction for us to take.

Compulsory retirement in private industry is an inefficient waste of talent, know-how and productivity. It is bad for society and bad for business. Much the same could be said about compulsory retirement from Government service.

It should be left up to the voters to decide who can best represent them.

If the voters are satisfied with the performance of a Senator or a Congressman, they should not be deprived of his services and experience—nor should the country—by any arbitrary rule.

Q. We have placed a two-term limit on the Presidency. Why shouldn't a similar limit be applied to Congress?

A. Every rule has its exception, and the one exception that I make to the rule of leaving it up to the voters is the two-term limit on the Presidency.

A President who could serve endlessly would have a great opportunity to develop many of the attributes of a dictator. We've had trends toward one-man rule in our country in recent times. The two-term limit is a very solid barrier against that.

We have as much to fear from Government as we have to gain from Government. And the thing to fear from Government is too much power in too few hands. But Congress, given its makeup, will never be a dictatorship. The question does not apply to Congress, where so many people share authority and responsibility.

Q. Advocates of a limitation on service argue that if we did away with "professional legislators," Congress would be more responsive to the needs and wishes of the voters——

A. There are those who say that we've relied on the citizen soldier as the mainstay of our defense, and so we should now rely on the citizen politician in our legislative process. Actually, because of the sophisticated technology of modern warfare, our defense has to depend on highly trained professionals more and more.

Similarly, our Government has grown so complex that the concept of the inexperienced citizen politician is somewhat outmoded—at least to the degree that we shouldn't depend solely on inexperienced legislators. There should be a blend of the old and new in office, and under the present law we have that blend.

Q. So you see a clear need for people with many years of legislative experience——

A. Yes. In matters that involve public affairs and human relations, experience is a vital, indispensable part of the learning process. You learn not only what Government can do, but what it can't do. New Senators sometimes spin their wheels trying things that are impossible, or trying to launch vast spending programs that just won't work. With experience, you learn to focus your efforts where you can accomplish something significant.

John Sherman introduced the Sherman Antitrust Act in his 20th year in Congress. Paul Douglas introduced the Voting Rights Act in his sixteenth year. Clinton Anderson introduced the Medicare Act in his sixteenth year. Jacob Javits, a Republican, introduced the War Powers Act—a very significant piece of legislation in the post-Vietnam era—after serving more than a decade and a half in the Senate. Sam Ervin led the Watergate hearings in his nineteenth year in the Senate. Robert Wagner served 22 years; Robert Taft, Sr., 14 years; Stephen Douglas, 14 years; Henry Clay, 27 years; Robert LaFollette, 20 years; George Norris, 30 years. All of these careers would have been cut short, and the nation would have been the loser, if we'd had the limit that is proposed.

PROBLEM OF THE LAME DUCKS

Q. Don't legislators sometimes get out of touch with the people back home after many years in Washington?

A. If they do, they get tossed out by their constituents. The basic principle of representative democracy is that you elect people who are supposed to be responsive to the people they represent—not necessarily to always do what the people want, but to solicit their views, understand their problems, stay in touch and serve their best interests. Now, if you're in your final six-year Senate term, and the law says you can't run for re-election, you could become totally unresponsive to the people you serve.

Also, a lawmaker who is a lame duck would be less able to accomplish things. If somebody is on his way out, less attention is paid to his leadership. A Senator would be at his peak of capacity only in his first six years, and then he would lose his clout—and so would his constituents—in his second six years.

Q. It is sometimes argued that incumbents have advantages, such as newsletters, staffs and ready access to the press, that come close to guaranteeing re-election. How true is this?

A. I do have concern that incumbents have advantages. I think there are other ways to deal with the problem. On the bill to provide public financing for congressional-election campaigns, I voted to provide challengers more money than incumbents, for example.

Even so, there are plenty of incumbents knocked off on each go-around. It is noteworthy that several of the advocates of a limit on service recently defeated incumbent Senators. We do have new people coing in with new ideas. More than 50 percent of the House has been here less than six years. More than half of the Senate has been here less than 10 years.

There is no demonstrative need for anything as radical as changing our Constitution to make retirement after 12 years in office mandatory. The voters themselves have been doing a good job of keeping a healthy mixture of "new blood" and experienced "old hands" in Congress.

[From the Washington Post, Dec. 4, 1977]

THE GALLUP POLL—12-YEAR LIMIT FOR HILL MEMBERS FAVORED BY 60 PCT. OF VOTERS

(By George Gallup)

Princeton, N.J.—A solid majority of American voters, 60 per cent, now favor a law that would limit senators and House members to a maximum of 12 years in office.

The proportion in favor of a limit on the time in office for senators is up sharply since 1971, when the figure was 48 per cent. (The question on members of the House was not asked in the earlier survey.)

Although the upward trend is across-the-board with all major population groups, it is most pronounced among younger, better-educated voters.

Sen. John C. Danforth (R-Mo) recently proposed a constitutional amendment to limit senators and representatives to 12 years of service.

The sharp upturn in support for a limit on the terms of senators may be, in part, a reflection of their unfavorable public image. A recent Gallup survey showed both senators and representatives rated relatively low among a list of persons in 20 occupations in terms of honesty and ethical standards.

Another Gallup survey showed only . percent of the public saying they approve of the way Congress is handling its job.

Here is the question asked 1,523 adults from Nov. 4-7 and the trend:

"A law has been proposed which would limit a senator to two terms, or a total of 12 years in office. Would you favor or oppose such a law?"

[In percent]

	Favor	Oppose	No opinion
Latest	68	20	12
May 1971	48	39	13
January 1966	50	38	12
March 1964	49	38	13

Here are the results of the current survey by political affiliation:

[In percent]

	Favor	Oppose	No opinion
Republicans	64	29	7
Democrats	63	27	10
Independents	57	36	7

This question was also asked:

"A law has been proposed which would limit a member of the House of Representatives to three terms of four years apiece, or a total of 12 years. Would you favor or oppose such a law?"

[In percent]

	Favor	Oppose	No opinion
Latest	59	31	10
Republicans	62	29	9
Democrats	61	29	10
Independents	58	34	7

The plan to limit senators to two terms of six years each has been advocated by at least two Presidents—Dwight D. Eisenhower and Harry S. Truman.

[From the Washington Post, Dec. 31, 1977]

Two Terms for Legislators?

(By Tom Braden)

"Politicians," according to Sen. John Danforth (R-Mo), "have a tendency to say 'yes' to all men and 'no' to none."

This trouble has been noted before. Walter Lippman described a politician as one who "decides not whether a proposition is good but whether it's popular; not whether it will work well and prove itself but whether the active-talking constituents will like it immediately."

And Sen. John F. Kennedy declared himself convinced that the desire to be re-elected exercises a strong brake upon "independent courage."

The problem of whether a politician should serve his conscience or his constituency has been with us at least since Edmund Burke. Sen. Danforth, who has made a certain mark during his first term for being refreshingly outspoken, thinks he has at least a partial solution.

Danforth has introduced a resolution proposing a constitutional amendment that would limit the terms of service in the House and Senate to 12 years, the equivalent of six terms for a representative and two terms for a senator.

His point is that without the hope of holding on to a lifetime job, senators and representatives might vote their convictions. In fact, some of them might develop convictions, so that they would come to Washington, do what they think they ought to do and go home again—for good.

There is something to be said for this argument, and there are other reasons why Danforth's suggestion is worth thinking about.

For example, a greater turnover in Washington might renew the nation's interest in the electoral process. According to the polls, the country is in great doubt as to whether government can accomplish anything worthwhile—or, indeed, anything at all. Most people who are eligible to vote don't.

For another, the Danforth proposal would put an end to the system of power by longevity.

Sen. Russell Long (D-La), for instance, has served in the Senate since 1948. At 60 and with at least two terms to go, he is likely to exercise more influence on the lives of his countrymen than any President they may elect. As chairman of the Senate's Finance Committee, Long pretty much decides how much we'll be taxed, how much we'll pay for gasoline, how much we'll get in Social Security payments when we retire and how much we'll get in Medicare when we're sick.

Yet Long is responsible to no one except the voters of Louisiana, whose votes he controls through one of the most powerful political machines in the country.

Danforth's amendment would rule out the possibility of any senator's or representative's wielding this kind of power, at least for a considerable length of time.

It is true that time is a great teacher and that experience provides wisdom. But there are four men in the Senate presently who have been there 30 years or more. You'd think that, if they had provided the country with much wisdom, we might know them well. Yet I venture that seven out of 10 readers of this column cannot name them.

I like the remark of Sen. Malcolm Wallop (R-Wyo), who supports Danforth: "There's no question that, if this amendment were adopted, men of extraordinary talent would not be here. But there's equally no question that men of extraordinary talent are ready to take their places."

[From the Family Weekly, 1978]

PRO AND CON—Should Congressmen's Terms Be Limited to 12 Years?

PRO—REP. DAN GLICKMAN (D.-KAN.)

For too many years we have had Congressional fiefdoms in Washington. History provides many examples of members of the House and Senate who have, through the privileges granted by seniority, created for themselves far-reaching powers. The problem of isolation exists on Capitol Hill. Members who have been in Washington too long tend to believe that it is the center of the universe; they lose contact with the people to whom they should be responding. A member who stays too long can and does begin to accept things as they are, to feel secure in the status quo. The advantages of incumbency make re-election, particularly in so-called "safe districts," an easy task for that member.

CON—REP. W. R. POAGE (D.-TEXAS)

The basic reason for limiting the term of executives—the President or governors—is that they are able to build up political machines based upon their appointive powers. Members of Congress have no such opportunity. While there may not be many members of Congress who will serve as long as I have (42 years), or as long as Sam Rayburn (40 years) or Carl Vincent (50 years), the people should have the opportunity to avail themselves of the service of any individual they want to serve them just as long as they want his service and he is able to serve. When the people decide they do not want a Congressman, they can and will replace him no matter how long his service has been.

[From the Miami, Florida News, Mar. 3, 1978]

No Push for Reform

Although that wise plan to limit the terms of congressmen to 12 years may be about as popular on Capitol Hill as Tongsun Park, it at least is going to get a two-day hearing this month before the Senate Constitution Subcommittee

chaired by Sen. Birch Bayh (D-Ind.). That gives reformers a few crumbs of satisfaction despite the scant hope that careerist-congressmen seriously would tamper with their comfortable baliwicks.

With Sen. Bayh showing little enthusiasm for the proposed constitutional amendment that would prevent politicians from parlaying incumbencies into lifetime jobs, the hearings aren't likely to spark any hard drive for reform. Sen. Barry Goldwater (R-Ariz.), who has been hanging around the Senate for a quarter of a century, is the only veteran offering support to the chief sponsors, Sens. Dennis DeConcini (D-Ariz.) and John Danforth (R-Mex.).

This country could cure a lot of ills by limiting congressional terms. It could put an end to political dynasties of families from "safe" districts. It could dilute the strength of the too-powerful committee chairmen. It could shatter the seniority system that rewards age instead of talent. It could bring more fresh blood and ideas into the legislative process and help remove government from the control of the WASPish lawyer clique.

To get this promising reform, the people will have to want it—the majority of congressmen probably never will.

[From the Birmingham, Alabama News, Mar. 15, 1978]

Bayh Not Impressed by Tenure-Limit Move

Washington (AP).—Sen. Birch Bayh, D-Ind., serving his third term in the Senate, doesn't think much of proposals to limit the tenure of members of Congress, sponsored largely by freshman senators.

In a statement opening hearings by the constitution subcommittee of the Senate Judiciary Committee, Bayh said he had "serious reservations on the merits of these proposals." He questioned whether the proposed constitutional amendments would weaken the legislative branch and whether the federal government would work as well "if it relied on less experienced legislators."

[From the Washington Post, Mar. 18, 1978]

Congressional Longevity

One of those perennial attempts to reform Congress by limiting the terms of its members was trotted out again this week before a Senate Judiciary subcommittee. Under consideration are two constitutional amendments that would limit the service of future senators and representatives to 12 or 15 years. Proposals like these have been floating around at least since 1951, when the Constitution was changed to restrict presidents to two full terms. We hope they continue merely to float and don't light.

It needs to be conceded that proponents of amendments like these, introduced by Sens. Dennis DeConcini (D-Ariz.) and John C. Danforth (R-Mo.), are focusing on a real problem: the stagnation that prolonged terms in high office can produce. The seniority system, even though it is not so strong now as it once was, places enormous power in the hands of longtime members of Congress solely because they have been there so long. That, coupled with the political advantages that incumbency generates, makes it increasingly difficult for new blood to fight its way to Washington. Even when a veteran member has dropped out of touch philosophically with his constituents, he is often able to stay in office because party officials prefer power to issues.

Sen. DeConcini also argues that this distribution of power operates to deny equal representation to voters in states and districts where hot political competition makes it difficult for any person to stay long in Congress; the representatives of those areas are never able to stand on an equal footing with those from districts that send back the same legislator election after election.

Those are valid and appealing arguments. They make the proposed limits on congressional terms seem attractive. But the senators have traced the problems to the wrong source and are thus prescribing the wrong cure. The evils—and they are that—of which they speak grow not out of unlimited service but out of the way in which Congress itself has chosen to treat that service. The cure, then, is not to keep particular people out of Congress, but rather to limit

the power and prerogatives that Congress grants to those members who win reelection repeatedly. For example, restricting the length of time a member could be a committee chairman or, even, serve on a committee might not change the situation as much as would the proposed amendment, but it would certainly reduce the advantages of long service.

To attack this problem the other way, as the proposed constitutional amendments do, is to place an additional restriction on the right of voters to choose whomever they want to represent them in Washington. That right of choice is so fundamental that it should not be tampered with. Voters should be allowed to elect—and reelect—to Congress whom they please.

[From the Washington Post, Apr. 13, 1978]

Why We Should Limit Congressional Terms

(By Milton S. Eisenhower[1])

The Post's March 18 editorial "Congressional Longevity" cited some of the reasons given for advocating limited terms for representatives and senators. The editorial remarked that nothing would be gained by such limitation.

But it did not mention what I deem to be the most important reason for limiting representatives to three four-year terms and senators to two six-year terms. The electoral process operates in such a way that we tend to have permanent members of Congress, and to achieve that result the members must support not what is best for the United States but what will most please their constituents at a particular time.

Early in our history the problems facing the nation, while acute, were sufficiently simple that what citizens favored and what best served the national interest were essentially synonymous. Further, the desire of the professional politicians to achieve electoral immortality had not yet developed. Hence, in the early part of the 19th century a Congressional election saw nearly half of the members of the House of Representatives enter as freshmen.

Now the situation is vastly different. The problems the nation faces—energy, inflation, unemployment, imbalances in international trade and payments, the Middle East and African problems, crime—are complex. Citizens often lack basic facts essential to enlightened judgment. Members of the Senate and House have their staffs do publicly financed research, and committees hold prolonged hearings, often for months, on a single problem. A senator or representative therefore develops knowledge superior to that of most of his constituents. The task of statesmanship is for a congressman to vote for what is right (that is, what is best for the nation) and seek to inform constituents, convincing them, we hope, that his vote was the correct one.

Unfortunately, with no limitation on terms of office, there is always the temptation to please constituents rather than to promote the national welfare. One need only think of two problems—inflation and the devastating effect of the coal strike—to realize that members of the Senate and the House lack the courage to vote for what is needed, for in doing so they would offend powerful interest groups that have strong influence in political elections. Incumbents have found that the way to achieve electoral immortality is to behave as pressure groups wish.

The cost of a congressional election is now nearly 75 times as great as it was 90 years ago; in that costly process the advantages are with incumbents. They have the franking privilege. Every member is likely to have one or two employees on the public payroll who work almost exclusively in preparing for the next election. And of course the greater newsworthiness of incumbents helps them. The consequence is that today the historic turnover in the House of Representatives in each election has been reduced to less than 15 percent.

Limited terms for representatives and senators would eliminate the evils of the seniority system. It is true, as the Post said, that Congress could change the seniority system without having a constitutional amendment on limited terms. But the problem has been evident for a long time, and little corrective action has been taken. I see no reason to believe that the House and Senate will radically change the rules.

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[1] The writer is a retired university president.

...The major reason for limited terms for elected representatives applies also to the president. The chief executive should be limited to a single six-year term. He should have no incentive other than that of serving all the people, yet who is there today who cannot recall far-reaching and costly programs proposed and vigorously supported by presidents because they had wide temporary appeal yet proved in time to be wasteful and ineffective? Nearly every president in modern times has favored policies and programs that would contribute to his reelection. If there were evils in permitting the president to run for a third term—as the Congress and states decided—those same evils apply to election to a second term. Why, in our current economic disarray, have elected officials, including the president and governors, failed to uphold the law in the crippling coal strike? Why did they permit union miners to threaten and intimidate non-union miners so effectively that most non-union mines had to close? Why, when the Taft-Hartley Act was imposed, did not federal and state chief executives see to it that the law was observed?

The reason is obvious. The president and many governors are eligible for re-election. Pressure groups must not be offended—the political imperative.

That example, which involves an incumbent president and a few incumbent governors, could be duplicated with respect to policies and programs initiated by their predecessors.

A single six-year term for the president is gaining widespread support, and many states now limit governors to single terms. I think I may live to see the appropriate constitutional amendment adopted to limit the president to one six-year term. It may take longer to persuade the Congress to reform itself.

[From the Washington Post, Oct. 30, 1977]

Politics of Endurance

(By George F. Will)

T. S. Eliot warned against "dreaming of systems so perfect that no one needs to be good." But the oldest American political tradition is the search for institutional arrangements that minimize reliance on public spiritedness. An idea in that tradition—an idea that would make a kind of greatness impossible—is enjoying new currency.

The Foundation for the Study of Presidential and Congressional Terms has been formed to consider, among other questions, whether there should be limits to the number of terms members of Congress can serve. It is an old question in American politics.

Critics argued during ratification debates that the Constitution would produce an alien and irresponsible governing class—a "government of strangers"—because it did not provide for compulsory rotation of elective offices. Today interest in compulsory rotation has again become acute, again because of fear of a "professional political class."

Morris Fiorina, a professor at the California Institute of Technology, notes that during the 18th century, 40 to 50 per cent of congressional seats changed hands in each election. Not until the turn of the century did the average continuous service of congressmen reach even five years. But since World War II, nearly 90 per cent of incumbents seeking reelection have been successful. The number of "marginal" districts (where the winner receives 50 to 55 per cent of the votes) has declined. For example, in 1972 fewer than 25 per cent of incumbents received less than 60 per cent of the votes, and 50 per cent of all winners received more than 65 per cent.

According to Fiorina, the growth of the federal role in American life, and the attendant growth of bureaucracy, has enabled congressmen from formerly "marginal" districts to base their appeal on noncontroversial activities. These include delivering benefits from the "social pork barrel" and doing "casework"—nonpartisan constituent services, such as helping voters cope with regulatory agencies. Today, Fiorina says, congressmen are perceived less as legislators than as ombudsmen for dealing with Washington.

John Danforth (R-Mo.), a freshman senator and a director of the foundation, proposes a constitutional amendment to limit senators to two terms and congressmen to six. Today 32 of 100 senators (32 per cent) and 133 of 435 representatives (30.5 per cent) have been in office more than 12 years.

Such an amendment is a recipe for further reducing the power of the legislature relative to the "permanent government," the executive bureaucracy. It would prune deadwood, but also would prevent great legislative careers on the scale of Henry Clay's, Sam Rayburn's and Robert Taft's—the sort of careers that give continuity, cohesion and energy to the legislature. Besides, a "fresh face" is by another name a "rookie," with a lot to learn in a town where there is a lot to know.

Dennis DeConcini (D-Ariz.), another freshman senator and a director of the foundation, favors compulsory rotation of offices in order to produce "citizen-legislators" who "come to government briefly, bringing their varied experiences to bear on current problems. . . ." But it is sentimental to think that the "varied experiences" of the average citizen can be usefully "brought to bear" on the most important complexities (strategic arms, welfare reform, capital formation) of public policy.

Reformers also should consider that compulsory rotation of offices might mean "citizen legislators" who are, increasingly, older and wealthier amateurs. That might not be bad, but it should be considered. If no one can hope to make a career of politics, people will be more apt to enter politics later, after establishing a "real" career, and after establishing it so well that he or she can take a sabbatical.

"Serving as a member of Congress should not be viewed as a profession," says Danforth, "and it should never become a career." Americans cling to the idea that government in a modern state can be an amateur's avocation. But in government, as in other serious enterprises, knowledge is cumulative. Government is as much a profession as law or teaching; it is a learned activity and an increasingly complicated one.

Politics in our time has been ennobled by the long careers of such senators as John Stennis, Hubert Humphrey and Henry Jackson. Granted, long service is only a necessary, not a sufficient, condition of legislative greatness. Granted, greatness is rare, even among those who have long careers. But it should not be made impossible.

The Case for the Citizen Legislator

(By Dennis DeConcini[1])

With his usual flair and wit, George Will recently attacked a constitutional amendment introduced by Sen. John Danforth (R-Mo.) and me. The amendment, which would limit the number of terms representatives and senators could serve, was characterized by Will as the work of "rookies" who have "a lot to learn in a town where there is a lot to know."

Ostensibly, Will's comments addressed themselves to the practicalities of Washington politics. His point is that it takes a long time to find the secret hideaways in the Capitol and to learn to pull the levers of power. And in the absence of that knowledge (government "is a learned activity"), the bureaucracy will overwhelm the legislature.

As a practical argument, Will's position is not compelling. The 22nd Amendment prevents an individual from holding the office of President for more than 10 years. I am sure Will would concede that the responsibilities of a President are equal to those of a senator or representative—he might even be tempted to argue they are greater. After all, we demand of our Presidents that within a matter of months they put together an administration, develop a national policy, deal with international crises, serve as party leader and assume all the responsibilities of head of state. If the consequences of limiting the terms of senators and representatives are dire, as Will suggests, surely we should insist that the 22nd Amendment be repealed; perhaps we should insist that Presidents serve three, four or even five terms.

The legislature is the bar of the people. It should be an elite group of professional decision-makers, removed by time, distance and experiences from the people it serves and represents. To Will, the notion of a "citizen legislator" may be corny and naive; to me, the growing reality of the "professional legislator" is frightening. It is yet another step away from the democratic ideal and another step toward rigid, unrepresentative institutions.

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[1] The writer is a Democratic senator from Arizona.

In an age when the universal complaint is the apathy of our citizenry, we should be developing the institutional structures necessary to provide more opportunities to participate meaningfully in the political process. The philosopher Rousseau observed that the degree of commitment an individual has to the rules that govern him is directly related to the extent of his participation in their formation. The bonds of community presupposed by democratic order are rooted in this principle. As opportunities to participate decline, disaffection and alienation grow, the authority of both public and private institutions withers.

Limiting the terms of senators and representatives is no panacea for our social and political ills. But it may make our legislature more responsive and sensitive to our diverse interests. Ultimately, it is not the purpose of the legislature to govern; it is the purpose of the legislature to develop the national consensus necessary for legitimate governing.

Broad and often unchecked power tends to accumulate to long-term survivors in the political arena. A limitation of terms would restrain its growth. The framers of the Constitution were political realists who sought to create institutional barriers to protect against the capricious exercise of power. And, thus, a limitation of terms fits that spirit. Furthermore, the framers did not intend that the vagaries of electoral politics should determine which states and which citizens benefit most from the federal system. Length of tenure goes hand-in-hand with the political pork barrel.

One final note; re-election to office is often not vindication by the electorate. No astute observer of the contemporary political scene will be oblivious to the tremendous advantages of incumbency. Election breeds re-election. The result is an overemphasis on constituent service at the expense of policy-making. Too many representatives and senators see themselves not as architects of the political and policy consensus, but solely as ombudsmen intervening with the ruling bureaucrats. Limiting terms forecloses making a career of the legislature; the overwhelming concern for job security will be removed, creating a shift in attitude, orientation and priorities.

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

3/11/82
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SFR 9

Ed Dankworth - prime sponsor
- history of putting stuff on the ballot
- generally, not in favor of restricting people's trust
- mgrs of one of the largest oil company in the world
- almost a fr. round job
- leg. could remain in office forever
- advantage of lrg. media coverage, amt. of # incumbents have advantages
- used to be governed by citizen legislature
- now a bureaucracy run by choice but by default
- lrg. oil & land com
- difficult to get us to discipline ourselves
- if I can't do it in 8 yrs. won't do it in 12 or 16
- time doesn't make you qualified
- limit terms of our gov. & Pres.

Vic F
no rec. so far

Bradley
lame duck will slough off

Dank -
could switch bodies

VF -
once more limiting the legislature — Exec. becoming increasingly powerful

Dank -
Started to put in 1 term for gov. for 6 yrs

some decisions "election yr."

☆ more designed in my own personal interest then for the public good"

Sen. Ziegler —
should "bill is outrageous
"legislators compulsory
retirement act"
30 yr. old - served 8 yrs.
- a waste of talent
we could all name them
- leg. retirement
vest after 5 yrs.
- would act a deterrant
- who would want to go to
other body
- veteran legislators
2½ indiv.
John Petrovich - served 30 yrs
Frank Petrovich - " 28 yrs.
Ziegler —— " 20 yrs.
- violently opposed to continued
service in state gov.
- not well thought out legislation

Danks —
what's well-thought out - how
long?
- can get wrestled in this
- shouldn't be worried about
retirement —

- tied to employee pay scale
- weigh the balance -
  new ideas, new thoughts, new people
- public is better served
- all locked into a bureaucracy
- let's let more citizens have a shot

Zieg
- won't come back if not electable
- nothing to preclude any citizen from running
- you know a lot / invaluable

Brud
- need to get out & make $
- lose a lot of expertise
- nothing like the voice of experience
- Zieg. hasn't tried to accumulate a lot of power / depends
- my constituents want new blood

Colletta
- have heard arguments of Zieg. for 10 yrs.
- desire & creation of citizen legislature

determiners as how the system works or let the people decide
- frail argument — up for election
- most senior legislators run unopposed bec. people afraid to take them on

Fery.

Sen. & rep. should be in the same amt of yrs.

Why Sen. 4 yrs.

- Considering having gov. limited to 1 6 yrs.

- 2 consecutive terms for each house - limited

V.F.

concept - Const. Conv.

Sen. overlapping terms - more continuity

House - would take care of major things in public opinion

Fergie

My proposal still keeps continuity

Dark –
What's happening campaign trails
how can you run against
– 4 yrs of media coverage
– own TV network
– ~~have~~ have to have $ –
– incumbant - much better position
to raise $

SB 652 —
Glenn Akins
– apply to all DEC clauses
– drafted by Dept. after hearings
on petrochemicals

– no way implies pollution
doesn't

privileged – US Borax
workload / power needs

– Doug Mertz – AG's office
– case law
no good use def. of what is
trade secrets
– comma

Is this clause similar to Fed. FOIA?

Attains –
knows of no opposition

V.F.
– shall is too automatic
– can get yourself into a box
– commissioner shall make a finding
~~finding has to~~
Doug –
has to inferred – ~~that~~ that it is discretionary

~~please don't~~
~~pass out~~
~~let me check~~
~~some stuff!~~

Paul Arnoldt

4 o/o

1978, 1979, 1980 —

~~197~~ Teachers

leg. approp

funding +90

SJR

11

Fact Sheet and Summary for

Senate Joint Resolution # 11

"Relating to Actions of the Bolivian Government"

Senate Joint Resolution # 11 has been introduced to recommend that 1) because of the present Bolivian regime's mistreatment of Americans and brutality towards Bolivians, 2) because of the interruption of the democratic process, and 3) because of the present regime's involvement in the cocaine trade, that the U.S. not re-establish economic or military aid or normal diplomatic relations with Bolivia until these situations are rectified.

I. Mistreatment of Americans

A. U.S. official Thomas Watson was shot in the face by armed military cadets, his apartment sacked, and he and his wife detained. (Wash. Post July 20,80).
B. U.S. Embassy Commissary sacked by the miltary during the coup (WP, July 19).
C. Eighteen Americans imprisoned, including members of the press and the church, and some were threatened with death or mutilation. The American consular officials were not notified of the detentions and were refused permission to visit those detained (New York Times, August 15, 1980).
D. A travel warning was issued against Americans going to Bolivia by the U. S. State Department on July 22, 1980 (NYT, August 15, 1980).

II. Church Officials Jailed and Degraded

A. Three priests after being beaten and having pistols stuck in their mouths were blindfolded and made to lie face down in manure filled stables for three days (New York Times,August 14, 1980).
B. Head of Methodist Church in Latin America, Bishop Arias, was kidnapped by government paramilitary squads after speaking out against atrocities (Miami Herald, August 25, 1980).
C. Parish houses and churches throughout the country were ransacked (Wash. Post, July 30, 1980).
D. Among other clergy, two Maryknoll priests were detained, Rev. William Coy of Minnosota and John Moynihan of New York (August 8, 1980). Also, Msgr. David Ratterman of St. Louis and Sister Mary Elka of Virginia were taken hostage (Miami Herald , August 3, 1980).

III. Atrocities towards Bolivian People

A. The U.S. State Department on July 24 reports widespread and savage torture and killings, repeated and severe beatings, and denial of needed medical attention (Los Angeles Times, July 24, 1980).
B. The Catholic Church and Amnesty International report up to 2,000 people are being detained in concentration camps (Miami Herald , August 3, 1980).
C. There was a reported invasion of the small town of Caracoles, where unarmed men, women, and children were gunned down, 900 people missing. The soldiers were instructed to rape women and girls, two of whom were reported to the Archbishop to have died of hemmorage. Children were forced to eat gunpowder and then lie on broken glass while their mothers were forced to walk on their backs at gunpoint (Miami Herald and Los Angles Times Aug. 23,80).

IV. Involvement of Government Leaders in Cocaine Traffic

A. Evidence exists that narcotic traffickers helped finance the July 17th coup and continue to be a major source of financial support (Financial Times August 15, 1980).

B. Current President Meza received large amounts of money from Baptista, a known major drug trafficker (FT, Aug. 15, 1980).

C. Col. Luis Arce, Minister of the Interior, has known longstanding connections with drug trafficers, and is reported to be using his position to undercut drug enforcement efforts (FT, Aug. 15, 80).

D. Colonel Ariel Coca, Minister of Education, was implicated in the seizure of 100 kilos of cocaine in Panama in 1979, estimated value at over $2.5 million (Financial Times, Aug. 15, 1980).

E. One State Department official said "for the first time the drug trade may have bought itself a government." (Miami Herald, August 15, 1980).

F. It has been estimated that the country of Bolivia exports some $600 million worth of tin, its leading legitimate export, while also exporting some 100 tons of cocaine annually, estimated by U.S. Drug Enforcement ADministration officials to be worth $1 billion in illegal export sales annually, with a New York street value of some $25-$50 billion dollars, most of it being sold to the United States.

RICHARD L. OTTINGER
24th District, New York

COMMITTEES:
ENERGY AND COMMERCE
SCIENCE AND TECHNOLOGY

Congress of the United States
House of Representatives
Washington, D.C. 20515

REPLY, IF ANY TO:
☐ 2241 Rayburn House Office Building
Washington, D.C. 20515
(202) 225-6506
☐ 100 Stevens Avenue, Suite 203
Mount Vernon, New York 10550
(914) 699-2844
☐ 77 Quaker Ridge Road
New Rochelle, New York 10804
(914) 235-5400 or 428-3040

February 9, 1981

Senator Brad Bradley
Alaska State Senate
Juneau, Alaska

Dear Senator Bradley:

I am pleased to provide you with materials concerning the present situation in Bolivia. I appreciate your interest in this critical matter, and I wish you the best of luck with your bill in the Alaska State Legislature.

Enclosed you will find a letter circulated to my colleagues in the House of Representatives soliciting support for the Resolution. Also, I have provided a copy of the testimony I submitted to the House Foreign Affairs Subcommittee on International Organizations. As you may know, the Subcommittee (which is Chaired by Representitive Don Bonker, from Washington) unanimously approved the Resolution and reported it to the full Committee. Finally, I am sending a copy of the version of the bill which was re-introduced in the 97th Congress just last week. I hope you find these matorials useful.

Again, Senator, I thank you for your interest in this matter. Please let me know how your bill fares in the Alaska Legislature.

Sincerely,

Richard Ottinger

RLO/sji

Richard L. Ottinger
Member of Congress

1

THIS STATIONERY PRINTED ON PAPER MADE WITH RECYCLED FIBERS

STATEMENT OF THE HONORABLE RICHARD L. OTTINGER

BEFORE THE

SUBCOMMITTEE ON INTERNATIONAL ORGANIZATIONS

November 20, 1980

Mr. Chairman and Members of the Subcommittee, I would like to thank you for this opportunity to comment on my proposed resolution, House Resolution 774, which concerns the tragic situation in Bolivia. The new regime that overthrew Bolivia's democratic process, has been marked by the violation of human rights including mass arrests, torture of prisoners, seizure and censorship of newspapers, and the intimidation of American citizens.

On July 17, 1980, the Bolivian military halted Bolivia's movement towards democracy by overthrowing a civilian interim government in the process of elections when it became apparent that the next President would be a longstanding advocate of constitutional and democratic rule.

Since then, the regime has engaged in a massive and brutal attack on the human rights of all people in Bolivia, including the American community. American and foreign journalists have been detained and harassed. Our own citizens, including diplomatic personnel, have had their lives threatened and their property destroyed. The disturbing incident that brought this situation to my attention was the arrest and the detention of two priests from the Maryknoll Mission in Ossining, New York, which is in my district. Despite their subsequent release, these priests, who dedicated their lives to improving the lot of the poor, were subject to such harassment that they were forced

-More-

to leave Bolivia.

In response to these developments, the State Department cancelled $47 million in economic aid and suspended another $36 million of assistance. All military aid was terminated. Our Ambassador to Bolivia, Marvin Weissman was recalled to Washington and our embassy staff was reduced to a minimum. There have been no official policy-level contacts since the coup.

H. Res. 774 makes a strong statement in support of these policies. We cannot sit silent as American citizens are threatened. We cannot sit silent when democratic principles are so blatantly violated. We cannot continue the free flow of aid to recipient nations that embark on policies which contradict our fundamental interests.

This bill enables us to send a clear signal to the world that the United States House of Representatives will not support foreign governments that engage in crimes of such a heinous nature. It is hoped that the bill will strengthen the State Department's hand and encourage Bolivia to return to the road towards democracy, a road that was tragically side-stepped on July 17th.

Thank you.

RICHARD L. OTTINGER
24TH DISTRICT, NEW YORK

2241 RAYBURN HOUSE OFFICE BUILDING
(202) 225-6506

COMMITTEES:
INTERSTATE AND FOREIGN COMMERCE
SCIENCE AND TECHNOLOGY

Congress of the United States
House of Representatives
Washington, D.C. 20515

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425-3040

January 30, 1981

Dear Colleague:

In the last session of Congress, I introduced House Resolution 774, which concerns the terrifying situation in Bolivia. The regime that overthrew Bolivia's democratic process has been marked by the violation of human rights including mass arrests, torture of prisoners, seizure and censorship of newspapers, and the intimidation of American citizens. Also, there is overwhelming evidence to suggest that major leaders of the regime play an integral role in an international cocaine conspiracy.

On July 17, 1980, the Bolivian military halted Bolivia's movement towards democracy by overthrowing a civilian interim government in the process of elections when it became apparent that the next President would be a longstanding advocate of constitutional and democratic rule.

Since then, the regime has engaged in a massive and brutal attack on the human rights of all people in Bolivia, including the American community. American and foreign journalists have been detained and harassed. Our own citizens, including diplomatic personnel, have had their lives threatened and their property destroyed. The State Department has advised me that the Bolivian regime has not subsided in its brutality, as evidenced by the murders of ten people (including an unidentified American, according to the New York Times) two weeks ago.

The disturbing incident that brought this situation to my attention was the arrest and the detention of two priests from the Maryknoll Mission in Ossining, New York, which is in my district. Despite their subsequent release, these priests were subject to such harassment by the regime that they were forced to leave Bolivia.

In response to these developments, the State Department cancelled $47 million in economic aid and suspended another $36 million of assistance. All military aid was terminated. Our Ambassador to Bolivia, Marvin Weissman, was recalled to Washington and has not returned to La Paz. Our embassy staff was reduced to a minimum. There have been no official policy level contacts since the coup. And the Drug Enforcement Agency, citing lack of cooperation by the Bolivian authorities, is no longer functioning in Bolivia.

The bill I introduced last August makes a strong statement in support of American policy with respect to Bolivia. It suggests that the President continue the curtailment of military and economic assistance and the reduced official United States presence in Bolivia until the regime takes certain corrective actions. This expression of congressional support will strenghthen the hand of the State Department in dealing with the Bolivian government.

House Resolution 774 was reported unanimously by the House Foreign Affairs Subcommittee on International Organizations a few weeks before the House adjourned in December. I intend to reintroduce the resolution in the coming week. If you wish to cosponsor, of if you have any questions, please do not hesitate to contact Steve Israel at 5-6506.

Sincerely,

Richard Ottinger

4

PRESENCE IN BOLIVIA UNTIL THE REGIME TAKES CERTAIN CORRECTIVE ACTIONS.

reas the military regime headed by General Luis Garcia Meza has interrupted Bolivia's gress towards democracy and constitutional government by forcefully overthrowing a civilian ernment on July 17, 1980;

reas the new Bolivian regime has engaged in mass arrests, torture, executions, censorship, ression of civil rights, religious harassment, repression of trade unions, and widespread lence inflicted upon the people of Bolivia;

reas the Bolivian regime arrested without charges two American priests from the Maryknoll sion in Ossining, New York, Father William J. Coy and Father John C. Moynihan, and has jected them to continual harassment since their release;

reas the Bolivian regime has detained and harassed journalists from other countries, includir respondents from the United States;

reas the Permanent Council of the Organization of American States has condemned the erruption of the democratic process and human rights in Bolivia;

reas the United States has taken significant steps against the regime in Bolivia, including minating military assistance, severely curtailing economic assistance, and reducing the icial United States presence in La Paz, the capital of Bolivia;

reas a mission of the International Confederation of Free Trade Unions was detained and treated by Bolivian authorities;

reas the Inter American Commission on Human Rights has officially deplored the Bolivian ime for failing to respond to its request to visit Bolivia;

reas the United Nations International Labor Organization has conducted an investigation trade union rights in Bolivia;

reas commercial banks and international financial institutions continue to provide stantial financial resources to Bolivia in spite of international condemnation of the ivian regime;

reas the Bolivian regime has significant connections with well established drug traffickers;

reas Amnesty International has estimated that at least 1,000 arrests have been made in ivia since July 17, 1980, and many are still in detention, and has requested that new Bolivian regime compile and release without delay a list of those persons risoned or killed since the regime assumed power on that date; Now, therefore, be it

OLVED, That the President should not reestablish at a normal level an official ted States presence in Bolivia, and the President should not furnish any of the military economic assistance to Bolivia which has been terminated since the new Bolivian regime ined power on July 17, 1980, unless the President determines that—

(1) civil and other human rights have been restored to the people of Bolivia;

(2) the Bolivian regime has committed itself not to arrest, harass, or intimidate United States citizens for political reasons, including United States missionaries still in Bolivia;

(3) the Bolivian regime has restored the democratic process in Bolivia; and

(4) the reported involvement of members of the new Bolivian regime in international drug conspiracies has been properly assessed.

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

Alaska State Legislature

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Senate

COMMITTEES

CHAIRMAN
VETERANS AFFAIRS
REPUBLICAN CAUCUS

MEMBER
STATE AFFAIRS
RESOURCES
LEGISLATIVE COUNCIL

MEMORANDUM

TO: SENATE STATE AFFAIRS COMMITTEE MEMBERS

FROM: SENATOR BRAD BRADLEY

DATE: FEBRUARY 6, 1981

RE: INFORMATION ON SJR 11

Attached for your information are some magazine articles on the Senate Joint Resolution that Senator Rodey and I sponsored that will be before the Senate State Affairs Committee on Tuesday, February 10, 1981.

FF

By Theodore B

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the Presi

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Movie Popey

World's Best
Medical
Shock Team

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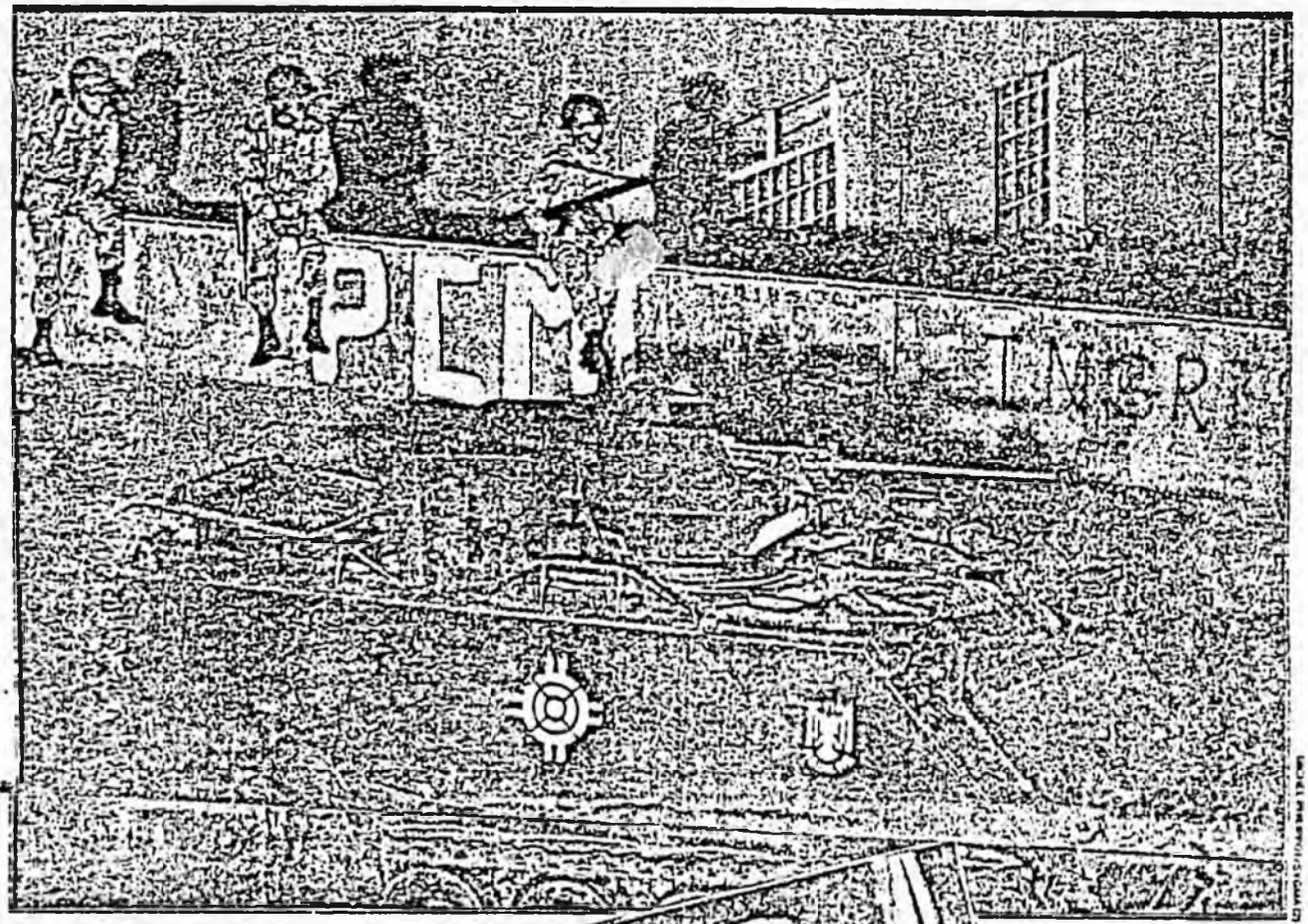
Faces of an

A story of terror at the hands of the newest regime

NIGHTMARE IN BOLIVIA



By Mary Helen Spooner

A free-lance correspondent in Latin America for four years, Mary Helen Spooner, 28, of St. Louis, was arrested in La Paz, Bolivia, in August for articles critical of the military junta that had seized power from the government. She is currently writing a book on Bolivia.

There is an office on the second floor of the Bolivian Interior Ministry in La Paz that has a four-by-four-foot storage closet. On the floor of the closet is a burlap-covered straw mattress. The door, which spring locks from the outside, has four or five glass panels that are painted over. But a little light comes in through cracks in the paint.

For six days in August, I lived, ate and slept in that darkened closet while the military regime of General Luis Garcia Meza announced that I was to be tried for "defamatory libel" against the government. Before I was told I would be put on trial, I was repeatedly threatened by the head of the Interior Ministry and several of his officials in the new regime. The physical threats were so explicit—and gro-



The July takeover of the government of Bolivia by the tank-equipped military forces of General Garcia Meza (bottom) was unusually bloody in a country long accustomed to coups. To assure his position, Garcia Meza unleashed a campaign of arrests and torture.

It was Bolivia's 189th coup in its 155 years as a nation

tesque—that there were times when I began to doubt I would come out of the ordeal alive. The prospect of a trial was frightening enough. In Bolivia trials are conducted without a jury, and the penalties for such charges as defamatory libel range from three to 15 years in prison. At the time of my arrest, the military government, which had taken power in a bloody coup less than a month before, was about to appoint new judges sympathetic to its rule.

It was Bolivia's 189th coup, by most counts, in its 155 years as a nation; this one was far more violent than most of the others. In La Paz selected labor and government officials were seized. In the south the resistance of the tin miners, perhaps the most militant labor group in Latin America, was met with severe force. Miners battled troops with rocks and sticks of dynamite. There were reports that in the mining town of Caracoles, hundreds of people had been massacred by the Army.

For more than two years Bolivia, the most hermetic and, with Guyana, poverty-stricken nation in South America, a land the size of Texas and California combined and with a population of five and a half million, had been trying to establish a civilian democracy amid coups, countercoups, electoral fraud and deadlocks. But the June 29 elections, which gave a plurality to left-wing moderate Hernán Siles Zuazo, were described as the fairest in Bolivian history. The congress appeared willing to ratify Siles Zuazo's election, but the military considered him a threat to its existence. He had been president once before and had cut the military budget sharply.

On July 17, the hopes for the new government were shattered by the coup. Siles Zuazo went into hiding. Arrested by paramilitary troops, interim president Lydia Gueiler, who had just three more weeks left to serve in her term of office, was forced to give a tearful resignation, which was broadcast over Bolivia's airwaves. The new military junta promptly dubbed itself the "Government of National Reconstruction" and said the armed forces had been obliged to take power because of the "fraudulent" elections the month before and to save the country from "anarchy, international communism and chaos."

A 9 p.m. to 6 a.m. curfew was imposed; the universities were closed; and the government began a massive roundup of opponents, both real and imagined. Most telecommunications with the outside world, including wire services, were stopped. La Paz's airport was closed, and with the nine-hour curfew in effect, all transportation in and out of the country was sharply reduced. Foreigners in Bolivia were ordered to register with the Interior Ministry, and long lines of tourists, missionaries and businessmen formed around the building. The local diplomatic corps, by making a coordinated protest, citing international norms of protocol, avoided this requirement.

Though I was not in Bolivia when the overthrow took place, I had been there for the June 29 elections. From the start I was one of those foreign observers who thought that perhaps this time the country might successfully inaugurate a civilian-elected democratic government and join that club of young democracies in South America made up of Venezuela, Colombia, Ecuador and Peru. When I came back late in July, I had assignments to write articles for various American, British and Canadian periodicals, including *Financial Times* and *The Economist*, and dutifully reported to the Interior Ministry to register myself as a foreign journalist. Other foreign journalists I knew had been threatened or harassed, but I had no reason to be afraid—so I thought. As a free-lancer, I was a small fish, and the fact that I am constantly told I look much younger than I am made me think I would escape notice.

I had not counted on the volatile personality of Interior Minister Colonel Luis Arce Gómez. A former head of Bolivian Army intelligence, he is one of the most frightening figures in the new regime: a petulant, potbellied man in his 40s with unruly black hair and the temperament of a spoiled child. It was widely rumored that he had his own gang of cocaine traffickers, that he had personally tortured countless persons arrested on the vague charges of "subversion," that he had been responsible for a plane crash last June that had killed several members of the Democratic Popular Union, the coalition of parties that backed Siles Zuazo, as well as for a number of other mysterious deaths.

In one article I sent from La Paz I made passing reference to a past cocaine scandal involving one of Arce's business partners, Colonel Norberto Salomon. This had earlier been reported in the Bolivian press, and the government eventually sent Salomon out of the country, as military attaché to the Bolivian embassy in Caracas, Venezuela.

There are many other allegations concerning the junta's drug connections. Among them:

—Junta leader Gen. Luis García Meza is said to have already received millions of dollars from one of the biggest drug traffickers in Santa Cruz, Bolivia's second largest city and the center of the cocaine industry.

—Interior Minister Arce has long-standing contacts with the cocaine trade and has in the past used his influence to undercut drug enforcement efforts in Bolivia.

The cocaine trade brings over $800 million into Bolivia annually, surpassing even tin, the country's largest legal export. The leaves of the coca plant are sold openly there and used as a brew for tea. Siles Zuazo, in his campaign for president, had promised to combat the illegal cultivation of coca leaves, which U.S. Drug Enforcement Administration officials es- ➡





Upon her release Mary Helen Spooner showed the effects of her six-day imprisonment and the repeated threats to kill her by Interior Minister Arce Gómez (top).

"He fumbled with a Swiss army knife and said he would cut my head off."

timate amounts to 27,000 tons a year. One U.S. State Department plan for Bolivia had been a project involving the substitution of other cash crops for the coca plant. But when the military seized power in July, this and other U.S. drug enforcement programs in Bolivia were severely curtailed.

The García Meza government has denied any links to the drug trade, just as it steadfastly maintains that the June 29 elections were fraudulent and that intervention was necessary in order to save the country. It does not like to have its statements contradicted in the press—especially the foreign press. And it made its point by expelling a handful of foreign journalists. Following the coup, dozens of Bolivian journalists were arrested, interrogated and in many cases tortured. But I thought it would be safe for me to return for another professional visit. I was wrong.

At 6 p.m. on August 8, as I came through the door of my hotel in La Paz, I was arrested. I was ordered to pack my bags, while two plainclothesmen from the Interior Ministry confiscated my books, notes and papers. I was brought to the Ministry, and for nearly eight hours I was interrogated by several different officials, including Minister Arce himself.

The first of my interrogators, a short, stocky man wearing a hooded green military jacket, who called himself Major Lindsey and told me he was chief of special operations, rummaged through my box of papers, pulled out a copy of a political piece I had written days earlier for *Financial Times* of London and launched into a tirade.

"Why are you telling lies about my country?" he demanded. Did I know I was aiding the subversives and Communists around the world with such stories? Why, he asked, did Americans always meddle in other countries? "You were once a great country," he said, "but now you are in decline.

"No one respects you. You are losing all your friends," he added. "Bolivia is going its own way now—we do not need you." And then the threats began.

How did I prefer to die? he asked. By being tossed out of a window several stories to the ground? Would I rather be shot? Had I ever visited a plastic surgeon—because I was going to need one, he said, patting a dagger hanging from his belt.

I said nothing and tried to act as impassive as possible.

It now occurs to me that the threats the Interior Ministry officials made during that long first night of interrogation were terribly reminiscent of vintage Hollywood gangster movies. Later, when I was called upstairs to Minister Arce's office, the comparison between gangsters and Bolivian military officials was brought up by Arce himself.

"Next to me, your John Dillinger was nothing," Arce said to me, grinning at his colleagues, who stood in a circle around us. He fumbled with a Swiss army knife and told me he was going to cut off my head.

I kept very quiet. I was afraid that if I expressed my terror, it would stimulate further mistreatment—in much the same way as blood attracts sharks. If I challenged my interrogators openly, they might carry out their threats just to prove themselves.

They wanted to know my sources and contacts, and I tried to stall. The article that had precipitated my arrest mentioned the well-publicized cocaine scandal. But I did have sources with links to Siles Zuazo. The would-be president was issuing statements from his hideout calling for resistance to the military government; the day before he had declared a civilian underground government to oppose the García Meza regime.

Eventually I named one diplomatic source, along with several foreign journalists who I knew had already left Bolivia. This seemed to satisfy them. Throughout the confrontation I tried to portray myself as a naive, simple young woman who did not know very much about anything. I was hoping, as I frantically wracked my brain to remember if I had any material among my papers and notes that would compromise my sources, that my youthful appearance and my captors' machismo would combine to support this impression.

It must have worked. Arce finally, after eight hours, looked around at his colleagues in disgust. "After all this effort we have only captured a fly," he said. "What shall we do with her—cut off her head or sentence her to thirty years in jail?"

At daybreak I was led to the storage closet and locked inside. "Wait," I was told.

For the next six days I was kept in that closet, let out only to use the rest room and to meet briefly with U.S. consular officers—who were allowed to visit me two days after my arrest. I was not permitted to bathe or change clothing. As the hours and days passed my mood slowly worsened. I could not stand the way my clothing felt—my jeans were unbearably gritty, the white blouse I had been wearing at the time of my arrest was gray. My jacket was streaked with dust, and my hair had separated into greasy strands.

I tried to think about other things. I thought about the U.S. embassy hostages in Iran, about Billy Hayes in *Midnight Express*. Then I thought about the thousands of Latin Americans who through innumerable political changes had undergone the most brutal forms of torture and confinement. Did I have so much cause for despair? Through it all, I kept being afraid Arce would come back.

Though I didn't know it, my editors from *Financial Times* and *The Economist* had arrived in La Paz from London to try to negotiate my release. A deal was struck: they would read a signed statement lamenting the situation their correspondent had caused—and the three of us would then be able to leave the country.

Late in the afternoon on Tuesday, August 12, I was led, dazed, from my closet and driven to the offices of *Presencia*, Bolivia's largest daily newspaper. I was taken to a room and once again told to wait.

Suddenly the door to the room flew open. I was shoved before a crowd of photographers and reporters for one confusing moment, and then my editors from London appeared and hurriedly led me away.

The next morning we flew to Peru. On that day the U.S. State Department began to present its own evidence of the García Meza regime's drug links, generating, I hope, huge amounts of "defamatory libel" against Bolivia's frightening and repressive rulers. ♠



In Lima, Peru, Spooner was happily greeted at the airport by American free-lance journalist Ray Bonner, who earlier had narrowly escaped arrest in Bolivia.

NYT | AUG 14 1980 | 786

Bolivia General Unleashes Terror In Consolidating the Army's Rule

By WARREN HOGE
Special to The New York Times

LA PAZ, Bolivia, Aug. 9 — Since the military under Gen. Luis García Meza Tejada seized power in Bolivia on July 17, hundreds of Bolivians have been arrested and tortured.

Hundreds more have become fugitives, including businessmen who held meetings with politicians and youngsters who fashioned street barricades out of paving stones in the days after the coup. They move from secret dwelling to secret dwelling each night trying to elude government agents.

Participants or witnesses have told of incidents that illustrate life in the country since the generals prevented the winner of the June 29 elections, Hernán Siles Zuazo, from assuming office.

In one episode, three young priests were blindfolded and seated side by side in the headquarters of the Tarapacá armored regiment on a windy ridge overlooking this capital. Officers thrust the butts of their pistols into the priests' mouths. Nearby, another officer fired into the air and a soldier threw himself noisily to the floor, screaming in simulated pain.

Ordeal at Army Headquarters

This gruesome game completed, the three shaken clerics were taken to military headquarters in downtown La Paz where they were made to lie face down for three days in manure-filled stables.

A shoemaker from the hillside slum of El Alto Norte was picked up, for no stated reason, by the army one recent Sunday and taken to the city's new soccer stadium. There he was beaten with rifle stocks and forced into a dressing room so packed with other prisoners that the men had to sleep standing up and relieve themselves in place.

After two days, soldiers pinned left-wing party legends on the chests of 15 of them, took them in a truck to a nearby cliff and lined them up. The shoemaker, tumbling into a crevice below the precipice in the midst of the ensuing murderous fury, was the only one to live to tell what had happened. The Government reported that 14 men had died trying to storm a garrison.

In the town of Huanuni, in western Bolivia, a young soldier trained his rifle on the shack of a miner involved in the strike protesting the military coup. When he hesitated in firing, his commanding officer ordered him to get on with it. The youth explained that it was his own house. His parents and several brothers watched in horror from the window as the officer shot the young man in the head.

A 16-year-old boy was trundled into a room at the Miraflores army headquarters in La Paz and ordered to lower his trousers. An officer holding a kitchen knife approached. Either the youth would go on television and testify that he was making bombs for the leftist political party that had won the just-completed elections or the officer would butcher his genitals, he was told. That night he became one of three similarly menaced people to make his "confession" before the cameras.

Coups, some 200 of them, have come and gone with such frequency in this nation of 5.5 million people that commentators have often described its political life in comic opera terms. In one three-day period 10 years ago, the country had three separate presidents.

General García Meza, on the other hand, has been deadly serious since taking power. In his zeal to root out what he says are "Communist extremists" in Bolivia, he has created a harsh society devoid of personal liberties. All television broadcasts now emanate from the Miraflores headquarters, and the La Paz daily El Diario heralds the junta's cause enthusiastically.

On the same day this week that the newspaper was headlining General García Meza's pledge to respect human rights, military guards delivered so many kicks to the kidneys and spleen of the Rev. Julio Tumiro Javier, head of the Bolivian Permanent Assembly on Human Rights, that, according to fellow prisoners later sent to the Papal Nuncio's house for deportation from the country, he is not able to urinate.

Foreign correspondents have been threatened repeatedly with death, followed by paramilitary thugs, and, in one case, arrested and held for trial.

The most feared vehicles of destruction are no longer the tanks that have traditionally been rolled into the presidential palace square to oust an occupant in whom the military has lost confidence but commandeered ambulances and Toyota jeeps with their license plates removed and members of General García Meza's anonymous "paramilitares" inside. People joke grimly in La Paz these days, "If I'm hurt, please don't call an ambulance." People forced to take a ride in them are often never seen again. They "disappear" in the manner that Argentines, Brazilians, Chileans, Paraguayans and Uruguayans have become accustomed to under the military dictatorships after which Bolivia today is modeling itself.

As in those countries, life appears to go on untroubled. The street markets pulsate with activity and tourists intent on outings in the spectacular mountain settings greet each other heartily each morning in hotel coffee rooms dressed in knee-high cable-knit socks, hiking boots and bulky alpine sweaters.

But away from the city center, Bolivians are being picked off street corners, removed from their cars, or intercepted on their way to work and spirited away to jails and detention camps.

Repression Is Called Essential

The country's security chief, Interior Minister Luis Arce Gómez, has admitted to holding only 500 political prisoners, but the Archbishop of La Paz, Jorge Manrique, said the correct number is 2,000.

There can be no mistaking that the García Meza regime has chosen intimidation of its opponents as a deliberate policy. A construction company executive who is expected to head a key agency in the new Government explained:

"We must have repression until we have complete control of the situation. But I ask you, if you were the military institution, what would you do? You should put on a uniform for a second and think about it. Of course the policy creates resentments. People don't like the 9 o'clock curfew or the constant demand for identity cards. But we must create discipline. There is no alternative."

He recalled the November seizure of power by Col. Alberto Natusch Busch that failed after 16 days in the face of organized popular opposition. "The problem with Natusch was that he came in and said the labor federation can stay open, human rights will be honored and

MH | AUG 14 1980 | 78S

Have Bolivian Leaders Sold Out to Drug Trade?

By JIM ANDERSON
United Press International

WASHINGTON — Government officials say they have evidence that drug traffickers may have bought themselves an entire country — Bolivia.

Carter Administration officials said that there are established financial links between the new military government in Bolivia and drug traffickers and that they fear Bolivia could become a sanctuary for growers and dealers.

Administration officials said the overthrow of Bolivia's democratically elected government in July was a sharp setback for plans to control and cut back the cultivation of coca, the base for the drug cocaine.

THE STATE DEPARTMENT also said Wednesday that it is cutting the size of the staff at the U.S. Embassy in Boliva because "of the implicit threat posed to our personnel." The department also has halted all drug-enforcement operations because it feels the military junta would not cooperate.

Spokesman David Passage said the regular embassy staff is being reduced to 80 from about 100. The U.S. ambassador, Marvin Weisman, and 19 other embassy personnel were withdrawn in July in a show of U.S. displeasure over the July coup.

"There is an implicit threat to our personnel in the arrests of missionaries and newsmen," Passage said. He cited "several incidents," including one last week in which three U.S. Marines were beaten in a restaurant.

Passage said that incident "raised real questions about whether there was official complicity" in the violence against the Americans.

He said that all drug enforcement-related activities by the embassy have been halted "because we reached the conclusion that the many allegations of the involvement of the government in drug-related activities give no reason to believe that we will get the necessary cooperation from the Bolivian government."

SEN. DENNIS DeConcini (D., Ariz.) asked a Senate foreign relations subcommittee to open an investigation into the links between the Bolivian junta and the "Santa Cruz Mafia," the wealthy Bolivian growers who control the cultivation and sale of the coca plant.

"Coverage of events in Bolivia," DeConcini said, "is virtually unanimous in characterizing the present regime as little more than an appendage of the criminal organizations that dominate the flourishing international cocaine trade."

"For the first time," a State Department official said, "the drug trade may have bought itself a government."

Despite the fresh concern from Washington, it generally is known that growing coca, regardless of the government in power, is a long-established practice in Bolivia.

The arrival of strongman Gen. Luis Garcia Meza in power could affect the size of the coca traffic in Bolivia, but it marked no significant change in the country's already *laissez-faire* attitude toward cultivation and use of the plant.

GROWN FOR centuries in the semi-tropical valleys separating the high Andean *altiplano* from the flatlands of the Santa Cruz region, coca has served for more than 1,000 years as a stimulant for mountain Indians in Bolivia, Peru and parts of several other countries. The leaves, which are chewed, are sold openly in La Paz markets.

International preoccupation with the plant has strengthened sharply only in the last decade with the dramatic increase in its exportation as the raw material for cocaine.

The drug, manufactured from Bolivian and Peruvian plants refined in clandestine laboratories in Colombia and other countries, is worth an estimated $50 billion a year in the United States.

In an interview published Tuesday in The New York Times, Garcia Meza denied that the new regime was involved in drugs: "I would like to remind you that the drug problem in the world is masterminded and financed as a multibillion-dollar operation in the Northern Hemisphere," he said. "We deny emphatically any involvement with this 'drug mafia.'"

Sensitivity to the accusations also resulted in the detention of American freelance writer Mary Helen Spooner, 26, after she filed stories suggesting the involvement of Garcia Meza and other military coup leaders in the cocaine trade.

THE STATE DEPARTMENT long had contemplated a double-edged plan involving substitution of other cash crops for the coca plant and active enforcement of a ban on the plant's growth. Those plans were scrapped when the Bolivian military junta overthrew the civilian government.

"The revolution was not ideological," administration officials said. "It was greed, pure and simple."

The officials believe that the new military government — "which has established financial links, running into hundreds of thousands of dollars, with the Santa Cruz Mafia" — will further facilitate cultivation and sale of the raw material for the international traffic in cocaine.

"As long as this Bolivian government is in power, we can't get at the problem. As long as the traffickers are operating in Bolivia, and the military government is in power, they will have a license to do what they want," administration officials said.

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A M E N D M E N T

OFFERED IN THE SENATE

TO: SENATE JOINT RESOLUTION NO. 11

Page 1, line 25:

Delete "Ossinging" and insert "Ossining"

Page 2, line 9:

Delete "by" and insert "that"

Following "Legislature" insert "supports United States Representative Richard L. Ottinger's resolution urging"

Page 2, line 10:

Delete "should"

Page 2, line 11:

Delete "should"

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We need the tin and antimony that we receive from Bolivia -

FT | AUG 1980 | 824

Bolivia delays debt repayments

BY PETER MONTAGNON IN LONDON

BOLIVIA has begun delaying debt repayments to international banks pending signature of the first part of a debt restructuring agreement covering some $160m. The agreement, which was to have been signed on Monday, has been postponed indefinitely.

Sources close to the banks involved said yesterday that the postponement, the second in three weeks, was because more time was needed to sort out technical details of the agreement. But some Eurobankers are now beginning to question whether the uncertain political situation in Bolivia and U.S. opposition to the new regime rend[er] restructuring commitments [in]dent at the present time.

Under the proposed agreement, debt falling due between August 1 and the end of the year would be extended to next January 5. Even though the first signing target date of August 1 has now passed, the agreement would be retroactive which explains why Bolivia has now decided to hold back debt service payments.

Banks signing the agreement would receive a flat ¼ per cent restructuring fee together with a margin above interbank rates of 1⅝ per cent or the spread on the original loan whichever is higher.

By the time of the expiry of the agreement next January 5, it is hoped that Bolivia would have been able to negotiate a larger consolidation loan covering the debt maturing during 1981 as well as that extended in 1980.

Negotiation of the consolidation loan would be helped by further support from the IMF. At present, the Fund's policy appears to be to stick to its present commitments to Bolivia.

It is not at all clear, however, how the IMF Board would react to any requests for additional assistance, especially now that the U.S. has halted all economic aid to Bolivia.

There was no indication yesterday when the debt extension agreement would be signed, although it is understood that arrangements for the signing could be completed at very short notice.

MH | AUG 26 1980 | 825

NEW REGIME HAS TO CURE BOLIVIA'S AILING ECONOMY IF IT EXPECTS TO LAST LONG

By TOM FENTON
Associated Press

LA PAZ, Bolivia — The new right-wing military regime has subdued its civilian opponents, but there is a growing consensus here that it faces a tougher battle in trying to cure Bolivia's ailing economy.

Diplomats and Bolivian sources believe that the life span of Gen. Luis Garcia Meza's government depends now on its ability to keep the nation from sinking deeper into an economic quagmire. They also say the outlook is grim.

Bolivia does not feed itself despite vast stretches of arable land. It also is over its head in debt and with an annual per capita income estimated at less than $400, it is South America's poorest nation.

Production of tin, the historical foreign exchange earner, is declining and the nation's oil wells are running dry.

Economic growth has declined every year since 1976. Last year, real growth dropped to 1.4 per cent while inflation as measured by the La Paz consumer price index galloped at 45 per cent.

The volatile political situation, which produced five governments in the past year and 190 in 155 years of independence, has driven off private investors.

The government now controls 75 per cent of all businesses, many of which run at a loss.

The one major income earner is the cocaine trade, estimated to generate some $600 million a year.

Bolivia's economy generated about $4 billion last year while the public debt climbed to $3.5 billion, most of it owed abroad. Debt servicing alone should cost $626 million this year — if the government can make payments.

The balance-of-payments deficit was $148 million in 1979, a 20 per cent increase over the $123-million deficit recorded in 1978. The deficit is expected to soar even higher next year.

"About $200 million in commercial bank loans come due at the end of the year. If the government can't roll over those loans, they're in deep trouble," said an International Monetary Fund source.

Finance Minister Gen. Jose Sanchez Calderon said the new government, which toppled President Lydia Gueiler July 17, will seek to defer payments on the loans, which are from a consortium of 103 banks. The banks appear to have little choice.

Earlier this year, the IMF began a one-year emergency stabilization loan program designed to keep Bolivia from bankruptcy by pumping $120 million into the economy over a 12-month period.

The source said the change of government will not affect IMF payments as long as Bolivia meets the belt-tightening financial stabilization goals set by the fund.

"What worries me is that the government doesn't seem to have a coherent financial plan," said a businessman and former congressman who asked to remain anonymous.

"I'd give them six months in power at the outside," he said.

On Aug. 5 the government set prices on 11 food items, forcing rollbacks of as much as 25 per cent on some items at La Paz open-air markets.

Sugar was set at the equivalent of 26 cents a pound in La Paz, coffee, 49 cents, beef, 87 cents and a quart of milk, 23 cents.

The prices were popular with many Bolivians, more than half of whom are poor Indians, but economists warn that keeping prices artificially low will only discourage production and drive up the country's bill for imported food.

Bolivia imported about $100 million worth of food last year.

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FT	AUG 6 1980	822

IMF holds up loan payment to Bolivia

BY MARY HELEN SPOONER IN LA PAZ

BOLIVIA has not received a $17m loan payment which the International Monetary Fund was due to deliver from its standby fund on July 31.

This is the first concrete indication that Bolivia's ability to renegotiate its foreign debt, estimated at $3.7bn, is being called into question after the military takeover of the government on July 17.

Last December Bolivia's Finance Minister signed a letter of intent with the IMF for a one-year standby arrangement which would provide financial assistance totalling $110m. In this letter the Government indicated that at the end of this one-year programme Bolivia would sign a medium-term extended fund facility programme with the IMF for 1981–83.

The IMF's failure to deliver the $17m payment came amid rumours that the U.S. may be pressuring the Fund to halt all aid to the three-week old government of General Luis Garcia Meza.

But approval of this payment depends upon the country's economic performance over the past six months, when Bolivia was governed by a civilian interim president. Financial sources in La Paz indicate that the $17m is likely to be approved if the new military regime delivers the necessary technical papers to IMF officials. To date these documents have not been delivered.

Delivery of the IMF loan payment would trigger a $10m credit for development projects from the Andean Fund, the financial arm of the five-national Andean Pact, a common market accord among Bolivia, Venezuela, Colombia, Peru and Ecuador.

While the Andean Pact is chiefly an economic organisation, its members in the past have exerted political pressures against such Latin American governments as Sr Anastasio Somoza's dictatorship in Nicaragua. The governments of Venezuela, Colombia, Ecuador and Peru (all civilian democratic regimes) are currently studying possible sanctions against the Garcia Meza government.

IMF approval will also affect Bolivia's debt rescheduling with a handful of foreign private banks. These include Manufacturers Hanover Trust, Bank of America, Citibank, Bank of Nova Scotia, Crocker, Deutsche Südamerikanische and the Libra Bank of London.

Bolivia is seeking to renegotiate $200m to cover obligations during the second half of this year.

JC	AUG 11 1980	823

Bolivia Gov't Vows to Honor Finance Pacts

By WENDY COOPER
Journal of Commerce Staff

The new military regime in Bolivia, which seized power three weeks ago in an action designed to thwart the coming to office of a democratically elected government, has announced that it will stand by the financial agreements negotiated by its predecessors and is in the process of renegotiating about $200 million in debt with a group of private banks.

To date, only a handful of countries has formally recognized the regime of General Luis Garcia Meza Tejada. The United States has suspended economic aid and withdrawn its ambassador to La Paz. And the European Economic Community has condemned the coup.

Banking sources in Caracas, Venezuela, where the debt renegotiation effort is being coordinated, acknowledged the "delicate" nature of the situation late last week. "We have not come to the final stage yet," they said. But an agreement to extend the country's remaining maturing debt, originally scheduled for Aug. 1, should be signed later this month.

Banks involved in the renegotiation include Bank of America, Citibank, Manufacturers Hanover Trust, Bank of Nova Scotia, Crocker, Deutsche Sudamerikanische, Libra of London.

Despite reports that the International Monetary Fund may have been holding up payment of $17 million from its standby fund to Bolivia because of pressure from the U.S., IMF sources said last week that the drawing is, in fact, being made. The State Department would make no comment on the reports.

Last December, Bolivia's Finance Minister signed a letter of intent with the Fund for a one-year standby arrangement which would provide a total of $110 million. The government also indicated that at the end of this one-year program, Bolivia would sign a medium-term extended fund facility program with the IMF for 1981-83.

As long as Bolivia complies with the macro-economic conditions laid down in the standby agreement, drawings are automatic, Fund sources explained. To date, the country reportedly has drawn $53 million of its total credit. The next quarterly review of the situation will take place in September.

Gen. Garcia Meza, the ambitious general who had himself made president of Bolivia by the military commanders who helped him take over the country, has declared the military coup saved Bolivia from "Castro and Communism." Argentina's president, Gen. Videla, says the Bolivian coup was necessary in order to avoid a "situation in the heartland of South America that would amount to what Cuba represents in Central America." But, except for military officers and their archconservative business supporters who are passionately convinced that university students are Marxist, and by definition that union members are communists, it is hard to find anyone in Bolivia who believed the communists posed any threat to their country.

Asked why Bolivia's generals are so interested in political battles, a conservative, pro-military executive answered with surprising candor, "power and money."

"Not political ideology," adds a senior U.S. military adviser in Bolivia, who says, "There probably isn't a communist guerrilla in this entire country."

Neither Garcia Meza nor Videla have shown any deep aversion to dealing with the Russians. Argentina has been sending wheat by the shipload to the Soviet Union since the United States' grain boycott in response to the Afghanistan invasion.

"Russia has already offered us economic assistance," says Bolivian banker Fernando Bedoya Ballivian, a close adviser and personal friend of Garcia Meza. "The general doesn't want to accept it, but he has told us not to reject it yet."

Most of the world has shunned Bolivia's new military regime. The country's major financial backers—the United States, Venezuela and West Germany—have terminated economic assistance.

The Andean Pact (Colombia, Ecuador, Peru and Venezuela) and the Organization of American States have strongly rebuked Bolivia's personally ambitious anti-democratic generals—who have responded by threatening to withdraw from the first organization, and accusing the latter of meddling in the country's internal affairs.

Gen. Garcia Meza's dictatorship has been recognized by only a few countries. Argentina, not surprisingly, was the first, followed by the other southern cone dictators. They have been joined by less than a dozen other countries, among them Israel, Egypt, South Africa, Guatemala, the Philippines, South Korea and Taiwan.

"Not exactly a distinguished list of the world's democracies," laments a Bolivian doctor, expressing keen disappointment about Israel's action, but adding hope that the international boycott would continue.

Meanwhile, Bolivia's ruling generals are preparing a new battle plan. They are negotiating with a New York public-relations firm and free trips are being offered to selected journalists.

In contacting a public-relations firm, Bolivia also follows Argentina's lead. Several years ago Argentina hired Burson Marsteller, a New York-based firm, to improve that country's image.

As a result more people may learn where Bolivia is, but it is doubtful they will receive any enlightenment about a regime that is being compared with the military governments in Argentina and Chile, which rule by force, fear and repression. □

Ray Bonner, a journalist previously based in Latin America, was recently forced by the military to leave Bolivia.

LAT | AUG 31 1980 | CONT.

EDITORIAL

NYT | AUG 16 1980 | 821

Paternity, Brutality and Bolivia

Argentina's ruling generals won't take credit for actually fathering the military junta in neighboring Bolivia — but they are passing out cigars, and want to improve the infant's prospects in an unfriendly world. Their sympathetic attitude is deplorable. But even more troubling is the suspicion that Argentine officers participated directly in the coup.

Cooperation between the two regimes is a matter of mutual self-interest. The Bolivian junta needs friends to overcome the stigma that its flouting of free elections, its murder and brutality, and its reported links to the international narcotics traffic have produced. Argentina's interests are also plain. A neighboring democracy "would have spread ideas contrary to our way of life and the permanence here of a military government." The words are those of Argentina's President Jorge Videla. But by good fortune, sigh the Argentine generals, their country is again surrounded by authoritarian regimes.

But did they trust to luck alone, betting on the internal dynamics of Bolivia's junta-happy politics? Despite Argentina's denials, well-informed diplomats insist that Argentine officers were actively involved in the planning, and the execution, of the Bolivian coup.

President Videla, defending Argentina's concern, noted: "We don't want a situation in South America that would amount to what Cuba is for Central America." Neither do we. But the trouble with Mr. Videla's parallel — besides its oversimplification of Central American politics — is its suggestion that the contagion of armed Communist revolution is the same as the peaceful spread of democracy. The true parallel in his remark is unintended: If charges of direct Argentine involvement in Bolivia's coup prove correct, Argentina would be guilty of exporting armed dictatorship.

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As a result of the Bolivian junta's attempts to intimidate the foreign press, the world is only beginning to learn the details of Bolivia's nightmare. Our colleague Warren Hoge this week described the junta's atrocities aimed at discouraging civil resistance. Torture and humiliation of priests, mass executions of slum dwellers and threats to mutilate teenagers repel civilized nations. American attempts to ostracize the government responsible have been admirably tough. That Argentina isn't appalled itself is appalling.

LAT | AUG 31 1980 | 820

Bolivia Becomes a Battleground

Fearful of Democracy, Argentina Hopes for a Buffer of Repression

By RAY BONNER

Bolivia—"Where is it?" is the customary first question when the nation is mentioned. "Who cares what is happening there?" is the cynical sequel.

Landlocked. Sparsely populated. By most standards (it has the highest infant mortality, the lowest life expectancy, and only Haiti has a lower per capita income) the poorest country in all of Latin America. Although potentially rich in minerals, the country's political instability—15 changes of government since 1934, and depressing corruption when the military has been in control—have paralyzed the country's development. The most recent coup took place July 17, when Bolivia's right-wing military led by Gen. Luis Garcia Meza Tejada took over to prevent the inauguration of Hernan Siles Zuazo, the country's democratically elected president.

But there is considerable foreign interest in this country, the size of Texas and California combined, that sprawls from the Andes Mountains on the Chilean-Peruvian borders to the Amazon jungle basin the Bolivians share with Brazil.

It's not primarily a battle ground for markets or resources. But for political ideologies—more specifically, democracy.

"Argentina especially wants to destroy our democracy because it does not want to share a border with a democratic country," says a former Bolivian ambassador to the United States.

Argentina—the third most populous (after Brazil and Mexico) and one of the most economically powerful countries in Latin America—is ruled by military strongman Gen. Jorge Rafael Videla, who came to power in a 1976 military coup in his own country.

Soon after the right-wing military colonels and generals robbed Bolivians of their democracy, Videla declared that an elected government in Bolivia posed "a high degree of risk, because of the possibility that such a government would promote ideas contrary to our way of life and the permanence of military governments."

The continent's "southern cone" countries—Argentina, Chile, Paraguay and Uruguay—are all controlled by military strongmen.

But democracy had been creeping south. And the United States, particularly since adoption of President Carter's human-rights policy, was being praised or damned, depending on the speaker's perspective.

Within the past two years, Bolivia's northern neighbors, Peru and Ecuador, have held elections that sent the military men back to their barracks. And a democratic liberalization is in process in Brazil.

As for Bolivia, a democratic drought of almost 15 years—a number of succession of military coups, followed by seven years of right-wing dictator Gen. Hugo Banzer Suarez—ended with elections in 1978.

"Mr. Carter didn't send me a letter ordering elections," Banzer said recently in a private interview. "But we could feel the pressure."

As Bolivia turned down the democratic road, Washington turned on the spigot, making Bolivia one of the largest recipients of economic aid—nearly $200 million last year—in the world.

"I wish the United States would do more," says a Bolivian journalist cautiously. "I hate to even think it, but I almost wish the CIA would get involved—or your country would do *something*—to help us get rid of this fascist government."

But U.S. intervention—overt or covert—is highly unlikely, and contrary to the wistful talk of some young Bolivians, neither Cuba nor Nicaragua is likely to get involved. Both of those governments are struggling with their own domestic problems, and are listening to pleas from closer, more geopolitically important countries.

So that leaves Argentina to meddle in Bolivia.

Argentine fingerprints are all over the Bolivian coup that prevented honestly elected 67-year-old Siles from entering the presidential palace in the more than two-mile-high capital city.

"They are up to their necks in this thing," says one knowledgeable Bolivian about the Argentines.

"The Argentine military did everything but tell Gen. Garcia Meza the day to pull it off," adds a U.S. military adviser in Bolivia.

According to information received by the Council on Hemispheric Affairs from what are described as high-level Argentine military officials, the coup was planned in Buenos Aires, where, among other things, a computerized list was prepared of potential leaders of the opposition who were then imprisoned, exiled or killed during the early hours of the coup.

At a luncheon for Argentine reporters in Bolivia, another senior Argentine military adviser is reported to have bragged that the coup was successful because of his country's involvement. He even ridiculed the Bolivian army for allowing people to escape when they shot up a meeting of union, religious and political leaders, gathered to plan resistance to the military takeover.

The center of official Argentine military activity in Bolivia was, and remains, Cochabamba, Bolivia's third-largest city, 250 miles southeast of the capital of La Paz. Here, almost in the center of a landlocked country which has no more than 2,000 navy personnel and only a few boats patroling Titicaca, the world's highest navigable lake, Argentina maintained a naval mission with more than a dozen advisers. Most worked in intelligence.

Altogether, Argentina had more than 30 military advisers in Bolivia, "an inordinately large number," says one diplomat, and more than twice the size of the U.S. military mission in Bolivia.

According to reliable reports, there were more than 200 Argentine military personnel in Bolivia to help with the takeover. One Argentine "adviser" was among the heavily armed paramilitary forces who prowled the city in ambulances during the first days of the coup.

With the army controlling Bolivia, the majority of South America's resources and people are now under the domination of right-wing dictators.

WP | AUG 17 1980 | 819

Jack Anderson

Bolivian Coup, With an Argentine Accent

Last month, a coterie of generals suffocated democracy in Bolivia. It was a brutal coup that had the secret backing of the military rulers across the border in Argentina. It was a sad setback for free government in Latin America.

Calamities and coups have become commonplace in Bolivia, a piece of earth abused by man and nature. These Bolivians who have clung to the mountain slopes are a simple but stoic people, more Indian than Spanish in ancestry, who scratch the gray, rocky soil for meager subsistence. For most of them, life is labor, and death comes early.

The succession of dictators who have ruled them have made their lives even more harsh and oppressive. But last month, it looked at last as if a constitutionally elected president, Herman Siles Zuazo, was about to take power. Until the coup on July 17, the outlook for civilian rule in Bolivia was optimistic.

An interim president, Lidia Gueiler Tejada, was ready to hand over the government. Then a military clique, headed by Gen. Luis Meza Garcia, seized power at bayonet point. A sad Lidia Gueiler was compelled to deliver the government to the junta. "God save Bolivia," she said mournfully.

The Argentine generals have denied reports that they intervened. But this is not the word that has reached the State Department. Sources in high places, who for diplomatic reasons don't want to be identified, contend the coup could not have occurred without the foreknowledge, secret support and military planning of the Argentinians.

"You won't find a smoking gun there," one source told my associate Bob Sherman, "but what you will find is a weapon with Argentina's fingerprints all over it." Here are some of those identifying prints:

• Prior to the coup, Argentina increased the size of its mission in the Bolivian capital of La Paz. "They did it slowly at a time when people weren't paying much attention to them," explained an observer.

• "It was an Argentine-style operation and not Bolivian," said another insider. "It was very well planned and that in itself is not Bolivian." During the first 24 hours of the takeover, the military rounded up 1,000 people and eventually arrested 2,500 potential opponents. "The roundup was very brutal," related an eyewitness. "Within 24 hours, they had neutralized the leadership and the opposition. Those who weren't in custody went into hiding or sought asylum, and others just disappeared—Argentine style."

• Some Bolivians who were released after the roundup reported that during their interrogation, men with Argentine accents dressed in civilian clothes appeared to be directing the Putsch.

• Argentina unhesitatingly became the first foreign government to recognize the new regime. In contrast to the United States, which withdrew its ambassador and cut off all aid, the Argentine militarists offered economic assistance. The Bolivian generals asked for $200 million in foreign help, and Argentina's President Jorge Videla pledged to respond.

A top American official called the Argentine role a clear case of meddling in the affairs of its neighbors. "The Argentinians have a history of this," he said. "They intervened in Uruguay a few years ago, and they don't hesitate to move into another country if it serves their interest."

Larry Birns, director of the Council on Hemispheric Affairs and a critic of the Argentine ruling clique, said the junta has followed a policy that "the only acceptable government on its borders is one that it controls." In Birns' view, the collapse of the Bolivian democracy will have serious repercussions. "Bolivia is the front gate to the democracy of the northern regimes and the back gate to the authoritarian regimes in the south," he explained. "It is a very pivotal place."

Apologists for Argentina have argued that Bolivia under a left-of-center democracy would have become a sanctuary for guerrillas opposing the Argentine military government. But a Washington official scoffed at this as political paranoia.

"The Argentines fear the cancer of communism," he said. "Their remedy is immediate removal surgery. They always fear that their neighbors will harbor subversives. Bolivia is an unlikely threat. The Montenero guerrilla movement is an urban, not a rural group. The idea that Bolivia would become a base for subversion is unlikely."

Footnote: A spokesman for the Argentine Embassy replied to my reporter's inquiries with a prepared statement that denied that Argentina "may have interfered in any way in the events that recently took place in Bolivia." As a matter of principle, the statement declared, Argentina does not interfere in the internal affairs of other sovereign nations.

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NYT | AUG 7 1980 | 817

'Sympathetic' Argentina Will Aid Bolivian Regime

By JUAN de ONIS
Special to The New York Times

BUENOS AIRES, Aug. 6 — President Jorge Rafael Videla said today that Argentina would offer food and financial assistance to Bolivia because of the "sympathy" felt here for its new military rulers.

President Videla denied at a news conference in Cordoba that Argentina's armed forces had actively supported the military takeover in Bolivia July 17, but he did not hide the satisfaction of the military regime here over the cancellation of election results that would have given the Bolivian presidency to Hernan Siles Zuazo, the candidate of a moderate leftist coalition.

"The formally correct thing," said General Videla, "would have been for a government resulting from elections to have taken power, but this represented for us a high degree of risk because of the possibility that it would spread ideas contrary to our way of life and the permanence here of a military government.".

Argentina, he said, could be a source of food supplies and financial credits for Bolivia. Reports from La Paz, the Bolivian capital, indicate Bolivia is expecting $200 million in immediate financial aid to meet payments on a foreign debt that exceeds $3 billion.

Argentina was the first country to recognize the Bolivian military regime headed by Gen. Luis Garcia Meza. The United States and most Latin American countries that are not under military rule have not recognized it, and the suspension of military and economic aid by the United States, Venezuela, Spain, West Germany and other lenders makes the financial outlook for Bolivia bleak.

Argentina's support for the Bolivian military, which, American sources say, included shipments of food rations and ammunition before the coup, has added new frictions to this country's relations with the United States.

Bolivia lies on Argentina's northern border and the military regime here views it as part of its national security area. "We don't want a situation in South America that would amount to what Cuba is for Central America," General Videla said.

The United States Government made repeated diplomatic representations to Argentina for a hands-off policy, but the military here decided to back the Bolivian Army elements opposed to giving the presidency to Mr. Siles Zuazo, who had the Communist Party among his backers. Mr. Siles Zuazo was President from 1956 to 1960; he was then considered a moderate.

The United States Government abruptly canceled a scheduled visit here by William G. Bowdler, Assistant Secretary of State for Inter-American Affairs, the day after Argentina recognized the new Bolivian regime.

WSJ | AUG 12 1980 | 818

Occidental Petroleum Agrees to Develop Gas Field in Bolivia

By a WALL STREET JOURNAL Staff Reporter

LOS ANGELES—Occidental Petroleum Corp. said it signed an agreement with Bolivia's national oil company to develop the Porvenir gas and condensate field in southeastern Bolivia.

Occidental Boliviana Inc. will operate the field and, with Canadian Occidental Petroleum Ltd., will receive 50% of the gas and condensate sold, after payment of taxes. Occidental's share of the liquid production will be sold to the national oil company, Yacimientos Petroliferos Fiscales Bolivianos, at world market prices. Canadian Occidental has a 25% interest in the field.

Occidental said production initially will total as much as 8,000 barrels a day of oil-like condensate, which will be recovered from 100 million cubic feet of natural gas a day. The gas will be reinjected into the field and sold later, the company said.

Occidental said the agreement also provides for it to drill additional wells in the Tita gas and condensate field, where the company currently produces 50 million cubic feet of gas and over 2,000 barrels of oil a day.

Occidental, which discovered the Porvenir field in 1978, has said it may hold as much as 330 million to 500 million cubic feet of gas.

Bolivia to expel journalist

FT	AUG 27 1980	814

LA PAZ—BOLIVIA'S military government has confirmed the arrest of Mr. Albert Brun, Lima-based correspondent of Agence France Presse, and said he would be expelled from the country.

Sen. Daniel Salamanca, Under-Secretary of the Interior, made the announcement on state-owned television.

He charged that Mr. Brun, who was arrested at a La Paz hotel on Monday, had transmitted "false" reports and would be expelled "ignominously." He did not elaborate.

The French embassy said the correspondent, a French national, was taken from the Sheraton Hotel by seven men in civilian clothes and brought to the Ministry of the Interior.

The embassy said the men took away a teleprinter that the news agency was using to transmit despatches from the hotel.

Mr. Brun arrived in La Paz last week, but had been sharply criticised by the government for his report of the July 17 coup that toppled President Lidia Gueiler.

The news agency began working from the hotel after its transmitting facilities were destroyed by the new right-wing military. At least 30 journalists have been arrested, although most have been freed shortly afterwards.

Miss Mary Helen Spooner, 28, a Financial Times correspondent, spent six days in a cupboard at Sen. Luis Arce Gomez's interior ministry, after being accused of defaming Bolivia.

Mr. Brun is 60. He was born in Spanish Morocco.

AP

BOLIVIA FREES, OUSTS FRENCH JOURNALIST

MH	AUG 31 1980	815

From Herald Staff and Wire Reports

LA PAZ, Bolivia — Albert Brun, a French journalist arrested five days earlier and accused of defaming Bolivia's new right-wing military rulers, was handed over to the French ambassador Friday. The Interior Ministry said Brun, 60, a correspondent for Agence France-Presse, would leave the country immediately. The correspondent, arrested in his La Paz hotel, was one of more than 30 journalists arrested by Gen. Luis Garcia Meza's military regime, which took power in a coup last month. Most were released within a few days.

Bolivia: military boot well in

ML	AUG 31 1980	816

A MONTH after the coup d'etat organised by General Garcia Meza, commander-in-chief of the armed forces and admirer of Chile's General Augusto Pinochet, Bolivia is firmly under military rule. The "uncommon putsch" of July 17 not only put a sudden stop to a slow return to democratic institutions (a process greatly encouraged by the United States), but has set up a new order based on violence and contempt for fundamental liberties.

Large-scale arrests, summary executions, strict state control of the press and the radio, a courageous Catholic church hostile to the regime subjected to vexations, concentration camps set up for political opponents and a military occupation of the mining districts of the Altiplano which are the strongholds of the Labour Confederation — Bolivia's army leaders, who have been implicitly accused by the US State Department of collusion with cocaine smugglers, have really opted to ape the regrettable methods of those who toppled Salvador Allende in Chile.

Gangs of civilians armed and controlled by the authors of the coup d'etat stormed the Labour Confederation premises and cold-bloodedly cut down Marcelo Quiroga Santa Cruz, the head of the young Bolivian Socialist Party. Its success in the June 29 presidential elections helped to exasperate the military, who refused to accept the probable election as president of Hernan Siles Zuazo, leader of the centre-left Democratic Popular Union (UDP) coalition which emerged as the winner on June 29, and whom the Congress was getting ready to appoint to the presidency on August 4.

All union activity was ordered stopped in La Paz on August 19. The powerful COB (Bolivian Labour Confederation) was disbanded and nine universities in the country closed until further notice. All the student organisations were also dismantled and the entire body of teachers in higher education establishments dismissed.

New labour legislation is expected to be brought in providing for union representatives to be replaced by "delegates" picked by the government. Minister of the Interior Luis Arce Gomes announced that the COB headquarters in La Paz would be demolished to make way for a parking lot.

After a week-long fact-finding visit to Bolivia, Johannef Galland and Joe Nordmann (representing the French General Confederation of Labour — CGT — and the International Association of Democratic Jurists) were able to report that Simon Reyes (a Communist congressman and miners' leader) and Juan Lechin (head of the COB) had not been killed as was feared. But their testimony confirms the brutality of the repression.

The two French investigators also condemn the "very active role" played by Argentina in the Bolivian coup. A US State Department spokesman has formally accused the Buenos Aires government of "involvement" in the Bolivian putsch, and according to a COB official now in exile, it is Colonel Oswaldo Chimeno of Argentina who is running the civilian and military "groups" placed at General Garcia Meza's disposal by General Videla.

Now that the Bolivian junta has gone the way of Latin America's most authoritarian [illegible] repressive regimes, the unde[illegible] government formed by Si[illegible] can no doubt expect the US State Department and the other member states of the Andean Pact, the Socialist International and Christian Democrat International, to show it some sympathy. But sympathy alone will not be enough to prevent the Bolivian military leaders from establishing their power for two score years as they plan.

(August 21)

ISLA 464 19th Street Oakland, CA 94612

FT	AUG 15 1980	812

FT writer 'threatened with death' in Bolivia

By Our Foreign Staff

MARY HELEN SPOONER, the Financial Times correspondent held for six days by Bolivia's military Government, was on her way back to her home base in Santiago, Chile, last night after describing the conditions under which she was detained.

Miss Spooner, who left La Paz, the Bolivian capital, for Lima, Peru, on Wednesday accompanied by editorial executives of the Financial Times and the Economist newspaper of the UK, told Associated Press she had been held in a closet and "threatened with death and everything in between" by Col Luis Arce Gomez, the Bolivian Interior Minister.

Miss Spooner was arrested on August 6 at her hotel in La Paz in a crackdown on the foreign press by the Bolivian junta, which seized power in a coup on July 17.

Her release was negotiated by Mr J.D.F. Jones, managing editor of the Financial Times, and Mr Robert Harvey of The Economist.

Miss Spooner said two men from the Interior Ministry took her to the ministry building, where she was submitted to intensive interrogation in an attempt to find the sources of her reports to the Economist, which linked the Bolivian junta with the country's cocaine dealers.

She was first questioned by a man she identified as the Chief of Special Operations. "He delivered a very bitter diatribe about everything the United States had ever done in Boliva," she said. He made "a lot of threats."

Miss Spooner said she was taken to another room to make a statement and was warned by a lesser official that she should be careful because "as a woman, there are certain things that can happen to you."

"I got called upstairs to the Interior Minister himself," she said. "He screamed and yelled. There were several officials and more threats. This went on for a few hours." Asked what kind of threats were made, she replied, death and you know, everything in between. "Asked if the death threat came from the Minister himself, she responded: Yes."

NYT	AUG 15 1980	813

U.S. Journalist Freed By Bolivians Describes Threats of Mutilation

LIMA, Peru, Aug. 14 (UPI) — An American journalist held in a Bolivian ministry for seven days said today that she received threats of mutilation and death from her military captors but was not harmed physically.

Mary Helen Spooner, 25 years old, of St. Louis, was seized Aug. 6 at the La Paz Hotel in the Bolivian capital for writing articles, termed defamatory, that linked elements in the newly seated military Government with drug rings.

Miss Spooner, a freelance reporter for The Financial Times of London and the magazine The Economist, was released Tuesday after representatives of both publications who had flown from London read a prepared statement in which they "lamented" her activities.

The Bolivian armed forces, led by Gen. Luis Garcia Meza Tejada, took power July 17 after ousting the interim President, Lydia Gueller Tejada, a cousin of the general's, in a violent coup. The stated objective was to prevent the newly elected President, Hernán Siles Zuazo, a leftist, from assuming office.

Reporters Being Harassed

Since then military and paramilitary organizations have been harassing both foreign and Bolivian reporters.

Miss Spooner, in an interview at her Lima hotel, where she spent the night en route to her home base in Santiago, Chile, said: "After being detained I was taken to the Interior Ministry, where I was interrogated for eight hours. They wanted to know who were my news sources, and I was warned that if I failed to give them what they wanted I would be killed or mutilated. One man asked if I had ever visited a plastic surgeon and I said no. He then said, 'Well, you are going to need one after we are through with you.' "

Miss Spooner said she gave in to their demands but did not give them "all my sources, especially those that were vulnerable."

FT	AUG 14 1980	803

FT writer freed by authorities in Bolivia

LA PAZ – The Bolivian authorities have released an American woman journalist arrested after a military coup last month and accused of defaming senior members of the Government.

Mary Helen Spooner, 29, a part-time correspondent for a number of publications in the U.S. and Britain, including the Financial Times and The Economist, was ordered to be expelled from the county after her release

Sr Luis Arce Gómez, Interior Minister and Fernando Palacios, Information Minister, handed over Miss Spooner to two British press executives

The ministers said she must leave the country immediately. She was arrested on August 6.

Miss Spooner came to Bolivia to cover the aftermath of the coup on July 17 and sent a story alleging that General Luis Garcia Meza, the coup leader, and other senior members of the armed forces were involved in drug trafficking.

The authorities said that Miss Spooner's story was a "flagrant violation of national and international laws."

Mr J.D.F. Jones, managing editor of the Financial Times, and Mr Robert Harvey, editorial executive of the Economist, arrived on Sunday to try to arrange Miss Spooner's release.

Mr Harvey read a statement that both he and Mr Jones had signed. It said they expressed "regret before the Government and people of Bolivia for the situation which has resulted from the activities of a correspondent of our organisations."

The statement continued: "The Bolivian Government has stated that it considers Miss Spooner's behaviour to have been improper and that it has reason to believe that she attempted to have published certain material which it considerers a falsification of the truth.

"We wish to point out that the Financial Times and The Economist did not publish this material from Miss Spooner. The responsibility of our newspapers does not permit us to print this sort of news, a fact which is confirmed by the Bolivian Government."

"As senior executives of the Financial Times and The Economist, we have visited La Paz, where we have been given a detailed description and explanation by the Bolivian Government of the activities of Miss Spooner in recent weeks which it considers objectionable."

"As a result of these discussions, the Financial Times and The Economist have decided to withdraw Miss Spooner immediately form her functions in Bolivia. The Bolivian Government has agreed to free Miss Spooner from detention and she will leave the country within a few hours," the statement concluded.

Reuter

FT	AUG 15 1980	811

EDITORIAL

Mary Spooner

ON TUESDAY of this week the Financial Times signed a statement in La Paz which regretted the situation that had arisen out of the activities of our correspondent, Mary Helen Spooner. We appeared to cast doubt on the responsibility of her reporting.

We want to make it quite clear that this statement was exacted under duress and that our sole purpose in making it was to secure the release of our correspondent from detention during which she had been threatened with death.

As we have told the Bolivian authorities, we stand by all the reports from La Paz printed in the Financial Times under Miss Spooner's byline as constituting fair and accurate reporting.

WP	AUG 14 1980	810

Journalist Freed by Bolivia Permitted to Leave for Peru

The following dispatch was filed by Bev Bonner who left Bolivia on Monday. Bonner, a freelance journalist, has filed stories to The Washington Post, The Los Angeles Times, Newsweek, and The Associated Press.

LIMA, Peru, Aug. 13—Mary Helen Spooner, an American journalist held for six days in jail in Bolivia on charges of defaming the military government there, arrived here today after being released from detention and expelled.

Spooner, a freelance writer for the Financial Times and the Economist, both British publications, and the National Catholic Reporter of Kansas City, Mo., was released after editors for the two British papers, at the request of the Bolivian government, expressed regrets for her alleged violations of stringent new press regulations.

The expulsion of Spooner and my own escape from Bolivia after her arrest, along with other expulsions and jailings, have left few foreign correspondents in that country to report on the harsh government of Gen. Luis Garcia Meza, who took power in a coup a month ago.

Garcia charged in a recent speech that "the press has been infiltrated by international extremist elements" and his government has stepped up its virulent campaign against foreign correspondents.

On the day of the coup, military officers ordered journalists, at gunpoint, to stop sending reports abroad. Two Brazilian reporters fled the country after being detained. A Newsweek photographer was beaten and held for three days and the Associated Press bureau chief in La Paz, a Bolivian, was expelled.

Other correspondents continued working—from places in hiding, using false names—as the regime continued to denounce their activities.

A week ago, I learned that Spooner had just been arrested in the same hotel that I was in. "They're downstairs looking for you," a friend warned me.

I was led out of the hotel, through alleys and to an embassy where I spent the night, with another journalist who had fled the hotel.

Bolivia to Put U.S. Reporter on Trial

WP | AUG 8 1980 | 807

By Ron McCrea
Special to The Washington Post

Bolivia's military rulers announced yesterday that they would try an American journalist arrested Wednesday night for libeling and defaming the country's leaders, news agencies reported.

In the escalating campaign against foreign press operating in Bolivia, two other reporters were arrested and held briefly Wednesday night, and others were questioned or went into hiding.

Amnesty International announced last night it was appealing to the Bolivian leadership to release all political prisoners and publish a list of people killed or injured since the July 17 coup. The human rights organization, which estimated that 1,000 people had been arrested, sent a list of 55 known prisoners and asked for information on their health and whereabouts.

A State Department spokesman said Mary Helen Spooner, 28, a stringer for the London-based Financial Times, was being held at the Interior Ministry in La Paz and Bolivian authorities had refused a U.S. Embassy request for consular access to her.

Interior Minister Col. Luis Arze Gomez told Reuter news agency that Spooner had sent a story to London in "flagrant violation of national and international (press) laws."

Spooner's story alleged that President Luis Garcia Meza and other leaders were involved in drug trafficking and accused Arze Gomez of personal misconduct during clashes between Bolivian miners and the Army in 1967, Reuter reported.

"There are foreign news correspondents who are abusing the facilities they have in Bolivia" the colonel said. "They are transmitting tendentious news based on false information without any sources."

He said Spooner would be tried in a civilian court and that she was in good health. He also absolved two other journalists from responsibility for the article. Reuter staff correspondent Rene Villegas and his assistant Gerardo Irusta had been ordered arrested earlier when it was believed they had written the article.

Arze Gomez said the two could continue working but warned them and other journalists "not to commit this kind of offense."

Two other American correspondents were arrested with Spooner Wednesday night, Beryl Bernay of NBC Radio and Gary Tredway of the Voice of America. Their employers said they were held for three hours and released after questioning.

New York Times correspondent Warren Hoge was also questioned yesterday by police about the whereabouts of Ray Bonner, an independent correspondent who has filed reports for The Washington Post. Bonner is believed to be at liberty but could not be contacted.

In a broadcast transmitted by the Voice of America and the British Broadcasting Corp., Tredway said he was arrested two hours after checking in at his hotel, and "apparently my only offense was being a journalist."

He said he returned to the Interior Ministry after being released to find out what the "lies" were that police had complained about. "They would not tell me what the lies were, and an official in the Interior Ministry refused to be interviewed by me when I asked him to explain what were the lies and what was the truth," Tredway said.

He also said that at least one Bolivian journalist who worked for American news agencies had taken refuge at the U.S. Embassy. Reuter said about 10 Bolivian journalists who worked for international news agencies before the coup have either been arrested, expelled, or gone into hiding.

Four foreign correspondents avoided coming back to their hotel Wednesday night after being advised that police were looking for them, Agence France-Presse reported. They were Jorge Casal of London's Visnews, Ricardo Benozzo of the Italian news service ANSA, Peter Jorhornson of Swedish television and Jan Schmeltz of Dutch radio.

Jurek Martin of the Financial Times Washington office said Spooner is a native of St. Louis, Mo., who has worked in Latin America for nearly three years. From 1978 to 1979 she was based in Caracas, Venezuela, and reported for Dow Jones, The Washington Star, Time Magazine, and ABC News. She went to Chile in January 1980 to research the foreign policy of the Chilean military rulers with a grant from the Inter-American Press Association. While in Chile she wrote for the New York-based Fairchild publications and for the London Economist, as well as for the Financial Times.

In another development, the Associated Press reported that two Maryknoll priests were arrested and jailed by the junta yesterday after they refused military requests to celebrate mass for the success of the new government. They are Rev. William Coy, 61, of Danvers, Minn., and Rev. John Moynihan, 45, of Brockton, Mass.

MH | AUG 10 1980 | 803

Arrested Journalist 'Is In Good Shape'

LA PAZ, Bolivia — A U.S. Embassy officer was allowed on Friday to visit U.S. journalist Mary Helen Spooner, arrested by the new military government. She "is in good shape and has not been mistreated," an embassy spokesman said.

He said the embassy official met with Spooner for 45 minutes in the Interior Ministry. It was the first visit authorized by the government since Spooner, 28, was arrested Wednesday night at the Hotel La Paz.

The military junta led by Gen. Luis Garcia Meza has accused Spooner of filing "false and distorted" news about the situation in Bolivia following the July 17 military coup and said she would be tried for violating the press law. The free-lance journalist, from St. Louis, came to La Paz for The Financial Times, of London.

MH | AUG 4 1980 | 804

BOLIVIA REGIME SENDS REPORTER OUT OF COUNTRY

LA PAZ, Bolivia — (AP) — Harold Olmos, The Associated Press correspondent in La Paz, has been expelled by Bolivia's new military regime, which gave unspecified "political reasons" for its action.

Olmos, 35, a Bolivian citizen and veteran AP reporter, apparently had been sought by paramilitary agents since a July 17 coup toppled President Lidia Gueiler.

Armed men, who wore civilian clothes and drove unlicensed jeeps, repeatedly visited The Associated Press bureau in the Bolivian capital and asked for him.

Olmos surrendered his passport to Information Minister Fernando Palacios Thursday and applied for an exit visa.

The minister assured Olmos that the government had nothing against him, but the passport was returned on Friday with a warning that he must leave the country within 24 hours.

One page of the passport carried a large red stamp with the words: "Expelled for political reasons."

Olmos left La Paz Saturday on a flight for Lima, Peru.

A number of Bolivian journalists are among more than 1,000 persons believed arrested by Gen. Luis Garcia Meza's government.

MH | AUG 7 1980 | 805

BOLIVIANS AGAIN MOVE TO HAMPER REPORTING

Herald Wire Services

LA PAZ, Bolivia — The three-week-old military government suspended Telex and satellite communications abroad for a time Wednesday and ordered two Bolivian correspondents of the Reuters news agency arrested for allegedly sending false information.

In another development, the government expelled three U.S. Marine embassy guards from the country for screaming "insults" against Bolivia at a La Paz hotel. Diplomatic sources said four arrested American missionaries were released.

The military leaders have met continued resistance since their takeover July 27. The interior minister, Col. Luis Arce Gomez, said on television Tuesday night that some "bad Bolivians" were distorting the situation.

Arce said Wednesday he had ordered the arrest of the local Bolivian correspondents of the Reuters-Latin wire service, identified as Rene Villegas and Jaime Iriarte.

"These gentlemen will have to pay for their guilt, because they are sending untrue Telex information and are also slandering high dignitaries of the state," he said.

Last Saturday, the government expelled The Associated Press correspondent in La Paz, Harold Olmos, citing unspecified "political reasons."

A sign displayed in the Telex booth of the La Paz Hotel for a time Wednesday said that all Telex communications had been suspended on government orders. Leased satellite communication channels used by news services also were shut down.

Announcement of the Marines' expulsion came Tuesday in an Interior Ministry bulletin charging that the three — identified as Patrick Burns, Stephen McDaniels and Vincent Bell — were screaming "insults" at Bolivia Monday night in a hotel plaza here. The U.S. Embassy did not comment immediately.

Diplomatic sources said that David Ratterman, a priest from St. Louis, and Sister Mary Elko, a nun from Virginia, were released, along with two unidentified Roman Catholic missionaries. The two were picked up Thursday in a raid on a church in the northern mining town of Carahuco, 100 miles north of here.

Church opposition to the Garcia Meza takeover has prompted other reprisals from the government.

EDITORIAL | WP | AUG 9 1980 | 806

A Correspondent in Danger

THE MILITARY GANG that took over the Bolivian government in a coup on July 17 and has since been ravaging the country's frail freedoms has now turned with a vengeance upon the foreign press. Passing beyond the crude intimidation that is the stuff of journalistic life in many Third World countries, the military rulers in La Paz have declared that they will try Mary Helen Spooner, an American correspondent who has been working for London's Financial Times. The story for which she was arrested alleged that the new president, among others, was involved in the drug trade, and it reviewed certain episodes in the past of the interior minister, the head of the police. She is accused of libeling and defaming the country's leaders—a charge leaning heavily on the pernicious sort of criticism of the foreign press that has seeped through the Third World in recent years.

We realize that many Bolivians have suffered greatly since the coup: there have been scores of killings, perhaps a thousand arrests and mass deprivation of rights. Nothing that has happened to the foreign press corps compares with those depredations, and, anyway, foreign correspondents take their chances when they go to places where the normal protections cannot be counted on. But none of this is justification for the harsh threat to Ms. Spooner.

It is common knowledge that the new Bolivian leadership includes some of the top dealers in the country's thriving cocaine trade. Informed Bolivians point out that one reason for the coup was the promise of the newly elected president to move against the drug trade. If the Financial Times correspondent was exposing further details of this traffic, then she was only amplifying a record that has already stigmatized the Bolivian military in the eyes of the whole hemisphere. The threat to bring her to trial will be taken as a desperation move and as a confirmation of the darkest allegations made about the makers of the coup.

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NYT AUG 12 1980 785

Bolivia Is Prepared to 'Walk Alone' If Aid Is Denied, New Leader Says

By WARREN HOGE
Special to The New York Times

LA PAZ, Bolivia, Aug. 9 — Gen. Luis García Meza Tejada said today that Bolivia was prepared to "walk alone" if disapproving nations continued to withhold recognition and economic assistance from his regime.

In the first interview he has granted since seizing power July 17, the Bolivian President said that the "Bolivian reality" had been "altered, distorted and, as often is the case, misunderstood at an international level.

"The situation," he said, "is different from the one shown by certain segments of the media abroad, who are apparently interested in installing a new Cuba in the heartland of South America. However, this is merely what you in English call 'wishful thinking.' In 1967 we defeated Che Guevara, who wanted to do the same. The time will come when everybody will clearly realize that my country had no other option than the one we have taken."

A 1,500-member United States-trained force eliminated Mr. Guevara and a 30-man band 13 years ago in the last notable leftist agitation in Bolivia. Bolivian Communists are so ineffectual that they failed to field any candidate in the elections June 29 that General García Meza's coup overrode, although 14 candidates were running. He has justified his takeover by saying that the armed forces had to save the country from Communism.

Opponents' Charges Denied

The general discussed his coup during a break in a daylong informal outing at the suburban La Paz home of Gen. Waldo Bernal Pereira, the air force commander who is the second ranking member of the three-man military junta. He was dressed in militarily tidy mufti — highly shined loafers, sharply creased corduroy trousers and an open-necked shirt. An air force officer with dark glasses and a swirl of golden lanyards around his shoulder guarded the cut-glass French doors leading from a hallway.

The García Meza regime has been accused of having denied the popular will as expressed in the June elections, having given Argentine agents a principal role in the coup and the subsequent harsh crackdown on opponents, and having acted in the interest of the highly lucrative cocaine trade. The general today denied all the charges.

"I reject emphatically any participation by a foreign nation in our change of government," he said. "It is amusing to hear all the fuss over foreign participation in the change of government while nobody said anything regarding the blatant meddling of several foreign nations during the last three elections in my country." The reference was to financial help given Bolivian candidates by Social Democrats in West Germany, Spain and Venezuela.

"I would like to remind you," he continued, "that the drug problem in the world is masterminded and financed as a multibillion-dollar operation in the Northern Hemisphere. We deny emphatically any involvement with this drug mafia."

The United States suspended all aid to Bolivia after the July coup, and a number of South American and European nations have allowed their assistance to lag in an act of protest.

The general was asked whether Hernán Siles Zuazo, the election winner, figured in his estimation that Bolivia would have become Communist had the democratic process been allowed to go forward.

"I will let you form your own opinion about whether or not Dr. Siles is a Communist," he said. "He talks like a Communist, he acts like a Communist, he declared himself to be a faithful leftist and stated his intention to govern as such. He ran for President with the full support of the Moscow Communist Party and the Movement of the Revolutionary Left, which is known in Latin America as the most extremist party of all, and, like Nicaragua, was supported by the Carter Administration, so what do you think?"

The general said that Americans were misguided in thinking that democracy would work in Bolivia. "Bolivia is neither the United States nor the European Common Market. At the very announcement of presidential elections, everything comes to a standstill in Bolivia until election day, and remains that way even afterwards until the new administration becomes consolidated."

By most accounts, this June's election was the cleanest in Bolivia's history, but General García Meza disputed that conclusion. "The electronic computers demonstrated massive fraud," he said.

He said his respect for nonintervention in the affairs of other countries prevented him from declaring his favorite in the American Presidential race, but he added that he thought President Carter and Ronald Reagan were "very different, as we see them, in their sincerity." Backers of the regime have been outspoken in hoping for Mr. Reagan's election.

Bolivia is expecting assistance from the authoritarian governments of Argentina, Brazil, Paraguay and Uruguay and tacit support from its longtime territorial rival, Chile.

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Bolivian Rivals, One in Hiding, Assert Right to Lead

NYT | AUG 7 1980 | 783

By WARREN HOGE
Special to The New York Times

LA PAZ, Bolivia, Aug. 6 — Bolivians heard Independence Day addresses today from two men each claiming to be President of this landlocked nation of 5.5 million people.

Gen. Luis García Meza Tejada, who seized power July 17, spoke over national radio before a gathering of uniformed leaders seated in ornate high-backed chairs in a chandeliered ballroom in the Presidential Palace.

Hernán Siles Zuazo, the winner of elections held June 29, issued a statement from his hideaway somewhere within the country. At the time of the military coup, Mr. Siles was headed for almost certain congressional affirmation of his electoral victory and would have taken office today.

General García Meza attacked the Carter Administration for betraying the leadership of President John F. Kennedy and for "shaming its own noble people" by indulging in "negative propaganda that protects its true enemies." The United States has deplored the coup and suspended all aid to Bolivia.

The general denounced the other countries of the Andean Pact, Colombia, Ecuador, Peru and Venezuela, which have also condemned the coup, for being "overprosecutorial" in their attitudes toward their neighbors. He lamented the poor image his National Government of Reconstruction had projected internationally and said it stemmed from distortions.

"Bolivia has encountered a public opinion premeditatedly against it and this cannot have come about through any other manner than the domination of the means of communication by the extreme left."

Mr. Siles declared that he was assuming the Presidency today "in clandestinity as the only and legitimate representative of the Bolivian people." Calling the García Meza regime "the Government of national destruction," Mr. Siles accused it of "cold and calculated repression" and said it would inevitably "crumble because it is illegitimate, antinational, antipopular and antidemocratic."

The Siles address did not reach the airwaves, which are under the military regime's control, but circulated instead in document form. The two counter-addresses marked the only activity of Bolivia's 155th anniversary celebration. The García Meza junta banned the customary parades.

The junta scored a significant victory last night in its campaign to gain a tight grip on the country. Col. Arturo Doria Medina, commander of the feared Tarapacá armored regiment quartered on the high plain above La Paz, abandoned his opposition to the military rulers and, in a televised get-together with General García Meza, pledged his "total and absolute respect" for the new Government.

Col. Luis Arce Gómez, the junta's security chief, said that political dissidents now under arrest would be formed into work gangs and sent to Bolivia's eastern jungles to build roads. Colonel Arce disputed reports that more than 1,000 people were being held as political prisoners, saying the correct number was 500.

Continuing its publicity campaign against the United States Embassy, the Government expelled three Marine guards, saying they had refused to pay their bill in a hotel bar and had called Bolivia "a North American colony." A diplomat said the incident appeared to have been a "setup" involving Bolivian intelligence agents.

The Government, which has imprisoned scores of reporters and exiled the Associated Press bureau chief, Harold Olmos, a Bolivian, today ordered the arrest of the Reuters bureau head, René Villegas.

FT | AUG 7 1980 | 784

Siles Zuazo declares alternative government 'in hiding' for Bolivia

BY MARY HELEN SPOONER IN LA PAZ

SR HERNAN Siles Zuazo, who would have assumed the presidency of Bolivia yesterday if the military had not seized power on July 17, has declared a constitutional government in hiding with his would-be vice - president, Sr Jnime Paz Zamora.

Photocopies of a statement bearing Sr Siles' signature have been circulated by hand in La Paz. The declaration noted that the presidency of Sra Lidia Gueiler, the interim President deposed by the military, would have officially ended yesterday, Bolivia's Independence Day. For this reason the new government in hiding was making its announcement on this date.

Citing the norms of Bolivia's constitution, Sr Siles said his government considered itself the legitimate representative of the Bolivian people and would seek support from "all democratic forces" such as the country's congress and labour unions which were dismantled by the military regime of Gen Luis García Meza.

Sr Siles has apparently managed to meet secretly with the surviving representatives of the militant Bolivian workers central (COB) to co-ordinate plans for a government in hiding. The future success of this scheme will depend upon the clandestine government's ability to gain recognition abroad. Likely supporters include Nicaragua, where Sr Paz Zamora recently attended the anniversary of the overthrow of the Anastasio Somoza dictatorship, as representative of the would-be civilian government in Bolivia. Nicaragua has broken relations with the García Meza regime along with Ecuador, a member of the five-nation Andean Economic Group, which includes Bolivia.

Ecuador, Peru, Colombia and Venezuela are considering sanctions against the García Meza regime and collective recognition of the Siles clandestine government seems a strong possibility in the future.

Meanwhile, Gen García Meza has moved to quash rumours of divisions within the army's various regiments by visiting the Tarapaca regiment, which was said to be fomenting a counter-coup against the three week old regime.

[illegible] 464 19th Street Oakland CA 94612

WP | AUG 6 1980 | 730

Bolivia Expels 3 Marines

LA PAZ, Bolivia—The government ordered three U.S. Marines out of the country, apparently because of an argument in a hotel bar.

The U.S. Embassy confirmed the expulsion order. Witnesses at the hotel said several Marines argued with unspecified other patrons at the bar Monday night. Heavily armed Bolivian soldiers rushed in an took the three Marines away, the witnesses said.

The newspaper Ultima Hora reported that the minister of interior had ordered the expulsion "because the Marines had insulted Bolivia."

From news services and staff reports

MH | AUG 16 1980 | 781

Don't Go to Bolivia, You Might Get Jailed, U.S. Citizens Warned

WASHINGTON — (UPI) — The State Department has issued an urgent warning to U.S. citizens to avoid travel in Bolivia, saying 18 Americans have been arrested and released by military authorities in the Latin American nation in the past month.

Spokesman David Passage said Thursday that the U.S. Embassy was denied access to the 18 Americans, whose period of detention ranged from a few hours to five days.

"We advise Americans against travel to Bolivia at this time," Passage said.

He also said that the department has recurring reports of mistreatment and torture of Bolivian citizens by the military government of Gen. Luis Garcia Meza, which ousted the nation's civilian government in July.

"These reports look to be in the pattern of human rights violations," he said. "We continue to deplore it."

He also said that reports of "Argentinian complicity" in the Bolivian military coup persist, adding, "These reports are of concern."

The United States has stopped its military assistance program to Bolivia, cut back on economic aid and stopped its drug enforcement program because "There is no reason to expect the cooperation of the Bolivian government," officials have said.

EDITORIAL | WP | AUG 15 1980 | 782

Pirate Kingdom

UNHAPPY BOLIVIA—poor and divided in the best of times, and now fallen into the hands of a junta with close ties to the international drug traffic. The Carter administration began cutting down its aid to Bolivia last month, a few days after the coup. Now the State Department is pulling out all of its narcotics control programs. "We have no basis to expect the kind of cooperation from the Bolivian authorities that makes it worthwhile to continue," a State Department official dryly observed.

Bolivia is becoming the nightmare state in which the underworld takes over the government. The process, incidentally, is not a gentle one. There are now perhaps 2,000 political prisoners, according to a leading clergyman, and the stories of sudden disappearances and torture are multiplying. That is why the new government has been harassing and threatening the few foreign news correspondents remaining in the country. It wishes to choke off all reporting of these practices.

Any country that organizes itself as a haven for criminal activity becomes a menace to all the others. If a clique of generals can seize a government, run up the skull and crossbones and turn their land into a pirate kingdom, they become an active danger to every other government struggling to enforce international law and, in this case, stamp out the drug trade. Unfortunately, Bolivia fits into a larger pattern.

South America is now divided, politically, into two zones. In a crescent along the north and west lie the three democracies, Venezuela, Colombia and now Peru. Below that line, the continent is ruled by military governments that vary only in the degree of their authoritarian repression. The first foreign government to recognize the new Bolivian regime was Argentina's, which has been providing generous aid and technical assistance to Bolivia's secret police. Recognition came next from Brazil, which has been training Bolivian military officers. Then came Paraguay, a simple dictatorship in the style of the last generation.

Bolivia is conceivably the world's least stable state. It has been through some 200 coups in its century and a half of independence. To explain the latest of them does not require any theory of foreign subversion. But to the extent that Bolivia's neighbors—particularly Argentina—now support the junta in La Paz, they must accept some measure of responsibility for the evils that will flow from its involvement in the drug business. Even Argentina's military men might ask themselves whether it's not a high price to pay for the stifled silence that now passes for political order in most of South America.

Bolivians Kidnap Bishop, Methodist Official Reports

MH | AUG 28 1980 | 801

SAO PAULO, Brazil — (UPI) — Bolivian paramilitary squads have kidnaped the executive secretary of the Methodist Church in Latin America, the head of the Brazilian Methodist Church said in Porto Alegre Wednesday.

Bishop Mortmir Arias was abducted Monday by plainclothes gunmen at the airport of Cochabamba, some 150 miles southeast of La Paz, Brazilian Methodist Bishop Sady Machedoda Silva said.

He said the reports reached Brazil via church sources in Geneva, Switzerland.

In Geneva, the World Council of Churches Wednesday urged Bolivian military authorities to release Bishop Arias.

"We request the immediate release of [the] Rev. Dr. Arias and ask all churches to join in prayer for him and the Bolivian people," WCC general secretary Philip Potter's message to the Bolivian authorities said.

Arias was in Brazil recently and returned to Bolivia Monday, flying directly to the airport of Cochabamba city where he lived with his family, da Silva said.

He said reports spoke of Arias' family receiving two visits from paramilitary squads while the bishop was in Brazil on church business.

"We are going to ask the Brazilian government to make inquiries," the Porto Alegre bishop said.

Da Silva said he had no information of any previous threats made against Arias, a Bolivian citizen, who was Methodist bishop for Bolivia before taking up the post of executive secretary of the Council of Evangelical and Methodist Churches in Latin America.

MH | AUG 17 1980 | 802

Gueiler Can't Leave, Regime Says

Herald Wire Services

LA PAZ, Bolivia — The military government has reversed itself and decided that interim President Lidia Gueiler, ousted in the July 17 coup, will not be permitted to leave Bolivia, the newspaper Ultima Hora says.

Gueiler gained refuge in the La Paz residence of the Vatican's ambassador to Bolivia shortly after the coup.

Ultima Hora Friday quoted the interior minister, Col. Luis Arce Gomez, as saying that Gueiler had violated the rules of political asylum by making false statements about the new government and that she would not be given safe conduct out of the country.

The junta had said previously that Gueiler, 51, was free to leave Bolivia at any time, but sources close to her family denied that and said she was made a virtual prisoner by the troops around the papal nuncio's home.

Gen. Luis Garcia Meza's regime apparently is angry at statements attributed to Gueiler and passed to journalists in which she denied she resigned voluntarily.

Ultima Hora quoted Arce Gomez as saying, "This is false. She abandoned her post in the presence of Msgr. Alfio Rapisarda, the papal nuncio, former Foreign Minister Gaston Araoz Levy, aides, personnel from the presidential palace and members of the press."

MH | AUG 18 1980 | 803

Peru Wants Gueiler To Leave Bolivia

LIMA, Peru — The newly seated Peruvian Senate has instructed its president "to take whatever needed steps" to obtain safe passage out of Bolivia for ousted President Lidia Gueiler.

Gueiler, overthrown July 17 in a military coup that brought army Gen. Luis Garcia Meza to power, took refuge in the Vatican mission in La Paz, waiting for a safe conduct pass out of the country.

"On a unanimous vote, the senate (late Thursday) agreed to instruct its president, Oscar Trelles, to take whatever needed steps so that former Bolivia President Lidia Gueiler may obtain the needed authorization to leave the country," said Sen. Javier Alva Orlandini.

"We hope that Mrs. Gueiler will be able to abandon the nation in a few days."

The legislators' sentiment was shared by Peruvian President Fernando Belaunde Terry, who said Friday that his government was "keenly interested in Mrs. Gueiler, for whom we have always professed a great admiration and respect."

MH	AUG 9 1980	798

Two American Priests Detained By Bolivia Military, Report Says

From Herald Wire Services

LA PAZ, Bolivia — A spokesman for the Maryknoll religious order said that two American priests have been detained by authorities despite the military regime's promise to stop arresting priests and nuns.

Another American, journalist Mary Helen Spooner, of St. Louis, also was being held by police after her arrest Wednesday night along with two other reporters. The others later were released.

The Maryknoll spokesman identified the two arrested priests as the Rev. John Moynihan, 45, of Brockton, Mass., and the Rev. William Coy, 51, of Minneapolis. He said the priests, who both belong to the Maryknoll order, were arrested by troops two days ago in Riberalta, a town in the northern lowlands of Bolivia.

"IT'S JUST a part of the general harassment against us," the spokesman said.

Since seizing power in a July 17 coup, Gen. Luis Garcia Meza's military regime has arrested 14 priests and nuns, raided churches and taken over church radio stations, destroying some of them.

However, earlier this week, the regime released 11 priests and nuns and promised church authorities there would be no more such arrests.

The Maryknoll spokesman said Coy was vicar for the northern Pando region of Bolivia and that Moynihan had been in the Pando since 1967, working with the leadership of the towns along the rivers of the region.

In London, Amnesty International said Friday that it has appealed to Garcia Meza to release all political prisoners and to publish a list of persons killed or injured since the coup.

The international human-rights organization estimated that about 1,000 persons had been arrested since the coup, and said the violence and brutality reported since the military takeover prompted fears for the safety of prisoners.

AMNESTY SAID the reports it had received "about summary executions, arbitrary arrests and torture have led us to believe that international standards to which Bolivia is committed are being violated."

WP	AUG 11 1980	799

Bolivia's Bishops Promise Help For Those Arrested

LA PAZ, Bolivia, Aug. 10 (UPI)—The military government vowed today to deal harshly with people spreading "subversive rumors," while Bolivia's Catholic bishops promised to aid anyone arrested by the regime.

In a statement, the bishops said some of 16 imprisoned priests and nuns were freed following negotiations with the military, but they said others were still unable to leave the refuge of the office of the papal nuncio.

American priests William Coy, 61, of Danvers, Minn., and John Moynihan, 45, of Brockton, Mass., arrested Tuesday, were freed unharmed, according to a spokesman for the Maryknoll Fathers.

Interior Minister Luis Arce promised the bishops that priests will not be arrested in the future and that troops have orders not to force their way into parish houses without the prior authorization of the church, the bishops' statement said.

LAT	AUG 17 1980	800

Bolivian Military Threatens to Imprison Outspoken Archbishop

LA PAZ, Bolivia (UPI)—Bolivia's military regime, moving toward a direct confrontation with the Roman Catholic Church, warned Saturday it may jail the archbishop of La Paz if he continues to speak out against summary executions.

Bolivia's strong man, Gen. Luis Garcia Meza, who seized power in a coup July 17, accused Archbishop Jorge Manrique of "collaborating with the extremists when he talks about executions."

Manrique, an outspoken critic of the regime, has accused the military of engaging in arbitrary arrests, torture and executions since it took power nearly a month ago.

By Manrique's estimate, 2,000 people, including priests and nuns, have been arrested since the coup that ousted the civilian government of interim President Lidia Gueiler Tejada. The military has acknowledged 500 arrests.

LAT | AUG 2 1980 | 796

U.S. Priest, Nun Reported Held in Bolivia

From Times Wire Services

LA PAZ, Bolivia—A Bolivian army regiment raided a northern mining town to indoctrinate villagers against communism and beat up two men guarding a church, taking an American nun and priest hostage, a diplomatic source said Friday.

"Prior to picking the two missionaries up, they tore the hell out of the church and beat two villagers who were guarding it," the source said of the raid on Matilde near Carabuco, 100 miles north of La Paz.

The soldiers picked up the American priest and nun along with a Bolivian nun Thursday evening, sources said. They were part of a mission that includes two other nuns.

La Paz Archbishop Jorge Manrique said later he was informed that Msgr. David Ratterman of St. Louis and the American nun, Mary Elka of Virginia, were brought to La Paz on military orders, along with the Bolivian nun, Carmen Toledo.

"His mission is pastoral," the archbishop said of Ratterman, who he said has worked in Bolivia for 15 years. "It has nothing to do with politics."

Manrique charged that the new military regime, which seized power on July 17, is refusing to let a church commission visit more than 2,000 political prisoners despite a previous agreement to that effect. Since Gen. Luis Garcia Meza ousted President Lidia Gueiler Tejada from power and then barred her elected civilian successor from taking office, the government has repeatedly attacked the Catholic Church.

In another development Friday, Garcia Meza decreed that all Bolivians are subject to compulsory "patriotic government service."

The announcement means that Bolivians can be called to work for the government for up to two years, doing whatever it sees fit. Refusal could mean spending the time in jail.

"No citizen whose services are needed under the present decree will be excused," the announcement said. It added that those called to serve will be chosen by the Ministry of the Interior, which handles police functions.

MH | AUG 5 1980 | 797

Church Demands Bolivia Free 11

LA PAZ, Bolivia -- (UPI) -- Bolivia's Catholic Church, alleging a campaign of repression by the new military regime, has demanded the immediate release of 11 imprisoned priests and nuns, including two American missionaries.

Monsignor Jorge Manrique, the archbishop of La Paz, also asked in a statement Sunday that the military account for all those missing after last month's coup as "the least sign" it is respecting human rights.

At least 2,000 people have been rounded up by the military since General Luis Garcia Meza wrested power from interim President Lidia Gueiler in a coup July 17, Manrique sa.

"We wish to express our concern not only for our priests but also for the many other people who have been put in jail and are not even allowed to receive visits from their families," Manrique said.

"The authorities should know that the immediate publication of a list of prisoners, dead and injured people would greatly contribute to a reduction of the tension that hundreds of Bolivian families are living," he said.

The nuns and priests held by the military include David Rattermann, of St. Louis, and Sister Mary Elka, of Virginia, who was working with Rattermann. Diplomats said the American missionaries were arrested during a raid on a church in the northern mining town of Carabuco, 100 miles north of La Paz.

"I am tired of hearing stories of people being tortured," Manrique said. "I have heard stories of people being hung mouth down over human excrement, of the son of a factory union leader who was detained so his father would turn himself in."

Amnesty Claims Data On Bolivian Atrocities

WH | AUG 23 1980 | 793

From Herald Wire Services

LONDON — Amnesty International says it has a witness's account of killings, abductions and rapes by Bolivian troops in the aftermath of the July 17 military coup.

The Nobel Peace Prize-winning human rights organization said the atrocities occurred Aug. 4 in the mining town of Caracoles, 166 miles southeast of the Bolivian capital, La Paz.

As many as 900 persons disappeared after the attack, Amnesty said, although it was not known how many died and how many were detained.

The report marked the first Amnesty attempt to document alleged atrocities during the post-coup security crackdown by the government of Gen. Luis Garcia Meza.

IN LA PAZ Thursday, the Council of Bolivian Bishops strongly protested an official campaign to discredit the Archbishop of La Paz, Msgr. Jorge Manrique, an early and outspoken critic of the Garcia Meza government.

Msgr. Manrique has accused the armed forces of "executing" its opponents and denounced a series of human rights violations, including the "arbitrary arrests" of about 2,000 persons. The government says no more than 500 were detained.

"We protest and firmly reject the absurd campaign against such a dignified pastor, which has been carried out through insulting statements, contradicting the truth, and through unjust and threatening expressions," the bishops said.

They added that "very high officials of the government have made frequent and baseless attacks" against the archbishop.

Interior Minister Luis Arce has called Msgr. Manrique a "well-known agitator," threatening, "If we have not yet detained Manrique it is because of his age, but everything has limits."

IN LONDON, the Amnesty International report said the organization's efforts to get more information about the reported troop brutality in Caracoles were being hindered by a clampdown on communications and press reporting.

Amnesty said the Caracoles report, filed Thursday, was the most detailed of a number of reports of violence against unarmed civilians in Bolivia's tin and copper mining areas, where there were attempts to organize strikes and opposition to the coup.

The amnesty report said the Max Toledo regiment of the Bolivian army, based at Vitcha, used artillery, planes and tanks to bombard Caracoles.

Amnesty, quoting the unidentified witness, said miners attempted to resist by stoning the troops.

TROOPS PURSUED fleeing civilians, killing an unknown number, beheaded some corpses before loading them into three army trucks, and disposed of others by throwing them down wells, the report said.

They raped an unspecified number of women and girls and killed one miner by stuffing gunpowder into his mouth and blowing him to pieces, the Amnesty report said.

LAT | AUG 13 1980 | 794

Bolivia Denies Violating Rights

Bolivia's new military regime labeled Amnesty International's accusations that it violated human rights as "bold lies" and "Marxist propaganda." The accusations included summary executions, arbitrary arrests and torture. Meanwhile, the junta agreed to release an American journalist, Mary Helen Spooner of St. Louis, jailed for violating new press laws. Editors of two British newspapers for which she did free-lance work flew to La Paz to express regrets over the situation. They said her report was not published.

NYT | AUG 15 1980 | 795

If Americans Have Been Held

WASHINGTON, Aug 14 (Reuters) — Eighteen American citizens have been detained in Bolivia for periods ranging from a few hours to five days since the military coup last month, a State Department spokesman said today.

American officials were not notified of the detentions and, except in one case, consulate officials were refused permission to visit those held, the spokesman said. He added that as far as he knew no Americans were being detained in Bolivia now.

LAT | AUG 20 1980 | 791

Bolivia Purging Schools, Unions

Calls Them Leftist Agitation Centers

LA PAZ, Bolivia—The military rulers Tuesday formally began a major purge of Bolivia's labor unions and universities, describing them as centers of leftist agitation.

In a series of decrees, the ruling junta:

—Declared all labor unions suspended, substituting government-approved worker representatives for union leaders.

—Ordered the country's nine universities closed indefinitely.

—Fired all academic administrators and faculty.

—Dissolved the students' organizations.

The decree suspending the unions also dissolved the powerful Bolivian Workers Confederation, whose leader, Juan Lechin Oquendo, has been under arrest since the July 17 coup that toppled interim President Lidia Gueiler Tejada. Interior Minister Luis Arce Gomez said the confederation headquarters will be demolished for a private parking lot.

Union leaders will be replaced by coordinators chosen by the Labor Ministry from three-man lists to be submitted by workers on a company-by-company basis.

Persons who have previously served as representatives cannot be nominated.

Education Minister Ariel Coca said Tuesday night, after swearing in two commissions charged with reorganizing the universities, that Bolivian education had been "submitted to an aggressive ideological machinery which turned it into a political training exclusively serving left-wing groups."

Coca said the reorganization was designed to replace the universities' current Marxist ideology with a "nationalist, Christian and humanistic doctrine."

(Within a week of the coup, the United States had recalled its ambassador, cut off all military assistance and economic aid, withdrew most U.S. military personnel and sharply cut back its embassy staff.

Last week, the State Department said it is terminating the American anti-narcotics program in Bolivia and strongly suggested that key elements of the junta were engaged in drug trafficking.

MH | AUG 21 1980 | 792

'Further Step Backward,' U.S. Says

School, Labor Curbs By Bolivia Assailed

WASHINGTON — (UPI) — The State Department charged Wednesday that the Bolivian military government's crackdown on labor unions and the closing of universities is a "further step backward" for that country.

Spokesman David Passage told reporters that these actions, as well as recent threats against the Catholic Church, "have been the hallmark of the current Bolivian regime."

The spokesman issued the following statement when asked about the latest developments in Bolivia:

"We have seen the press reports about a purge of labor unions and the closing of universities and would simply say that the suppression of labor unions and the closing of universities — if true — follows the pattern of oppression of opposition and repression of dissent that has been the hallmark of the current Bolivian regime.

"This is extended to the Catholic Church as well, where in recent days condemnations and threats by Bolivian government authorities have been made. We regret these as further backward steps and remain deeply concerned about the situation in Bolivia."

Education Minister Col. Ariel Coca Tuesday announced the purge of university leadership and suspended operations until a reorganization is complete. He said "international terrorism" is trying to implant in Bolivia "a political education that would serve exclusively leftists."

FT | A 15 1980 | 730

U.S. AND NINE CALL FOR INVESTIGATION

Bolivia accused over drug traffic

BY HUGH O'SHAUGHNESSY IN LONDON AND IAN HARGREAVES IN WASHINGTON

PRESSURE is building in the U.S. and the European Community for a full investigation of reports that Bolivia's new rulers are deeply involved in the international traffic in narcotics, which nets the country nearly $1bn a year.

The U.S. is closing its anti-narcotics bureau in Bolivia and has withdrawn 40 of its diplomatic staff of 120 in La Paz, the Bolivian administrative capital.

In London yesterday, the Foreign and Commonwealth Office said plans for an ambitious $45m scheme to aid Comibol, the Bolivian state mining concern, had been cancelled in the light of the July 17 military coup. The scheme was Britain's largest aid project in Latin America.

The Foreign Office added that Britain had been the first member of the EEC to express concern at the takeover by Gen Luis Garcia Meza. The EEC has since dropped discussions of economic cooperation with Bolivia, and Belgium has halted a plan to lend Bolivia $3m. It is not certain what the voting intentions of EEC member countries will be on applications by the Garcia Meza government for aid from the World Bank and the IMF.

The FCO added that the coup in Bolivia had been condemned outright by the Nine and that Britain's own diplomatic relations with Gen Garcia Meza were being kept at a low level.

Washington, which fought hard in recent months to head off the threatened military coup and ensure that fair and effective elections were held in Bolivia, has stepped up its actions against Gen Garcia Meza.

The U.S. State Department yesterday advised U.S. citizens not to travel to Bolivia. At least 15 Americans have been detained for varying periods since the coup.

Sen Dennis Deconcini, a Democrat from Arizona and instigator of several anti-drugs efforts in the Western U.S., is calling for a full meeting of the Senate Appropriations Sub-committee for Foreign Affairs to assess the charges against Gen Garcia Meza's government.

Sen Deconcini said information from highly reliable persons – believed to be in the U.S. anti-narcotics bureau and the State Department – had led him to believe that several charges could "on the whole be confirmed." These included, according to the Senator:

- that narcotics traffickers in Santa Cruz helped finance the July 17 coup which put Gen Garcia Meza in power;
- that the drug smugglers had continued to be a major source of financial support for the regime;
- that large payments had been made in person by Sr José Abraham Baptista, a known drug trafficker, both to the general and to the commander of the garrison at Santa Cruz, Bolivia's second city;
- that two of Sr Abraham Baptista's relatives had been made officials in the Bolivian customs service;
- that Col Luis Arce Gómez, the country's Minister of the Interior, had a long connection with major drug traffickers and had been accused of using that position to undercut drug enforcement efforts;
- that Col Ariel Coca, the Minister of Education, was implicated in a 100 kilo cocaine seizure in Panama in 1979.



The State Department would not comment directly on any of these matters but said the Bolivian anti-drugs officers had been withdrawn "because it is our feeling that a drug programme would not be fruitful in the current circumstances."

An official added that the department would cooperate fully with any hearings called by the Appropriations Committee. Another government official commented that the people involved in the Garcia Meza government and the allegations against them were not unknown to drug enforcement officers. "What is new is their accession to power."

The U.S. Government has already suspended economic and military assistance to Bolivia. This, Sen Deconcini said, was "a sound response and should be continued until this and other questions are resolved."

The export of coca-based narcotics is now the principal source of export revenue for Bolivia, exceeding that from the country's traditional staple, tin, and other metals and the more recently developed sales of oil and natural gas. Total exports of metals and ore concentrates last year were estimated at $191m.

Raw coca leaf has for centuries been used by Indians as a mild stimulant in a country where many live at altitudes of over 12,000 feet and where food is often difficult to come by. Coca leaf is openly, legally and readily on sale.

Over the past decade, however, the processing of coca leaves into cocaine paste or refined cocaine has loomed. The trade is centred on the south-eastern city of Santa Cruz, and from there is regularly dispatched to the U.S. often via Colombia or the Caribbean.

A U.S. narcotics officer estimates that Bolivia produces 7,000 tons of coca leaves over and above its "traditional" needs. Refined into 100 tons of pure cocaine, this would earn $1bn in export income.

There is no doubt that senior military figures are closely involved in the export of narcotics – a trade which could not continue at its present high level without their ready cooperation.

WP AUG 14 1980 · 789

U.S. Terminates Drug Enforcement Programs in Bolivia

By Jacqueline E. Sharkey
Special to The Washington Post

The State Department announced yesterday that it is terminating all anti narcotics programs in Bolivia and is reducing the size of its embassy staff there even further.

In announcing the move, State Department spokesman David Passave would not confirm or deny allegations that members of the military junta that took control of the country last month are involved in the international narcotics trade.

"We have examined the allegations very carefully, and reached the conclusion that we have no basis to expect the kind of cooperation from the Bolivian authorities that makes it worthwhile to continue the [drug enforcement] program," he said.

Both the State Department and the Drug Enforcement Administration have programs to fight narcotics traffic in Bolivia.

Officials in State's Bureau for International Narcotics Matters said their programs' budget this fiscal year was $2.6 million, but that only $250,000 had been spent because Congress had not appropriated foreign assistance funds this year.

Officials said that four Americans and two Bolivians were directly involved in the programs, and that the Americans would be returning to the United States "very soon."

Officials at the DEA — which is part of the Justice Department — said their programs involved about $160,000, not including salaries and administrative expenses.

They said that five Americans were working in the programs, and that they would be leaving Bolivia "within a week."

State Department officials said additional U.S. Embassy personnel will be withdrawn during the next several weeks. The embassy staff was reduced from 120 persons to 80 shortly after the coup. Officials were unsure yesterday how many additional persons will be called back.

Meanwhile, Sen. Dennis DeConcini (D-Ariz.) has asked the chairman of the foreign operations subcommittee of the Senate Appropriations Committee to schedule hearings about the alleged ties between the military junta and international drug traffickers in Bolivia.

Reliable Senate sources said today that U.S. narcotics officials have information that Army Gen. Luis Garcia Meza, the head of the junta, allegedly has received "millions of dollars" from Jose Abraham Baptista, whom the sources alleged is "a major known drug trafficker based in South Cruz, Boling.

Sources said that two relatives of Baptista — who allegedly are also known cocaine dealers — reportedly have been given jobs in the Bolivian customs services.

The sources said that the junta's interior minister, Luis Arce Gomez — former head of the Bolivian military intelligence — allegedly has longstanding connections with major traffickers.

The sources added that the country's education minister, Col. Ariel Coca, was allegedly involved in a drug transaction that ended when 220 pounds of cocaine were seized in Panama in 1979.

Garcia Meza has denied that he or any of his officials are involved in the international narcotics trade. In an interview Tuesday with The New York Times, he said:

"I would like to remind you that the drug problem in the world is masterminded and financed as a multibillion dollar operation in the Northern Hemisphere. We deny emphatically any involvement with this drug mafia."

But sources in the Senate said there is "unimpeachable evidence" that a number of high-level Bolivian officials are involved.

The State Department would not confirm these reports. A spokesman said today that the administration had decided not to present the results of investigation into the involvement of the new military rulers in the drug traffic because of concern for the safety of American personnel still in Bolivia.

The State Department's programs had included assisting the Bolivian customs service in trying to recure the smuggling of coca leaves—from which cocaine is made, according to officials in State's Bureau for International Narcotics Matters. Officials said the Bolivian customs office had received river patrol boats, communications equipment and vehicles from the United States as part of that effort.

Officials said the department had also assisted the Bolivian government in trying to establish a board to regulate the production and sale of coca to be used legally such as for medical purposes.

The board would have had a monopoly on the licensing and purchasing of cocaine production, State Department officials said. But they added that work on this project "had never really gotten off the ground."

Officials at the DEA said their programs involved exchanging information on international drug traffickers, and training and assisting local police with drug-related investigations.

MH | AUG 14 1980 | 788

Have Bolivian Leaders Sold Out to Drug Trade?

By JIM ANDERSON
United Press International

WASHINGTON — Government officials say they have evidence that drug traffickers may have bought themselves an entire country — Bolivia.

Carter Administration officials said that there are established financial links between the new military government in Bolivia and drug traffickers and that they fear Bolivia could become a sanctuary for growers and dealers.

Administration officials said the overthrow of Bolivia's democratically elected government in July was a sharp setback for plans to control and cut back the cultivation of coca, the base for the drug cocaine.

THE STATE DEPARTMENT also said Wednesday that it is cutting the size of the staff at the U.S. Embassy in Bolivia because "of the implicit threat posed to our personnel." The department also has halted all drug-enforcement operations because it feels the military junta would not cooperate.

Spokesman David Passage said the regular embassy staff is being reduced to 80 from about 100. The U.S. ambassador, Marvin Weisman, and 19 other embassy personnel were withdrawn in July in a show of U.S. displeasure over the July coup.

"There is an implicit threat to our personnel in the arrests of missionaries and newsmen," Passage said. He cited "several incidents," including one last week in which three U.S. Marines were beaten in a restaurant.

Passage said that incident "raised real questions about whether there was official complicity" in the violence against the Americans.

He said that all drug enforcement-related activities by the embassy have been halted "because we reached the conclusion that the many allegations of the involvement of the government in drug-related activities give no reason to believe that we will get the necessary cooperation from the Bolivian government."

SEN. DENNIS DeConcini (D., Ariz.) asked a Senate foreign relations subcommittee to open an investigation into the links between the Bolivian junta and the "Santa Cruz Mafia," the wealthy Bolivian growers who control the cultivation and sale of the coca plant.

"Coverage of events in Bolivia," DeConcini said, "is virtually unanimous in characterizing the present regime as little more than an appendage of the criminal organizations that dominate the flourishing international cocaine trade."

"For the first time," a State Department official said, "the drug trade may have bought itself a government."

Despite the fresh concern from Washington, it generally is known that growing coca, regardless of the government in power, is a long-established practice in Bolivia.

The arrival of strongman Gen. Luis Garcia Meza in power could affect the size of the coca traffic in Bolivia, but it marked no significant change in the country's already *laissez-faire* attitude toward cultivation and use of the plant.

GROWN FOR centuries in the semi-tropical valleys separating the high Andean *altiplano* from the flatlands of the Santa Cruz region, coca has served for more than 1,000 years as a stimulant for mountain Indians in Bolivia, Peru and parts of several other countries. The leaves, which are chewed, are sold openly in La Paz markets.

International preoccupation with the plant has strengthened sharply only in the last decade with the dramatic increase in its exportation as the raw material for cocaine.

The drug, manufactured from Bolivian and Peruvian plants refined in clandestine laboratories in Colombia and other countries, is worth an estimated $50 billion a year in the United States.

In an interview published Tuesday in The New York Times, Garcia Meza denied that the new regime was involved in drugs: "I would like to remind you that the drug problem in the world is masterminded and financed as a multibillion-dollar operation in the Northern Hemisphere," he said. "We deny emphatically any involvement with this 'drug mafia.'"

Sensitivity to the accusations also resulted in the detention of American freelance writer Mary Helen Spooner, 28, after she filed stories suggesting the involvement of Garcia Meza and other military coup leaders in the cocaine trade.

THE STATE DEPARTMENT long had contemplated a double-edged plan involving substitution of other cash crops for the coca plant and active enforcement of a ban on the plant's growth. These plans were scrapped when the Bolivian military junta overthrew the civilian government.

"The revolution was not ideological," administration officials said. "It was greed, pure and simple."

The officials believe that the new military government — "which has established financial links, running into hundreds of thousands of dollars, with the Santa Cruz Mafia" — will further facilitate cultivation and sale of the raw material for the international traffic in cocaine.

"As long as this Bolivian government is in power, we can't get at the problem. As long as the traffickers are operating in Bolivia, and the military government is in power, they will have a license to go what they want," administration officials said.

NYT | AUG 14 1980 | CONT

Congress can continue. It was a coup of the intellectuals. You are not in the United States, my friend, you are in Bolivia."

There are no intellectuals in the Garcia Meza Government. One diplomat described the new Cabinet as "a bunch of clowns" and said that even far down in the civil service ranks specialists were being replaced by relatives of the officers who have just come into power. The regime is notably short on people with economic experience at a time when Bolivia is, for all intents and purposes, bankrupt and all its legal industries are in decline.

The only business that is booming in Bolivia is the cocaine trade, and, though the nature of the transactions makes proof hard to come by, most people, including the construction executive, believe the drug traffic and the new rulers are closely linked.

Past military coups in Bolivia have had more to do with the access to foreign automobiles, marked-down land and fine homes the officers obtain through holding power than with ideology, and the soaring cocaine profits make that objective all the more enticing now.

Foreign correspondents have pursued this lead and have consequently been harassed. Mary Helen Spooner, a 28-year-old reporter from St. Louis who is based in Santiago, Chile, and working under an Inter-American Press Association scholarship, was arrested Wednesday for having filed an article containing the widely aired allegation that Colonel Arce, the security chief, was himself a cocaine trafficker. The colonel ordered her held for trial under Bolivian libel laws that call for three to 10 years in jail on conviction.

[Miss Spooner was released and flown to Lima, Peru, after the editors of the British publications for which she was working, The Economist and The Financial Times, flew here. They confirmed that the article had not been published and disavowed the charge.]

"I know we have given the international press a rough time," said the construction executive. "But you must understand, you are part of the internal political problem."

This correspondent was interrogated the night of Miss Spooner's arrest by a paramilitary man wearing the same army-issue shiny nylon flight jacket President Garcia Meza favors. The questioner spoke fluent Portuguese, the language of neighboring Brazil, where Bolivian officers have increasingly sought advanced training as United States military assistance programs have been cut back. The questioning stopped when the interrogator was advised that this correspondent had a interview with General Garcia Meza scheduled the next day.

The regime has created a lot of enemies among working people by closing down unions and dismissing from their jobs people who supported Mr. Siles.

"These people are defiant," said a priest in a poor neighborhood. "But they have no weapons, and there's nothing they can do right now."

The regime has made the church a particular target. As in most Latin American countries today, the Bolivian church has identified with the problems of the poor.

The armed forces have arrested a number of priests and in La Paz alone have invaded five parish houses and two convents. In the Don Bosco parish, the soldiers stole all the appliances, furniture and clothing.

Opponents of the Garcia Meza junta see as their only hope the possibility that another, more moderate military group will throw him out.

MH | AUG 13 1980 | 787

Carter's Policy Gets Blame As Aid to Bolivia Anarchy

From Herald Wire Services

LA PAZ, Bolivia — A high-level military officer said that President Carter's policy toward Bolivia helped to create disorder in the coup-prone Andean nation.

Col. Oscar Angulo Torne, commander of the "Colorados" army division, blamed U.S. policy and the activities of Bolivia's two main political parties for the "chaos and anarchy" he said existed during the rule of deposed President Lidia Gueiler.

Bolivian military officers led by Gen. Luis Garcia Meza overthrew Gueiler's government July 17 when it appeared that a moderately leftist candidate would win the upcoming presidential vote in the Congress.

The United States strongly supported the elections. After the coup it cut off all military aid, recalled the American ambassador and said suspension of economic assistance was being considered.

Angulo Torne spoke at a military ceremony in La Paz, which was televised by Garcia Meza, now the head of the military government.

Angulo Torne said that the Popular Democratic Unity Party and the National Revolutionary Movement Party, the two most important political groups in Bolivia, tried to turn the nation "into a new Cuba."

After Angulo Torne's speech, Garcia Meza said that "none can impose on Bolivia a form of government," an apparent reference to statements made abroad condemning the coup.

Bolivia's new foreign minister, Javier Cerruto Calderon, said in Montevideo, Uruguay, that the Bolivian regime would welcome aid from the Soviet Union.

"We are interested in aid, wherever it comes from," Cerruto said. "Undoubtedly, if the Soviet Union offers us some aid, it will be well received."

NYT | AUG 14 1980 | 786

Bolivia General Unleashes Terror In Consolidating the Army's Rule

By WARREN HOGE
Special to The New York Times

LA PAZ, Bolivia, Aug. 9 — Since the military under Gen. Luis Garcia Meza Tejada seized power in Bolivia on July 17, hundreds of Bolivians have been arrested and tortured.

Hundreds more have become fugitives, including businessmen who held meetings with politicians and youngsters who fashioned street barricades out of paving stones in the days after the coup. They move from secret dwelling to secret dwelling each night trying to elude government agents.

Participants or witnesses have told of incidents that illustrate life in the country since the generals prevented the winner of the June 29 elections, Hernán Siles Zuazo, from assuming office.

In one episode, three young priests were blindfolded and seated side by side in the headquarters of the Tarapacá armored regiment on a windy ridge overlooking this capital. Officers thrust the butts of their pistols into the priests' mouths. Nearby, another officer fired into the air and a soldier threw himself noisily to the floor, screaming in simulated pain.

Ordeal at Army Headquarters

This gruesome game completed, the three shaken clerics were taken to military headquarters in downtown La Paz where they were made to lie face down for three days in manure-filled stables.

A shoemaker from the hillside slum of El Alto Norte was picked up, for no stated reason, by the army one recent Sunday and taken to the city's new soccer stadium. There he was beaten with rifle stocks and forced into a dressing room so packed with other prisoners that the men had to sleep standing up and relieve themselves in place.

After two days, soldiers pinned left-wing party legends on the chests of 15 of them, took them in a truck to a nearby cliff and lined them up. The shoemaker, tumbling into a crevice below the precipice in the midst of the ensuing murderous fury, was the only one to live to tell what had happened. The Government reported that 24 men had died trying to storm a garrison.

In the town of Huanuni, in western Bolivia, a young soldier trained his rifle on the shack of a miner involved in the strike protesting the military coup. When he hesitated in firing, his commanding officer ordered him to get on with it. The youth explained that it was his own house. His parents and several brothers watched in horror from the window as the officer shot the young man in the head.

A 16-year-old boy was trundled into a room at the Miraflores army headquarters in La Paz and ordered to lower his trousers. An officer holding a kitchen knife approached. Either the youth would go on television and testify that he was making bombs for the leftist political party that had won the just-completed elections or the officer would butcher his genitals, he was told. That night he became one of three similarly menaced people to make his "confession" before the cameras.

Coups, some 200 of them, have come and gone with such frequency in this nation of 5.5 million people that commentators have often described its political life in comic opera terms. In one three-day period 10 years ago, the country had three separate presidents.

General Garcia Meza, on the other hand, has been deadly serious since taking power. In his zeal to root out what he says are "Communist extremists" in Bolivia, he has created a harsh society devoid of personal liberties. All television broadcasts now emanate from the Miraflores headquarters, and the La Paz daily El Diario heralds the junta's cause enthusiastically.

On the same day this week that the newspaper was headlining General Garcia Meza's pledge to respect human rights, military guards delivered so many kicks to the kidneys and spleen of the Rev. Julio Tumiro Javier, head of the Bolivian Permanent Assembly on Human Rights, that, according to fellow prisoners later sent to the Papal Nuncio's house for deportation from the country, he is not able to urinate.

Foreign correspondents have been threatened repeatedly with death, followed by paramilitary thugs, and, in one case, arrested and held for trial.

The most feared vehicles of destruction are no longer the tanks that have traditionally been rolled into the presidential palace square to oust an occupant in whom the military has lost confidence but commandeered ambulances and Toyota jeeps with their license plates removed and members of General Garcia Meza's anonymous "paramilitares" inside. People joke grimly in La Paz these days, "If I'm hurt, please don't call an ambulance." People forced to take a ride in them are often never seen again. They "disappear" in the manner that Argentines, Brazilians, Chileans, Paraguayans and Uruguayans have become accustomed to under the military dictatorships after which Bolivia today is modeling itself.

As in those countries, life appears to go on untroubled. The street markets pulsate with activity and tourists intent on outings in the spectacular mountain settings greet each other heartily each morning in hotel coffee rooms dressed in knee-high cable-knit socks, hiking boots and bulky alpine sweaters.

But away from the city center, Bolivians are being picked off street corners, removed from their cars, or intercepted on their way to work and spirited away to jails and detention camps.

Repression Is Called Essential

The country's security chief, Interior Minister Luis Arce Gómez, has admitted to holding only 600 political prisoners, but the Archbishop of La Paz, Jorge Manrique, said the correct number is 2,000.

There can be no mistaking that the Garcia Meza regime has chosen intimidation of its opponents as a deliberate policy. A construction company executive who is expected to head a key agency in the new Government explained:

"We must have repression until we have complete control of the situation. But I ask you, if you were the military institution, what would you do? You should put on a uniform for a second and think about it. Of course the policy creates resentments. People don't like the 9 o'clock curfew or the constant demand for identity cards. But we must create discipline. There is no alternative."

He recalled the November seizure of power by Col. Alberto Natusch Busch that failed after 16 days in the face of organized popular opposition. "The problem with Natusch was that he came in and said the labor federation can stay open, human rights will be honored and

NYT | AUG 13 1980 | 773

Bolivian General With Iron Fist

Luis García Meza Tejada

By WARREN HOGE
Special to The New York Times

LA PAZ, Bolivia, Aug. 12 — Luis García Meza Tejada began talking of his plan to be President of Bolivia nearly 40 years ago, and sentimentality has not stood in his way.

Man In the News

When the general grabbed power July 17, the person he threw out of the presidency was his cousin, Lydia Gueiler Tejada, and the most prominent person killed by his troops was an old colleague on Bolivian equestrian teams, Marcelo Quiroga Santa Cruz, the Socialist candidate in the elections of June 29.

"We're used to coups here, but this is different," said a woman who has seen more than a score of Bolivian governments overthrown. "Everyone's afraid."

Helped by Argentine intelligence agents with experience in intimidating dissidents physically, General García Meza has installed a regime that is exacting blood debts from its opponents.

Chilean Is His Model

He has compared himself to Augusto Pinochet, the military dictator of Chile, an unusual model for Bolivians, who for years have carried on a bitter territorial dispute with their southern neighbor. "Yes," said a local publisher, "the Bolivian people hate Pinochet, but what's important to García Meza is that they fear him too."

In November, the general was chosen army commander by a feckless colonel named Alberto Natusch Busch, who tried to seize the Government at that time but had to abandon the effort after 16 days of organized protest by peasant and labor groups.

In the aftermath, Lydia Gueiler was selected by Congress to become President until the June elections. One of her first moves was to name her own military commanders. General García Meza responded by barricading himself inside the army headquarters in La Paz and convening military officials from around the country in a show of support. Seated at the middle of a large conference table in an amphitheater filled with uniformed officials, he demanded and received expressions of confidence in his leadership from all the major unit commanders in the room. Miss Gueiler had to back down.

"It was a real macho thing to do, standing up to the President that way," said a witness to the encounter. "At the time he did that, the military were so out of favor that many of them went around in civvies. He gave them back their morale."

Envoy's Ouster Demanded

By May, General García Meza was actively plotting a government takeover to head off the scheduled elections. American Embassy officials warned him that the United States would suspend all aid, as it had during the Novemebr episode. The general's response was characteristically pugnacious. He demanded the ouster of the United States Ambassador, Marvin Weissman, as persona non grata, and dispatched paramilitary mobs into the streets of Santa Cruz de la Sierra, Bolivia's second largest city, to sack the American consulate and firebomb the Bolivian-American Center. The next day he declared that this urban unrest showed that the country was not prepared for democracy.

Since being in office, General García Meza and his director of security, Col. Luis Arce Gómez, have shown no quarter with those who do not give them total support. Colonel Arce has rounded up hundreds of political opponents and announced that more remain to be jailed. General García Meza has pledged a "war" on domestic "extremists".

Known by the nickname of "Lucho," commonly given to Bolivians named Luis, he was born Aug. 8 in La Paz to an army family. The year is in dispute. On the celebration of his birthday four days ago the presidential palace put out word that he was 55. In an interview, however, the general said he was 49, then, in answer to a question, said he was born in 1932, which would make him 48.

His father was an army colonel, and young Lucho was educated at the fashionable La Salle School and the Colegio Militar in the capital. A friend who knew him at the time recalled that at age 14 he was talking of someday becoming President of Bolivia.

He was suspended from the army in the early 1960's for having been too cruel in the hazing of cadets. The suspension turned out to be fortunate, however, because it meant that he was not an active member of the service when the military establishment was disbanded after the 1952 revolution and replaced with militia forces.

The general is an avid horseman, and has passed along his passion for the sport to his wife, Olma, who is known in La Paz for her eye for high fashion. The couple have one daughter and four sons, none of whom have followed their father into military service.

The general's personal life is olive drab. "He is a very ascetic man," said Fernando Bedoya Ballivian, head of the Banco de Bolivia and a longtime friend. "He likes to ride horseback, he doesn't smoke and he doesn't like to drink. He's a man of the high plains; here we are very serious, very solemn.

"He's very disturbed about the Sandinistas and Fidel Castro, and he believes he is fighting for Bolivia. The army is first for him. He doesn't think he is primarily the President of Bolivia. He feels he represents the army, and the army is fighting to the death against Communism."



Associated Press

His regime is exacting blood debts from its opponents.

ISI A 464 90th Street Oakland CA 94613

NYT | AUG 10 1980 | 778

Bolivia Turns Its Back on The Andes and Looks South

By WARREN HOGE

LA PAZ, BOLIVIA

BOLIVIA is the poorest nation in South America, and its public life is in a state of permanent instability. Its two principal legal industries, mining and petroleum, are both in irreversible decline. A Spanish diplomat named Carlos Badia Malagrida once went so far as to devote a 500-page book to the thesis that the country had no right to exist at all. Yet people keep fighting over it.

Its neighbors have coveted its property so much that its original northeastern territory is now part of Brazil, its southern plains now belong to Paraguay, and its coastline has been Chilean for 100 years. Political opportunists, most of them in uniform, have vied for the leadership of what remains with such frequency that the government has changed hands nearly 200 times in 155 years.

In his 1910 book "The Geographic Factor in South American Politics," Mr. Badia Malagrida argued that Bolivia's creation compromised the geographical integrity of three major continental areas, the Amazon, the Andes and the River Plate basin. "In terms of a state and its relation to its own territory, Bolivia simply is not geographically or historically a nation," he concluded. Seventy years later, those same factors continue to bedevil attempts to forge a country with clear definition, responsible leadership and a coherent relationship with the rest of the continent.

A Coup Between Cousins

The most recent political convulsion has set the ship of state lurching in a new direction. Before Gen. Luis Garcia Meza Tejada figuratively threw his cousin, President Lydia Gueiler Tejada, off the bridge on July 17, Bolivia was following in the wake of the other Andean Pact nations, Colombia, Venezuela, Ecuador and Peru. That lane led to democracy. Now the prow has been pointed determinedly toward the military dictatorships of the so-called "Southern Cone."

For three years, Bolivia has tried to bring democracy back to a country controlled for most of the past 16 years by military regimes. The first two Bolivian elections were inconclusive and fraud-ridden, but on June 29 the balloting gave a 38 percent plurality to Hernán Siles Zuazo, a left-of-center former President. In subsequent weeks, Mr. Siles appeared to have put together a coalition necessary to insure himself the required Congressional approval.

Aware of the precariousness of his position in view of continued armed forces suspicion, Mr. Siles privately told the military high command, including General Garcia Meza, then the army commander, that he would not replace them, a striking concession given Mr. Siles's constituency. The deal was struck, and, according to former President Gueiler, Mr. Siles sincerely believed in it.

Mr. Siles is now pondering his misplaced faith in hiding, as the self-proclaimed President of a "clandestine" government. General Garcia Meza is presiding over a regime that has turned its back on Andean ideals of democracy and has fully embraced the rule that characterizes the governments of Argentina, Chile, Paraguay and Uruguay.

General Garcia Meza is expected to formalize that switch soon by taking Bolivia out of the Andean Pact, but in other ways the change has already occurred. The general has chastised the Andean nations and the Carter Administration for championing democracy in the region. He has praised the Southern Cone nations, which, along with the modified military administration of Brazil, promptly recognized his junta. Argentina was actively involved in the Bolivian coup, masterminding the takeover strategy and supplying the coup leaders, by diplomatic estimates, with some 200 military and intelligence people.

It was always the view of the Southern Cone's military dictators that the populations of this part of the continent lacked the sophistication required for democracy and that the United States was forcing a system of government upon people ill-prepared to practice it. Those attitudes have gained wide credence within the Bolivian military, which, due to reductions in United States military assistance programs, has turned increasingly to Brazil and Argentina for officer training. "They don't hear much over there about human rights," commented one military observer.

General Garcia Meza has emphatically endorsed the philosophy of "national security" on which the Southern Cone nations base their authoritarian rule, and in his public comments he has modeled himself on Augusto Pinochet Ugarte, the Chilean strongman. The Bolivian general has declared war on internal subversion, warning that bands of "extremists" are loose in the land. In fact, Bolivia is one of the few Latin American nations with no recent history of leftist terrorism.

Fernando Bedoya Ballivian, head of the Banco Nacional de Bolivia and a key backer of the Garcia Meza regime, made it clear who the country's allies are now as he discussed Washington's suspension of all but humanitarian aid. "We hope that your Government will understand that the blockade of this Government is going to be very bad for your Government," he said. "Everyone's going to be with us, Brazil, Argentina, Uruguay, Paraguay and Chile."

BY MARY HELEN SPOONER IN LA PAZ

FT | AUG 7 1980 | 777

Bolivian tin miners write a bitter chapter in their history

HIGH IN the mountains of Bolivia's *altiplano*, a bitter and violent struggle is claiming hundreds of victims. Bolivia's 70,000 tin miners have almost always resisted military dictatorships, and the July 17 removal of the civilian Government has sparked a conflict which goes to the root of Bolivia's economic foundations.

Tin brings in over 60 per cent of Bolivia's export earnings, and its production is the country's main claim to a voice in international affairs. Control of the tin mines virtually means control of Bolivia.

At the time of writing, troops have occupied the largest mines, south of La Paz. The state mining corporation, Comibol, has announced that work in most mines has resumed, with miners signing agreements to return to their jobs. However, many reports say the miners are being forced to work at gunpoint, and that threats are being made, and reprisals taken, against their families.

In Viloco, a small mining community 80 kilometres southeast of La Paz, miners began mobilising within minutes of hearing morning radio reports of the Bolivian Army's Sixth Division revolt on July 17. Strike committees were organised, meetings were held among the miners, their families and local peasant farmers, and roadblocks were erected on the way to the mines. The miners brought out primitive hunting rifles, sticks of dynamite and 50 or so vintage German Mauser rifles which the community acquired a few decades ago. With these weapons, the people of Viloco prepared to defend themselves against tanks, cannons and machine guns.

Radio Viloco, the miners' radio, contacted other miners' radios in half a dozen communities to co-ordinate the resistance. A few days later the chain of clandestine radios was broken as troops occupied most mines. The Viloco miners hid their transmitter in a mine shaft and waited.

Most workers at Viloco and other tin-producing areas have performed similar exercises four or five times during their lives, as successive military rulers have seized control of Bolivia. Bolivian tin miners may be the most militant labour group in Latin America and are keenly aware both of their importance in the world's third-largest tin-producing country and of the miserable living and working conditions they have to endure.

Mining unions began to form in Bolivia after 1914, many, if not most, influenced by Marxist and anarchist labour trends. The most important early union, the Uncia central labour Federation, was organised by workers in the large mines in the southern Oruro and Potosi region. Its leaders attempted to organise all workers both inside and outside the mines owned by Sr. Simon Patino, the Bolivian tin baron. When company officials asked that union organising be confined to the local area, labour leaders ignored them, proposing to establish ties with all the country's unions.

This dispute eventually led to one of the first of many massacres in the tin mines. The federation's leaders were arrested and four army regiments sent to Uncia. When workers and their families gathered to protest against the arrests, the soldiers were ordered to open fire.

Bolivia's 1952 revolution, which sought to bring about massive social reform, also brought more power to the miners. The largest mines were nationalised, and miners were given a voice in the administration. Sr. Juan Lechin, their charismatic leader, was named Minister of Labour. The revolutionary Government did not last, but the miners' increased awareness of their power did. Subsequent conflicts with the Government, and army massacres at the mines, only enhanced this tradition of political militancy.

But poverty and the miners' brutal working conditions offer a far stronger motive for militancy than political indoctrination. Most miners at Viloco earn from $1 to $1.30 a day, and this does not include the so-called "marginal workers," who earn even less extracting ore from "tailings," the refuse from the mines.

An estimated 20,000 men, women and children scratch out a living by working small deposits too poor to attract Comibol's interest and selling what ore they find to the state mining company. These mines in many cases are little more than holes in the ground worked by one or two men. Working conditions are so difficult, and the financial returns so small, that neither would be accepted were it not for desperate need.

Life expectancy in Bolivia as a whole is 46. For the tin-miners it is around 35. Silicosis is common, and many retired miners spend their final days coughing up pieces of their lungs.

Many communities surrounding the mines are company towns, subsisting on supplies brought from outside. Although Comibol miners and their families enjoy the use of company stores, management failure to stock these stores with enough food and medicine can easily spark strikes and protests.

For all these reasons, unrest at the mines is never far away, even under the most progressive Bolivian Government. But miners have a special reason for opposing the military regime headed by Gen. Luis Garcia Meza. Sr. Juan Lechin, the veteran miners' leader, was arrested during the military takeover. After being forced to make a televised statement telling Bolivians not to resist the new regime, Sr. Lechin was reportedly kicked to death by his captors. This tragedy, and the violence now at the mines, are adding another bitter chapter to the tin miners' history.

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NYT | AUG 6 1980 | 776

Bolivia Regime Looks to Its Friends to Help Foil U.S.

By WARREN HOGE
Special to The New York Times

LA PAZ, Bolivia, Aug. 5—The military Government of Bolivia is struggling to circumvent an American-led ban on economic aid by making financial deals with neighboring military dictatorships and a few other countries that have formally recognized it.

Bolivia is dependent on outside assistance and investment, and its economy was already in crisis before the United States, Venezuela and several European countries suspended their aid programs in protest over the seizure of power by Gen. Luis García Meza Tejada. The coup July 17 prevented Hernán Siles Suazo, the leftist winner of elections June 29, from assuming office as scheduled tomorrow on Bolivia's Independence Day.

The military junta that General García Meza heads has banned the customary Independence Day celebrations as it continues its campaign to silence opponents of the coup, by most counts the 189th in Bolivia's 155-year-old history.

The American move, one of several instances in which the Carter Administration has attempted to obtain political objectives through economic sanctions, has had a noticeable effect on Bolivia, South America's poorest nation.

Ways to Survive Noted

"We are very preoccupied with it," said Fernando Kundt Banzer, a La Paz importer and supporter of the García Meza Government. "If it continues, we will die, and who will be responsible?"

"Mr. Peanut," he said, in a slighting reference to President Carter.

Fernando Bedoya Bullivian, head of the Banco Nacional de Bolivia and a principal backer and longtime friend of General García Meza, agreed that the suspension of aid was making life "very difficult" for Bolivia and might "kill" the country within six months. But he argued that the nation had ways to survive.

"We hope that your Government will understand that the blockade of this Government is going to be very bad for your Government as well as ours," he said. "Everyone's going to be with us, Brazil, Argentina, Uruguay, Paraguay and Chile, and they will help us."

Echoing the junta's assertion that it was obliged to solve the Government to check a threat from "extremists," Mr. Bedoya said: "Mr. Carter is wrong. I don't understand why the American Government is doing this. We are fighting against Communism just as you are. Do you want to have a Communist Government here? This is the heart of South America and it can mean Communism for the whole continent."

The only nations to have granted formal recognition to the García Meza regime are Argentina, Brazil, Egypt, Israel, Nationalist China, Paraguay, Uruguay and South Africa. Chile, while looking favorably on the new rulers, cannot say so publicly because of a longtime diplomatic rupture stemming from territorial disputes.

Argentine Role Reported

Argentina reportedly played a major role in the coup and has promised substantial aid to keep the new group in power. Brazil has revived dormant agreements on trade and construction and Israel and South Africa have offered military and economic assistance, according to Mr. Bedoya.

The Soviet Union, increasingly active in South America, has also offered help, the banker said. "General García Meza told us not to accept it but also not to refuse it because if the Carter Administration doesn't change its position, we will talk to everybody."

Mr. Bedoya repeatedly referred to the coming American elections, saying that the junta felt sure that the Republicans would win and that Ronald Reagan would restore aid.

The junta, apparently trying to demonstrate that it is as tough in foreign relations as it is at home, has mounted a noisy campaign against the American Embassy over a incident in which officials permitted an American reporter to file his dispatch over a diplomatic telex on a day when soldiers had imprisoned a number of journalists and cut communications lines. The first minister the generals have assigned their Foreign Minister, Brig. Gen. Javier Cornejo Calderón de la Barca, is a trip this weekend to Uruguay.

Opponents of the coup, some in the business community, have been urging United States officials to hold fast to the suspension of aid in the hope that the resulting economic difficulties will bring General García Meza's Government down.

The American action was announced personally in Washington by Secretary of State Edmund S. Muskie. Administration backing had played a key role in the return of democracy to the neighboring Andean nations of Ecuador and Peru, and Washington had repeatedly warned the Bolivian armed forces against interrupting the scheduled restoration of civilian rule here.

As part of the American response, Ambassador Marvin Weissman returned from La Paz to Washington and is now active in coordinating State Department policy toward the junta. Were the American sanctions to remain in effect, officials estimated, Bolivia would lose some $250 million in aid over the next three years.

Venezuela followed the American moves with an announcement that it was withholding a promised $40 million. West Germany recalled its Ambassador and began to reduce its aid, though not at a pace rapid enough to satisfy Social Democratic critics in Bonn. Belgium, which supplied the rifles with which fatigue-clad troops are currently patrolling the streets of this mountain capital, halted its three-year $35 million military assistance program.

Projects operated by Canada, France, Britain and Japan have been lagging because of the absence of formal relations between these countries and the junta.

Project Called 'Very Important'

"American aid has always been at low interest and long range, specific projects that were very important to the whole structure of our economy," said Eduardo Arze Cuadros, a Bolivian economist. "These projects are politically important projects."

Mr. Arze pointed out that Bolivia's two main legal industries, mining and petroleum, had both been operating for years at large deficits and concluded, "Argentina is simply in no condition to cope with this."

As for the junta's assertion that it can turn its back on the Andean Pact and make substitute arrangements on its own with its neighbors, Mr. Arze noted that a 1974 contract with Brazil calling for the building of a steel plant and the construction of two major rail lines was still unfulfilled.

Bolivia is estimated to be generating some $300 million from sales of cocaine sulphate, but much of this money leaves the country. At best, said a businessman about to assume a position in the García Meza administration, it provides a "cushion" to keep the currency afloat.

There is a noticeable absence of economic experts among the people General García Meza has brought into a Government facing a financial crisis. "I know at least four real right-wing economists who were asked to join and refused," a foreigner, Kundt said. In response, the junta has issued a decree telling anyone who is requested to perform "patriotic service" for the Government to do so.

MH	AUG 6 1980	774

150 in Bolivia Find Refuge at 2 Missions

From Herald Wire Services

LA PAZ, Bolivia — At least 150 persons, including leading Bolivian politicians and their families, have taken refuge in the Venezuelan and Mexican embassies to escape reprisals from the military regime, diplomatic sources said.

The regime of Gen. Luis Garcia Meza, which wrested power in a coup July 17, has jailed about 2,000 persons since the takeover.

"The problem of these people may become serious because they will be stuck in asylum until the respective governments establish diplomatic relations," a source said. "Only then will they be able to leave the country."

The Venezuelan Embassy, home to about 100 refugees, is the only nation of the Andean Pact, of which Bolivia is a member, that has allowed more than one person inside its compound.

"The Venezuelan Embassy is believed to have made a protest to Colombia, Peru and Ecuador, accusing them of a lack of solidarity," the source said.

Among those in the Venezuelan mission are former Bolivian President Walter Guevara Arze, who served from August to November last year, and Jose Zegarra, former president of the House of Representatives of the Bolivian Congress.

The Mexican Embassy is housing about 50 persons, including entire families, the sources said. One resident is Alcides Alvarado, a congressman of the Popular Democratic Unity Party.

Lidia Gueiler, president until she was ousted in the coup, has taken refuge in the Vatican mission.

Other leading political figures, including former President Hernan Siles Zuazo, winner of the June 29 presidential election to replace Gueiler, also have gone into hiding.

While several European embassies temporarily have housed "guests" since the coup, the only other embassy reported to have granted asylum to a person is Peru.

The military regime accused the U.S. ambassador to Bolivia, Marvin Weissman, of allowing a freelance journalist for The Washington Post to send a dispatch through an embassy channel. It said the alleged action violated international law and was interference in Bolivian affairs.

Weissman, who left here July 20 to protest the coup three days earlier, could not be reached for comment.

MH	AUG 18 1980	775

BOLIVIAN MISSIONS GIVE ASYLUM TO AT LEAST 177

From Herald Staff and Wire Reports

LA PAZ, Bolivia — The Bolivian diplomatic community has granted asylum to at least 177 people seeking refuge from Gen. Luis Garcia Meza's new military government.

The impromptu guests include at least two former Presidents, other ex-officeholders, journalists, priests and a suspected leftist agitator.

At the same time, the Garcia Meza government claims it has "no more than 500" prisoners, but these include two former Cabinet ministers and the leader of the Bolivian Workers' Confederation, Juan Lechin, one of the nation's most influential figures.

A full embassy census is impossible to obtain because only limited information is being released by the legations and foreign ministries of the countries involved.

The Vatican Embassy is holding "about nine people," according to church sources. These include former President Lidia Gueiler, ousted in the July 17 Garcia Meza coup, as well as five priests, two foreign nuns and one civilian.

The Venezuelan Embassy has about 100 people, the largest contingent, according to information from Caracas. Its principle "guests" are former President Walter Guevara Arze, former vice-presidential candidate Flavio Machicado and journalist Augusto Montecinos.

The Brazilian Embassy shelters Walter Guevara Anaya, son of ex-president Guevara; Hugo Zapata, ex-chief of the state mining corporation; and Luis Anez, ex-minister of peasant affairs.

Also in the Brazilian mission is the wife of former president Hernan Siles Zuazo and one of their daughters. Siles Zuazo, leftist winner in the recent presidential elections that prompted the coup, is in hiding.

The rest of the sheltered fugitives include 57 in the Mexican Embassy and five in the Peruvian, among them among them journalist-priest Eduardo Perez Iribarne and the women's leader Isabel Araujo.

The Bolivian army has said the Panamanian Embassy granted asylum to a Colombian identified as Luis Eduardo Rodriguez Torres, accused of leading of an extremist group.

The government has published the names of only 91 prisoners. Besides Lechin, these include two of Gueiler's Cabinet ministers, Oscar Pena, information, and Fernando Salazar, economic integration; union leaders Simon Reyes and Liber Forti, and Rev. Julio Tumiri, secretary general of the Bolivian Assembly of Human Rights.

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MH	AUG 3 1980	771

Bolivian Military Regime Breaks Relations With Nicaragua Junta

From Herald Wire Services

LA PAZ, Bolivia — Gen. Luis Garcia Meza's military regime announced Saturday it was breaking relations with Nicaragua and accused the left-wing junta ruling that Central American country of intervening in Bolivian affairs.

"This break in relations is with the Sandinista government and has nothing to do with the Nicaraguan people," the Bolivian Foreign Ministry said in a statement.

Nicaragua has called on all nations in the Western Hemisphere to break relations with the rightist Bolivian regime, which ousted interim President Lidia Gueller July 17 to thwart the expected selection by the Congress of a leftist president.

Nations that have recognized Bolivia's military government include Argentina, Paraguay, Taiwan, South Africa, Brazil, Israel, Egypt and Uruguay.

The United States has recalled its ambassador to Bolivia, Marvin Weissman, and canceled military aid to show its displeasure with the junta's takeover, but it is maintaining diplomatic relations.

In another development, diplomatic sources reported that Bolivian Army troops raided a mining town, beat up two men guarding a church and took two American Catholic missionaries hostage.

Archbishop Jorge Manrique said he was informed that Msgr. David Ratterman of St. Louis, and a nun, Sister Mary Elka of Virginia, were brought to La Paz along with a Bolivian nun also seized on army orders.

The raid at Matildi, 100 miles north of La Paz, took place Thursday.

The raid apparently was part of a widespread campaign against the Roman Catholic Church in Bolivia by the new regime.

Archbishop Manrique said the military regime is "abusing the church," refusing to let a church commission visit more than 2,000 political prisoners arrested in the last two weeks despite a previous agreement to that effect.

Diplomatic sources said the troops raided Matildi in an attempt to indoctrinate the peasants on the evils of communism.

"Prior to picking the two missionaries up, they tore the hell out of the church and beat two villagers who were guarding it," one source said of the raid at Matildi.

"For some reason, after beating the villagers, they shaved their heads," the source said.

FT	AUG 4 1980	772

Bolivia cuts links

Bolivia's new military rulers have broken relations with Nicaragua, after its repeated efforts to convene a meeting of the Organisation of American States Foreign Ministers to discuss the situation in Bolivia following the July 17 coup, Mary Helen Spooner writes from La Paz.

The Bolivian Foreign Ministry charged Nicaragua with supporting sanctions against the new regime, and that this was blatant interference in Bolivia's internal affairs.

WP	AUG 22 1980	773

Bolivian Ambassador Defects in Mexico

MEXICO CITY, Aug. 21 (AP)—Bolivia's ambassador here, Javier Torres Goitia, says he has moved out of the embassy and opened a new one loyal to Bolivia's elected president, Hernan Siles Zuazo, and not the military junta that took power July 17.

A spokesman for Torres who asked not to be identified said the ambassador made the decision yesterday and notified the government in La Paz.

MH	AUG 2 1980	769

President Declares All Bolivians Eligible for 'Patriotic Service'

LA PAZ, Bolivia — (AP) — Bolivia's new strongman president on Friday decreed all Bolivians eligible for compulsory "patriotic government service."

The announcement by Gen. Luis Garcia Meza means that Bolivians can be called to work for the government for as long as two years doing whatever it sees fit. Refusal could mean spending the time in jail.

"No citizen whose services are needed under the present decree will be excused," the announcement said. It added that those called to serve will be chosen by the Ministry of Interior, which also handles police functions.

DIPLOMATIC sources said the service could be used to silence opponents of the new regime, which toppled interim President Lidia Gueiler July 17.

Interior Minister Luis Arce Gomez said earlier that political prisoners who are not expelled from the country will be sent to work on road gangs in eastern Bolivia.

The decree could provide a legal mechanism for the action, observers said.

The program appears similar to the "civilian service" enacted by Gen. Hugo Banzer in 1974. That service also was used to keep potential political opponents out of circulation.

More than 1,000 persons are unaccounted for after being arrested in the wake of the latest Bolivian coup. The government has refused to account for them and arrests continue in an apparent campaign to eliminate all possible opposition.

MANY BOLIVIAN political, labor and intellectual leaders are in hiding or have sought refuge at embassies in La Paz.

The government said that Gueiler, in asylum at the papal nuncio's residence, has been issued a passport and probably will leave the country next month.

(Hernan Siles Suazo, a leftist lawyer who was the leading vote-getter in Bolivia's now-annulled June 29 presidential election, called in a clandestine interview for "permanent civil disobedience" against the Garcia Meza regime, which he called a "government of national destruction." He said his own Democratic Popular Union Party is ready to organize opposition to the regime.

(A text of the La Paz interview was released to news organizations in Buenos Aires Friday.)

MEANWHILE, Miguel Longo, a reporter for the influential Roman Catholic daily Presencia, was arrested as he arrived for work.

Presencia sources said that Longo was carted off by armed civilians. On Monday Presencia editor Mario Maldonado was arrested at his home. The paper appealed for Maldonado's release Friday.

Carlos Arce, a Presencia reporter and part-time correspondent for The Associated Press, was released Thursday night, the paper said. Arce could not be located for comment.

Associated Press correspondent Juan Leon, arrested along with Arce when the coup took place, still was under arrest.

The Bolivian Worker's Central (COB), once the nation's most powerful union confederation, passed a message to journalists saying it is "forming a popular government to overthrow" Garcia Meza's government.

THE ONE-PAGE announcement did not say who would be in the new government.

The head of the COB, Juan Lechin Oquendo, was taken prisoner during the coup. A few days later he appeared in a televised interview in which he called for cooperation with the new regime. He has not been heard from since.

Nighttime sporadic and sometimes heavy gunfire has continued for two weeks in La Paz, which remains under a 9 p.m.-to-6 a.m. curfew. The government does not report casualties.

FT	AUG 1 1980	770

New Bolivian regime consolidates support

BY MARY HELEN SPOONER IN LA PAZ

BOLIVIA'S GENERAL Luis Garcia Meza has demoted two high army officials and replaced them with military officers more supportive of his regime.

The commanders of the seventh division of the army in Cochabamba and the second army corps in Santa Cruz were replaced by two colonels thought to be Garcia Meza supporters.

In addition, the civilian director of the Bolivian post offices has been replaced by an army official, the former commander of the first military district in La Paz.

Brazil has announced it will extend formal diplomatic recognition to the new Bolivian regime, making a total of four countries which have recognised the Garcia Meza government.

Brazil has waited to see whether the new regime in Bolivia would fulfil what the Foreign Ministry called the prerequisite for recognition, namely continued commitment to continuing relations with Brazil, and commitment to other international relations.

In the vote taken by the Organisation of American states where 15 Latin American countries condemned the military coup in Bolivia, Brazil abstained.

It is understood that the 1,326 kilometres of common frontier with Bolivia, and a long-standing Brazilian aspiration to buy substantial quantities of natural gas from Bolivia, led the Brazilian government to a pragmatic recognition of the new regime.

Nevertheless, President Joao Figueiredo of Brazil, told the press that he found the coup in Bolivia "lamentable" However, he added, "we have no choice but to recognise the new regime."

The Soviet Union, which has been building a $30m tin processing plant near the southern city of Potosi, is reportedly seeking some form of cooperation with the new regime, possibly using Argentina as an intermediary.

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FT	JUL 2 8 1980	392

Bolivia to reschedule some debts as planned

By Peter Montagnon

BOLIVIA is going ahead with plans to reschedule some of its foreign debt despite the political uncertainties following the military coup earlier this month. International banks are hopeful that an agreement can be signed in New York on Friday, August 1.

The agreement will cover all maturities due in the second half of the year. They are put at a total of some $160m compared with the country's total debts to commercial banks of about $865m and overall public sector external debt of around $2bn.

Terms of the agreement provide for a flat rescheduling fee of ¼ per cent and a margin above interbank rates of 1¾ or the spread on the original loan, whichever is higher. The debt will be rescheduled until January 5, 1981.

At that date, it is hoped that Bolivia will be in a position to sign a large loan consolidating this debt together with maturities falling due in 1981. This credit, to be backed up by further assistance from the International Monetary Fund, would be negotiated during the Autumn.

The terms of the agreement due to be signed this week were negotiated originally by the previous government of ousted President Lidia Gueiler. At its request, a steering committee of international banks was formed to handle negotiations. Banks involved are Bank of America, Bank of Nova Scotia, Citibank, Crocker, Deutsche Südamerikanische Bank, Libra Bank and Manufacturers Hanover Trust.

Following the coup, the negotiations were taken up by the new military government, which now has the task of negotiating the consolidation loan. How far progress can be made on this in the time allowed is still a matter of doubt for some international bankers. While the first stage of the rescheduling seems relatively secure, it looks, therefore, as though the final outcome is still not assured.

FT	JUL 3 1 1980	393

Agreement on debt delayed

BY PETER MONTAGNON IN LONDON

SIGNATURE of the agreement between Bolivia and international banks to extend this year's remaining debt maturities has been delayed. Originally planned for August 1, it has had to be postponed for some weeks, officially because of the amount of administrative work involved.

Bankers close to the agreement denied suggestions in Euromarket circles that the decision to delay the signing was connected to the U.S. decision over the weekend to halt economic aid to Bolivia because of the recent military coup.

They said that the true reason for the delay is to allow more time for accurate compilation of Bolivia's debt maturing between June 30 and the end of the year – the period covered by the extension agreement.

In addition, banks involved in the rescheduling need time to study the agreement before signing.

But the U.S. decision to halt economic aid does cast a shadow over the second part of the debt renegotiation. This is to be a consolidation loan covering the extended 1980 maturities as well as all debt falling due in 1981.

It is due to be ready for signing by next January 5 and should be backed up by further credit from the International Monetary Fund. There is a strong feeling in some banks that the consolidation loan itself might run into political opposition from US banks, while the Carter administration's decision to halt aid might also make it harder for the IMF to extend financial support.

Under the extension agreement, banks will extend until January 5 next year all debt maturing in the second half of 1980 for a flat renegotiation fee of ¼ per cent. Bolivia will pay the original margin on these borrowings or 1¾ per cent, whichever is higher.

Despite the delay there was little doubt that the extension agreement would be signed eventually. As one banker put it, "we've got to extend because we know we can't collect the money we're owed."

WP | JUL 31 1980 | 391

Argentina Confronts Latin Democracies in Contest Over Bolivia

By Charles A. Krause
Washington Post Foreign Service

LIMA, Peru, July 30—As the presidents of Colombia, Venezuela, Costa Rica and Latin America's newest democracy, Peru, met last night to draft a statement condemning the recent coup in Bolivia, word reached Lima that Argentina had become the first nation to recognize the new military dictatorship in La Paz.

The timing was not accidental. Argentina's right-wing military government backed the Bolivian coup, two weeks ago and is now providing "technical assistance" to Bolivia's secret police.

In the hope that diplomatic isolation might weaken the resolve of Bolivian Gen. Luis Garcia Meza's government to remain in power, the United States recalled its ambassador and cut off aid.

Bolivia's Andean Pact partners, Colombia, Ecuador, Venezuela and Peru, meanwhile, are leading a diplomatic offensive against Garcia Meza's government.

Argentina, on the other hand, is determined to keep Garcia Meza in power, citing fears that neighboring Bolivia might have become a haven for leftist terrorists if a new left-wing civilian government had come to power as expected on Aug. 6.

As a result of Argentina's support, which reportedly includes a promise of $200 million in economic

News Analysis

and military assistance, the issue of the new military regime's survival is pitting South America's democracies to the north against right-wing military governments in Chile, Argentina, Uruguay, Brazil and Paraguay to the south.

In the view of diplomats and government leaders gathered here since Monday's inauguration of Peru's newly elected president, Fernando Belaunde Terry, the Argentine decision to recognize Bolivia's new government was designed to counter the impact of last night's statement here.

Signed by Spain, Costa Rica and Nicaragua as well as Peru, Venezuela, Colombia and Ecuador, the statement condemned the Bolivian coup in the strongest terms and left no doubt that the signatories have no plans to recognize Garcia Meza's rule.

"The reinitiation of democracy in Peru is an event which fills all democrats in Latin America and the world with pride, optimism and hope," Venezuelan President Luis Herrera Campins said before signing the statement last night. In contrast, he said, "the interruption of the democratic process in Bolivia ... merits only condemnation."

Colombian President Julio Cesar Turbay Ayala said today that he could envision no circumstances under which his government or the other signatories would recognize the military junta in Bolivia as it presently exists. Ecuador took the formal step of breaking relations with La Paz.

Turbay recalled that a similar strategy of diplomatic isolation contributed to the downfall of Col. Alberto Natusch Busch, who seized power in Bolivia last November when he overthrew Walter Guevara Arze. Natusch lasted three weeks.

There is no doubt that President Garcia Meza's government is angered by and worried about the fact that, until yesterday, no country had recognized it and most, including the United States and the Soviet Union, have condemned it.

Garcia Meza said yesterday in La Paz that "we are not obliged to ask permission from Russia, China, Cuba or the United States to do one thing or another. Only Bolivians will decide their destiny."

The new rulers have moved ruthlessly against their opponents, claiming that Bolivia was threatened by a "Marxist plot ... to create another Vietnam in the heart of South America."

Garcia Meza, meanwhile, has said he is prepared to remain in power for 20 years and has warned that "we will be inflexible in applying measures against bad Bolivians who obstruct" the new government.

The question now is whether Garcia Meza's opponents, both inside Bolivia and outside, will also be so inflexible in their opposition as to dislodge the military and encourage civilian rule.

Last night's statement here seems to indicate that a long diplomatic siege lies ahead.

281

Human Rights Leader Seized by Junta

LA PAZ, Bolivia — (AP) — Bolivia's 14-day-old military junta stepped up mass arrests of its opponents Wednesday, and among those seized was the head of the country's Permanent Assembly for Human Rights, diplomatic sources said.

The sources said Julio Tumiri, the human rights official, was arrested by armed civilians as he was leaving his office in La Paz.

Armed civilians also searched businesses and residences, apparently working from lists of influential Bolivians provided by the military, according to the sources.

Political observers say that up to 1,500 persons have been arrested since the military toppled interim President Lidia Gueiler July 17, to avert the expected selection of a leftist president by the Congress.

THE SOURCES, who asked not to be named, estimated that 60 to 100 persons have been killed in clashes in La Paz.

Martial law is in effect, the press is under self-censorship, radio stations are linked to the government chain and few persons are willing to talk to reporters.

The government said Wednesday that it would guarantee the safety of any delegations wishing to visit Bolivia to investigate the situation.

Col. Luis Arce Gomez, the minister of interior, said that some "bad Bolivians" and foreigners had been spreading false reports about the situation.

In another announcement, the government said that any actions considered detrimental to the economy would be viewed as "acts of treason."

The government also ordered all Bolivian publications to register or reregister with the Ministry of Information.

THE GOVERNMENT has refused to say how many people have been arrested or what has happened to those arrested. The government has said only that some people were being released and that more arrests were under way.

Earlier, the junta chief, Gen. Luis Garcia Meza, accused the Organization of American States (OAS) of interfering in Bolivia's internal affairs.

In his first formal meeting with reporters since being named head of the three-man junta that seized power July 17, Garcia Meza said Tuesday that his government accepts "no impositions on our sovereignty and we insist that the OAS respect the principal of self-determination."

The OAS voted last week to condemn the coup that ousted Gueiler's interim government and blocked the anticipated selection by Congress of Hernan Siles Zuazo as president Aug. 4. Siles Zuazo and his left-wing coalition won a plurality in the June 29 elections.

Argentina's right-wing military government has been accused of helping the Bolivian generals plan the coup, and Argentina became the first government to recognize the junta. It announced recognition Monday night and was followed Tuesday by Paraguay, which has been ruled for 26 years by Gen. Alfredo Stroessner.

IN AN OBVIOUS move to express disapproval, the U.S. Embassy in Buenos Aires announced that William Bowdler, assistant secretary of state for Latin America, had postponed a visit to Argentina that was scheduled to begin Wednesday.

Bowdler attended Monday's inauguration of President Fernando Belaunde Terry in Peru and had planned to fly on to Buenos Aires. Instead, he left for Washington aboard the jet returning the U.S. delegation from Peru.

During a refueling stop in Puerto Rico, Bowdler was asked about the reports that Argentina had helped in the Bolivian coup. He said he had heard "reports of that nature," but later said, "We don't have any confirmed information."

Argentina's Foreign Ministry has denied that Argentina helped organize and finance the Bolivian coup, but an Argentine army general in Buenos Aires said that "moral support" had been given the Bolivian military.

THE GENERAL said the Argentine army welcomed the coup because it did not want neighboring Bolivia to become a base for leftist subversion.

Garcia Meza, in his press statement, said the OAS vote against the junta "signifies an open intervention in the affairs of our country."

"We are not obligated to ask permission from Russia, China, Cuba or the United States to take one step or another. Only Bolivians can decide their destiny."

He accused the OAS of serving "as a colonial ministry for the great power of the north," referring to the United States.

Garcia Meza also said Bolivia might pull out of the Andean Pact because the other members — Peru, Ecuador, Colombia and Venezuela — were "involving themselves in internal affairs."

Instead, he said, Bolivia could establish bilateral trade treaties with friendly countries.

MH JUL 31 1980 390

FT | JUL 31 1980 | 389

Why Bolivia's soldiers marched back to dictatorship

Repression has begun in Latin America's least-stable nation, writes Mary Helen Spooner in La Paz

SPRAY-PAINTED swastikas have appeared on walls in La Paz, Bolivia's capital. The two week-old Government led by Gen. Luis Garcia Meza has declared its intention to remain in power until "all traces of the Marxist cancer" have been eliminated. The new Interior Minister said with a straight face that the Government could not reveal the number of political prisoners because more arrests were being made. Reliable reports in La Paz say torture is being used against detainees.

Less than a month ago Bolivia, which has had 189 coups in its century and a half of independence, was on the verge of joining the club of young democracies in South America. The June 29 election, in which Sr. Hernan Siles Zuazo, a Left-wing moderate, gained the most votes, were among the fairest in Bolivia's history. Congress was willing to ratify Sr. Siles as President. Bolivia, the most insular and poverty-stricken nation on the continent, seemed to be approaching political maturity.

These hopes were shattered on July 17, with the revolt of Bolivia's Sixth Army Division. While Gen. Garcia Meza's regime faces a highly uncertain future in the face of mounting international censure, the fact that it managed to seize power in the first place illustrates the fragility of the country's political institutions.

Many Bolivians have commented with sad irony that the biggest achievement of Sra. Lidia Gueiler, the interim President deposed by the military, was that she managed to remain in power as long as she did—a total of eight months. Between 1925 and 1952 no Bolivian head of state has completed his term of office, and 17 people have held the presidency since 1900.

This instability has earned Bolivia the mocking amusement of even its Latin American neighbours. But behind the incomprehensible plots and counterplots is a poor nation desperately trying to modernise itself both politicaly and economicaly.

The 5m inhabitants of this landlocked but stunningly beautiful country have the lowest life expectancy—47—and lowest intake of calories in Latin America. Infant mortality is the highest in the region and only Haiti has a lower per capita income than Bolivia's $380. Illiteracy is about 40 per cent. Two thirds of the population is made up of Indian peasants, most of whom are outside the monetary economy. And the potential for indigenous development is also limited, since most people live in the *altiplano*, the barren uplands, rather than in the richer lowlands and jungle.

Despite years of military rule, Bolivia has never won a war. Losses of territory to Paraguay and Chile during the nineteenth century, including Bolivia's outlet to the Pacific Ocean, only increased its isolation. A small group of wealthy families of Spanish and other European descent effectively controlled the country for decades, with the support of the military which provided a kind of social ladder for poor but ambitious Bolivians.

The multiple changes of these early military Governments rarely affected for better or for worse the great majority of Bolivians, and were usually accomplished without bloodshed or social unrest. Instead, the changes tended to reflect internal power struggles within the military, rather than new directions in political outlook.

This picture changed considerably with Bolivia's 1952 revolution, which sought to bring about massive social reform. The armed forces' share of the national budget was cut from 23 per cent to less than 7 per cent. The military academy was closed and some 80 per cent of officers were forced into retirement.

As a result, many older Bolivian military officials tend to equate civilian rule and social reform with attacks on their institutions. These fears were heightened last year when the Bolivian Congress began an investigation into corruption and human rights violations during the seven-year military dictatorship of Gen. Hugo Banzer.

These factors, plus the repeated failure of military-backed presidential candidates such as Gen. Banzer to win any of the three elections held since 1978, laid the groundwork for the country's last two military takeovers.

The coups of November 1979 and July 17 this year represented this final showdown between civilian and military rule in Bolivia. The shortlived reign of Col. Alberto Natusch last year was defeated by massive civil resistance, including the refusal of the Bolivian Congress to recognise the new head of state. This year, the military attempted to avoid such civilian resistance by kidnapping the very leaders who helped bring down Col. Natusch. The military also received the tacit support of Right-wing political groups and these with links to the country's massive cocaine trade, which Sr. Siles had promised to combat.

One diplomat in La Paz, with uncharacteristic bluntness, described the Bolivian military as "a group of thugs," which the upper classes were perfectly content to use to keep things under control to their liking.

This assessment seems unfair in view of the progressive-minded officers within Bolivia's armed forces. But much of the thinking of the military high command has been coloured by earlier training from U.S. military advisers who espoused cold war fears of Communist subversion. More recently, Bolivian soldiers have been influenced by their Argentinian counterparts, who have provided extensive military training since 1977.

With a conservative military Government in power, Bolivia now belongs to the authoritarian bloc. With a liberal Government headed by Sr. Siles, the country would have closer ties with Cuba and Nicaragua, as well as Andean democracies such as Venezuela and Peru. Bolivia's strategic importance for both groups, as well as its serious economic problems and internal opposition to military rule, make future political unrest inevitable.

WP | JUL 31 1980 | CONT

and others."

Mining unions throughout the country have been leading the resistance to the military junta, which ousted civilian president Lidia Gueiler July 17.

The United States had strongly supported Gueiler.

Army troops are trying to break the miners' resistance by sealing off areas such as Huanuni, Siglo and Catavi, and attempting to starve miners and their families into submission.

Reports from clandestine radio stations say jet fighters have attacked some mining villages.

Troops reportedly killed more than 20 persons in Huanuni, a major mining center about 120 miles south of La Paz.

Most were women and children killed by soldiers who "shot their automatic weapons into the houses," according to a miners' union leader in Oruro.

Union leaders say one soldier was executed by his commanding officer when he refused to fire on the miners.

Miners leading the Oruro strike feel the mining unions can exert significant economic pressure on the military government.

Minerals, especially tin, account for 70 percent of Bolivia's export earnings. The country's economy is already staggering under a $3.1 billion foreign debt. Union leaders believe that if the miners continue their strike, the economy could collapse.

In La Paz, the government-controlled media are reporting that the country's miners have given up the fight, and that the strikes occurring now are not having a significant impact on the country.

But the striking miners here tell a different story. The cramped rows of plastered adobe houses are sprayed with political slogans revealing the vigorous political debate that took place here during the national elections.

The rusting ore wagons loaded with rock are standing empty at the entrance to the mine, which is usually worked by 200 men.

The miners' unions historically have been in the forefront of democratic political movements in Bolivia.

Their living conditions indicate some of the reasons why. The miners earn less than $2 a day, and their life expectancy is 35 years.

"We produce the country's wealth, but we get paid less than a messenger for the mayor," said a union leader who has worked underground for 30 years. He makes a base pay of $1.60 a day. He takes home approximately $90 a month, including bonuses.

Bolivia has the highest infant mortality rate and the lowest life expectancy of any Latin American nation.

"Our hospitals don't have medicines. The teachers in our schools aren't well prepared," one union leaders said. "Instead of knocking on the door to the university, our sons knock on the door of their father's job" in the mines."

During the past 30 years, miners have actively supported attempts at civilian government in Bolivia.

The miners led the fight against the Army in the country's 1952 revolution, which, along with those in Mexico and Cuba, is considered one of the most significant in Latin America. Indians and women were given the right to vote, most of the country's resources were nationalized and many of the largest estates were broken up.

Last November, when another right-wing Army officer deposed a civilian government, the miners refused to work — even after Bolivia's powerful labor unions had lifted their general strike — until the colonel left the presidential palace.

Although Bolivia's new military rulers say there is freedom of the press, the Army tried to prevent several journalists — including myself — from reaching Oruro.

The government had issued us "safe conduct passes," which are supposed to allow reporters to travel freely.

But the passes are almost useless on the desolate road to Huanuni and other mining centers, where Indians tending their small llama herds seem perplexed by the Army encampment that blocks reporters and food from reaching the miners.

In a row of pup tents behind some sage, soldiers wrapped in heavy green wool uniforms cradled tin coffee cups in the bitter early morning cold. On the other side of the narrow road, a lookout post sat on top of the only hill.

The scene seems unreal. Even the mud adobe bricks used as a roadblock are not enough to stop a vehicle. But the soldiers carry black Belgian-made automatic rifles, and when they motion us to stop, we do. The safe conduct pass gets a young officer to call the colonel, who emerges from behind a high mud adobe wall. He looks like a movie character — pressed green camouflaged jungle trousers, gray flight jacket over a white turtleneck sweater, sideburns, bone-handled knife.

We show our pass. "Sorry," he says, smiling under his neatly trimmed moustache. "But this isn't valid here. This is a military zone."

Finally, he allowed us to pass. But when we had finished interviewing the miners and were leaving the area, we encountered more problems.

We had gone just a few blocks down the dusty road leading from the mine when a well-dressed young man hailed our cab. He got in and ordered the driver to go to the internal security office. We hid tape recordings and film in our socks and boots.

But we were soon moved to the Army headquarters nearby. A colonel with slicked back hair smiled and informed us that the minister who had issued the safe conduct passes "has no authority in my military zone."

We were searched, and our belongings were confiscated.

Two hours later, we were released. Officials refused to return tapes, film and my notebook.

When I pointed out that the junta had declared there was freedom of the press, a civilian official glared at me and snapped, "Yes, there is freedom of the press, but there is also censorship."

Then he drew a line across his throat with his hand and said, "There is a limit, you know."

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New Bolivian Junta Presses Crackdown on Opposition

WP | JUL 30 1980 | 387

By John Enders
Special to The Washington Post

COCHABAMBA, Bolivia—Bolivia's new military rulers, who seized power two weeks ago, are conducting a massive crackdown on political opponents including an attempt to starve into submission thousands of tin miners and their families resisting the takeover.

Widespread arrests, torture and other means of pressure are reported underway as the Bolivian junta appears to be using methods similar to those employed by the Chilean military regime of Gen. Augusto Pinochet in the months following the 1973 coup there.

Military spokesmen are saying that "communist elements" were inciting resistance, especially among the tin miners in the mountainous area south of La Paz.

The new Bolivian strongman, Gen. Luis Garcia Meza, has said that he ousted civilian president Lidia Gueiler to prevent a leftist takeover and that the armed forces would remain in power until the "Marxist cancer" is fully removed—best 5, 10 or 20 years."

In his first formal meeting with reporters since being named head of the three-man junta that seized power July 17, Garcia Meza criticized the organization of American States for condemning the coup.

"We accept no impositions on our sovereignty, and we insist that the Organization of American States respect the principle of self-determination," he said. Garcia Meza refused to answer questions.

Diplomatic sources in La Paz said up to 1,000 persons had been arrested. Interior Minister Luis Arce Gomez, however, said it was too early to give figures "because arrests are still going on."

Only one country, Argentina, has extended diplomatic recognition to the new regime. The Catholic Church and liberal political groups led by former Union Democratica Popular presidential contender Hernan Siles Suazo have announced their opposition to the new regime.

With martial law and a curfew in effect, the government has imposed news censorship. There were unconfirmed reports of major clashes between Army troops and miners. Air Force planes bombed into silence a clandestine radio station at Huanuni mine, near Potosi, last week following clashes there, these reports said.

In an effort to break the resistance of miners, Army troops have sealed off the mining area, especially Huanuni, Siglo and Catavi, to prevent food shipments. Miners are demanding the release of detained union leaders. They also demanded the appearance of Juan Lechin, head of the labor federation, who was taken prisoner in the coup. Lechin's colleague, Marcelo Quiroga de Santa Cruz, was said to have been killed at that time.

In spite of the hard-handed tactics, the government has not been able to consolidate its grip on the country. A visit by Garcia Meza Sunday to Cochabamba went unannounced, and there were no public ceremonies or appearances of the new chief executive. Observers here see this as part of the military's efforts not to incite the population.

Foreign companies, meanwhile, are waiting to see how the regime's "nationalist and anti-imperialist" economic plans are defined.

Some foreign investors are clearly concerned. "My company is very worried about this new military man," says Maritza Villaroel, an accountant at the Texas-based Tesoro Corp., active in oil exploration in Bolivia's Tarija region south of here. "It looks like he is against foreign investment."

Aside from the country's politically active groups, the clergy appears to be hard hit by the new repression in Bolivia. Priests and nuns throughout the country have had their houses and church centers searched and ransacked by paramilitary troops searchings for opposition and labor leaders.

Some members of the clergy have been forced to go into hiding themselves. "Anyone who works with peasants is on the blacklist," a nun in Cochabamba commented. "Things are very tense for us."

The archbishop of La Paz and the Episcopal Conference of Bishops of Bolivia have reflected this state of affairs in their condemnation of the military's human rights abuses and called upon the government to release its many prisoners.

WP | JUL 31 1980 | 388

Bolivia's Striking Miners Vow to Continue Protests

By Ray Bonner
Special to The Washington Post

ORURO, Bolivia, July 30—Leaders of a local miners' union are protesting the recent military takeover of the government by leading a strike from the bottom of a 1,650-foot shaft.

The men have been living at the bottom of the shaft since the three-man junta seized power two weeks ago. They sleep on blankets laid over rocks and in crevices.

"We will not go to work for this government that has taken away our democracy," one of the miners said.

"This mine will not operate until the union leaders are released and the persecution ends."

Some of the miners wear sticks of dynamite like bandoliers, but they say their resistance is "passive."

"Our weapon is an economic one," a union member said during an interview at the bottom of the shaft. "And we hope for support from your country

MH	JUL 3 0 1980	384

Argentina Recognizes New Bolivia

BUENOS AIRES — (AP) — Argentina's right-wing military junta has become the first government to recognize Bolivia's 14-day-old military regime.

The Argentine Foreign Ministry, making the announcement Monday night, said that "diplomatic relations with Bolivia continue normally. The ambassador [of Argentina] in Bolivia has been duly instructed of this."

Argentina has rejected charges by Hernan Siles Zuazo, the apparent winner of Bolivia's June 29 presidential election, that the Argentine regime organized and financed the coup to overthrow interim President Lidia Gueiler and annul the election's outcome.

However, there has been evidence that the takeover was planned and executed by about 30 Argentine military advisers, who have been in Bolivia for several months. One of the key figures is believed to be Lt. Col. Julio Cesar Duran, an adviser to the Bolivian military intelligence school.

An Argentine officer was heard bragging here last week about the major role his country played in the coup, said by observers to have been the most sophisticated of the 190 military takeovers in Bolivia's 155-year history and similar in execution to one in Argentina in 1976.

Sources quoted the Argentine officer as saying the coup was planned in Buenos Aires and that its leader, Bolivian Gen. Luis Garcia Meza, was advised shortly beforehand.

Diplomatic sources, who speculate that the Argentines stepped in to prevent a leftist government from winning power, reported Saturday that 16 more Argentine advisers arrived last week in Bolivia.

There have also been reports that men with Argentine accents helped carry out the takeover. The pronunciation of Spanish by Argentines is different from that spoken anywhere else in Latin America.

Meanwhile, in La Paz, the Bolivian capital, diplomatic sources said that from 200 to 1,000 persons had been arrested since the coup. However, an Interior Ministry spokesman said that it is too early to estimate the number "because arrests are still going on."

FT	JUL 3 0 1980	385

Bolivian junta aids departure of Gueiler

By Mary Helen Spooner
In La Paz

BOLIVIA'S MILITARY regime is willing to grant deposed President Lidia Gueiler the necessary documents to allow her to leave the country for the destination of her choice.

Sra Gueiler's interim government was overthrown on July 17 and replaced by a three-man military junta led by General Luis Garcia Meza.

The new regime which calls itself the Government of National Reconstruction, has claimed that Sra Gueiler voluntarily resigned and turned over the government to the military. She has since sought refuge in the apostolic nuncio in La Paz and Venezuela has offered her political asylum.

The Garcia Meza government has received no official diplomatic recognition from other countries, except Argentina. The Argentine Foreign Ministry in Buenos Aires announced that relations with Bolivia "would continue in their normal manner."

Argentina has also denied any involvement in the coup. Diplomatic sources in La Paz scoff at this denial and note the numbers of Argentine military officials in the country.

FT	JUL 3 1 1980	386

La Paz junta 'backed by people'

By Our La Paz Correspondent

BOLIVIA'S General Luis Garcia Meza has claimed that the "climate of normality" in the country demonstrated the Bolivian people's support for his Government.

He said his Government would remain in power until the goal of "national reconstruction" had been fulfilled and repeated his earlier claim that deposed President Lidia Gueiler had willingly turned over the Government to the armed forces in view of what he claimed was social and economic chaos in the country.

Gen. Garcia Meza charged that Bolivia's efforts to establish an elected civilian Government had been undermined by the politicians. Foreign interests had openly interfered in the elections, while Cuban-style communist groups had conducted terrorist activity in the country.

The recent condemnation of Bolivia by the Organisation of American States constituted an open interference, he said, and if the Andean Pact countries continued their critical stance, Bolivia might withdraw from membership.

The Garcia Meza regime has received recognition from only three countries, Taiwan, Paraguay and Argentina, which is said to have played an active role in bringing the new regime to power.

Gen. Jose Sanchez Calderon, the new Finance Minister, has stated that the regime would honour its agreement with the International Monetary Fund and continue efforts to renegotiate the country's foreign debt, estimated at $3.7bn (£1.6bn).

He denied that Argentina had promised Bolivia a special economic aid programme to replace loans and credits cut off by other countries as a reprisal for the military takeover. According to reports, Argentina is preparing a $2m package of loans and other aid for Bolivia.

MH | JUL 28 1980 | 383

Bolivia Opposition Forms Underground

From Herald Wire Services

LA PAZ, Bolivia — Church leaders Sunday condemned the violence of Bolivia's two-week-old military regime, and sources said the nation's leading opposition figure had formed a clandestine government.

Hernan Siles Zuazo, 67, the apparent winner of last month's presidential elections, formed the left-center underground government while in hiding in La Paz, friends of the politician said.

They said a ministerial council had been appointed, and the ambassadors of former President Lidia Gueiler had been asked to represent his government abroad.

Siles Zuazo's government is backed by the Popular Democratic Unity, a coalition of three left-center parties, including the Communist Party. Siles Zuazo received 39 per cent of the votes in the June 29 election.

THE RESULTS of the presidential election were annulled after Gen. Luis Garcia Meza, a 54-year-old anti-communist, ousted Gueiler in a military coup July 17.

But Garcia Meza's regime still has not received diplomatic recognition from any foreign government and has been condemned by the United States and other countries for interrupting the democratic process and violating human rights.

In its first week in power, the military regime detained and tortured leading politicians, journalists and labor leaders and sent troops against striking miners and other workers.

In a mass Sunday, the archbishop of La Paz, Monsignor Jorge Manrique, read a statement by the Bolivian Council of Bishops strongly condemning the injuries, deaths and jailings that have occurred since the coup.

THE ARCHBISHOP said Bolivians are living in a climate of fear.

"I have witnesses to the executions of four youths in La Paz," he said. "I have told the youths to be calm, to be level-headed and not provoke the army. "They [the youths] answer, we have dynamite."

On Saturday, miners reportedly were still resisting a military siege in the Huanuni and Catavi mines, about 150 miles southeast of La Paz.

Sporadic attacks on the military continue in La Paz despite a curfew, martial law and heavily armed convoys clattering over the cobblestone streets with automatic rifles at the ready.

Bolivia may yet be stricken by the civil war Gueiler predicted in the event of her overthrow, although most attempts at organized resistance have crumbled in the face of arrests, murders and savage beatings.

More than 200 people, and possibly as many as 1,000, have disappeared after being arrested, and the government refuses to say what happened to them despite pleas from the papal nuncio, Msgr. Alfio Rapisarda.

THE GOVERNMENT also refuses to say how many people have been killed since the July 17 coup. The best estimates put the number at 32, including two snipers who died in a hail of gunfire Saturday in La Paz after attacking a military patrol.

Diplomatic sources think that the number of dead may run much higher, and that as many as 100 people have been severely beaten, then freed to frighten others with their tales of horror.

Garcia Meza said the armed forces grabbed power to stop communism, restore order and because the presidential election was fraudulent. Diplomats and political opponents believe power and money to be more likely motives.

"If we took all the communists in this country and put them together, they all would fit in my office," said a foreign ambassador, who asked not to be named.

Also at stake is the large cocaine trade in eastern Bolivia, which by some estimates creates the nation's largest export. Diplomatic sources contend the business could be run only with the consent or participation of the army.

THE LATEST MILITARY takeover gives Bolivia its 190th government in 155 years of independence, and its fifth government in the last year.

Many changes came in violent overthrows, but political observers say the latest coup was better planned and executed than most.

There is increasing evidence that the takeover was planned and executed by about 30 Argentine military advisers who have been in Bolivia for two to three months.

Diplomatic sources speculate that the right-wing Argentine junta stepped in to prevent a leftist government from winning power. Such a move, they say, aims at stopping Bolivia from affording leftists a safe place from which to campaign against the Buenos Aires junta.

The constant turmoil has left Bolivians among the poorest people in the hemisphere. With a foreign debt of about $3 billion and a gross national product of about the same figure, economists predict a rough economic time if the international isolation persists.

WP	JUL 27 1980	379

Bolivian Miners on Strike

LA PAZ, Bolivia—Miners who returned to work after an agreement with the country's new military rulers went on strike again to demand "a definite agreement and adequate guarantees," Roman Catholic sources said.

A church spokesman said the miners demanded the presence in the mining area of labor leader Juan Lechin, who was arrested when the armed forces seized power July 17.

FT	JUL 28 1980	380

Bolivia troops aim to starve out miners

ORURO, Bolivia—Thousands of Bolivian miners yesterday continued a 10-day strike of resistance to the country's military rulers, surrounded by troops attempting to starve them into submission.

Miners who eluded the military siege to buy supplies in this Andean city 180 miles south of La Paz, said most of the country's 50,000 militant miners were prepared to extend the strike indefinitely. "We need food and suffer from hunger, but we do not lack the courage to continue our struggle," one miner said.

At least seven people have been reported killed and 15 injured in clashes since Army troops supported by armoured units and reconnaissance planes marched to the area after the overthrow of President Lidia Gueiler.

Priests working in the area said military roadblocks had prevented them from going back to their parishes in Catavi, Siglo Veinte, Llallagua and Huanani, four major tin-producing centres isolated by the siege.
Reuter

WP	JUL 29 1980	381

Hundreds Detained in Bolivia

LA PAZ, Bolivia — Diplomatic sources said between 200 and 1,000 people have been arrested since the military overthrow of President Lidia Gueiler on July 17.

But Interior Minister Luis Arce Gomez said it is too early to estimate the number "because arrests are still going on."

LAT	JUL 29 1980	382

CHURCH CONDEMNS BOLIVIAN VIOLENCE

LA PAZ, Bolivia (UPI)—Church leaders have condemned the violence sweeping Bolivia since the military regime seized power two weeks ago, and sources said the nation's leading opposition politician has formed an underground government.

Friends of Hernan Siles Zuazo, the apparent winner of last month's presidential elections, said the 67-year-old politician formed the left-center underground regime while in hiding in the capital.

Siles is backed by the Popular Democratic Unity, a coalition of three left and center parties, including the Communists.

WP	JUL 26 1980	377

Miners in Bolivia Reportedly Ending Resistance to Junta

From News Services

LA PAZ, Bolivia, July 25—The new Bolivian military government announced today that it has signed a truce with insurgent mineworkers, virtually ending the last serious internal opposition to the junta led by Gen. Luis Garcia Meza.

Meanwhile, the military government banned the activities of most trade unions and professional organizations, in effect outlawing the once influential Central Labor Organization.

The junta said 9,000 to 10,000 tin miners reported back to work yesterday in the rugged, southeastern section of Bolivia that was the center of armed resistance to the new leadership.

The armed forces took over from interim president Lidia Gueiler Tiiaoa in a coup July 17. Diplomatic sources said Gueiler, who took asylum at the Vatican's mission here, would probably go to France to live in exile.

[In Washington, Secretary of State Edmund Muskie announced that the United States had halted all economic aid to Bolivia except for foodstuffs and humanitarian aid. He also said the U.S. Embassy staff would be reduced and U.S. military advisers withdrawn. Washington recalled U.S. Ambassador Marvin Weissman and terminated all military assistance to Bolivia shortly after the coup.]

Bolivia's militant miners have a tradition of resisting right-wing military rule, usually wth tragic results.

The 50,000 miners, who produce the tin, copper and other minerals that bring in about 70 percent of Bolivia's foreign exchange, adopted a defiant stand when the armed forces overthrew the government last week.

They said over a radio network they controlled that they were waiting, armed with dynamite, for any attack by soldiers surrounding the mining districts.

The miners, however, said Army troops were cutting off their food supplies in an attempt to starve them into submission. The tactic appeared to undermine the miners' resistance, and sources close to the miners cited the food cutoff as the reason the miners returned to their jobs.

The partial end of the strike could not be confirmed by union leaders, many of whom are in hiding or reportedly have been arrested by the armed forces. Other reports suggested that pockets of resistance remained.

The state railway company said today that two railroad bridges had been dynamited in southern Bolivia, interrupting freight and passenger service to Chile. Airlines were operating on schedule.

In general, other parts of the country appeared to be returning to normal. Many factory workers in La Paz were back on the job after heeding a call for a general strike earlier in the week. Transportation and commerce in La Paz were operating again.

NYT	JUL 27 1980	378

2 Gunmen Killed in Bolivia As Resistance Continues

LA PAZ, Bolivia, July 26 (AP) — Soldiers shot and killed two gunmen in downtown La Paz overnight, witnesses said, as scattered resistance continued against the new military regime.

Two railroad bridges were blown up in southern Bolivia and rail service to Chile was interrupted, officials of the national railroad said. But the tin miners of southern Bolivia, who had been the core of the fight against the weekold military junta, were reported to have ended their resistance yesterday.

The state-owned Bolivian Mining Corporation said the estimated 10,000 rebellious tin miners had gone back to work. There was no confirmation of this from labor sources, but travelers from the area said the miners' leaders had begun talks with the military. Roman Catholic Church sources indicated that the miners, who had been surrounded by troops after blocking access to the mines, had run out of food.

WP | JUL 26 1980 | 376

U.S. Trims Aid, Advisers To Show Its Disapproval Toward Bolivian Regime

By Michael Getler
Washington Post Staff Writer

The Carter administration yesterday intensified its show of disapproval toward the new military regime in Bolivia by cutting off economic assistance, pulling out U.S. military advisers and sharply cutting back the U.S. embassy staff in that beleaguered South American nation.

The U.S. actions were announced by Secretary of State Edmund S. Muskie just hours before the Organization of American States, meeting here, voted 16 to 3 with four nations abstaining, to deplore the week-old military coup and to express its deep concern over the loss of life and human rights of the Bolivian people.

The Bolivian armed forces, led by a junta of three top military commanders, overthrew the interim president, Lidia Gueiler, last week in an effort to prevent former leftist president Hernan Siles Zuazo from returning to power.

The United States recalled its ambassador to Bolivia and cut off military aid immediately after the coup. Yesterday's actions accelerate the administration's campaign against the new regime and could add to Bolivia's economic difficulties.

Muskie said the new steps were taken "to demonstrate the depth of our concern" over the military takeover. He said, "Bolivia's democratic process has been thwarted. The will of the Bolivian people, freely expressed in recent elections, has been flagrantly violated."

The United States, he said, "cannot support this attempt to thwart the will of the Bolivian people."

The quick administration reaction to the events in Bolivia fits into a new U.S. policy in both Central and South America that is aimed at giving strong support to democratic change in the region, in the hope it will not turn communist, while ending the longstanding image of the United States as a backer of military dictatorships in the region.

Muskie said he had ordered "the termination of all economic assistance projects where there is a basis to do so under existing agreements."

The cutoff, he said, does not include food aid and other humanitarian projects.

The United States has been providing Bolivia with about $20 million annually in direct economic and development aid. About $115 million in such aid had been previously obligated but not yet spent, and much or all of this money will also be shut off, presuming "that there is a basis to do so under existing agreements," according to Muskie.

State Department officials were unsure late yesterday exactly what that phrase meant, though it could imply a legal review to see how much aid actually could be stopped.

The U.S. military group to be pulled out includes all eight advisers, and officials say the cutback in the 112-member embassy staff will be substantial.

The OAS resolution also called for the Inter-American Human Rights Commission to examine the situation in Bolivia as soon as possible.

The United States and four of the five Andean Pact nations—Venezuela, Peru, Colombia and Ecuador—were among the 16 nations that voted for the OAS resolution. Bolivia, the fifth Andean Pact country, voted against the resolution, along with Chile and Paraguay.

Brazil, Argentina, Guatemala and Uruguay abstained.

Meanwhile, West Germany announced it has recalled its ambassador to Bolivia for consultations, but said that for now it will continue development aid to that country.

ISLA 464 19th Street Oakland CA 94612

WP | JUL 25 1980 | 375

Bolivian Junta Displays Confidence in Its Control of Nation

By Ray Bonner
Special to The Washington Post

LA PAZ, Bolivia, July 24—One week after installing himself in the presidency through a military coup, Army Gen. Luis Garcia Meza traveled 300 miles north of the capital today to express his "gratitude on behalf of my institution" to the people of a town called Trinidad, where the military uprising began a week ago.

Accompanied by the other two members of a newly installed armed forces junta, the commanders of the Air Force and Navy, Meza told citizens of Trinidad that they had begun a process of "nationalism in Bolivia" that would reject "foreign doctrines and theories that do not coincide with the interest and welfare of the Bolivian people."

While many Bolivians are quick to reject any gratitude Garcia Meza may feel and to deny support for the coup, the fact that Garcia Meza's junta feels secure enough to leave the capital is strong evidence that the armed forces now control the country.

There is still some resistance. Angry workers outside the iron gates of Bolivia's largest textile factory declared today that "our strike is indefinite. We will never go back to work for this fascist government."

But most of the resistance, including a nationwide strike called by political opposition and union leaders following the coup last Thursday, has been broken by the Army's repression.

While the death toll in La Paz apparently is limited, there is little reliable news on the fate of opponents in the countryside. Here in La Paz most labor, religious or political leaders have been imprisoned or exiled. Deposed civilian president Lidia Gueiler Tejada has taken asylum in the residence of the Vatican's representative.

Leftist ex-president Hernan Siles Zuazo is in hiding. His victory in the recent first-round popular elections for a democratic presidency provoked the military coup. He has issued a communique calling on "democratic nations of the world to help the Bolivian people in their fight for democracy."

In Washington, the Organization of American States met to consider a resolution declaring the coup and expressing "deepest concern with the loss of life and serious violations of human rights as a direct consequence." It called for an on-scene investigation of rights violations.

[Venezuela, Ecuador, Colombia and Peru, members with Bolivia of the Andean Pact, introduced the resolution and said they had the votes to pass it. The U.S. delegate spoke in firm support of condemning the takeover.]

Much of the repression has been directed at the Roman Catholic Church. The offices of the Jesuit radio station were destroyed on the day of the takeover by heavily armed individuals in civilian clothes who arrived in ambulances. They beat up the director and a reporter and fired their automatic weapons at the telex machine and smashed typewriters, telephones and all broadcasting equipment because, they said, the station was broadcasting "subversive information about human rights."

The offices of church-owned La Presencia, Bolivia's main newspaper, were occupied until a few days ago. Several of the paper's reporters among the 25 journalists seized initially are still being detained.

The Rev. Patrick Hudson, who describes the current government as "extreme right-wing, fascist," said tanks "did fancy little circles in front of our parish house, to frighten us." The next day, armed Air Force officers searched Hudson's parish house in Alto Lima, a dusty adobe village 14,000 feet up in the Andes.

"They forced their way into the house, then searched every room, even reading our personal letters," said the Franciscan priest from Ireland. He has been in Bolivia for six years.

Four Jesuit and three Salesian priests have been detained. The government refuses to provide any information about their condition.

In a public statement, Archbishop of La Paz Jorge Manrique deplored the military takeover and "the scandalous use of ambulances to carry out the repression." While the government-controlled newspaper carried a banner headline, "Government Guarantees Press Freedom," several reporters were forced into hiding. Two Brazilian reporters left Bolivia after an official said, "We cannot guarantee your safety except from here to your hotel." The Brazilian ambassador accompanied them to the airport.

A Newsweek photographer, Olivier Rebbot, a Frenchman, was arrested yesterday coming through customs. He had Nicaraguan and Cuban visas in his passport," said officials, who assumed he will be deported on the next plane.

All foreigners have been ordered to register here, because "extremists have entered our country," in the words of the minister in charge of internal security.

But Bolivia has been one of the few Latin American countries spared left-wing violence. Bankers, politicians and international executives walk the streets without fear of being kidnaped.

"There probably isn't a communist guerrilla in the entire country," a U.S. military adviser here said recently.

What violence Bolivia has experienced has come mostly from the right—bombs planted during the election campaign and now the military takeover.

"Suppressing the people and gaining military control is easy," said one businessman. "Now they have to find some money to run the country."

Bolivia's two major financial backers, the United States and Venezuela, have terminated all economic assistance, money desperately needed in this poorest of South American countries. It has a $3.1 billion foreign debt, and is dependent on tin exports—and hence miners.

Asked where the military government was going to get the money, a colonel replied confidently, "From Argentina and Brazil for sure, and maybe Saudi Arabia."

So far, no country has recognized the military government and many have strongly condemned the coup.

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LAT | JUL 24 1980 | 373

Bolivian Indians March to Help Anti-Junta Forces

LA PAZ, Bolivia (UPI)—Army troops consolidated their control in La Paz on Wednesday after two days of heavy street battles, but several thousand Indians were reported marching to the aid of partisans fighting the new military regime southeast of the capital.

In Washington, the State Department accused the week-old military junta of "widespread and savage" human rights violations and warned that the United States may further reduce economic aid as a result.

Department spokesman John Trattner said he has received reports of torture and killings being conducted by the military regime of Gen. Luis Garcia Meza in its effort to subdue opposition to the coup that ousted President Lidia Gueiler Tejada.

March 'Day and Night'

Interior Minister Luis Arce Gomez said the last major center of armed opposition to the new regime —the mountainous mining district of Catavi 310 miles southeast of La Paz—is now under control of the armed forces.

But a brief report from a clandestine radio station run by mine workers fighting the regime told listeners to ignore government reports.

The radio said armed miners were still holding out at the Siglo Veinte and Catavi mining complexes and that 4,500 Potosi Indians from central Bolivia were marching "day and night" to reach the miners and help them.

In La Paz, traffic in many working class districts remained cut off by stone-throwing youths.

Gunfire in the Valley

During the night, gunfire could be heard in the valley that cradles this two-mile-high capital as snipers used the cover of night to fight troops.

In Washington, Trattner said the State Department has received reports that the regime was responsible for "repeated and severe beatings, torture and denial of needed medical attention."

"We have reports of hundreds of people being held at various places in Bolivia . . . that the armed forces are killing some of the country's top union leaders," he said.

Trattner said a review of U.S. aid to Bolivia was being conducted and that there could be "significant reductions."

11 Priests Said to Vanish in Bolivia

NYT | JUL 25 1980 | 374

LA PAZ, Bolivia, July 24 (AP) — The Junta that seized power in Bolivia last week has failed to respond to an appeal by the Roman Catholic Church for information about 11 priests who have disappeared since the coup, a church spokesman said today.

Church sources said that an appeal for information about the priests was made yesterday by Msgr. Alfio Rapisarda, the Papal Nuncio in Bolivia, to the rightist Government of Gen. Luis Garcia Meza.

The priests were reportedly arrested in raids on several Roman Catholic parishes soon after the coup, an apparent attempt by the military to root out elements opposed to the junta, the sources said. Eight of the 11 are Jesuit priests, according to a Bolivian bishop.

"The Government has not responded yet," a church official said. He said the Papal Nuncio's efforts to find the priests received the support of 30 diplomats at a meeting last night at the Japanese Embassy here. The official said they represented "virtually every embassy in La Paz."

Earlier a high-ranking church source asserted that the Government had said it would not honor any such request until Lydia Gueiler Tejada, the ousted Acting President, had left the Papal Nuncio's residence, where she obtained asylum.

The Government television network reported that Mrs. Gueiler was free to come and go as she pleased, but diplomatic sources said she had not been given papers necessary to leave the country.

The Government, which has refused to disclose the whereabouts of scores of people who were last seen being taken into custody, released a casualty list today that showed no fatalities but named three soldiers wounded "in clashes with extremists."

Most Key Figures Go Underground

Most politicians and union leaders have gone into hiding, including former President Hernán Siles Zuazo. Mr. Siles Zuazo won a plurality of the popular vote in the June 29 election and had appeared likely to capture the presidency in a congressional runoff. The military apparently seized power to avoid Mr. Siles Zuazo's anticipated installation.

In a tape-recorded message today to news organizations, Mr. Siles Zuazo reiterated his call for an uprising against the junta. "We are experiencing repression without precedent in the history of barracks revolts," he said.

No foreign government has announced recognition of the new regime. The Carter Administration condemned the takeover, calling for a return to civilian rule. It also recalled its Ambassador to La Paz and halted military and economic aid.

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MH | JUL 24 1980 | 372

La Paz Waterworks Attacked; U.S. Studies More Aid Cuts

LA PAZ, Bolivia — (AP) — Opponents of the week-old military junta sabotaged the La Paz waterworks Wednesday, and a clandestine radio network in the southern mining region called campesinos and miners to gather "with your weapons" in an army against the generals.

In Washington, the U.S. State Department protested "widespread, even savage violations of human rights" by Bolivian armed forces and said more reductions in U.S. assistance are being considered.

The right-wing military regime, which came to power last Thursday in a coup that halted the Congress' expected choice of a leftist president, released its first official casualty reports. The reports shed little light on opponents' claims that some government foes have been murdered.

"Regrettably, members of the armed forces have lost their lives, while extremist elements have also died," the army's First Division in the mining city of Oruro, 120 miles southeast of La Paz, said.

The announcement gave no numbers of dead, but named three soldiers wounded "in clashes with extremists operating in those centers of agitation."

Diplomatic sources said opponents of Gen. Luis Garcia Meza's new regime dynamited the Pampajasi waterworks in the mountains above La Paz, reducing water pressure here. The government acknowledged that the waterworks had been attacked, but said "precautions taken [by the government] caused the effort to fail."

The military command has set up machine-gun nests at some public utilities and deployed tanks, armored cars and troops at strategic points around the city.

In the tin and zinc mining region south of the capital, miners claimed to be resisting troops sent to subdue them in Oruro and Potosi, about 260 miles southeast of La Paz.

Miners' radio network said 5,000 campesinos were gathering near the Siglo Veinte mine at Catavi 150 miles southeast of the capital, "and we are organizing with miners into an effective army." The reports could not be confirmed.

Many La Paz manufacturing plants remained closed Wednesday in answer to a general strike call by labor leaders who oppose the junta. But most retail businesses were open in the downtown area after the government warned that workers who failed to show up would be fired.

Industry sources said a shortage of jet fuel had developed at El Alto international airport, forcing the Bolivian flag carrier Lloyd Aereo Boliviano to suspend some flights.

The widow of slain presidential candidate Marcelo Quiroga accused the regime of murdering her husband, the secretary general of Bolivia's Socialist Party and a candidate for president in the June 29 elections annulled by the coup.

"Many witnesses have said clearly Quiroga did not die in combat as the government said but was the victim of premeditated murder," Christina Quiroga said in a letter passed to reporters. She said that the government had refused to release Quiroga's body to her.

The Foreign Ministry said the ouster of interim civilian President Lydia Gueiler was necessary because "Bolivians are tired of the communist infiltration and threats to destroy the country."

The newspaper Ultima Hora, which published Tuesday for the first time since the coup, said Gueiler, 51, and about 30 government aides and ministers had taken refuge in the home of the Vatican ambassador.

In Washington, State Department spokesman John Trattner said the department has received "reliable reports" that the Bolivian military is holding hundreds of dissidents after last week's coup d'etat which ended the country's halting progress toward a democratically elected government.

Trattner said the department believes the military has taken some of its prisoners to a center near the capital, La Paz, where they are being beaten and tortured.

"We strongly urge that the human rights of all Bolivians be respected," Trattner said. He said the United States still wants the military to restore the civilian government it deposed.

Trattner said the United States, in reviewing its relations with Bolivia, was considering a reduction in the U.S. diplomatic staff in the country. Ambassador Marvin Weissman already has been recalled.

Also under review, he said, is a range of U.S. economic development assistance programs to Bolivia.

JC | JUL 2 3 1980 | 369

Bolivia Strike Spurs Violence

United Press International

LA PAZ, Bolivia — Gunfire shattered the silence of the overnight curfew and the military regime of General Luis Garcia Meza faced another major test Tuesday in its attempt to crush a general strike against his government.

The blasts from rifles and automatic weapons began shortly before the 9 p.m. curfew drove everyone off the streets late Monday for the fifth consecutive night.

There were no immediate official reports of dead or wounded.

On Monday afternoon, a general strike paralyzed practically all commercial and industrial activity in the capital city of 600,000 people.

The halt was considered a major setback in the Meza government's attempts to normalize the nation for the first time since last Thursday's coup.

The strike was called on the day of the coup by the Bolivian Workers Syndicate that includes nearly a half-million workers.

In another attempt to stop the strike, the government showed Workers Syndicate leader Juan Lechin on television Monday night, to refute charges he had been assassinated.

FT | JUL 2 4 1980 | 370

Bolivian envoy resigns in protest against coup

BY OUR FOREIGN STAFF

SR JOSE Hosea Louis Rico, the Bolivian ambassador to Britain, has resigned in protest at the military coup in his country last week.

Bolivian embassies in Paris, Bonn and Madrid were occupied briefly yesterday by small groups of demonstrators protesting against the coup.

The Committee to Defend Democracy, a Bolivian umbrella organisation of political, labour and religious groups, has claimed that at least 1,000 people were killed in violence during the coup. The group has called on foreign governments to institute an economic blockade against Bolivia until the military junta cedes power.

At least 30 Bolivian journalists have been arrested since the coup. On Tuesday military authorities briefly detained a correspondent for the U.S. television network, CBS, and his two assistants.

Sr Oscar Pena Franco, the correspondent in La Paz of the Inter-Press news agency and the last Minister of Information are among those detained.

Sr Humberto Vacaflor, correspondent of the London-based Latin American Newsletters, is one of many journalists who have gone into hiding.

Earlier this year his name was published on a death-list circulated by the far Right at the time of the murder of Sr Luis Espinal, editor of the weekly, Aqui.

For the Dignity of Bolivia

NYT | JUL 2 3 1980 | 371

EDITORIAL

Bolivia's armed forces don't brag about their record against foreign enemies. They have suffered historic defeats at the hands of Chile and Paraguay, shrinking the nation's borders and cutting off its outlet to the Pacific. But Bolivia's generals and lakebound admirals have found their true calling at home, in the repeated overthrow of Bolivian governments. In 150 years they have perpetrated many of the nearly 200 changes of government. In recent years they have seemed intent on quickening even that astonishing pace. Their coup last week was the fourth, and most brutal, in two years.

The military remains blatantly opposed to the democratic process. The coup-makers last week said they acted "for the dignity of Bolivia, to reject the results of the general elections and to declare the Congress and its actions unconstitutional." Those elections were leading to the imminent installation of former President Hernán Siles Suazo for a new term at the head of a leftist coalition. Whatever one thinks of his political bedfellows, Mr. Siles's repeated election successes gave him legitimacy. That cannot be said for the new junta. Many Bolivians, including those in the powerful tin miners' union, have refused to resign themselves to democracy's defeat and have taken up arms against the military.

The latest coup stands out because it is so much like the crude, indeed fascistic undertakings associated with the neighboring dictatorships of Argentina, Chile and Uruguay. The shooting of one leftist leader has been confirmed and a campaign of intimidation seems to have begun against leftists, centrists and foreign exiles and journalists. For such reasons alone, the coup deserves the rebuke that Washington has given by suspending military assistance.

Americans have a wider stake in the fate of Bolivian democracy. Bolivia lies between the democratic Andean nations and the dictatorships of the Southern Cone. The United States, eager to promote the political values of the north, has directly involved itself in efforts to keep Bolivia's democratic hopes alive. Last fall, Washington's sanctions helped reverse a military coup after just two weeks. Those who find dignity in democracy will hope that more forceful pressure — again including the suspension of economic as well as military aid — can still save the situation.

FT | JUL 23 1980 | 367

Bolivians stay away from work after coup

By Mary Helen Spooner
In Santiago

BOLIVIA'S administrative capital of La Paz remained semi-paralysed yesterday, despite exhortations by the newly-installed military government that people should return to work.

Less than half of the city's stores and offices opened on Monday, the first official working day following the military takeover last Tuesday. The armed forces had declared the previous days official holidays.

Gen Augusto Calderon, the new regime's Labour Minister warned that Bolivian employees who failed to show up for work yesterday would face immediate dismissal. He also issued a proclamation declaring Bolivian labour unions "in recess."

Reports from La Paz said Gen. Luis Garcia Meza, the junta's leader, had travelled to Cochabamba, the country's second largest city, to meet peasant leaders in an effort to persuade them to abandon their strike in protest at the new government. Nevertheless, Bolivian peasants were reportedly blocking roads and erecting barricades against military troops in the countryside.

In La Paz, troops reportedly fired into a group of demonstrators, but there were no reliable estimates of those dead or injured. The military is said to have taken control of all the mining areas, where miners had mounted an armed resistance effort, in the South.

Monsignor Jorge Manrique, Archbishop of La Paz, condemned the military takeover and charged that many Bolivians, including priests and nuns, had been arrested and jailed. In a statement read from the pulpits of Bolivian Catholic churches on Sunday, Monsignor Manrique said that Catholic radio stations had been violently raided by military authorities, and urged Bolivians to pray for a peaceful resolution to the conflict.

MH | JUL 23 1980 | 368

Bolivian Strike Losing Punch In Capital City

LA PAZ, Bolivia — (AP) — A general strike called to oppose Bolivia's new military regime collapsed Tuesday in central La Paz, but many businesses stayed closed in outlying neighborhoods.

Miners in the south claimed to be resisting an army force sent to subdue them.

The military junta, led by army Gen. Luis Garcia Meza, rejected U.S. government appeals for a return to civilian democracy, issuing a Foreign Ministry statement calling Washington's opposition to the coup "an unacceptable intervention in our internal affairs."

IT SAID the takeover last Thursday was necessary because Bolivians "are tired of the Communist infiltration and threats to destroy the country."

The United States has denounced the ouster of the civilian government, recalled its ambassador as a sign of displeasure and suspended military aid to Bolivia.

The unionized miners said in short-wave radio broadcasts monitored in La Paz that 5,000 peasants were gathering near the Siglo Veinte mine, 150 miles south of here, "and are organizing with miners into an effective army."

The miners' broadcasts also reported clashes between armed miners and soldiers, and claimed the army ambushed a Red Cross vehicle near Vancia, about 120 miles southwest of La Paz. There was no confirmation of the reports.

The military toppled the interim government of civilian President Lydia Gueiler last week in order to head off the expected election of her leftist successor, Hernan Siles Zuazo, by Congress.

SOON AFTER the coup, labor leaders called a general strike to protest the takeover. The strike initially proved effective, but by Tuesday most businesses were open in downtown La Paz, and buses and taxis were operating.

But one knowledgeable Bolivian businessman, who asked not to be identified, reported that some large factories remained closed. Reporters visiting districts outside the center of the city found many businesses shut down.

Gunfire broke out at the Banco del Estado, across the street from the U.S. Embassy, but soldiers chased away those involved and it was unclear whether anyone was injured or what caused the incident. The bank was closed afterward.

Government-controlled television broadcast an interview with labor leader Juan Lechin Oquendo in which he urged an end to the strike and cooperation with the new government.

Lechin, who ran the powerful Bolivian Workers Central and had vehemently warned against a military coup, disappeared shortly after last week's takeover.

He first surfaced in a radio broadcast and later appeared in the televised interview, along with the new interior minister, Col. Luis Arce Gomez.

Bolivia's Powerful Unions Call Strike, Demand Return of Ousted President

LA PAZ, Bolivia — (UPI) — The labor unions that helped topple Bolivia's previous military regime challenged its new one Monday with a nationwide general strike and a demand that ousted president Lidia Gueiler be reinstated.

But armed resistance to the new military government appeared to falter in the mining districts, where government troops closed in on the nation's largest tin mine at Siglo Veinte, 155 miles southeast of La Paz.

A clandestine radio station manned by mine workers reported Monday that government troops were 1½ miles outside Siglo Veinte, the last pocket of armed resistance to the military regime.

THE STATE television reported late Sunday that several thousand army troops had quelled resistance by miners in southeastern Bolivia and assumed control of the Huanuni and Telamayu mines, 150 miles southeast of La Paz.

The state television also denied opposition reports that 200 Bolivians were executed by firing squads in La Paz. Diplomatic sources said that at least 400 Bolivians have been detained.

In La Paz, heavy gunfire and explosions rang through the capital Sunday night and in the morning the streets, nearly empty of civilians, were patrolled by troops and tanks.

Troops also occupied the headquarters of the Worker's Confederation, the 500,000-member labor organization that called the general strike.

BUT SHORTLY before the troops arrived, the confederation's leaders went underground and it was not immediately possible to determine how many workers obeyed the the strike call.

The Worker's Confederation, which helped to bring down Bolivia's previous military regime by paralyzing the economy and refusing to negotiate with military authorities, said the general strike will last until the government of Gueiler is restored.

Labor Minister Augusto Calderon moved to thwart the strike, announcing late Sunday that public employes who did not show up for work on Monday would be fired today.

At the same time, West Germany and the Socialist International joined in the condemnation of the coup that brought a three-man military junta headed by right-wing General Luis Garcia Meza to power last Thursday.

THE WEST GERMAN government condemned the coup, but said it would wait to see what the new regime does before possibly severing aid to Bolivia.

The Socialist International called coup leaders "irresponsible military officers" acting "in defiance of the clearly expressed will of the Bolivian people."

It called for support for Hernan Siles Zuazo, the candidate of the Popular Democratic Union who was the frontrunner in last month's general elections.

Siles Zuazo, now in hiding, failed to win the necessary votes to claim the presidency and Congress was to select the new president in August.

Gueiler is in asylum at the Vatican ambassador's residence, diplomatic sources said.

Travel Warning Issued

WASHINGTON — (AP) — The State Department disclosed Monday it has put into force a "travel advisory" requesting U.S. citizens to avoid traveling to Bolivia.

Spokesman John Trattner said that although the military leaders who ousted civilian President Lidia Gueiler last Friday "seem to be in control," the "resistance continues."

Trattner said that a U.S. citizen had been wounded in an earlier shootout, but is recovering at a hospital in La Paz. The person's name was not revealed and Trattner did not give details of the incident. He said the department is not aware of any other U.S. casualties.

The United States recalled its ambassador to Bolivia as a sign of displeasure over the breakdown of Bolivia's constitutional order, and immediately started consultation with other Latin American nations on how to cope with the new situation.

MH
JUL 22 1980
366

WP | JUL 21 1980 | 365

Bolivian Workers Report Clash With Junta Troops

LA PAZ, Bolivia, July 20 (AP)—Soldiers of the new military junta reportedly clashed today with workers in the mining district of Santa Ana, about 440 miles southeast of La Paz. Radio reports said there were "many casualties."

The Democratic Solidarity Radio Network—an antijunta network formed by five union-controlled radio stations after the military seized control Thursday—reported the casualties and said the workers "resisted the advance" of the troops.

The radio network also "warned fellow workers to be ready to defend themselves" against the military, which overthrew the civilian government of interim president Lidia Gueiler.

Gueiler was permitted to go to the La Paz home of the papal nuncio—the pope's representative here—and reportedly was preparing to leave for Chile, where many Bolivian politicians have lived in exile.

The antijunta broadcast gave no details of the fighting.

"All we know is that there has been a lot of workers' blood shed," the broadcast said.

The mining districts are the center of the strongest resistance to the coup. Santa Ana is an important zinc-mining district. Earlier reports said about 5,000 armed miners, mostly Indians, blocked roads with trucks and dynamite charges.

Col. Luis Arce Gomez, the interior minister in the new Cabinet of 17 military officers, said Socialist Party leader Marcelo Quiroga Santa Cruz was "killed during the fighting" Thursday. His wife gave a statement to reporters saying he was "executed" and authorities had refused her demand that the body be turned over to his family.

There was sporadic gunfire in La Paz early today but military authorities refused to say if there were any casualties.

State-run television reported three "foreigners" were killed in fighting during the coup but did not identify them or give any details.

The military, led by Gen. Luis Garcia Meza, staged the coup after it became apparent the Bolivian Congress would pick left-wing former president Hernan Siles Zuazo as president. Siles led the field in a general election on June 29. He and several other politicians reportedly have been in hiding since the military takeover.

The United States has protested the takeover and recalled its ambassador.

Reuter added from La Paz:

A source close to Gueiler told foreign correspondents she planned to renounce her resignation, made known in a letter she read on television a few hours after the presidential palace was seized by paramilitary groups.

Gueiler was waiting for "the right moment to disclose details on the way she was forced to resign," the source said.

Siles urged Bolivians to join the resistance. From hiding, he said in a statement: "This national destruction government has launched repressive repression against all civilian, political and union leaders as a first step to open an immense graveyard in the heart of South America."

The Roman Catholic Church has started contacts with the military rulers to secure the release of hundreds of union leaders, politicians, journalists and priests abducted by plainclothes gunmen Thursday.

The gunmen raided the headquarters of the powerful Bolivian Workers' Confederation, and first reports said its leader, Juan Lechin Oquendo, had been snatched along with about 30 union and political leaders.

A communique broadcast by the state radio said a cache of Soviet arms had been uncovered yesterday in a security forces raid. The radio said "international mercenaries" were operating in Bolivia with order to "cause disturbances under communist slogans."

The archbishop of La Paz, Jorge Manrique, said, "Those responsible for the present situation should immediately release all detainees and repair the damage caused by civilian elements during raids on newspapers and radio stations." He also condemned the use of ambulances "in nonhumanitarian military missions carried out by plainclothesmen."

EDITORIAL

Bolivia's Coup a Challenge to U.S.

THE MILITARY in Bolivia has crushed another struggling, nascent experiment in democracy. The coup is tragic. The United States should employ all of its considerable diplomatic leverage to try to persuade the Bolivian generals to pull back.

There is a temptation to make light of all this as "just another coup." After all, this is the 189th change in government Bolivia has endured in the 155 years since it won independence in 1825.

But the coup is no joke. It is tragic. This one threatens to be even bloodier than usual.

The immediate cause of this latest military takeover was the expected election as president of Herran Siles Zuazo. Mr. Siles Zuazo, an ex-president, won a plurality in elections June 29 and was favored to be the choice of the Bolivian Congress when it named the new president on Aug. 4.

Mr. Siles Zuazo heads a leftist coalition called the Popular Democratic Union, which includes the local, pro-Soviet Communist Party. The military evidently found the prospect of a democratically elected leftist government unacceptable.

The coup is doubly tragic because it will lend credence to Marxist subversives around the world, especially elsewhere in troubled Latin America. One of the basic tenets of Marxism holds that capitalist democracies tolerate democratic institutions such as representative assemblies and popular elections only so long as rightist elites control them. If leftist movements threaten to win power through democratic means, the Marxists argue, then the rightists abandon democracy and retain power through force.

The Bolivian coup provides yet another ugly confirmation that this Marxist argument is too often sadly true.

But perhaps it is not too late for the United States to salvage democracy in Bolivia. The last time the Bolivian military pulled a coup, last November, the junta fell within weeks largely because the United States refused to recognize or aid the regime.

The Carter Administration condemned this latest coup Friday, suspended all military assistance immediately, and announced it would make no new commitments for future economic aid for the time being.

Washington's clout counts in La Paz. The military reportedly delayed making this latest coup for weeks after the United States warned it would cut $200 million in annual foreign aid if the military staged a coup.

The Carter Administration should marshall all the diplomatic support it can in an effort to force the Bolivian generals back to their barracks so that the Bolivian people can choose the government they want, democratically.

FT | JUL 21 1980 | 364

Mystery over ex-President as Bolivians resist junta

BY MARY MEIN SPOONER IN SANTIAGO

THE whereabouts of Bolivia's deposed President, Sra. Lidia Gueiler, remained a mystery yesterday amid contradictory reports that she had been deported to Paraguay or had sought political asylum in the U.S. Embassy in La Paz, the Bolivian capital.

Sra. Gueiler was last seen leaving the Presidential residence in La Paz on Saturday morning in military custody. Paraguayan officials have denied that she had arrived in the country. Other reports, also unconfirmed, indicated that Sra. Gueiler had sought refuge in the U.S. Embassy or the Papal nuncio in La Paz.

Civilian resistance to the military coup, the 189th in Bolivia's history, continued in La Paz and other areas of the country yesterday. Clandestine radio stations have begun transmission urging Bolivians to "maintain a strict discipline."

The Bolivian Air Force has bombed at least one clandestine radio station in Colquiri, a town south of La Paz, killing one person and injuring another.

Reports from La Paz indicate that Sr. Marcelo Quiroga, the Socialist Party presidential candidate who came fourth in the June 29 election, and Sr. Simon Reyes, a leader of Bolivia's pro-Moscow Communist Party, have died of their injuries suffered when troops raided the Bolivian Workers' Central (COB) on Thursday.

Sr. Hernan Siles Zuazo, who won the election, who was also wounded during the military takeover, is alive and in hiding and broadcasting statements via underground radio stations in Bolivia.

ISLA 411 19th Street Oakland CA 94612

WP | JUL 20 1980 | 361

Military Tightens Hold on Bolivia After Coup

By Ray Bonner
Special to The Washington Post

LA PAZ, Bolivia, July 19—Ousted President Lidia Gueiler, who took asylum in the Vatican Embassy here following a coup by the armed forces Thursday, was expected to leave the country today as military leaders continued to tighten their grip on Bolivia's major cities and mining districts.

In a lengthy speech a few hours before being sworn in as president yesterday, Army commander Gen. Luis Garcia Meza forbade any labor union activities and declared, "There will be no electoral adventures in our country." His speech was laced with references to the military's "cosmic mission" to save the country.

Foreign observers, who stayed off the capital's nearly deserted streets as soldiers and well armed paramilitary soldiers patrolled in armored vehicles civilian trucks and ambulances, commented on the "efficiency" of the coup in which most potential union or political leaders of resistance were either killed, wounded or taken prisoner.

The archbishop of La Paz issued a statement denouncing the military takeover and decried the "use of ambulances to help the military, not humanitarian purposes." He demanded the release of political and union leaders, as well as the "unknown number of religious leaders and priests who are being detained."

Among those being held are 25 Bolivian journalists, seized when the presidential palace was taken over, and Gueiler and her Cabinet arrested, Thursday. Sources said the journalists, including one from The Associated Press, have been taken to the military garrison.

The military government is making every effort to keep information from those inside and outside of the country. All radio stations, except for a few in the remote tin-mining areas, are controlled by the military. No newspapers are publishing.

The headquarters of the country's leading union federation, where one labor leader reportedly was killed and scores were arrested during the take over, is surrounded by heavily armed troops.

There are traces of civilian resistance, however. Remote mining districts with their own broadcasting systems continue to radio appeals for workers and peasants to resist.

On Thursday night, armed cadets from the military academy reportedly forced their way into the apartment of a U.S. official, Thomas Watson, shot him in the face and sacked the residence. Watson and his wife were held overnight and today he was reported to be in good condition.

Asked why the military is so interested in ruling this country, which has undergone nearly 200 changes of government in its 155 years of independence, a conservative businessman from the second largest city of Santa Cruz said with surprising candor, "power and money."

NYT | JUL 20 1980 | 362

Ousted Bolivia Leader Is at Vatican Mission; Likely to Go Into Exile

LA PAZ, Bolivia, July 19 (Reuters) — Lydia Gueiler Tejada, who was ousted as Interim President Thursday by the armed forces, has taken asylum in the Vatican mission here and is expected to leave the country today, according to a member of her Government.

The former official, also at the Vatican mission, said that Miss Gueiler entered the building yesterday after officially handing over the Government Palace to the new military junta.

Gen. Luis Garcia Meza, the army commander and a member of the three-man junta, was sworn in yesterday as President.

Miss Gueiler, appointed Interim President last November after a short-lived coup, was accused by General Garcia Meza of causing misery with stern monetarist economic policies and of sharply increasing the foreign debt.

Junta Moved to Thwart Leftist

The junta, which calls itself a Government of National Reconstruction, assumed power to head off the expected election of former President Hernán Siles Zuazo, a leftist politician, to the presidency. Congress was given the task of choosing a chief of state after none of the three principal candidates received a majority in a presidential election last month.

Mr. Siles Zuazo, who won a plurality in the voting and had been considered the most likely to succeed Miss Gueiler, went into hiding after the coup.

The armed forces consolidated their control in major cities but faced armed resistance in Andean districts dominated by the militant tin miners' union. The miners, supported by peasant groups, continued a general strike, blocking roads as part of a "popular resistance" movement launched by the National Council for the Defense of Democracy.

A network of radio stations controlled by the miners went off the air yesterday when troops encircled the Huanuni district, 250 miles south of La Paz. The stations resumed broadcasting today with calls for "organized and peaceful civilian resistance."

WP | JUL 19 1980 | 360

U.S. Ambassador Recalled, Aid Cut In Bolivian Coup

By Karen DeYoung
Washington Post Foreign Service

The United States yesterday recalled its ambassador to Bolivia and cut off all military aid as the leader of a day-old military coup had himself sworn in as president of the South American nation.

The instant show of what a State Department spokesman called "our extreme disapproval of what has taken place in that country" was meant to demonstrate the Carter administration commitment to democratic change in the hemisphere and break the longstanding U.S. image of support for military dictatorships.

In Bolivia, where administration pressure helped overturn one coup last November and narrowly averted another by the armed forces in May, the U.S. government is now almost totally estranged from the military with which it was once closely allied.

Bolivian military figures last month were calling for expulsion of U. S. Ambassador Marvin Weissman for interference in Bolivia's internal affairs.

At least five persons were killed, a dozen wounded and an undetermined number arrested Thursday, when the military took over to prevent congress from electing a leftist president.

The congress had been scheduled to choose a new executive in early August because none of the candidates in elections last month won the required 50 percent of the vote. Frontrunner Hernan Siles Zuazo, a leftist former president, was expec[illegible]d to be tapped by the legislature.

Asked if the United [illegible]tes had known about Thursday's [illegible]up plans in advance, spokesman J[illegible] Trattner said, "We had [illegible] been informed . . . And we have made our position clear to the military on many occasions."

Bolivia's ambassador to the United States, Roberto Arce, resigned in protest over the coup, although he was unable to transmit his resignation to the self-declared new Government of National Reconstruction, composed of the heads of the three uniformed military services, because telephone and telex communication with the landlocked South American country had been closed down.

Meanwhile, according to news agency reports from La Paz, the capital, the military consolidated its grip on power and launched a series of operations against armed workers challenging its control. Troops and tanks were sent to the country's southern tin-mining region to end labor resistance to the coup, military reports said.

Some 5,000 unionized miners, mostly Indians, took up arms and barricaded mountain roads leading to the tin mines, according to broadcasts by radio stations controlled by the miners' union and monitored by the Associated Press. The mines, which provide the bulk of Bolivia's income, are two to three miles high in the Andes in an area 100 to 200 miles south of La Paz.

"We are going to resist the coup until the ultimate consequences," one broadcast said. Labor and civic resistance to a coup last November, in which more than 200 were killed, helped bring about a military retreat after 16 days. This time, informed observers feared that prolonged civil war between civilians and the military might break out.

The streets of La Paz were reported calm yesterday, however, after a night of sporadic gunfire. Martial law was declared in effect nationwide, and the military decreed yesterday a public holiday to offset the effects of a nationwide strike called by labor groups.

At mid-afternoon, army commander Gen. Luis Garcia Meza, a member of the new three-man junta, signed a decree designating himself president, and was sworn in by Gen. Armando Reyes Villa, commander-in-chief of the armed forces. The other two junta members are air force commander Gen. Waldo Bernal and navy commander Rear Adm. Ramiro Terrazas.

The ceremony came just hours after former interim president Lidia Gueiler, her voice cracking with emotion, officially resigned in a speech broadcast over the armed forces radio.

Gueiler and her cabinet were seized Thursday during a paramilitary attack on the government palace. Her whereabouts yesterday were not known, although there were rumors in La Paz that she had been flown to another country.

As head of the Bolivian senate last fall, Gueiler had taken over the presidency following a series of power changes that included two coups, and promised to hold elections this summer. Throughout her administration, she was pressured by the military to postpone the vote and to give more power to the armed forces, which charged that a leftist conspiracy was trying to take over the country.

In his statement yesterday, State Department spokesman Trattner said that the United States would hold consultations on Bolivia "with other countries in the region and the Organization of American States." He said the United States had had "no communications" with the Bolivian armed forces, which had been scheduled to receive $6 million in U.S. military aid, since the coup.

Trattner said the United States was not breaking relations with Bolivia, but that Weissman was being recalled "for consultations" for an unspecified period of time.

Other State Department sources also said that a private American citizen, whom they declined to identify, had been shot during the takeover and was receiving treatment in a La Paz hospital, where he was being assisted by U.S. consular personnel.

The sources said that while there had been no attacks against the U.S. Embassy, the embassy commissary was sacked by the military Thursday night, and that a sizable quantity of food had been carried away in an army truck.

NYT | JUL 18 1980 | 359

Bolivian Troops Act to Quell Miners' Resistance to Coup

LA PAZ, Bolivia, July 18 (UPI) — Bolivian troops moved into southern mining towns today to crush the remaining resistance to the military coup launched yesterday. The army commander, Gen. Luis Garcia Meza, took the oath of office as President.

The swearing-in ceremony was the first official act of the three-man military junta, which called itself the Government of National Reconstruction, and came just hours after Lydia Gueiler Tejeda, her voice choked with emotion, went on radio to surrender formally her power as Interim President.

Miss Gueiler, appointed chief of state last November after a short-lived military coup, was reported under house arrest at the headquarters of the Roman Catholic Archbishop of La Paz.

The United States expressed "extreme disapproval" of the coup, which was aimed at preventing the Bolivian Congress from electing a leftist as president.

U.S. Recalls Ambassador

The State Department recalled Ambassador Marvin Weissman, suspended military assistance and said a cutoff in economic aid was under consideration.

General Garcia Meza, a frequent critic of Miss Gueiler in the months before the coup, signed a decree designating himself President. Also signing the document were the two other members of the junta — the air force commander, Gen. Waldo Bernal, and the navy commander, Rear Adm. Ramiro Terrazas.

General Garcia Meza was sworn in at the Miraflores barracks, seat of the Bolivian military staff, by Gen. Armando Reyes Villa, Commander in Chief of the armed forces. Meanwhile, tanks patrolled the streets of the capital and troops took up positions on roofs.

Radio reports said soldiers loyal to the junta moved into mining towns 200 miles southeast of La Paz to put down resistance from powerful unions urging a general strike to protest the overthrow of civilian government.

At least five people were killed and a dozen wounded yesterday during the uprising. Witnesses said the soldiers removed the dead and wounded from La Paz hospitals and took them to army General Staff headquarters.

Martial law was in effect around the country. The newspapers, seized by troops, did not publish today. Radio stations resumed broadcasting under military control.

Air Force jet fighters swooped low over the capital in the morning in a show of support for the rebellion.

In a communiqué the junta said that it took power because of "economic deterioration," subversion by leftist groups, corruption, electoral fraud and general disorder. It imposed a curfew and declared today a national holiday.

The holiday coincided with a general strike of indefinite duration called by the National Committee in Defense of Democracy to oppose the takeover.

Among the several dozen people arrested were Marcelo Quiroga Santa Cruz, the Socialist Party's presidential candidate in last month's election; Oscar Eid, leader of the Revolutionary Leftist Movement, several Cabinet ministers and about 20 journalists.

Political sources said Hernán Siles Zuazo, the leftist politician who won the most votes in the June 29 presidential election, was in hiding.



Associated Press

Gen. Luis García Meza

Congress, which had been scheduled to convene on Aug. 4, was given the task of choosing a president when Mr. Siles Zuazo failed to gain a majority in the voting last month. As the frontrunner, Mr. Siles was generally expected to win the congressional vote.

U.S. Expresses 'Disapproval'

WASHINGTON, July 18 (Reuters) — The States Department said today that the recall of Ambassador Marvin Weissman from Bolivia for consultations did not mean a break in diplomatic relations.

Saying the United States wanted to register "extreme disapproval" of the Bolivian events, John Trattner, the department spokesman, said Washington was reviewing whether Bolivia would be allowed to receive the $115 million in economic aid authorized in previous years.

The United States suspended $8 million in military aid — $6 million in unused military sales credits and $2 million in planned credits.

MILITARY CHIEFS SEIZE POWER IN BOLIVIA; CIVILIANS DETAINED

WP | JUL 18 1980 | 358

By Ray Bonner
Special to The Washington Post

LA PAZ, Bolivia, July 17—Commanders of the Bolivian armed forces seized power today to thwart the impending election of a constitutional left-wing government. They declared that President Lidia Gueiler, who was detained earlier in the day, had resigned.

Shots rang out sporadically in the streets of the 12,000-foot-high capital, which was thick with troops armed for combat.

An Army radio station, broadcasting in the name of the Army, Air Force and Navy commanders, declared invalid the recent first-end elections, won by leftist ex-president Hernan Siles Zuazo. It said the Congress that was to elect him formally next month was "unconstitutional."

At least one Communist Party member and a labor leader were reported dead, several leftists arrested and the whereabouts of many other Bolivians —including Gueiler—unknown.

Up to 20 Bolivian journalists were under detention.

[In Washington, the State Department said it "deplores the reported coup attempt in Bolivia and the accompanying violence." It announced cutoff of all security aid and refusal to consider further economic aid "pending clarification."]

The U.S. government has supported the efforts of this coup-prone, landlocked country of 5 million people to break out of the pattern of right-wing military rule that has dominated lower South America for most of this decade.

According to initial reports, Gueiler and her Cabinet were taken prisoner after armed forces in civilian dress took over the Quemado Palace. The name means "burned palace," coming from one of the 155 previous coups since independence from Spain in 1825.

Later, an unidentified receptionist at the presidential residence said, Gueiler, 51, was "resting" there and an unconfirmed report said she would be allowed to take refuge in an embassy.

Other reports said troops had ringed Latin American embassies to prevent opponents of the military from seeking asylum. A night curfew was in effect throughout the country.

The charismatic leader of the Bolivia's tin miners, Juan Lechin Oquendo, was said to have been taken taken prisoner by the rightist paramilitary forces that cooperated closely with the military.

While forces in civilian garb initiated action here, Army regiments in the eastern cities of Trinidad and Santa Cruz seized government buildings and called for the overall takeover.

Communist member of Congress Simon Reyes was reported killed in one of several assaults laid to right-wing gunmen. Reports were difficult to confirm because of major efforts by trops to prevent circulation of news on the day's events.

"This bunch isn't going tomrkethe same mistake that Natusch did," said a diplomat, recalling the abortive right-wing coup by Army Col. Alberto Natusch Busch in November. "They're going to make sure that the outside world doesn't know what these fascists are doing."

While troops concentrated around the downtown university, a center of leftist opposition, there were ample calls for resistance. Siles reportedly made such a call clandestively.

The junta of Army Gen. Luis Garcia Meza, Air Force Gen. Waldo Bernal and Adm. Oscar Terrazas said "terrorism will be drastically repressed." Bolivia's Navy consists of patrol boats on Lake Titicaca.

"We're going to resist the coup to the ultimate consequences," declared the mineworker organizations in cities 150 and 200 miles from La Paz. "Never are we going to work for these exploiters," one broadcast said.

Bolivia's tin miners defeated the military in Bolivia's 1952 revolution that substantially altered the political, economic and social structure of the country, lifting the Indian majority from peonage. Last November even after the general strike was lifted, the tin miners refused to work until Natusch left the palace.

The unions again, today called for a general strike and civilians were building barricades.

Uniformed soldiers entered at least one foreign news bureau, seized stories that were being filed on the insurrection and ordered all journalists to leave. The journalists' communications outside the country were repeatedly cut off.

[Siles' vice presidential candidate, Jaime Paz, issued a statement in Washington, where he is a visitor, calling on "the Bolivian people, labor unions, peasants and the middle class . . . to resist by all means the intent of the restoration of the dictatorship, and engage in active struggle for democracy and freedom."]

The rightist insurrection follows a two-year period of political upheaval —including two coups, a 16-day bloody military siege and six presidents— at has been extreme even in the atest of Bolivia's turbulent history.

The elections held in 1978 were the first in almost 15 years, the interim had seen a succession of military leaders (including six uniformed men successively occupying the presidential seat during one 24-hour period) and concluded with seven years of relative stability imposed by rightist Gen. Hugo Banzer.

Throughout the last two years, the United States has played a significant role in prodding Bolivians toward democracy. The Carter administration has made Bolivia one of the largest recipients of economic assistance in Latin America, with nearly $200 million scheduled for 1980.

U.S. relations with the military have been severely strained since last year, following an earlier election in which no candidate won an absolute majority and a civilian president was selected by the Congress. That president, Walter Guevara Arce, was overthrown by Col. Natusch.

Natusch lasted 16 days, during which the United States reportedly threatened to cut off all aid and union and student organizations organized strong resistance in the streets and a paralyzing general strike. Congress then appointed Gueiler as interim president, the first woman to hold the office in Bolivia and the second in a Latin America. She was to govern until her successor was inaugurated Aug. 6.

The military exerted strong pressure on Gueiler throughout the past seven months, circumventing her policies and forcing the appointment of a hard-liner to replace her own choice of a moderate to head the Army.

Before the July 29 elections, the military warned that neither of the leading candidates, Siles or ex-president Victor Paz Estenssoro, was acceptable to the armed forces. An earlier coup attempt was averted in late May, reportedly following strong U.S. pressure, and State Department spokesmen at that time warned that the United States supported the "continuation of the democratization process in Bolivia."

Those statements so angered the military, which accused the United States of interference in the internal affairs of the country, that it gave U.S. Ambassador Marvin Weissman 72 hours to leave the country and called on Gueiler to declare him persona non grata.

Gueiler ignored the demands and appeared to have come to an accommodation with the military. Last weekend, however, the government announced official vote tabulations that showed Siles with a substantial margin.

Weissman is now in La Paz.

BOLIVIAN ELECTION

BY MARY HELEN SPOONER IN LA PAZ

Nervous creditors and military look on

DEMOCRACY, AS Sra Lidia Guijeler, Bolivia's interim President, remarked last month, sometimes carries a very high price. The country, which has just made its third attempt in two years to elect a civilian president, is the poorest in South America. Any future economic improvement for Bolivia's 6m people seems inextricably linked to stable government.

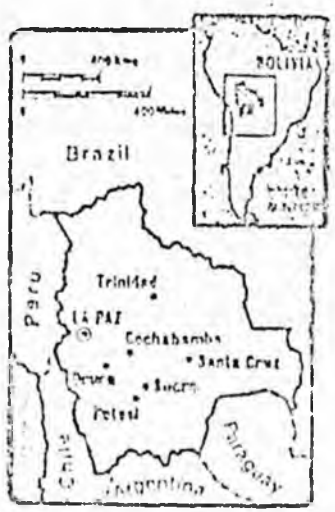
Until recently, that stability has been almost synonymous with military rule. Bolivians are now watching nervously to see whether Sr Hernan Siles Zuazo, the left-wing former President who emerged as frontrunner from the June 29 election, will be allowed to take office. Because he did not capture a majority of the vote, the Bolivian Congress must decide the election, though Sr Siles' chances have been helped by the withdrawal yesterday of the candidate who came second. But the military has been making threats. The country's foreign creditors are also watching the result with less compassionate, but no less concerned, interest.

Foreign debt reached $3.7bn last year. The bulk of this was concentrated during the seven-year regime of Gen Hugo Banzer from 1971-78. This year debt obligations should reach $465m, which will absorb at least 40 per cent of Bolivia's export earnings.

During the first quarter of this year, $295.4m of the debt came due, while money coming into the country, including export earnings and a $40m loan from the International Monetary Fund, totalled only $221.2m. During this period, Bolivia's international reserves dwindled from $176m to $99m according to an IMF report.



Sr Hernan Siles Zuazo



Bolivian officials are trying to renegotiate the country's external debt, but most banks and lending institutions seem to be awaiting the outcome of the elections. A few days before the voting, the Finance Ministry announced it would explain new developments in rescheduling Bolivia's debt. But reporters were treated to a list of new soft development loans awarded by the Inter-American Development Bank totalling $63.5m.

Gross Domestic Product (GDP) in 1979 — the last year for which figures are available — was a mere $2.5bn. Since then, production has declined in several key areas and will undoubtedly decline further in the face of political unrest. Exports of tin and other minerals by Comibol, the state mining corporation, and small and medium-size mining companies decreased in volume by one third or more during the first quarter of 1980. Agricultural production has been impaired by poor weather and the Bolivian Cotton Growers Association recently announced that their losses were so extensive that no exports would take place this year.

Sr Siles has stated that, despite his left-wing political alliances, his government should still be able to attract enough foreign loans and credits to keep the country afloat.

"We are going to have an honest government, and I believe that it is in the interests of banks and international organisation to lend to honest governments," he said recently. "We will have a government in which there can be human error, but not hands dipping into the Treasury to take money from a poor and backward country such as ours." A Siles government would be likely to apply some austerity measures to the Bolivian economy, judging from Sr Siles past performance. After taking office in 1956, he followed the advice of the IMF that government subsidies in many areas could not continue if financial stabilisation were to be achieved. Among the politically risks taken by Sr Siles was a freeze on wages and salaries and the abandonment of government subsidised miners commissaries. These set off a storm of protest and cost him support from the groups which had brought him to power.

At one point, President Siles even began a hunger strike to force Bolivia's militant tin miners to accept these economic policies.

In other areas of the economy, Sr Siles has said he will not de-nationalise any of the state-controlled industries, which account for 70 per cent of Bolivia's production.

The inefficiencies of Bolivia's state-owned enterprises, according to Sr Siles, have been due to the corruption of past governments rather than structural problems. Reforms will take place in those state enterprises which "had been run like the personal feifdoms of corrupt officials," he said.

But whatever Sr Siles intentions for the Bolivian economy are, the question now is whether he will be permitted to take office at all. When the newly-elected members of Congress convene next month, they will attempt electing a president from between Sr Siles and the right-wing Gen Banzer, now that Sr Victor Paz Estenssoro, a former President, has withdrawn.

Sr Siles Popular Democratic United (UDP) coalition, which according to some estimates won as much as 40 per cent of the vote, may not automatically receive congressional support from Bolivia's Socialist Party, led by Sr Marcelo Quiroga, which won about 11 per cent of the vote.

A few days after the election Sr Quiroga announced that he would not necessarily give his votes to Sr Siles in Congress. Failure to do so could make the congressional election more difficult and intervention by Bolivia's armed forces more likely.

The military, led by the army Commander, Gen Luis Garcia Meza, seems to regard Sr Siles as a direct threat to its existence, despite the candidate's repeated assurances that he enjoys the backing of younger, more progressive officers.

But if the military intervenes, either before or after Congress meets, the civilian reaction is likely to be swift and massive. Last November, an obscure army officer Col Albert Natusch Busch seized control of the government for 16 days. Over 200 people were killed in popular protests. The militant Bolivia Workers Central (COB) called a general strike and will undoubtedly do the same in the face of another military coup.

A new military intervention is likely to be far bloodier and more paralysing than the Natusch coup. There are rumours even of plans for a massacre of the left on the model of the Chilean coup in 1973.

But Bolivia's soldiers are not as well organised as their Chilean counterparts. Bolivia is more likely to resemble El Salvador, where a seemingly endless battle between the military and civilians is taking place. Ironically, a Siles-led government would not be able to move very far to the Left because of the severe financial constraints.

ADDENDUM
FT
JUL 11 1980
768

MH	JUL 6 1980	355

Bolivian Candidate To Contact Military About Presidency

Herald Wire Services

BUENOS AIRES — Hernan Siles Zuazo, the frontrunner and likely winner in the still pending Bolivian presidential elections, is confident that he can reach an understanding with "progressive sectors" of the armed forces in his unstable nation.

"We will explain to them what we propose to do in terms of national pacification and vigilance for democracy," he said in an interview published Saturday in the Buenos Aires newspaper Clarin. "There are progressive sectors in the armed forces and several of their leaders have turned to the left."

Siles said he was confident that he would be able to take office Aug. 6 in a government that "will represent the aspirations of the majority." Bolivia, which has had six governments in the last two years, has been rife with rumors of a military coup for the past six months.

Returns from the June 29 elections are still being tallied, but Siles, a leftist and one of 13 candidates, has remained solidly in front with around 35 per cent of the popular vote.

NYT	JUL 12 1980	356

Final Bolivian Vote Tally Gives Leftist 38 Percent

LA PAZ, Bolivia, July 11 (Reuters) — Hernán Siles Zuazo will be 22 votes short of election when Congress meets on Aug. 3 to choose a new President, according to official election returns.

A spokesman for the national electoral court said the final figures for the June 29 election were as follows: Mr. Siles Zuazo, leader of the leftist Popular Democratic Unity Party, won 38.74 percent of the popular vote; Victor Paz Estenssoro of the centrist Nationalist Revolutionary Movement won 20.14 percent and Gen. Hugo Banzer Suárez of the rightist Democratic Nationalist Alliance won 16.82 percent.

Since no one won a majority, Congress will choose the President. Mr. Siles Zuazo's party has 57 seats in the 157-member chamber, 22 short of a majority.

WP	JUL 11 1980	357

LEFTIST VICTORY EXPECTED IN BOLIVIA

LA PAZ, Bolivia—Leftwing presidential candidate Hernan Siles Zuazo appeared to be assured of victory following the decision of second place Victor Paz Estenssoro to drop out of the race.

"To block Dr. Siles Zuazo . . . from assuming control of the government would be against the democratic process of the country and against the people who want a stable, constitutional government," said Paz on Wednesday.

With more than 80 percent of the votes in last month's election tallied, Siles leads Paz 487,903 to 363,112. Rightist Hugo Banzer ran a distant third in a race that included other minor candidates. Since Siles lacks a majority, the final choice goes to the newly elected Congress. With Paz dropping out, Siles appears sure of the 79 votes needed in the 157 seat legislature.

Siles is a former president, as are the other two main candidates. He is opposed by much of the military that has controlled the country for a decade.

Bolivians Find Cocaine Profits Are Habit-Forming

NYT | JUN 26 1980 | 2954

By WARREN HOGE
Special to The New York Times

CHULUMANI, Bolivia, June 23 — The neatly ridged and rowed patches of vegetation, etched into the flanks of virtually every mountain in this high-altitude region of Bolivia, look like game boards from a distance. Recently, they have been producing lots of winners.

The steeply terraced fields yield coca leaves, and the leaves yield cocaine, the price of which, because of soaring worldwide demand, has increased threefold and more in the last five years.

These fields are the leading source of cocaine, and the winners are the Bolivians who, however illegally, are getting rich trying to satisfy the demand from abroad.

"There are at least 50 new millionaires in Bolivia because of cocaine, and some are in the $30-million-plus range," said a rancher in Santa Cruz, Bolivia's second largest city and the drug dealing capital of the country. "This is a place that didn't have paved streets in the central square in 1967. From 1967 to 1975 it grew off of oil and civic spirit. But since 1975 it's been 100 percent cocaine revenue."

The Poor Are the Losers

Montero, a town 30 miles north of Santa Cruz with a disproportionate number of shiny new Alfa-Romeos in its streets, is called the "white city" because of all the pearl-colored powder that passes through it.

Crouched on a slatted wooden stand in one of La Paz's hilly market streets next to an upended 30-pound bale of coca leaves sat one of the people who is not doing so well in the coca leaf business.

The woman, an Aymara Indian wearing a caramel-colored bowler hat and a black shawl pinned across her chest to ward off the Andean winter chill, periodically reached into the tightly packed green swirl of leaves, filled a small cellophane bag, weighed it on a hand held scale and placed it on the rack before her.

"The police come around and ask us why we have one pound more than we should have," she complained. "We ask them why they don't get the big capitalists who are taking truckloads and selling it to traffickers. It takes us two weeks to sell this, and we don't make any money anymore."

She deals legally, the millionaires illegally. She is catering to a custom now nearly 5,000 years old. The millionaires are meeting a market that has existed for barely a quarter of a century.

Farmers Turn to Coca

It is not against the law in Bolivia to grow coca on property registered land and to sell it for the variety of uses that Andean Indians have been putting it to for millenniums. The registration program begun three years ago was to have stabilized production at a level consonant with the plant's traditional role in the culture, but the demand abroad has prompted planters to expand their fields and growers of other produce to turn to coca. So many Bolivian farmers are making the switch that the country could soon face a problem of providing essential foods for its already undernourished people.

Many Indians and mestizos — Indians make up 75 percent of Bolivia's population and mestizos 20 percent — carry wads of coca leaves in their mouths through working hours as a vitamin source, an energizer and an appetite suppressor. Bolivian miners often receive coca with their pay, and sugar workers, concerned that their sources had dried up because of diversion to narcotics, threatened last week to strike unless their employers supplied them with one pound a week.

Cesine Huanca, a 30 year-old Aymara who has spent his life picking coca, explained why he liked to chew it as he moved down the furrowed rows stripping bushes and stuffing the leaves into a sack he carried around his waist. "You don't weaken," he said as he flashed a sooty smile between blackened lips.

Nearby, an Aymara woman lamented the boom because, she said, it had brought with it the threat of Government suppression. "Foreigners came here to make cocaine, and we didn't like that. Now Bolivians have learned to make it too. If coca gets taken away from us, we will end up dead like these dry branches on that tree." She stood on ground so rocky that the individual ridges appeared to have been inlaid with stone and shale. "This land isn't good for anything else," she said.

Coca is also used legally in Bolivia for ceremonial occasions, religious offerings, a poultice for wounds and a tea that new arrivals to La Paz are counseled to take to better withstand the effects of the 12,000-foot altitude.

Figures on cocaine traffic tend to be imprecise because of the clandestine nature of the business. Currently accepted estimates here put Bolivia's annual production of refined cocaine at 100 tons. The United States consumes from 60 to 120 tons of South American cocaine a year. In New York City, for example, a kilo of the drug, or 2.2 pounds, will cost up to $30,000 wholesale, and can be diluted into enough ju tions to be worth $250,000 on the retail market, according to figures compiled last year by the police there.

Canada consumes another 10 to 20 tons of South American cocaine a year, Europe from 10 to 30. In Bolivia the gain in profits in selling coca leaves illegally rather than legally ranges from 40 to 100 percent.

The United States has eight narcotics agents in Bolivia. The American Embassy is also about to embark on a joint program with the Bolivian Government to persuade coca growers to diversify into crops more critical to the country's food needs. In return, lights, water, and sewage lines would be installed, garbage collection arranged and schools built.

Coca Growing 'Out of Hand'

The Bolivian Government has assigned a 400-man force to limiting the expansion of coca growing in the country, but one of its commanders conceded, "You can grow or buy whatever you want wherever you want and avoid our control."

"It's gotten completely out of hand," an American official said. "We know they are planting more and more coca and that it is for illegal uses outside the country. We just have to wait for a government that will really back a narcotics control program."

That could be a long time. On Sunday Bolivia holds its third national elections in as many years, and as foreign lenders and political organizations abroad have grown more reluctant to finance candidates in these inconclusive exercises, cocaine interests have filled the financing void. "I worry bitterly that our next director of narcotics control could himself be a trafficker," the Bolivian officer said.

Bolivia generally exports an intermediate cocaine product called "base," a maladorous rough greenish yellow powder, from which refined cocaine is later precipitated and dried on filter paper stretched across banks of 100-watt bulbs. "Base" can be made relatively easily from coca leaves, kerosene, sulfuric and hydrochloric acids, bicarbonate of soda and a collection of broom closet implements such as buckets, tubes and jars. The so-called "kitchens" can be assembled and dismantled rapidly, and they have been found in moving vans, on boats, underground and in conventional office buildings.

The laboratories that make the finished product are usually in Colombia, a country with better access to high-quality industrial chemicals and easier routes to North American and European markets.

Measuring by the level of activity in Bolivia, they are going to stay busy. Mr. Huanca turned his head from one end of the valley to the other, surveying the carefully grooved hillsides on each mountain face. "Every one of them is new," he said.

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"... THAT ALL ~~MEN~~ ARE CREATED EQUAL..."

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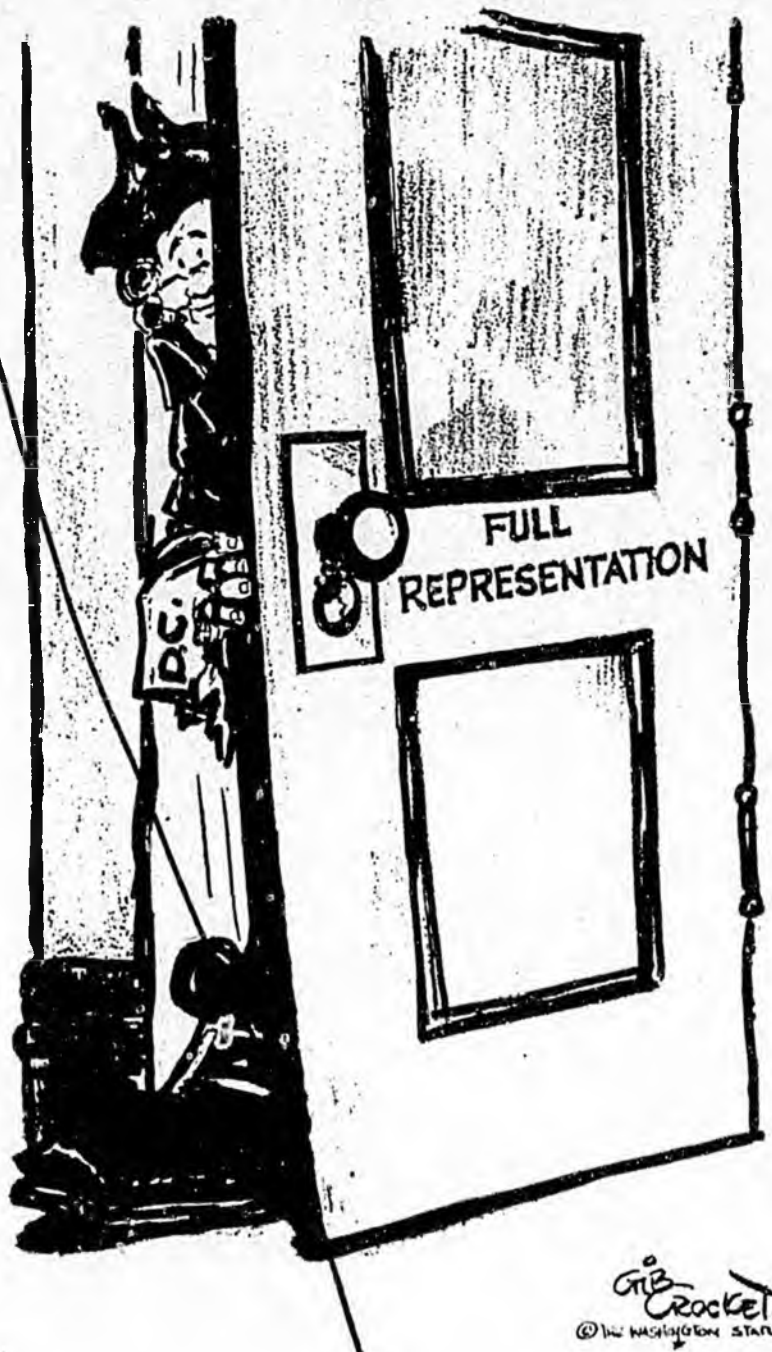
"WITH LIBERTY AND JUSTICE FOR ALL" — Pledge of Allegiance

AFTER 200 YEARS, END TAXATION WITHOUT REPRESENTATION FOR THE DISTRICT OF COLUMBIA

State legislatures are now being asked to confirm the action of Congress; to ratify an amendment to the Constitution giving equal representation to the "Last Colony", the nation's capital district. Presidents Truman, Eisenhower, Kennedy, Johnson, Nixon, Ford and Carter all endorsed national representation for District residents and the amendment passed both the Senate and the House of Representatives by more than a two-thirds majority with strong bipartisan support.





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THE RIGHT OF REPRESENTATION IN THE LEGISLATURE..."Declaration of Independence

THE PROPOSED D.C. AMENDMENT
to the
CONSTITUTION OF THE UNITED STATES

"Section 1. For the purposes of representation in the Congress, election of the President and Vice President, and Article V of the Constitution, the District constituting the seat of government of the United States shall be treated as though it were a State.

"Section 2. The exercise of the rights and powers conferred under this article shall be by the people of the District constituting the seat of government, and as shall be provided by the Congress.

"Section 3. The twenty-third article of amendment to the Constitution of the United States is hereby repealed.*

"Section 4. This article shall be inoperative, unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission."

THE CASE FOR FULL VOTING REPRESENTATION
IN THE U. S. CONGRESS
FOR THE CITIZENS OF THE DISTRICT OF COLUMBIA

HISTORY

The Constitution of the United States provides that Congress shall exercise exclusive legislative authority over the seat of government.

When the Constitution was being debated in Philadelphia, there was no capital. But in 1783 Pennsylvania refused to call out the state militia to protect the Congress from a band of unruly discharged soldiers. With this sour taste of the past in mind, the new Congress planned that the national assembly should never again depend on a state government for vital services. It would be sole master of its permanent home. But the Founding Fathers had no intention of denying to the thousands of American citizens the right to the democratic representation which they themselves had just fought a revolution to win.

In 1790 the site of the capital was finally chosen, a large swampy piece of land along the Potomac River which was ceded to the federal government by acts of the Maryland and Virginia state legislatures. In 1800, there were about 14,000 people living in the area, too few to warrant a representative of their own. Most of them were temporary residents, living in the new city for the few months that the Congress was in session each year and returning to their home states to vote.

The District of Columbia has changed from a rural farming area into a national capital with over 635,000 people (1980 census). It now has more inhabitants than Alaska, Delaware, Vermont and Wyoming. Each of these states sends senators and representatives to the U.S. Congress; the District of Columbia none. In 1972 D.C. was granted one non-voting Delegate to the House of Representatives to speak, but not to vote, for almost three-quarters of a million Americans.

For the citizens of our nation's capital the struggle to end taxation without representation has never ended. Since Congress came to town in 1800 there have been organized efforts in the District to rectify this gross injustice and to give the residents the same democratic representation that all other Americans enjoy. In 1978 the House of Representatives and the Senate of the United States voted by more than a two thirds majority to approve a constitutional amendment to provide full representation for these citizens. Now this amendment needs the approval of 38 state legislatures to bring the rights of democracy to those American citizens living in the federal district. The responsibilities and burdens of all citizens are already borne by those people.

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* The 23rd Amendment allows D.C. residents to choose electors for President and Vice-President, but only as many as "the least populous state."

WHAT THE AMENDMENT WILL DO

The proposed amendment does not alter the relationship between the federal government and the District of Columbia. It simply provides that District citizens will have votes in the actions of Congress, the election of the U.S. President and ratification of constitutional amendments equal to those of all other Americans. It does no damage to the constitutional provisions for a federal district and leaves the exclusive legislative authority over the District in the hands of Congress.

The U.S. is the only country in the free world that denies representation to the residents of its capital city, even in those designated as federal districts. Only one military regime denies such citizens equal representation -- Brazil -- and the Brazilian legislature is waiting for the 1980 census figures to determine if Brazilia has a large enough resident population to be accorded representation. Rio de Janeiro, the former federal district, has been represented in their legislature for over 100 years.

D. C. RESIDENTS ARE HEAVILY TAXED

FEDERAL: There is a common misconception that the citizens of the District of Columbia have no vote and pay no taxes. The fact is that D.C. is one of the most heavily taxed localities in the country. According to Library of Congress research, the residents of D.C. paid $1.8 billion in federal taxes in fiscal year 1979, more than in 10 states. On a per capita basis, D.C. residents paid $2,684 or $600 over the national average. This was more per capita than any state except Alaska. Thus, residents bear the responsibility of taxation without the right of representation.

LOCAL: With regard to local taxes, D.C. residents also pay among the highest in the nation. Comparing the District of Columbia per capita total local tax burden in 1979 with the total per capita state and local taxes in all states, the Bureau of the Census found that residents of only two states (Alaska and New York) paid more than D.C. residents. The D.C. average was $1316.07 compared with the national average of $933.74.

THE FEDERAL PAYMENT: The annual federal payment to the District is not a device to free D.C. citizens from paying local taxes. It is an amount that the Congress thinks appropriately compensates for the federal tax-exempt presence in the District of Columbia. There is a great difference of opinion about how much that payment should be. The D.C. Department of Finance and Revenue estimates the total District revenue loss because of the federal presence for FY 1981 to be $640.5 million. Congress currently authorizes $300 million federal payment but the actual appropriation to date has always been less than this. For FY 1981, it is expected to be about $296 million. This is not a gift. It represents partial payment of a federal obligation.

LIMITATIONS AND RESPONSIBILITIES: There are special responsibilities in relation to the federal government which place burdens on the local government. The D.C. Department of Finance and Revenue reports show the federal government owning 42.6% of the potentially taxable land area in D.C. and an additional 7.8% consisting of foreign holdings, national non-profit organizations headquarters, etc., which are tax-exempt in D.C. Thus 50.4% of the real estate in D.C. is tax-exempt because of the federal government's presence. Yet, police, fire, street maintenance and other services must be provided for all these places out of the District's resources.

Acts of Congress have placed severe limitations on revenue sources for the District including restrictions on the height of buildings, and a ban on taxation of income earned within the city by non-residents. Every state with an income tax has reciprocal agreements with other states enabling the collection of income taxes from those who live outside the state but earn their income within its borders. D.C. cannot tax the incomes of non-residents who make up 60% of those who work in the District, resulting in a $323.7 million loss of revenue.

The U.S. Congress gave the citizens of the District of Columbia the right to elect their own Mayor and Council in 1973. Limited powers and legislative authority were delegated to the new government but budget control was not. That power is still maintained by the Congress.

where representatives of every other jurisdiction in the country except the District of Columbia may have a voice in setting budget and revenue priorities for the Federal district.

"THE DISTRICT SHOULD BE REPRESENTED IN CONGRESS, BUT..."

Many opponents of the proposed amendment accept the principle of D.C. representation in Congress but advocate alternatives to the amendment. But ...

....JUST AND EQUAL REPRESENTATION MEANS IN BOTH HOUSES.

Our nation's legislature is composed of two houses. Besides having functions in common, such as enacting legislation, declaring war and conscripting soldiers, the Senate and the House of Representatives have separate functions. The House originates all revenue measures. The Senate ratifies all treaties, and advises and consents to the appointments of all cabinet members, ambassadors, federal judges, and local D.C. judges. Thus representation in one House and not the other would not provide equity for District residents.

Some have argued that the District should be granted representation in the House but not in the Senate because the Constitution says that "no state without its consent, shall be deprived of its equal suffrage in the Senate." However, a wide range of constitutional scholars testifying before the House Judiciary Subcommittee on Civil and Constitutional Rights found no problem with Senate representation for the District of Columbia via a constitutional amendment. And Charles Alan Wright, Professor of Law at the University of Texas said:

> The clear purpose of that clause was to ensure that the Great Compromise would not be undone; and that representation in the Senate would not be put on the basis of population. That purpose is not compromised by allowing the District to have two Senators any more than it is when a new state is admitted.

Two senators for the District would not impinge on the equal treatment of any state vis-a-vis the other states There were 26 senators when the nation was founded. During the last 200 years, 37 states and 74 senators have been added without disturbing the fabric of government.

... NOT THROUGH ANOTHER STATE'S BALLOT BOXES

One of the most frequent arguments raised is that the District should be given back or retroceded, to Maryland and thus be represented by Maryland's congressional delegation. Proponents say retrocession could take either of two forms, full or partial retrocession. Full retrocession would mean that the District of Columbia would be divided into two parts: a federal enclave including key federal installations would be carved out while the rest including most of the residential property would become part of Maryland. With partial retrocession, the District of Columbia would remain the District of Columbia as it exists today, but its citizens would be allowed to vote for Maryland Senators and Representatives.

Inasmuch as state boundaries cannot be changed without "the consent of the legislatures of the states concerned as well as the Congress" according to Article IV, Sec. 3 of the Constitution, full retrocession would need such consent. District citizens have shown no desire for this solution, representatives from Maryland have indicated they would oppose it, and the United States Congress has shown it is not receptive to the idea either. Furthermore, it is doubtful that the people of this country, who feel a proprietary interest in their nation's capital, would support a plan to put a large part of the present federal district under the control of any state.

Partial retrocession would require the same kind of consent as full retrocession. In addition, partial retrocession creates other problems. The Constitution says that senators and representatives shall be chosen by the people of the states in question. But District residents are not "people of Maryland." They are District people residing in and paying taxes to the District of Columbia. Furthermore, residents of the District could not vote in the Maryland state elections and, therefore, would have no voice in setting election district lines or filling congressional vacancies. This would not be equal representation in Congress for the citizens of the District. Partial retrocession seems to create more problems than it solves.

.... NOT NECESSARILY BY BECOMING A STATE

Statehood has been proposed as an alternative to achieve D.C. representation in Congress. On November 4, 1980, an initiative to begin the statehood process was approved by the voters of the District. The favorable vote was fueled largely by the frustration of District voters at not having national representation and control over local affairs. Recent history has shown that statehood is a lengthy process, requiring over 40 years for Alaska and over 50 years for Hawaii. There is no reason to suppose that Congress would pass a statehood act for the District of Columbia any more speedily, especially since Congress would be giving up the budgetary authority and veto power over District legislation which it now exercises.

The idea of statehood has been used as a diversionary tactic by those opposed to the amendment in some state legislatures. However, at this time, there is no indication of wide support for statehood for D.C. in the nation as a whole. In 200 years the citizens of the states have developed a possessive attitude toward the District as the nation's capital. It is doubtful that many would accept shrinking the capital to a small federal enclave of monuments and federal installations as proposed by statehood proponents.

Under the proposed constitutional amendment the District of Columbia as the capital of the nation would still remain a geographically distinct entity as the Founding Fathers apparently intended. The amendment appears to be the most feasible method of achieving equal political rights for D.C. citizens in the foreseeable future.

THE DISTRICT IS ALREADY TREATED AS A STATE FOR MANY PURPOSES

Some people have objected that the District is not a state and, therefore, not entitled to senatorial resentation. The Constitution does not forbid representation for the District of Columbia, however. It is silent on this matter, and the District is often treated as though it were a state. All recent federal legislation which applies to states, including grant legislation, includes the phrase "for the purposes of this legislation the term 'state' shall include the District of Columbia."

There are parts of the Constitution itself which have been interpreted to include the District as though it were a state. For example, Article I, Section 2 of the Constitution says that "direct taxes shall be apportioned among the several states which may be included within this Union." In 1820, the Supreme Court considered whether Congress had authority to directly tax the residents of the District of Columbia; the Court ruled that Congress did have this authority. Thus District residents have always borne the same federal tax responsibilities as citizens of the states. In 1889, the Supreme Court upheld a ruling that Congress had the authority to regulate commerce across District borders even though Article I, Sec. 8 of the Constitution says that Congress has the power to regulate "commerce... among the several states." In 1960, the Twenty-third Amendment to the Constitution gave the District the right to vote for President and Vice-President of the United States "as if it were a State."

.... AND IS NOT MERELY A CITY

Objections are also made on the premise that the District of Columbia is a city, and if it were granted representation, other large cities would then seek senators of their own. There is, of course, no other city in the country that is not already represented by two senators and at least one representative.

The District, however, is more than a city. It is the federal district provided in the Constitution. Its government serves city, county and state functions. One estimate by city officials indicates that 63% of the District government functions are non-municipal.

THE STEREOTYPED IMAGE OF WASHINGTON

There are more arguments, of course, aimed at threatening other people's self-interest. The District is seen as "too black, too liberal, too urban, too devoted to the federal interests." Some people have a stereotyped view of "Washington," assuming that all people who live in D.C. work for the federal government and are interested in making "big government" bigger. (Paying the very high per capita federal taxes they do, it seems possible that the opposite might be true). In fact, less than one-third of the District's total work force is employed by the federal government and more than half of working D.C. residents work for the private sector. Representatives from the District of Columbia would also represent small businessmen, the construction industry, bankers, lawyers, doctors, teachers, the elderly. All of these would be citizens who are required to obey federal laws, although they have had no vote in enacting these laws, and whose relatives or themselves may have fought and died in American wars -- especially the Vietnam war when District casualties ranked fourth among the fifty states on a proportional basis.

THE RATIFICATION PROCESS FOR THE D.C. AMENDMENT

The Constitution is not amended easily or lightly. The procedure requires a two thirds majority of both Houses of Congress, which it has now received, and ratification by three-fourths (38) of the state legislatures within seven years. On September 11, 1978, New Jersey became the first state to ratify the proposed amendment.

In the ratification process, as in the campaign for passage of the proposed amendment by the Congress, the D.C. League of Women Voters will continue to work with the League of Women Voters of the U.S. and the 50 state and 1300 local Leagues, which played a key role in the House and Senate victories. Since 1924, Leagues all across the country have worked together to achieve full democrary for D.C. residents. Leagues are and will be in leadership roles in the states, and the D.C. League thanks them and pledges to do all it can to help them.

THE COALITION -- D.C. SELF DETERMINATION/
D.C. AMENDMENT RATIFICATION CAMPAIGN

In 1971 many organizations that had long supported self-determination for the District of Columbia formed a coalition to support and advance this cause by coordinating their efforts and activities. There are now more than 60 local and national organizations which are members of the Ratification Campaign Committee which will be working in the states.

Among the groups are AAUW, ACLU, AFL-CIO, AFSCME, American Federation of Teachers, American Jewish Committee, American Veterans Committee, B'nai B'rith Women, Catholic Archdiocese of Washington, Common Cause, D.C. Bar, D.C. Republican Central Committee, Delta Sigma Theta, Democratic National Committee, Episcopal Church, Friends Committee on National Legislation, Greater Washington Board of Trade, Leadership Conference on Civil Rights, League of Women Voters, NAACP, National Conference of Christians and Jews, National Women's Political Caucus, National Education Association, Newspaper Guild, the Ripon Society, UAW, U.S. Jay Cees, United Methodist Church Board of Church and Society, United Presbyterian Church, and the United Steelworkers.

SPECIAL INTERESTS ARE OPPOSING RATIFICATION

Opposition to the amendment is well-funded and well-organized. By equating the citizens of the District with big government and over-regulation they raise fears of "oppressive" influence if the District had congressional representation. Speculation by these and other interest groups that the new members of Congress would oppose their views may motivate others to be fearful of D.C. representation.

Groups actively in opposition include the American Conservative Union, the Conservative Caucus, Young Americans for Freedom, the American Legislative Exchange Council, Americans for the Right to Keep and Bear Arms, Heritage Foundation and the Liberty Foundation.

A prompt mailing following Senate passage of the measure produced a spate of columns and editorials deriding the effort to create a second state of Washington and similar misconceptions. At the annual meeting of the American Legislative Exchange Council in Washington, a unanimous resolution including the statement "Whereas, the proposed amendment would award full statehood rights to the District of Columbia..." in clear and obvious contradiction to the text of the amendment.

Opponents admit the justice of full representation for D.C. citizens but argue that the amendment is not the way to provide it. Congress, however, considered and rejected the alternatives they suggest. The amendment is, at present, an acceptable, viable way to correct this injustice.

Their arguments are not germane to the principle of representation. There is no argument anywhere that can justify D.C.'s present colonial status. It violates the basic principles of democracy for some people to be more equal than others.

WILL RATIFICATION OF THE D.C. AMENDMENT BE DECIDED ON THE BASIS OF SELF-INTEREST OR AS A MATTER OF SIMPLE JUSTICE?

* * * * * * * * * * * *

NEA - ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

JUNEAU OFFICE
147 SOUTH FRANKLIN #207
JUNEAU, ALASKA 99801
PHONE: (907) 586-3090

ANCHORAGE REGIONAL OFFICE
1411 WEST 33rd
ANCHORAGE, ALASKA 99503
PHONE: (907) 274-0536

FAIRBANKS REGIONAL OFFICE
825 COLLEGE ROAD
FAIRBANKS, ALASKA 99701
PHONE: (907) 456-4435

Robert C. Manners
Executive Secretary
Juneau Office

Robert C. Cooksey
Deputy Executive Secretary
Juneau Office

James D. Alter
Field Staff
Juneau Office

Charles L. O'Connell
Deputy Executive Secretary
Anchorage Office

Dianne Anderson
Field Staff
Anchorage Office

Steve Pulkkinen
Field Staff
Anchorage Office

Mary Ann Elninger
Deputy Executive Secretary
Fairbanks Office

February 18, 1982

TO: Chairman Fischer
Senate State Affairs Committee

FROM: NEA-Alaska, Inc.

RE: SENATE JOINT RESOLUTION NO. 13

NEA-Alaska supports and strongly encourages passage of SJR No. 13.

The Constitutional establishment of full voting rights for the residents of the District of Columbia with appropriate and meaningful Congressional representation is a fundamental principle of justice which must be done now.

Hopefully the apparent inadvertent disenfranchisment of nearly three-quarters of a million of our citizens will be immediately corrected by ratification by the States.

The provision that Congress have exclusive jurisdiction over its surroundings is clearly compatible with full voting representation for the residents therein. Full voting representation does not intrude into Congressional authority nor in any way compromise the basic principles and rights of Statehood.

Residents of the District of Columbia enjoy no exemption from the obligation of taxation and have been equally distinctive with all citizens throughout the Nation in every war since the War for Independence.

Retrocession is not a viable option if we are to maintain the basic concepts and principles of one person, one vote. Politically, such a situation would seem to be intolerable as well.

Thank you for your consideration of our concern.

Respectfully submitted:

RC Manners

Robert Manners
Executive Secretary

League of Women Voters of Alaska

February 11, 1982

SJR 13

Mr. Chairman and members of the committee, I am Paula Ziegler, president of the League of Women Voters of Alaska. I would like to speak in favor of SJR 13, by which Alaska would ratify the amendment to the United States Constitution defining Congressional representation and voting rights for the residents of the District of Columbia. Support for allowing those who live in the nation's capital to have their own representation has been on the League's agenda for 60 years. The process has at last reached the stage where approval by 38 state legislatures is all that is needed. To date, ten states have ratified; the League would like Alaska's name added to the list.

The argument in favor of ratification is clear and simply stated: there are 635,000 American citizens, residing in the continental United States, who have no voting voice in Congress, just because they happen to live in something of a "no-man's land" as far as traditional thinking is concerned--not in a city, not in a state, but in the District of Columbia. Over the last 200 years, through Constitutional amendment or other means, we have gradually accomodated those other Americans who originally had no representation, among them women, blacks, native Americans ~~Indians~~ and those who didn't own property. It is high time we accomodated the last group: residents of the District of Columbia.

This idea does take some getting used to because it presents a departure from the current representational scheme. Constitutional experts who appeared before Congress when the amendment was passed there did not feel that this departure was in any way prohibited by the Constitution. The Framers in 1789 had no way to foresee that hundreds of

thousands of people would be disenfranchised as a result of living in the then newly-created federal district. Most of those Framers had just risked their lives to overthrow a system of taxation without representation. Presumably, they would not knowingly have turned around and imposed such a system on anyone else. The ratification process we are involved in now reflects the fact that these men realized change in the Constitution would be neededfrom timeto time. The League believes that voting representation for the District of Columbia is one of these needed changes.

The arguments opposing the notion of voting representation are based somewhat on constitutional interpretation but largely, unfortunately, they are based on fear. Fear of something different and fear that a District Senator and/or Representative would vote "on the other side." From Alaska's standpoint, at the present time when we are not exactly aligned with east coast interests, this might be true. However, that completely misses the point. ~~and seems just a bit narrow.~~ The issue is one of fairness. Giving District residents voting representation is fair; how those representatives might or might not vote on any ~~case~~ given matter is irrelevant.

The constitutional opposition arguments center around the fact that the District of Columbia is not a state and therefore is not entitled to representation. But it is treated in all other respects as if it were a state. Residents pay federal taxes; they are subject to the draft; residents fought in those wars just mentioned their commerce across state lines is regulated by the ICC. All except federal laws which apply to states contain this clause: "For the purpose of this legislation, the term 'state' shall include the District of Columbia."

This amendment would not make the District into a state. It would only

grant three state rights: voting representation in both houses of Congress, power to ratify or not constitutional amendments, and electoral college representation (which exists now in a limited form). Its current status as a unique federal district would not change. Congress would still have authority over District activities. The only difference is that the District would have its proportional' share of authority over Congressional activities.

Statehood, however, is [redacted] on District residents' minds. A constitutional convention is meeting there now, working on another approach to achieve parity with the rest of us. The League's position on the statehood movement is that it and the ratification effort are two means toward the same end, but the League prefers the amendment. It is simpler, more clearly defined, makes fewer basic changes in the District of Columbia's status, and it is here and now. The statehood process, as Alaskans know, can take half a century or more. It can also be stopped cold by Congress. If ratification had progressed through the states more quickly, the statehood drive might not have developed at all. The fact that it has only emphasizes how much District residents desire representation and how desperate they are to get it. Because they have embarked on this other course does not mean the ratification effort should cease.

A last consideration regarding states is the argument that the District of Columbia should become part of another state, notably Maryland, and share their Congressional representation. This idea has no support in the District of Columbia, and Congress dismissed it. It defeats the purpose of the Framers in creating an enclave separate from any state andis tantamount to suggesting that Alaska should have become part of Washington state in order to have a voice. Maryland, by the way, has ratified the amendment, which gives you an idea of how they feel about the idea.

In summary, there is one final point to make. For Alaskans, it has not been all that long since we shared this second-class status with the District of Columbia. More than any other group of Americans, Alaskans should sympathize and be willing to help. Alaskans rankled for years, and still do, about federal control of our affairs. Consider this: representatives of every jurisdiction in the United States except the District of Columbia vote on the annual budget for the District of Columbia. Alaska ranks first in per capita payment of federal taxes; second on the list is the District of Columbia. Almost every argument used to oppose statehood for Alaska is being used to oppose representation for the District of Columbia. Alaska, after 50 years or so of trying, now has three votes in Congress. The District of Columbia still has none, in spite of the fact there are half again as many people living there than here. Alaska, by ratifying this amendment, can help to correct ~~such~~ this inequity. The League of Women Voters of Alaska urges that we do so.

Thank you.

Paula Ziegler
President
586-2660 ext. 909

SJR

17

CITY OF
UNALAKLEET

INCORPORATED ON OCTOBER 22, 1974
UNALAKLEET, ALASKA 99684

BOX 28
UNALAKLEET, ALASKA
99684
(907) 624-3531

February 9, 1981

Mr. Stewart Bigler,
Regional Director
National Weather Service
701 "C" Street
P.O. Box 23
Anchorage, Alaska 99513

Dear Mr. Bigler:

At the regular Council Meeting, February 3, 1981, a discussion was held on the National Weather Bureau Operation here in Unalakleet. The Council heard once again that our Weather Bureau Station is supposed to go remote and would like to strongly urge our Weather Service be kept manned.

Many reasons were given to our Representative and Senator to keep our Weather Service manned and the most important one was the safety factor. There have been a number of times when our present system had given the wrong weather forecast and it just so happened that a tragic accident has never occured.

The City Council would like to see our National Weather Station manned and with at least two personnel to carry out a good portion of the airline schedules from 8:00 a.m. to 8:00 p.m.

Thank you for looking into this matter which is of great importance to safety for our community as well as those who travel within our region.

Sincerely,

Herbert Ivanoff
Administrator

HI:di

cc: Senator Ted Stevens
Senator Frank Murkowski
Representative Don Young
Nome Office Weather Service
Joe Pleasant - Unalakleet
Senator Frank Ferguson
Representative Jack Fuller

Alaska State Legislature

Senate

Committee on State Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

SJR 17

MANNED adj: carrying or performed by a man ("manned" space flight)

From Webster's New Collegiate Dictionary 1980 edition

Introduced: 2/23/81
Referred: State Affairs

IN THE SENATE BY FERGUSON

SENATE JOINT RESOLUTION NO. 17

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

Relating to the operation of a ~~manned~~ weather station by the National Weather Service at Unalakleet.

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

WHEREAS the comfort and safety of all Alaskans are increased by the availability of accurate and timely reports and forecasts of weather conditions; and

WHEREAS the climate and topography of this state are such that weather conditions often change dramatically in a short period of time; and

WHEREAS Alaskans rely heavily on air transportation and particularly small aircraft in the more remote areas of the state; and

WHEREAS air travel is particularly susceptible to the impact of changing weather conditions; and

WHEREAS the city of Unalakleet is situated in an area subject to widely varying weather conditions and where the absence of an extensive road network results in an increased reliance on travel by air; and

WHEREAS Unalakleet has been notified by the National Weather Service that it intends to terminate its operation ~~of a manned~~ station at Unalakleet; and

WHEREAS the operation of an ~~unmanned~~ weather station at Unalakleet will have a deleterious effect on the availability of accurate and timely weather reports and forecasts for the area;

BE IT RESOLVED that the Alaska State Legislature requests the National Weather Service to continue its operation of a ~~manned~~ weather station at

Unalakleet with sufficient personnel to staff the station at least between the hours of 8:00 a.m. and 8:00 p.m. each day.

COPIES of this resolution shall be sent to Mr. Richard Hallgren, Director of the National Weather Service; Mr. Stewart Bigler, Regional Director of the National Weather Service; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

SJR

18

~~PRES. KENTUCKY~~ file Grant

N — OK to PASS

Introduced: 2/26/81
Referred: State Affairs

IN THE SENATE BY HOHMAN BY REQUEST

SENATE JOINT RESOLUTION NO. 18

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

Requesting the President to direct the creation of a utility corridor for the extension of the Alaska Railroad to the Canadian border.

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

WHEREAS it is essential that transportation links be developed if Alaska, and especially interior Alaska, is ever to attain its full potential; and

WHEREAS, traditionally, railroad systems have been in the forefront of the development of new territories, no matter where they have existed in the world; and

PRE 1800 — NO RR'S

WHEREAS the Yukon Territory and British Columbia are in the same position as Alaska in that transportation systems are needed to aid further development; and

WHEREAS it would seem logical and proper that the Alaska Railroad should connect with the Canadian railway system at some strategically located point; and

WHEREAS such a transportation linkup would be of vast benefit to Alaska, the United States, and Canada; and

WHEREAS members of Canadian governments have expressed a keen desire for serious talks concerning an international rail connection; and

WHEREAS President Reagan spoke many times during his campaign of using the vast storehouse of vital energy resources in Alaska; and

WHEREAS the Alaska Railroad has in its enabling Act, The Alaska Railroad Act (43 U.S.C. 975 - 975(g)) authority to extend its track up to 1,000

miles in length; and

WHEREAS sec. 501(a) of P.L. 94 - 579 of October 21, 1976, authorizes the establishment of rights-of-way by the Secretary of the Interior over public domain land; and

WHEREAS the President, under authority granted to him by the Alaska Railroad Act of 1914, could, by a mere stroke of his pen, eliminate a vast amount of red tape, delay, and excessive cost to government;

BE IT RESOLVED that the Alaska State Legislature respectfully requests the President of the United States to direct the Secretary of the Interior to declare the route described in Alaska Department of Transportation and Public Facilities Project X20089 from Eielson Air Force Base to the Canadian border a railroad utility corridor.

COPIES of this resolution shall be sent to the Honorable Ronald Reagan, President of the United States; the Honorable James G. Watts, Secretary of the Interior; the Honorable Drew Lewis, Secretary of Transportation; the Honorable Robert Burford, Director-Designate of the Bureau of Land Management; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

called through Elsa 3/6/81

Introduced: 2/26/81
Referred: State Affairs

IN THE SENATE BY HOHMAN BY REQUEST

SENATE JOINT RESOLUTION NO. 18

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

Requesting the President to direct the creation of a utility corridor for the extension of the Alaska Railroad to the Canadian border.

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WHEREAS the Yukon Territory and British Columbia are in the same position as Alaska in that transportation systems are needed to aid further development; and

WHEREAS it would seem logical and proper that the Alaska Railroad should connect with the Canadian railway system at some strategically located point; and

WHEREAS such a transportation linkup would be of vast benefit to Alaska, the United States, and Canada; and

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WHEREAS President Reagan spoke many times during his campaign of using the vast storehouse of vital energy resources in Alaska; and

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April 13. —

Introduced: 2/26/81
Referred: State Affairs

Nancy Grasich

IN THE SENATE BY HOHMAN BY REQUEST

SENATE JOINT RESOLUTION NO. 18

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

Requesting the President to direct the creation of a utility corridor for the extension of the Alaska Railroad to the Canadian border.

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

WHEREAS it is essential that ~~transportation~~ an international link~~s~~ be developed if Alaska, ~~and especially Interior Alaska~~, is ~~ever~~ to attain its full potential; and

WHEREAS, traditionally, railroad systems have been in the forefront of the development of new territories, ~~no matter where they have existed in the world~~; and

WHEREAS the Yukon Territory and British Columbia are in the same position as Alaska in that transportation systems are needed to aid further development; and

WHEREAS it would seem logical and proper that the Alaska Railroad should connect with the Canadian railway system at some strategically located point; and

WHEREAS such a transportation linkup would be of ~~vast~~ mutual benefit to Alaska, the United States, and Canada; and

WHEREAS members of Canadian governments have expressed a ~~keen desire~~ willness for ~~serious~~ talks concerning an international rail connection; and

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miles in length; and

WHEREAS sec. 501(a) of P.L. 94 - 579 of October 21, 1976, authorizes the establishment of rights-of-way by the Secretary of the Interior over public domain land; and

WHEREAS the President, under authority granted to him by the Alaska Railroad Act of 1914, could, by a mere stroke of his pen, eliminate a vast amount of red tape, delay, and excessive cost to government;

BE IT RESOLVED that the Alaska State Legislature respectfully requests the President of the United States to direct the ~~Secretary of the Interior to declare the route~~ creation of a utility corridor described in Alaska Department of Transportation and Public Facilities Project X20089 from Eielson Air Force Base to the Canadian border a railroad utility corridor.

COPIES of this resolution shall be sent to the Honorable Ronald Reagan, President of the United States; the Honorable James G. Watts, Secretary of the Interior; the Honorable Drew Lewis, Secretary of Transportation; the Honorable Robert Burford, Director-Designate of the Bureau of Land Management; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

SJR

19

Alaska State Legislature

Senate

Committee on State Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 12, 1981 — Behrends Bldg.

1:30 p.m. — First Floor

MEMBERS PRESENT: SENATOR FISCHER, CHAIR
SENATOR BRADLEY
SENATOR ELIASON

AGENDA: SENATE JOINT RESOLUTION 15 "Relating to equal federal income taxation of married persons."

SENATE JOINT RESOLUTION 17 "Relating to the operation of a manned weather station by the National Weather Service at Unalakleet."

SENATE JOINT RESOLUTION 18 "Requesting the President to direct the creation of a utility corridor for the extension of the Alaska Railroad to the Canadian border."

CONFIRMATION OF APPOINTMENTS Consideration of the Governor's appointments to various boards and commissions.

Chairman Fischer called the meeting to order at 1:40 with members Senator Bradley and Senator Eliason in attendance.

Senate Joint Resolution 15

Susan Clark testified in favor of the measure, stating that it addresses the issue which was third priority at the White House Conference on Families. She outlined all of the recommendations which emerged from that White House Conference, including equitable economic treatment of homemakers, personnel policies, and Social Security biases.

The Chair recommended that Susan Clark follow up with the State Affairs Committee staff on those recommendations which are "generally accepted".

Senator Charlie Parr, prime sponsor of SJR 15, provided testimony on the measure, touching briefly on the "marriage penalty" and the changes made in the Alaska Statutes to reduce this penalty on the state level. Senator Parr gave the historical background which led

to Congress passing a measure which caused married persons to fare less well than single persons with regard to the graduated income tax. Currently, married persons filing separately pay more than if filing jointly, which, in turn, is more than they would pay if they were not married.

Senator Bradley recommended that, there being no further testimony, the measure be passed out with the majority of the committee recommending that it do pass. There being no objection, it was so ordered.

Senate Joint Resolution 17

Senator Ferguson, prime sponsor of this measure advocating continuing operation of a staffed weather station at Unalakleet, spoke briefly with the Chair, but was unable to stay to provide formal testimony. He provided the committee with a letter addressing the issue from Administrator Herbert Ivanoff of the City of Unalakleet. The letter advocated continued staffing of the station, which the National Weather Bureau planned to have go "remote". (The letter was directed to the National Weather Service.)

The committee members discussed proposed language changes designed to "de-sex" the resolution (e.g. changing "manned" to "staffed").

Susan Clark, representing the American Association of University Women, applauded the committee's sensitivity and willingness to change the wording of the law to apply to both men and women. She further suggested that direction should be provided to persons writing statutes, legislative direction, as the need for continuity currently requires use of "he" or "it".

There was a brief digression on the subject of language changes being made and considered in religious texts, from hymnals to books of prayer, and treatises.

Senator Bradley advocated the need to originate neuter pronouns for use in legal language and legal texts.

The Chair drew the committee members' attention to the bill currently before the Senate Judiciary Committee which would require all new bills to reflect genderless language.

The committee members amended SJR 17 to reflect genderless language, and Senator Bradley moved that the measure be passed out, as amended, with individual recommendations. It was so ordered.

Senate Joint Resolution 18

Leslie "Red" Swanson, special voluntary consultant to Senator Hohman,

prime sponsor of the resolution, provided testimony in support of the measure. Senator Hohman asked Mr. Swanson to speak in behalf of the measure, which "Red" had helped to draft, and which had been introduced at his request.

Mr. Swanson provided a "thumbnail sketch" of the development and history of the railroad in Alaska and of his own involvement in that development since 1968. He outlined the development of various plans and projects, and emphasized those involving U. S. and Canadian joint efforts.

Much of the groundwork has already been laid for development of a railroad to the Canadian border; the resolution requests the President of the United States to exercise his authority (and to expedite things) by declaring up to 1000 miles of railroad corridors in Alaska.

The Chair inquired why the resolve requests the President to direct the Secretary of the Interior to act, rather than requesting the Secretary of the Interior directly to act. Mr. Swanson responded that the authority was delegated to the President, that the President has the sole authority.

Mr. Swanson discussed various potential language changes with members of the committee. The measure was held over for further consideration.

Confirmation of appointments

Committee members were presented with resumes for persons appointed by the Governor to various boards and commissions. There were a number of communications received objecting to the appointment of Don Dennis to the Athletic Commission.

Chairman Fischer requested that the committee members examine the information available, and (as Senator Bradley has just left, and there was no longer a quorum for conducting business) take it up again at another occasion.

The meeting was adjourned at 2:20.

WITNESSES FOR
SENATE STATE AFFAIRS COMMITTEE

DATE: 3-12-81

Name	Address/Phone	Representing
Susan R Clark	6-6952 Juneau	AAUW
Leslie "Red" Swanson	c/o Sen. Lohman's office	Sen. Lohman - volunteer

UNITED FISHERMEN OF ALASKA

MAILING ADDRESS & OFFICE
197 SOUTH FRANKLIN ST.
JUNEAU, ALASKA 99801
907 586-2820

Rodger Painter
Executive Director

RESOLUTION 81-12
March 12, 1981

WHEREAS Alaska is blessed with abundant renewable resources, including hydroelectric potential and fisheries; and

WHEREAS Alaska is embarking on a comprehensive program to develop hydroelectric sites for the benefit of all Alaskans; and

WHEREAS Alaska has the technology and funds to develop hydroelectric power without harming the valuable fisheries resources; and

WHEREAS imprudent development of Alaska's hydroelectric potential could seriously damage Alaska's fishing industry and the lifestyle of Alaska's citizens,

THEREFORE BE IT RESOLVED that:

1) United Fishermen of Alaska supports a public policy that allows for development of hydroelectric potential on river systems that do not support major anadromous fish runs if such options are at all feasible and,
2) United Fishermen of Alaska urges the Governor and Legislature to proceed with the utmost caution on projects that involve river systems with significant anadromous fish runs to assure that fisheries values are not adversely affected, and that the mistakes made on the Columbia River are not repeated in Alaska.

UNITED FISHERMEN OF ALASKA

MAILING ADDRESS & OFFICE
197 SOUTH FRANKLIN ST
JUNEAU, ALASKA 99801
907 586-2820

Rodger Painter
Executive Director

RESOLUTION 81-25
March 11, 1981

WHEREAS the Stikine River is one of the largest salmon producers in Southeast Alaska with a current run of approximately 400,000 fish and also supports groundfish, shrimp, crab and eulachon; and

WHEREAS the British Columbia Power and Hydro Authority is studying a hydroelectric power complex of 5 dams on the Stikine and Iskut Rivers which would be among the world's largest hydro projects; and

WHEREAS the changes in temperature flow, sediment and nitrogen levels of the river estuary caused by this project could have severe impact on the Stikine River fisheries; and

WHEREAS studies of the project by B.C. Hydro are nearing completion and applications to the Canadian government for licensing could be made in 1982; and

Included in SJR 19

WHEREAS the Stikine is covered under international treaties (Boundary Waters Treaty of 1909 and the Navigable Waterways Treaty of 1871) which apply to actions taken on the waterway by one country that could affect the interest of the other; and

WHEREAS information on possible effects of the dam on U.S. fisheries is needed in order for Alaska and the U.S. to participate in the decision process on this project;

THEREFORE BE IT RESOLVED that the United Fishermen of Alaska:

1) opposes the construction of the Stikine-Iskut dam project unless it can be proven that the fishery will not be harmed;
2) requests the state and federal governments to fund and carry out studies by U.S. agencies of potential impacts of this project on the Stikine fisheries; and
3) urges the state and federal governments to research immediately any possible means of U.S. involvement - including the intervention of the International Joint Commission (empowered under the Boundary Waters Treaty) in the Canadian decision processes on the dams and to pursue such options before committments are made to build the project.

SENATE AMENDMENT

BY Senator Eliason

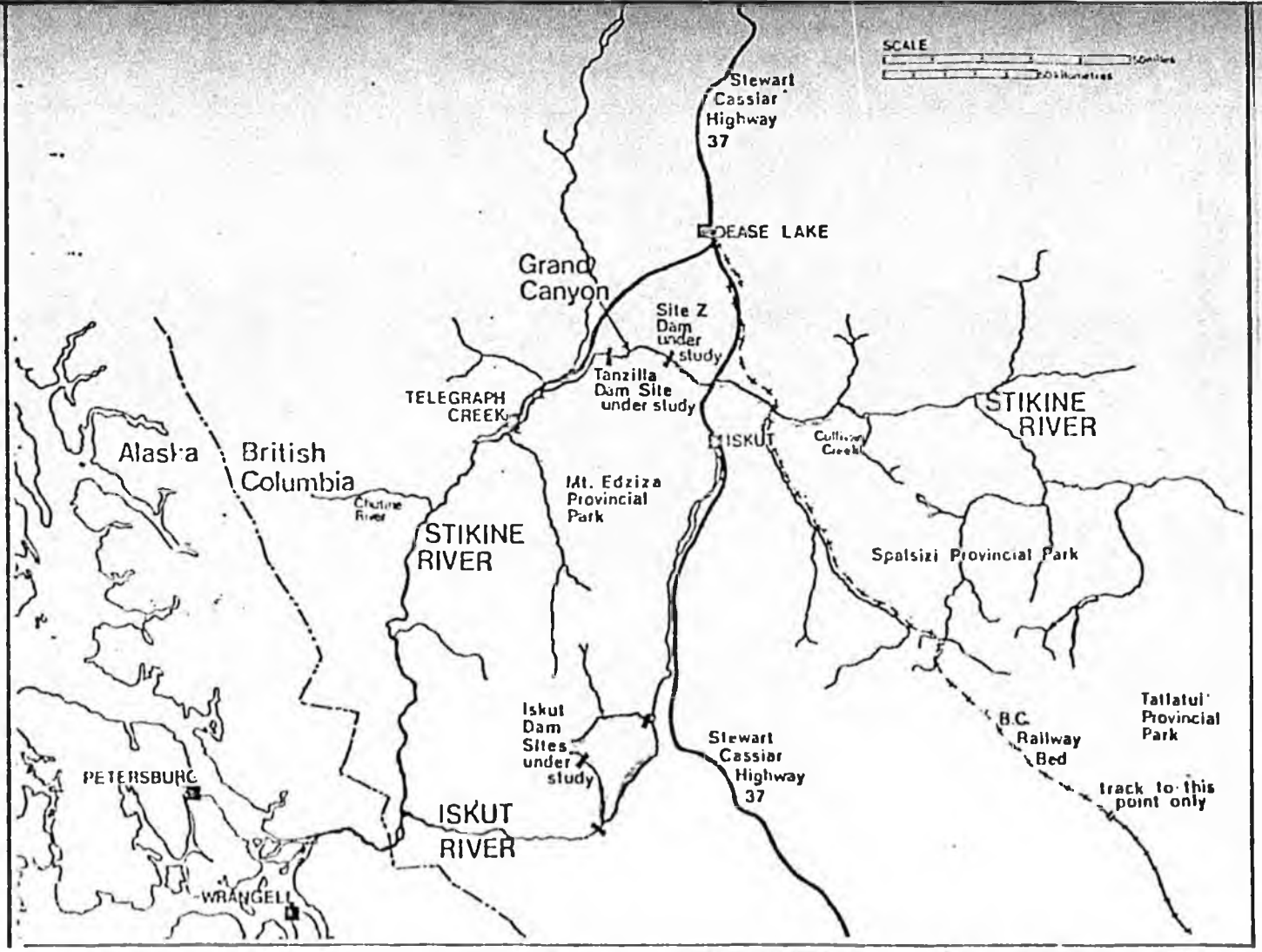
To: Senate State Affairs Comm. SENATE BILL No. SJR 19

To: _____ HOUSE BILL No. _____

PAGE:	LINE:	
1	8	Change "government of British Columbia" to "British Columbia Hydro and Power Authority"

As the proposed project affects the Stikine and its tributary, Iskut River, and is actually a series of five dams, the references to the "dam" should be corrected to plural form. Therefore the following amendments are needed:

1	9	After "river" add "and its tributary, the Iskut River, and"
1	11	Change "dam" to "dams"
1	15	Between "dam" and "of" add word "project"
1	19	Change "Dam" to "Dams"
1	22	Change "Dam" to "Dams"
1	28	Change "Dam" to "Dams"







Scale
50 miles
50 kilometres



Province of
British Columbia

LEGISLATIVE ASSEMBLY

AL PASSARELL, M.L.A. (ATLIN) ROOM 134, PARLIAMENT BUILDINGS, VICTORIA, B.C. V8V 1X4 387-5207

April 9, 1981

Senator Vic Fischer
Alaska State Legislature
Senate Committee on State Affairs
Juneau, Alaska
99811, U.S.A.

Dear Senator Fischer:

Thank you for your letter dated March 25, 1981 regarding Senate Joint Resolution 19, concerning the proposed Stikine/Iskut dam in Canada.

I am extremely pleased that the Alaska State Legislature has taken this important issue to task, since we do share a common border and any hydro dam on the Stikine will have an adverse effect on the important fishing business in the Panhandle. I offer my sincere congratulations to your senate committee for dealing with this measure, and hopefully in the future we will have closer ties in developing a common front on this proposed hydro-dam on the Stikine river in Canada.

Once again, thank you.

Yours sincerely,

Al Passarell

Al Passarell, M.L.A.
ATLIN

STIKINE-ISKUT DAM PROPOSALS

FACT SHEET

LOCATION:

The Stikine watershed is mainly in northern British Columbia with the last 40 miles of the river in SE Alaska. From the headwaters in the Spatsizi Plateau, down the 50 mile-long "Grand Canyon" of the Stikine, past the town of Telegraph Creek and through the Coast Mountain Range, the 400 mile long Stikine flows to tidewater near Wrangell.

RESOURCES:

A large trans-border river, the Stikine is central to the histories of the Tahltan Indians, various B.C. settlements and the towns of Wrangell and Petersburg. The watershed is largely wilderness. Major salmon runs, wildlife populations and outstanding scenery support commercial fishing, guiding and recreation industries in both countries. The Stikine flats are the largest in SE Alaska and a major waterfowl feeding and resting area.

DAM PLANS:

The British Columbia Power and Hydro Authority (B.C. Hydro) is studying a Stikine-Iskut hydroelectric project which would consist of:

- 2 dams in the Grand Canyon of the Stikine (one 800+ feet tall)
- 3 dams on the Iskut River (the largest tributary of the Stikine, joining the river near the U.S./B.C. border)
- access roads, and transmission lines to transport the power to Vancouver and other points south.

Estimated cost for the project is $7.6 billion. Generating capacity would be 2800 megawatts. The cost, size, and power production capacities would place this among the largest hydro projects in the world.

CONFLICTS:

In Canada the project would

- flood most of the Grand Canyon
- bring adverse social impacts in the small, largely native communities in the area - Telegraph Creek, Iskut and Dease Lake
- irreversibly commit the area to energy development before land claims of the Tahltan people have been settled
- disrupt local economies which are dependent on the project area for guiding, trapping, hunting, fishing, boating
- impact wildlife, including the large goat population in the Grand Canyon, moose, and caribou which migrate across the proposed impoundment area
- possibly affect salmon spawning, rearing and migration

Possible impacts to the Stikine delta in Alaska include

- changes in water temperature, stream flow, sediment and nitrogen levels
- detrimental effect on commercial and sport fish industry
- loss of riparian habitat
- changes in waterfowl and wildlife habitat
- effect on hunting and other recreation

STATUS AND SCHEDULE:

B.C. Hydro started environmental and engineering studies in 1977, and plans to complete them by the end of 1981 at a cost of approximately 30 million dollars. The Corporation will decide at that time whether to seek B.C. government approval for the project. Several provincial and federal licenses and hearings - and American involvement - would be required. Current engineering work includes major tunnelling in the Grand Canyon and application for several access roads.

U.S. ACTIONS:

The U.S. is guaranteed some say in the project under international law; the terms of involvement have to be worked out by the state and federal governments. The towns of Petersburg and Wrangell have requested additional studies by Alaska and U.S. agencies on possible effects of the dams.

ALTERNATIVES:

International cooperative management proposals to protect the whole free-flowing river have been discussed for many years. The U.S. portion was designated Wilderness under the Alaska lands bill last year. The Stikine is among the top 10 B.C. rivers nominated for protection in a heritage river system being worked on in the province. B.C. power needs can be met through existing supplies, conservation and alternative sources. There is intense local opposition to the dam project in B.C.

FOR MORE INFORMATION:

- in B.C.: Residents for a Free-Flowing Stikine
  Telegraph Creek, B.C. Canada V0J 2W0

  Friends of the Stikine, 4669 Drummond Drive
  Vancouver, B.B. Canada V6R 1E8

- in SE: Stikine Action Committees
  Box 1073, Petersburg, AK 99833 772-3976
  Box 1612, Wrangell, AK 99929 874-3168
  Box 1422, Juneau, AK 99802

City of Petersburg
P. O. Box 929
Petersburg, Alaska 99833

November 5, 1980

Residents for a Free Flowing Stikine
Telegraph Creek, B.C.
Canada
V0J2W0

Atten: Jim Bourquin

Dear Mr. Bourquin:

The community of Petersburg, situated on Mitkof Island in Southeast Alaska, is closely associated with the international Stikine River system. As a natural marine transportation route into the interior of Northern British Columbia, the Stikine River has a rich heritage of both access and as a major fisheries resource of traditional and present day economic conern. Presently the Stikine River and its major tributary, the Iskut River, are in the planning stage for massive hydroelectric power development.

During October 1980, at the request of the National Marine Fisheries Service, the British Columbia Hydropower and Authority (BC Hydro) outlined the Stikine/Iskut project proposal for representatives from a wide range of Alaska and U.S. resource agencies.

The City of Petersburg would like to add its voice of concern to the residents of isolated Telegraph Creek and Iskut B.C. who feel that further study beyond work conducted by BC Hydro be initiated.

State and Federal U.S. interests in the Stikine's resources must be maintained. American resource studies are needed. The critical decisions must be made on a wider than provincial basis. These decisions require an international written agreement. The written agreement would guarantee a cooperative joint study process. The City of Petersburg requests that these steps be taken.

The City of Petersburg would appreciate your keeping us informed of your progress in this matter.

Sincerely,

Richard Kito, Mayor
City of Petersburg, Alaska

Don Thorsteinson, President
Petersburg Chamber of Commerce

British Columbia legislator says

Stikine hydro project could hurt Alaska fishing

By KARIN DAVIES
Associated Press Writer

JUNEAU (AP) — Alaska's fishery could be severely damaged by proposed hydroelectric projects on the Stikine River, a British Columbia lawmaker told state officials Tuesday.

Al Passarell, who represents the Atlin district in the British Columbia legislature, said the series of five dams that BC Hydro proposes to build on the Stikine and Iskut rivers would alter water flows and could hurt Alaska's waterfowl, shellfish and salmon stocks.

Passarell met with a host of top state officials, fishermen and the mayor of Wrangell to discuss the proposed dams.

State Commissioner of Fish and Game Ronald Skoog said damage to Alaska's fish and wildlife and to the river's navigability are the state's primary concern over the dams.

While information on the impact of the hydroelectric projects is scarce, state fisheries researcher Paul Kissner said if the dams reduce spring flood levels there could be a "severe" impact on Southeast coho salmon stocks.

Kissner estimated the Stikine River system contributes 300,000 fish to Southeast waters each year, including more than 100,000 cohos and 20,000 king salmon.

The Stikine is an international river. Its headwaters are in northwest British Columbia, and it flows into Southeast Alaska, emptying into a strait between Wrangell and Petersburg.

Passarell also warned state officials of a molybdenum mine planned by Amax Canada Ltd. at Kitsault, British Columbia, which he said would dump some 100 million tons of mostly toxic tailings into Alice Arm. Kissner said he was unsure what effect the tailings would have on Alaska's streams.

Passarell was in Juneau to rally support among Alaska officials to help extract information from BC Hydro. Passarell said Canadian officials have had difficulty getting information on the dams.

He also said Canada's media incorrectly reported that Gov. Jay Hammond voiced support for the hydro projects following meetings last week with British Columbia leaders.

Hammond Press Secretary Chuck Kleeschulte said Hammond has no information on which to make a decision on the project until feasibility studies are completed in 1982. He said Hammond stated last week that some of his fears about the impact of the dams on steam flows were allied by discussions with Canadian officials.

Passarell, whose district includes the proposed Stikine River hydroelectric sites, has been battling the project since 1978 when he was elected. However, he said he was not in Juneau to urge officials to oppose the projectm but to seek help in getting information on the projects from BC Hydro, a public-owned corporation.

Ernst Mueller, commissioner of the state Department of Environmental Conservation, said BC Hydro has provided little information to the state. Natural Resources Commissioner Robert LeResche said "it will be our responsibility" to look at the dam project because the mouth of the Stikine is in Alaska.

Two U.S.-Canada treaties signed in the 1800s regarding access and navigability of the river could block construction of the dams, Passarell said. There are plans to use those treaties in a suit against BC Hydro when it files for permits next year, he said.

In addition to general environmental damage, Passarell said the hydro projects could damage the river guiding industry, lessen the scenic value of the river and threaten the mountain goat population.

Passarell also objects to the dam project because he said BC Hydro now operates at a deficit, and the $7.6 billion Stikine project will add to it. He also complained that some of the power generated by the proposed dams would be sold to the U.S., and not benefit his constituents.

BC Hydro is studying the environmental impact and cost of building two dams on the Stikine — 140 and 160 miles upriver from the U.S.-Canada border — and three dams on the Iskut River, a tributary about 50 miles from the border.

Ketchikan Daily News, Wednesday Feb. 4, 1981

JUNEAU EMPIRE, WEDNESDAY, FEBRUARY 4, 1981

Stikine dam plans spark warning call

By CRAIG MEDRED
Empire Assistant Editor

Only days after Alaska Gov. Jay Hammond emerged from meetings with British Columbia Premier William Bennett to proclaim many of his fears about a Stikine River dam had been allayed, a leader of the province's opposition party was in Juneau warning state officials to keep a close eye on the project.

B.C. Hydro, Canada's publicly owned dam building corporation, appears to be giving short shrift to environmental problems the dam could create, including possible decimation of Alaska salmon fisheries downstream, said Al Passarell, a member of British Columbia's New Democratic Party (N.D.P.) Caucus.

"It's very difficult to get information," he added, telling state officials they may have more luck than his party in discovering what B.C. Hydro has planned for the river which starts in northwest British Columbia and runs to the sea near Wrangell.

Canada lacks a freedom of information law, which makes it nearly impossible to get studies or reports B.C. Hydro does not want made public, said the legislator who represents the Atlin area in British Columbia's parliament.

He pleaded with state officials to pressure B.C. Hydro to release environmental information, and said he would welcome any fisheries and streamflow data available from the state.

Passarell is opposed to the dam because of its multi-billion dollar cost, the planned export of all power to the Vancouver area, the government's refusal to deal with Native land claims and the possible environmental havoc the dam could wreak.

"It's nice to know both sides are trying to use us," a member of Hammond's staff said after meeting with Passarell.

Following discussions with Bennett in Whitehorse, Yukon, last week, Hammond said it appears possibile to develop a Stikine River hydroelectric dam without decimating Canadian and Alaskan salmon fisheries.

Some people interpreted that as a Hammond endorsement of the project — something his staff was quick to deny Tuesday.

"He's never endorsed ... this project," said Commissioner of Resources Bob LeResche, who on Monday met with Passarell along with Commissioner of Fish and Game Ron Skoog, Commissioner of Environmental Conservation Ernest Mueller, Wrangell Mayor Don House, representatives of fishermen's groups and a number of state fisheries biologists.

"The governor did not endorse the project by any means," Hammond Press Secretary Chuck Kleeschulte said.

The governor's staff was at work late Tuesday drafting a statement denying Hammond ever backed the planned, $7.6-billion, 14-billion kilowatt dam envisioned by B.C. Hydro. If built, it would be the largest dam in British Columbia, and Passarell expected a number of other Stikine River dams to follow. B.C. Hydro is now studying a total of five dams, two on the Stikine about 140 to 160 miles upstream from the border and three on the Iskut River, a major Stikine tributary, about 50 miles from the U.S.-Canada line. Feasibility studies are expected in 1982.

Passarell warned state officials not to be fooled into thinking they have time because of the planned 1982 release of feasibility studies.

"B.C. Hydro can go at any time for their permits," he said. "...They've never been denied." Some work already appears to be underway, he added.

A treaty between the U.S. and Canada, though, could cause problems for dam builders if Alaska, the U.S. government or British Columbia Indians decided to contest the construction. An 1871 treaty guarantees a navigable Stikine, something which could change if a dam alters stream flows.

Concerns have been raised by Alaska fishermen and residents of Wrangell about damage the dam could do to rich

Continued on Page 2

Stikine...

Continued from Page 1

downstream salmon runs. Historically, dams have largely destroyed salmon runs on rivers where they were built.

Even changes in stream flows from a dam far above the salmon's spawning beds could do significant damage, state fisheries officials say.

Considerable habitat would be lost as dam controlled flows changed the Stikine from a wandering, braided river to a channelized one, Alaska chinook salmon biologist Paul Kissner said.

"Tapering off of the peak floods in the spring and fall" because of a dam's control could seriously damage runs of coho salmon, said Regional Commercial Fisheries Supervisor Dave Cantillon, noting the silver salmon need fall floods to get into much of the river's spawning area and spring floods for smolts to get back to sea.

Cantillon estimated the coho production of the river at 100,000-plus salmon. "That would probably be a minimal figure," he said. Chinook runs are probably in the neighborhood of 20,000 kings, but "very depressed," he said. "This stock must have been in the neighborhood of several times" larger historically. The chinook, or king salmon, and the coho, or silver salmon, are the most prized and thus most valuable of West Coast salmon.

In addition to the kings and cohos, Cantillon said Wrangell and Petersburg gillnet fisheries are in part dependent on a run of approximately 100,000 sockeye, or red salmon, to the Stikine. "Most of it (sockeye production) is from the Canadian side" of the international river, he added. There are also runs of Dolly Varden char, cutthroat trout and steelhead in the river.

Aside from salmon, changes in water flows, siltation or temperatures in the Stikine could extensively change the ecology of the river's rich delta, now home to thousands of waterfowl.

Canadian officials had at one time shown serious concern for the international treaty mandating navigability on the Stikine, but now "gloss over" any problems that might create, said John McInnis, research director for the N.D.P. Caucus in Victoria. "The tune has changed over the years."

"They (B.C. Hydro) haven't dammed an international river before outside of the Columbia River Treaty," McInnis added. "B.C. Hydro isn't used" to applying to the Canadian federal government for permits for such dams, and there is no "institutionalized system" for doing that.

Chamber, council suggest studies of B.C. Hydro plans

Both the Wrangell city council and chamber of commerce executive board last week agreed to recommend that state and federal agencies be included in studies of B.C. Hydro proposals for construction of hydroelectric dams on the Stikine and Iskut rivers.

Each stressed that it has yet to take a position pro or con on possible dam construction, but the groups did ask that officials on this side of the border study the proposals to determine their possible impact on Wrangell and on U.S. and Alaskan resources.

Separate letters from the city and chamber board were to be sent to state and federal officials.

Jim Bourquin, of Residents for a Free-Flowing Stikine, a Telegraph Creek, B.C., organization opposed to Stikine hydro development, approached the chamber board and council last week to ask that they consider such a proposal.

Speaking before the city council Tuesday, Nov. 25, Bourquin suggested the city adopt a stronger stance on the issue than that taken by the chamber board earlier in the week, but the position agreed upon by the council is similar in intent to the chamber board's request.

In its letter to the governor, the city notes, "Construction of dams on the Stikine River could affect Wrangell. Although the council has not taken a position to favor or oppose the proposed project, we are concerned that the state of Alaska and federal government remain involved in the studies to the extent necessary to protect Alaska's interests."

The letter also asks, "We would like to know what the state's position will be."

The city of Petersburg and Petersburg chamber of commerce Nov. 5 jointly adopted a somewhat stronger position on the issue, seeking studies of American resources and adding, "These decisions require an international written agreement. The written agreement would guarantee a cooperative joint study process" between Alaskan, U.S. and Canadian interests.

In addition, the Petersburg request stated, "The city of Petersburg would like to add its voice of concern to the residents of isolated Telegraph Creek and Iskut who feel further study beyond work conducted by B.C. Hydro be initiated."

B.C. Hydro has been conducting field studies regarding possible Stikine-Iskut hydro development for the past three years....

Wrangell Sentinel 12/3/80

Introduced: 3/2/81
Referred: State Affairs and Resources

IN THE SENATE BY ELIASON

SENATE JOINT RESOLUTION NO. 19

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

Relating to the proposed Stikine Dam project in Canada.

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

WHEREAS the ~~government of~~ British Columbia Hydro & Power Authority is doing preliminary studies for a proposed major hydroelectric dam project on the Stikine River & its tributary, the Iskut River; and

WHEREAS the Stikine River passes through Alaska below the point where the proposed dams would be built; and

WHEREAS many Alaskans depend on the Stikine River, directly or indirectly, for salmon and other resources, recreation, transportation, and water supplies; and

WHEREAS a dam project of the size proposed for the Stikine River has the potential for significant impact on the fish and wildlife, hydrology, biological ecosystems, and Native cultures of the area surrounding the river; and

WHEREAS decisions made by the governments of Canada and British Columbia concerning the construction of the Stikine Dams may affect citizens of the United States; and

WHEREAS the people and legislature of the State of Alaska are concerned over the possible impact of the Stikine Dams and feel that it is imperative that Alaskans be involved during the study, analysis, and planning phases of this project;

ADD → BE IT RESOLVED by the Alaska State Legislature that the President of the United States is respectfully requested to direct the Secretary of State to take steps to facilitate the exchange of information between Canadians and Americans concerning the Stikine Dams and to ensure that a method is established to provide for meaningful input by Americans on local, state,

and federal levels before and during the planning, decision making, and development phases of the Stikine River hydroelectric dam projects by Canada.

COPIES of this resolution shall be sent to the Honorable Ronald Reagan, President of the United States; the Honorable Alexander M. Haig, Jr., Secretary of State; and the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

Introduced: 3/2/81
Referred: State Affairs and Resources

IN THE SENATE BY ELIASON

SENATE JOINT RESOLUTION NO. 19

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

Relating to the proposed Stikine Dam project in Canada.

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

WHEREAS the government of British Columbia [illegible] for a proposed [illegible] hydro[illegible]

WHEREAS the St[illegible] point where the proposed [illegible]

WHEREAS many [illegible] depend on the Stikine River, directly or indirectly, for salmon and other resources, recreation, transportation, and water supplies; and

WHEREAS a dam project of the size proposed for the Stikine River has the potential for significant impact on the fish and wildlife, hydrology, biological ecosystems, and Native cultures of the area surrounding the river; and

WHEREAS decisions made by the governments of Canada and British Columbia concerning the construction of the Stikine Dams may affect citizens of the United States; and

WHEREAS the people and legislature of the State of Alaska are concerned over the possible impact of the Stikine Dams and feel that it is imperative that Alaskans be involved during the study, analysis, and planning phases of this project;

BE IT RESOLVED by the Alaska State Legislature that the President of the United States is respectfully requested to direct the Secretary of State to take steps to facilitate the exchange of information between Canadians and Americans concerning the Stikine Dams and to ensure that a method is established to provide for meaningful input by Americans on local, state,

and federal levels before and during the planning, decision making, and development phases of the Stikine River hydroelectric dam project by Canada.

COPIES of this resolution shall be sent to the Honorable Ronald Reagan, President of the United States; the Honorable Alexander M. Haig, Jr., Secretary of State; and the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

SJR

27

To:

To: Vic
From: Laura
Date: YOUR BIRTHDAY!! YIPEEE!
Re: SJR 27, SJR 29, SJR 32

These resolutions were taken up in the State Affairs Committee on April 28. SJR 27 (requesting Uncle Sam to step up efforts to account for American servicemen still missing in Southeast Asia) received testimony from a single (favorable) source: Senator Bradley. He stated that he had a tremendous amount of documentation from a national group comprised of families of the soldiers missing in action in Southeast Asia.

SJR 29--Testimony consisted of a letter written by Nels Anderson to U.S. Post Office in Seattle requesting a new post office building for Dillingham.

SJR 32 Senator Bradley testified on this bill creating a memorial in Washington D.C. to commemorate V.N. vets. He stated that Congress had already allocated 2 acres for the monument and that it would be built with public contributions. Resolutions from the states will assist the public fund raising effort.

SJR

29

Alaska State Legislature

REPRESENTATIVE
NELS A. ANDERSON, JR.
BOX 234
DILLINGHAM, ALASKA 99576
HOME PHONE 842-5302

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
PHONE 465-3738 OR 3739
HOME PHONE 789-7897

REPRESENTING DISTRICT 16
BRISTOL BAY — LOWER KUSKOKWIM

HOUSE MAJORITY LEADER
VICE CHAIRMAN JUDICIARY COMMITTEE
MEMBER, RULES COMMITTEE
MEMBER, SPECIAL COMMITTEE
ON SUBSISTENCE

SJR 29

House of Representatives

December 23, 1980

RECEIVED
DEC 29 1980

Mr. Robert Peterson
District Director of Customers Services
Northwestern District, U.S. Post Office
Box 58290
Seattle, Washington 98188

Dear Mr. Peterson:

I have been in contact with the Anchorage Postal Service Office and they tell me that they agree with my view on the need for a new post office in Dillingham. I have been trying to get a new post office here for some time with no results to date.

Would your office re-evaluate your priority listing for new post offices with Dillingham in mind? The Dillingham Post Office is located in a building that is old. The space is limited and crowded as well. Furthermore, the population of Dillingham is moving away from the present location.

Would your office please let me know the time frame for a new office building for Dillingham? I believe that there should have been a new building a long time ago. I hope that Dillingham will be moved up on your priority list for new office space as soon as possible.

Very sincerely,

Nels A. Anderson Jr.

Nels A. Anderson, Jr.

cc: Sen. Ted Stevens
Sen. Mike Gravel
Congressman Don Young
State Senator George Hohman

SJR

40

POSITION PAPER/Department of Health & Social Services

POSITION PAPER

SENATE JOINT RESOLUTION NO. 40

"Relating to the need for Congressional hearings on Arctic science policy."

The unique health problems (hypothermia, accidental death, alcoholism, seasonal depression, sleep disturbances, otitis media, and hepatitis B) experienced in Arctic environments require a coordinated, long duration, Arctic based research endeavor. The rapid growth of Arctic populations necessitate a well defined Arctic science policy.

An Arctic research center is needed to coordinate research and bring all Arctic technical resources under one roof. This coordination should include coordination with the circumpolar research efforts. A periodic international circumpolar Arctic sciences conference board in Alaska could stimulate such a cooperation and coordination.

The Department of Health & Social Services fully endorses Senate Joint Resolution No. 40.

Recommended by: Verner Stillner

Verner Stillner, M.D., M.P.H.
Director, Division of Mental Health & Developmental Disabilities

Date: 5/6/81

Approved by: Helen D Beirne

Helen D. Beirne, Commissioner
Department of Health & Social Services

Date: 5/11/81

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SENATE JOINT RESOLUTION NO. 40
Title Congressional hearings on Arctic science policy.
Requested by Commissioner's Office Date 5/4/81

II. FISCAL DETAIL
Agency Affected Health & Social Services
Program Category Affected Mental Health & Developmental Disabilities
BRU, Program, or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

No cost impact is foreseen to the Department of Health & Social Services as a result of this legislation.

IV. DATE May 6, 1981 PREPARED BY Verner Stillner, M.D., M.P.H., Director
AGENCY Health & Social Services/Mental Health & DD
PHONE 465-3370

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named) M&B Approval [illegible] Date 5/7/81

33-001 (Rev. 12/80)

Arctic Environmental Information and Data Center
707 A Street
Anchorage, Alaska 99501

PHONE (907) 279-4523

UNIVERSITY OF ALASKA

May 11, 1981

Vic Fischer
Chairman, Senate State Affairs
Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Vic:

Thank you again for your efforts and interest regarding science in Alaska. I believe the joint hearings held by your committees in April inspired increased awareness within the State of scientific problems and priorities and, hopefully, will bring us one step closer to a long-term commitment to research in the Arctic.

You may be intertested in the dialogue on arctic science which appears to be heating up on the national level. I am enclosing a speech calling for an arctic research policy which was presented on the Senate floor by Mr. Murkowski last week. I will be working with the Senator's office on a bill which should result in Congressional hearings on arctic science next winter or spring.

As you know, the need for arctic research is critical. At the moment the proposed federal budget cuts pose a serious threat to research, but I am cautiously optimistic that increased awareness of our lack of scientific knowledge will spur an eventual renaissance in arctic science. Your part in that is much appreciated.

Sincerely,

David M. Hickok
Director

DMH/pp

Enclosure

SJR-40

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 97th CONGRESS, FIRST SESSION

Vol. 127 WASHINGTON, WEDNESDAY, APRIL 29, 1981 No. 63

Senate

(Legislative day of Monday, April 27, 1981)

THE NEED FOR AN ARCTIC RESEARCH POLICY

Mr. MURKOWSKI. Mr. President, I very much appreciate the opportunity to address our assembled body this morning on the Arctic research policy and the needs therein.

Mr. President, the Nation's dependence on insecure sources of expensive foreign oil is now declining because of reductions in domestic demand. At the same time, our dependence on the energy resources of Alaska's North Slope is growing.

The President of one of America's major oil companies, Arco Alaska, recently stated that he expects "half of future U.S. domestic oil supply to come from Alaska and its offshore fields." The major portion of America's new found energy resources will come from areas in Alaska north of the Arctic Circle. The Prudhoe Bay oil fields, located on the North Slope of Alaska, will soon be sending nearly 2 million barrels of oil per day through the Trans-Alaska pipeline across Alaska to Valdez and by tanker to the lower 48 States. Those fields are being expanded with development of the Kuparuk Field. Arco alone plans to spend some $19 billion over the life of the fields. And Prudhoe Bay is just the beginning of this Nation's efforts to develop Alaska's energy resources.

Among the energy projects planned for Alaska over the next decade include: The Alaska natural gas transportation system, which will carry Prudhoe Bay gas to the lower 48 States with a cost rapidly approaching $30 billion; the 23 million acre National Petroleum Reserve—Alaska, located entirely within the North Slope of Alaska, which will for the first time be open to private leasing by the end of this year; offshore drilling in the Beaufort Sea, with plans to accelerate dramatically further leasing in both the Beaufort and Chukchi Seas of the Arctic Ocean; preliminary investigation of the oil and gas potential of the Arctic National Wildlife Refuge, which was authorized last year in the Alaska National Interest Lands Conservation Act; proposals for a petrochemical industry to use Prudhoe Bay natural gas liquids; and extensive private exploration taking place on State- and Native-owned land on the North Slope.

Mr. President, it is thus apparent that the level of oil and gas developmental activity in Alaska's Arctic is increasing dramatically. Moreover, this same kind of activity is occurring in our neighbor Arctic-rim nations—Canada and the Soviet Union—where there is also substantial activity to find and develop the energy and mineral resources of the Arctic.

A major, unavoidable impact of this energy development is the introduction of new technology, environmental disruption, large work forces, and many unanticipated and unintended problems. A wide variety of wildlife, marine mammals, birds, and fish, as well as the complex plant life of the tundra, combined with the low temperatures, harsh winds, and long dark Arctic winters, make this environment extremely sensitive and subject to damage unless properly protected during resource development. Yet, because our reliance on the Arctic for the Nation's energy needs is such a recent event, we know much less than we should about how the people, the wildlife and the environment will be affected by development and how we can prevent and mitigate those adverse effects.

It is essential—and it is good economics and good government—that a key element of our Nation's energy program be a comprehensive, coordinated, and well-funded policy of basic and applied Arctic research. Unfortunately, the U.S. Government has no such policy today. Although some applied research is being conducted by oil companies, by the University of Alaska, and by the Federal Government, the level of research is far, far below that which is necessary. As just one indication of the low priority that the Federal Government is giving Arctic research, the Department of the Navy is phasing out operations at the Naval Arctic Research Laboratory at Point Barrow, Alaska, intending to place the facility on a caretaker status toward the end of this year. This is the only, yes, the only, Federal facility for Arctic research now available in the United States.

Other nations recognize the critical need for continuing Arctic research. There are active, expanding research programs in Canada, the Soviet Union, and even in smaller nations such as Denmark. These nations recognize their own self interest. They have acted to maximize energy development in the Arctic. They have acted to insure that they do not make unnecessary and costly mistakes. They are pursuing their short- and long-term interest intelligently. We, however, are not.

Of particular interest to me is the ongoing Arctic research the Soviet Union is engaged in. As some of the additional materials I will insert in the Record clearly show, we are frightfully behind the Soviets in this area. In the Soviet Union, a large Arctic research effort involving 29,000 scientists is coordinated through the Arctic and Antarctic Institute of Leningrad.

I support wholeheartedly the exploration and development of our Arctic energy resources to help sustain this Nation's national defense, its economy, and our way of life. At the same time, I support, and I urge the support of my colleagues for, the development and implementation of an intelligent national Arctic research policy which will put us on a par with Denmark, Canada, and the Soviet Union. We cannot afford less.

The Arctic research issues that should be examined by our scientists and engineers are numerous and wide ranging. The impact of expedited oil and gas developmental activities on the breeding grounds for water fowl, marine mammals, and wildlife remains uncertain. Of particular importance to the Native people of the North Slope is the impact of offshore development on the populations and migratory habits of the bowhead whale, an animal still vital to the subsistence and cultural lifestyle of Alaska's Natives. The ability of wildlife to coexist with the modern technology of oil and gas development, particularly in pristine areas such as the Arctic National Wildlife Refuge, deserve greater examination.

Technological problems of operating in the Arctic require further study. The Arctic environment is extremely sensitive and unique. Transportation—whatever the mode—is very expensive. Since so little is known about Arctic operations, many activities that are simple and routine in the lower 48 become exceedingly complex and difficult in the Arctic. For example, no satisfactory method of permanent waste disposal of nonorganic materials in the Arctic has yet been developed. Acceptable construction techniques are in their infancy and are still being tested and developed. Ice conditions and the threat they post to offshore drilling activities are poorly understood and little tested. Pollution control—whether air emissions, water discharges, or oil spills—requires a different approach in the Arctic than in moderate climates.

The Alaskan Arctic is strategically important to our national defense. The strategic interest of the Arctic grows as energy production in that area increases. In the not too distant future, the strategic importance of the Arctic will rival that of the Persian Gulf.

Not only does the Arctic contain critical energy and mineral resources and military bases, but the Arctic represents our only common border with the Soviet Union. Little is known of seaborne movements in the Arctic, whether on the surface of the seas or in submarines beneath the waters and ice of the Arctic Ocean. Our understanding of communication in the unique atmospheric conditions of the Arctic is minimal. Our national defense requires a more complete understanding of the Arctic and its effects on our military capabilities.

Obviously, there is no shortage of issues for applied Arctic research. What is lacking to date is a national commitment to this research and a coordinated, comprehensive, long-range research program involving the various interested public and private organizations. The costs, by any measure, are insignificant. The danger, on the other hand, of failing to do what is proper and prudent carries large costs. These costs may be measured in terms of delay, needless litigation, and expensive development efforts that fail for lack of required information.

I plan to make the development of a national Arctic research policy one of my priorities in this session of the 97th Congress. I will be asking many of you to contribute to this important task, because it has significance for your States and for all parts of this country that are relying more and more on Alaska's energy resources. My colleague, the senior Senator from Alaska, shares my concerns about the need for a coordinated, comprehensive Arctic research policy.

The Federal Government needs to designate an agency that wants the responsibility for Arctic research—if the U.S. Navy does not want the job, perhaps it should be given to the Coast Guard. The Coast Guard, with its long history of service throughout Alaska, may be the logical Federal agency to take over the extremely valuable laboratory and other facilities at Point Barrow that will soon fall into disrepair and, thereafter, be available for a vital mission only at great cost. Until a perma-

nent designation of the Federal agency best able to maintain these facilities is made, the Arctic Research Lab might be turned over to the University of Alaska, which would be provided funds to maintain the lab as its caretaker. Finally, a final decision on the laboratory's scientific value must be made as soon as the Federal agency has been designated.

In the Alaska Lands legislation, the Congress directed the Secretaries of Energy, Interior, and Defense to study carefully the implications of closing down NARL, including the impact of that closing on our Arctic research program, and to maintain the facility until such time as the Congress could consider the results of that study. It is my expectation that these departments and the administration will respond to this directive and will make every effort to maintain the facility in a caretaker status until we are better able to evaluate its role in this Nation's Arctic research program.

Mr. President, I will review the issue of Arctic research policy with other interested groups to identify the best organization structure to develop, fund, and implement research projects that are crucial to our understanding of the Arctic. In particular, I want to focus on those Arctic research projects that will be cost effective; that will enable us to understand and avoid potential adverse effects; and that will lead to the development of better alternatives and improved mitigative measures. Among those who should be involved in this process are the oil companies active in the Arctic, the State of Alaska, the University of Alaska, other Arctic-rim nations, the Departments of Energy, Defense, Interior, Transportation, Coast Guard, the National Petroleum Council, the National Science Foundation, the National Academy of Sciences, the scientific community, conservation organizations, and private groups such as the National Geographic Society and the American Association for the Advancement of Science.

Alaska's energy resources are vital to this Nation's future. Development of those resources will have a positive effect on our balance of payments. They can, properly managed, strengthen our overall energy independence and our national security.

Mr. President, I will ask unanimous consent to have printed at the end of my remarks a chronology of energy development and Arctic research developments in my State. This chronology demonstrates the Nation's growing reliance upon Alaska's energy resources and the dramatic expansion of activity in recent years.

Given the extreme importance of Alaska's energy resources and the inescapable fact of their continued development, we must include as part of our national energy policy a serious, major program of applied Arctic research. Over the next several months, my office will be reviewing the major elements of such a policy and the most appropriate organizational and financial structures necessary to expand and energize our Arctic research to the levels that they deserve.

Mr. President, I ask unanimous consent that the chronology of energy development and arctic research developments and excerpts from a new February 1981 report on U.S. Arctic science policy by the Alaska Division of the American Association for the Advancement of Science be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHRONOLOGY OF ARCTIC RESEARCH EFFORTS AND DEVELOPMENT OF U.S. ARCTIC POLICY*

1923—President Warren G. Harding establishes Naval Petroleum Reserve No. 4 (NPR-4).

1946-53—Exploration of NPR-4.

1947—Naval Arctic Research Laboratory (NARL) established at Ft. Barrow, Alaska.

1958—Passage of Alaska Statehood Act.

1960's—Increased national attention and Congressional action with respect to environmental, ocean and space sciences.

1964—Good Friday earthquake in Alaska. Following this, significant economic recovery and oil industry exploration activities take place. These activities place new demands on arctic science and technology.

1964-65—(1) Alaskan Senator Bob Bartlett commissions Legislative Reference Service of the Library of Congress to prepare report on scope of U.S. arctic research.

(2) Bartlett also requests Joseph Fitzgerald, Chairman of the Federal Field Committee for Development Planning in Alaska, to implement a process within the federal executive branch to develop arctic policy.

1965—Fitzgerald prepares initial broad statement of U.S. arctic policy and initiates discussions with heads of departments and agencies in Washington, D.C.

Policy statement emphasizes need for conduct of coherent arctic scientific programs prior to commencement of exploration and production.

1965-1968—Ongoing discussions regarding contents of policy statement between Federal Field Committee and National Science Foundation.

1968—Governor Walter Hickel brings need for a U.S. arctic policy to Republican Convention; for first time, arctic interests included in a major political platform.

1968—U.S. policy statement agreed to by all concerned agencies and forwarded to President Johnson; statement not signed by Johnson prior to his leaving office.

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*Based on "United States Arctic Science Policy," prepared under auspices of Alaska Division, American Association for the Advancement of Science, 1981.

1968—Establishment of Interagency Arctic Research Coordinating Committee (IARCC), at request of State Department, Office of Science and Technology and Federal Council for Science and Technology.

Primary purpose of IARCC was to issue sound and rational development of arctic research, through coordination of federal research programs and development of cooperative research projects with other nations. (Disappointingly, IARCC in its 10-year existence did not play a strong role.)

1968-1969—Other events bring new focus to arctic science:

(1) Implementation of National Oceanographic Program in executive branch (pursuant to Marine Resources and Engineering Development Act of 1966).

(2) Discovery of nation's largest oil field on arctic coast at Prudhoe Bay, Alaska.

(3) Congress giving greater attention to Federal Field Committee's reports on ways to resolve aboriginal land claims of Alaska Natives.

(4) Problems associated with construction of Trans-Alaska pipeline and tanker traffic from ice-free port at terminus of pipeline become evident; lack of persons knowledgeable about arctic environment becomes apparent.

May 1969—Initial plans for Trans-Alaska pipeline presented to U.S. Senate Committee on Interior and Insular Affairs.

Plans called for a buried pipeline along entire length except for 12 miles. Problems with plans quickly pointed out.

October 1969—New Secretary of the Interior Hickel convenes "Skyline Conference" to define role that federal government should take to ensure a balance between exploitation of arctic resources and protection of land and people of the Arctic.

Late 1969—President sends report to Congress: Marine Science Affairs—A Year of Broadened Participation, 1969.

Report sets forth recommendation for a national arctic policy report and is still clearest expression articulated of U.S. arctic objectives.

December 1969—National Environmental Policy Act (NEPA) adopted.

1970—Pipeline project becomes first test under NEPA.

1970—Three major arctic science programs begun in and near Alaska:

(1) Alaska Sea Grant Program—research efforts in arctic marine and coastal resources and environments.

(2) Tundra Biome Program, sponsored by National Science Foundation—to study tundra ecosystems (part of U.S. participation in International Biological Program).

(3) Arctic Ice Dynamics Joint Experiments—study of ice movements, forces, and effects in Arctic Basin.

Unfortunately, programs were not coordinated.

1971—Renewed statement of U.S. arctic policy forwarded to President by Under Secretary of State Irwin.

December 1971—Statement not signed by President, due to issuance of National Security Division Memorandum 144 by National Security Council.

Memorandum called for establishment of an Interagency Arctic Policy Group and development of a coordinated plan for scientific research in and on the Arctic. (No record that policy group ever met.)

1972—Publication by IARCC of Five-Year Coordinated Plan for Arctic Research.

Report had many weaknesses and was not considered to meet the mandate of NSC Memorandum 144.

1972—Under aegis of National Academy of Science, group headed by Dr. Walter O. Roberts, then director of National Center for Atmospheric Research, examined and published recommendations on potential environmental effects of development of the North Slope.

No significant results from this effort.

1972—After eight years of effort, no successful development of U.S. arctic policy.

1974—Workshop sponsored by Alaska Sea Grant Program and National Science Foundation.

Purpose was to coordinate activities and develop an "Arctic Offshore Program."

1974—While plans were being formulated for above workshop, the Bureau of Land Management of the Interior Department entered into an agreement with National Oceanographic and Atmospheric Administration for assessment of the outer-continental shelf environs, prior to leasing of the OCS for oil and gas.

Effort included studies in Gulf Alaska, Bering Sea, Beaufort and Chukchic basins. Unfortunately, results were poorly synthesized and research activities were often aborted prior to completion.

1976—Studies of environment of National Petroleum Reserve in Alaska, mandated by Naval Petroleum Reserves Production Act of 1976.

Studies added little to existing environmental knowledge.

EXCERPTS FROM U.S. ARCTIC SCIENCE POLICY

(By David M. Hickok, Gunter Weller, T. Neil Davis, Vera Alexander, and Robert Elsner)

In the long run, a well-thought-out and integrated arctic science policy will guarantee the best management and use of the Arctic's diverse resources—natural, strategic, and human. During the past three decades government basically has paid "lip service" to this concept with token and procedural programs in arctic science. Governmental coordination, priority determinations, and sporadic pronouncements concerning arctic science have, in effect, been a farce in every sense. The nation simply cannot afford any longer to be complacent in its approaches to the acquisition of arctic knowledge. Clearly, the time for a renaissance in arctic science is now. We need a strong and cohesive U.S. arctic science policy to guide national program effort in resource development, international relations, defense, environmental protection, and human health.

Offshore, exploration and future production facility design in all basis north of the Aleutians is severely hampered by lack of data on ice characteristics and dynamics, information on currents and sediment transport, knowledge of the occurrence of subsea permafrost, and data on superstructure icing and storm occurrence. Operating offshore drill rigs in the ice-covered waters of the Arctic in a safe and environmentally acceptable fashion is difficult and costly. The numerous natural hazards in the Arctic, particularly sea ice, make a cautious approach, in which technologies and environmental procedures are continually being tested and improved, mandatory. Petroleum companies operating on arctic continental shelves have found accurate forecasting of sea ice behavior to be indispensable. The normal hazards of offshore drilling are magnified many times by the wide variations in weather and ice conditions. Pipelines from drilling platforms to shore are subject to rupture by the scouring action of massive pressure ridges and ice islands, and enormous forces can build up on the drilling platforms as the moving ice piles up against it. Without such information the construction of offshore, year-round production facilities is impossible.

To be able to exploit arctic resources, legally, economically, and in an environmentally acceptable fashion; to conduct military operations in the area; and to represent its interests in the Arctic intelligently and from an informed basis, the United States must have a substantial and well-coordinated scientific research program in the Arctic. Such a program does not presently exist, neither does a coherent policy on arctic research nor any priority sense of purpose. Consequently, the United States has only very limited arctic scientific and technological expertise and capability. Only a strong, stable, long-term science effort can supply the answers needed now and to train a generation of future arctic scientists.

Various jurisdictional problems in the Arctic also have strategic as well as political and economic implication. There is disagreement, for example, about the extent of coastal state jurisdiction over the arctic seas and on Norway's claim to exclusive control of the resources of Svalbard's continental shelf. Controversy also marks the effort to establish a Norwegian-Soviet continental shelf boundary in the Barents Sea, and the continental shelf boundary between Canada and Alaska has not yet been agreed upon. The possibility of arctic tanker traffic, the advent of the nuclear-powered submarine, and the massive buildup of the USSR fleet along the Barents Sea have enhanced the importance of the Arctic Ocean as transit areas, particularly to the USSR and to such an extent that some observers have begun to refer to the Arctic Ocean as a "Soviet lake." The

Soviet Union's scientific effort in the Arctic Ocean and along margins exceeds the combined efforts of all the other littoral countries.

Dr. Tore Gjelsvik, director of the Norwegian Polar Institute in Oslo, wrote recently:

"In contrast to Antarctica, the international scientific cooperation in the Arctic is rather poorly developed and organized. On the national level, arctic science is differently developed. The Soviet-Russian organization and institutes charged with exploration and scientific studies are larger than the biggest in the west, and they carry out a large and systematic study of not only the Soviet arctic coasts and islands, but over the whole central arctic. The Soviet arctic technology is well developed, and the transportation system—consisting of powerful icebreakers and aircraft—is superior to that of the west. The Arctic and Antarctic Institute of Leningrad is the central polar organization, but in addition, many specialized agencies or institutes have been established. More than 20,000 scientists must be involved in arctic studies on the Soviet side.

"In the biggest arctic nations in the west, their polar research, although increasing in size and quality, is rather poorly coordinated. Neither USA nor Canada has established a central organization for arctic science. This also makes international cooperation and coordination difficult. Arctic science in the west has grown considerably since the discovery of oil and gas in the American Arctic but is still lagging behind the Soviet one. If the gap is not bridged, or at least diminished, there is a danger of unwanted consequences of future political and legal arrangements within the central Arctic."

Dr. Gjelsvik concluded by urging the Western governments to increase funds for arctic science and to coordinate their efforts on an international level. We heartily concur.

These brief examples illustrate the uniqueness and diversity in structure, dynamics, and behavior of the arctic region as an important part of the whole Earth. Other nations are expending great efforts in the study of the Arctic because they understand that the keys to many of our planet's present and future problems may lie in this region. If the United States is to participate in this process in any meaningful way, it must begin to involve itself in arctic research now.

SJR

44

97TH CONGRESS
1ST SESSION

H. RES. 18

To amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 1981

Mr. GUYER submitted the following resolution; which was referred to the Committee on Rules

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RESOLUTION

To amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes.

Resolved, That (a) clause 1 of rule X of the Rules of the House of Representatives is amended by redesignating paragraph (m) through paragraph (v) as paragraph (n) through paragraph (w), respectively, and by inserting immediately after paragraph (l) the following new paragraph:

"(m) **Committee on Internal Security.**

"(1) Communist, terrorist, and other subversive activities affecting the internal security of the United States.

"(2) The Committee on Internal Security, acting as a whole or by subcommittee, is authorized to make investigations from time to time of (A) the extent, character, objectives, and activities within the United States of organizations or groups, whether of foreign or domestic origin, their members, agents, and affiliates, which seek to establish, or assist in the establishment of, a totalitarian dictatorship within the United States, or to overthrow or alter, or assist in the overthrow or alteration of, the form of government of the United States or of any State thereof, by force, violence, treachery, espionage, sabotage, insurrection, or any unlawful means, (B) the extent, character, objectives, and activities within the United States or organizations or groups, their members, agents, and affiliates, which incite or employ acts of force, violence, or any unlawful means, to obstruct or oppose the lawful authority of the Government of the United States in the execution of any law or policy affecting the internal security of the United States or advocate the use of terrorism to achieve their objectives, and (C) all other questions, including the administration and execution of any law of the United States, or any portion of law, relating to the foregoing that would aid the Congress or any committee of the House in any necessary remedial legisla-

tion. The Committee on Internal Security shall report to the House (or to the Clerk of the House if the House is not in session) the results of any such investigation, together with such recommendations as it deems advisable.".

For the purpose of any such investigation, the Committee on Internal Security, or any subcommittee thereof, is authorized to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any subcommittee, or by any member designated by any such chairman, and may be served by any person designated by any such chairman or member.

(b) Clause 1(n) of rule X of the Rules of the House of Representatives, as so redesignated by subsection (a), is amended by striking out subparagraph (19) and by striking out the two undesignated paragraphs immediately following paragraph (19).

SEC. 2. Subparagraphs (4) and (5) of clause 1(k) of rule X of the Rules of the House of Representatives are amended

by striking out "clause 1(p)(4)" each place it appears therein and inserting in lieu thereof "clause 1(q)(4)".

SEC. 3. On the date of enactment of this resolution, all property and records of the former Committee on Internal Security of the House of Representatives under the control of the Judiciary Committee of such House, or under the control of any other agency of Government, in accordance with paragraph (m) of clause 1 of rule X of the Rules of the House of Representatives shall be transferred to the Committee on Internal Security for its use.

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97TH CONGRESS
1ST SESSION

H. J. RES. 18

To establish a Joint Committee on Internal Security, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 1981

Mr. ASHBROOK introduced the following joint resolution; which was referred to the Committee on Rules

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JOINT RESOLUTION

To establish a Joint Committee on Internal Security, and for other purposes.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

ESTABLISHMENT OF THE JOINT COMMITTEE

SECTION 1. There is hereby established a joint congressional committee which shall be known as the Joint Committee on Internal Security (hereinafter in this joint resolution referred to as the "joint committee").

MEMBERSHIP AND ORGANIZATION

SEC. 2. (a) The joint committee shall be composed of ten members as follows:

(1) five Members of the Senate shall be appointed by the President pro tempore of the Senate. Not more than three of the Members appointed under this paragraph may be of the same political party; and

(2) five Members of the House of Representatives shall be appointed by the Speaker of the House of Representatives. Not more than three of the Members appointed under this paragraph may be of the same political party.

(b) Any appointment of any Member under subsection (a) or (c) of this section shall be for the duration of the elected term of office of such Member.

(c) Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee and shall be filled in the same manner as in the case of the original appointment.

(d) The joint committee shall select a chairman and a vice chairman from among its members at the beginning of each Congress. The vice chairman shall act in the place and stead of the chairman in the absence of the chairman. In determining the first chairman of the joint committee, the Members from each House appointed to such joint committee shall nominate one Member from among their number to serve as the first chairman. After such nominations, the first

chairman shall be chosen by lot from the two nominees with the successful nomineee being designated as the chairman and the unsuccessful nominee being designated as the vice chairman. Thereafter, the chairmanship and the vice chairmanship shall alternate between the Senate and the House of Representatives with each Congress, and the chairman shall be selected by the members of the joint committee from that House entitled to the chairmanship. The vice chairman shall be selected from the House other than that of the chairman by the members of the joint committee from that House.

(e) The joint committee may establish such subcommittees as it deems necessary and appropriate to carry out the purposes of this joint resolution.

(f) The members of the joint committee shall serve without pay in addition to that received for their services as Members of the Senate or the House of Representatives; but they shall be reimbursed at the current per diem allowance, or at the actual cost when such actual cost is provided for by the Standing Rules of the Senate or by the Rules of the House of Representatives, for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the joint committee, other than expenses in connection with meetings of the joint committee held in the District of Columbia during such times as the Congress is in session.

DUTIES AND FUNCTIONS

SEC. 3. (a) The joint committee, acting as a whole or by subcommittee, is authorized to make investigations from time to time of (1) Communist and other subversive activities affecting the internal security of the United States, (2) the extent, character, objectives, and activities within the United States of organizations or groups, whether of foreign or domestic origin, their members, agents, and affiliates, which seek, serve, or operate to establish, or assist in the establishment of, a totalitarian dictatorship within the United States, or to overthrow or alter, or assist in the overthrow or alteration of, the form of government of the United States or of any State thereof, by force, violence, treachery, espionage, sabotage, insurrection, or any unlawful means, (3) the extent, character, objectives, and activities within the United States of organizations or groups, their members, agents, and affiliates, which incite or employ acts of force, violence, terrorism, or any unlawful means, to obstruct or oppose the lawful authority of the Government of the United States in the execution of any law or policy affecting the internal security of the United States, and (4) all other questions, including the administration and execution of any law of the United States, or any portion of law, executive order, or regulation, relating to the foregoing that would aid the Congress in the discharge of its legislative duties.

(b)(1) All bills, resolutions, and other matters in the Senate or the House of Representatives relating primarily to the internal security of the United States described in subsection (a) of this section shall be referred to the joint committee.

(2) The members of the joint committee who are Members of the Senate shall from time to time report to the Senate, and the members of the joint committee who are Members of the House of Representatives shall from time to time report to the House, by bill or otherwise, their recommendations with respect to matters within the jurisdiction of their respective Houses which are referred to the joint committee or otherwise within the jurisdiction of the joint committee.

(c) The joint committee shall keep a complete record of all committee actions, including a record of the votes on any question on which a record vote is demanded. All committee materials, including records, data, charts, and files, shall be the property of the joint committee and shall be kept in the offices of the joint committee or other places as the joint committee may direct under such security safeguards as the joint committee shall determine in the interest of the common defense and security.

POWERS OF JOINT COMMITTEE

SEC. 4. (a) The joint committee, or any duly authorized subcommittee thereof, may—

(1) sit and act at such places and times during the sessions, recesses, and adjourned periods of Congress,

(2) require by subpena or otherwise the attendance of such witnesses and the production of such books, records, correspondence, papers, and documents,

(3) administer such oaths and affirmations,

(4) take such testimony,

(5) procure such printing and binding, and

(6) make such expenditures,

as it deems advisable.

(b) The joint committee may make such rules respecting its organization and procedures as it deems necessary, except that no recommendation shall be reported from the joint committee unless a majority of the joint committee assent. Subpenas may be issued over the signature of the chairman of the joint committee or of any member designated by him or by the joint committee, and may be served by such person or persons as may be designated by such chairman or member. The chairman of the joint committee or any member thereof may administer oaths or affirmations to witnesses.

(c) In carrying out its duties in accordance with the provisions of this resolution, the joint committee is authorized to

receive classified information. The joint committee shall secure the protection of such classified information by such methods and systems as will afford protection which is at least equal to that provided by the executive branch for the protection of similarly classified material. No Member of the Senate or the House of Representatives shall make public any part of such classified material without the prior approval of the Senate or the House of Representatives, respectively.

STAFF OF JOINT COMMITTEE

SEC. 5. (a)(1) In carrying out its functions under this joint resolution, the joint committee may—

(A) appoint, on a permanent basis, without regard to political affiliation and solely on the basis of fitness to perform their duties, such professional, technical, clerical, and other personnel as the joint committee considers appropriate;

(B) prescribe their duties and responsibilities;

(C) fix their pay at respective per annum gross rates not in excess of the highest rate of basic pay, as in effect from time to time, of the General Schedule of section 5332(a) of title 5, United States Code; and

(D) terminate their employment as the joint committee may deem appropriate.

(2) Not less than one-third of the personnel appointed in accordance with paragraph (1) shall be assigned to the minority members of the joint committee.

(b) In carrying out any of its functions under this joint resolution, the joint committee may utilize the services, information, facilities, and personnel of the departments and establishments of the Government, and may procure the temporary (not to exceed one year) or intermittent services of experts or consultants or organizations thereof by contract at rates of pay not in excess of the per diem equivalent of the highest rate of basic pay set forth in the General Schedule of section 5332(a) of title 5, United States Code, including payment of such rates for necessary traveltime.

(c) The joint committee may reimburse any member of its staff at the current per diem allowance, or at the actual cost when such actual cost is provided for by the Standing Rules of the Senate or by the Rules of the House of Representatives, for travel, subsistence, and other necessary expenses incurred by him in the performance of the functions, powers, and duties of the joint committee while outside the District of Columbia.

ADDITIONAL POWER TO SECURE INFORMATION

SEC. 6. The joint committee, upon the approval of the chairman, may secure directly from any department, agency, office, or other organizational unit of the Federal Govern-

ment, such information as is necessary to enable it to carry out this joint resolution, and the head of such department, agency, office, or other organizational unit shall furnish such information to the joint committee upon request made pursuant to this section.

EXPENSES

SEC. 7. The expenses of the joint committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman or vice chairman of the joint committee.

TRANSFER OF JURISDICTION AND PROPERTY

SEC. 8. (a)(1) On the date of enactment of this joint resolution, all property and records of the Internal Security Subcommittee of the Committee on the Judiciary of the Senate shall be transferred to the joint committee for its use.

(2)(A) Clause 9 of subparagraph (l) of paragraph 1 of rule XXV of the Standing Rules of the Senate is amended by striking out "espionage,".

(B) Senate Resolution 366 of the second session of the Eighty-first Congress is repealed.

(b)(1) On the date of enactment of this joint resolution, all property and records of the Committee on Internal Security of the House of Representatives under the control of the Judiciary Committee of such House in accordance with para-

graph (m) of clause 1 of rule X of the Rules of the House of Representatives shall be transferred to the joint committee for its use.

(2) Paragraph (m) of clause (1) of rule X of the Rules of the House of Representatives is amended by striking out everything after "(18) State and territorial boundary lines.".

O

97TH CONGRESS
1ST SESSION

H. RES. 48

To amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 28, 1981

Mr. MCDONALD submitted the following resolution; which was referred to the Committee on Rules

---

RESOLUTION

Resolved, That (a) clause 1 of rule X of the Rules of the House of Representatives is amended by redesignating paragraph (m) through paragraph (v) as paragraph (n) through paragraph (w), respectively, and by inserting immediately after paragraph (l) the following new paragraph:

"(m) Committee on Internal Security.

"(1) Communist, terrorist, and other subversive activities affecting the internal security of the United States.

"(2) The Committee on Internal Security, acting as a whole or by subcommittee, is authorized to make

investigations from time to time of (A) the extent, character, objectives, and activities within the United States of organizations or groups, whether of foreign or domestic origin, their members, agents, and affiliates, which seek to establish, or assist in the establishment of, a totalitarian dictatorship within the United States, or to overthrow or alter, or assist in the overthrow or alteration of, the form of Government of the United States or of any State thereof, by force, violence, treachery, espionage, sabotage, insurrection, or any unlawful means, (B) the extent character, objectives, and activities within the United States or organizations or groups, their members, agents, and affiliates, which incite or employ acts of force, violence, or any unlawful means, to obstruct or oppose the lawful authority of the Government of the United States in the execution of any law or policy affecting the internal security of the United States or advocate the use of terrorism to achieve their objectives, and (C) all other questions, including the administration and execution of any law of the United States, or any portion of law, relating to the foregoing that would aid the Congress or any committee of the House in any necessary remedial legislation. The Committee on Internal Security shall report to the House (or to the Clerk of the House if the

House is not in session) the results of any such investigation, together with such recommendations as it deems advisable.".

For the purpose of any such investigation, the Committee on Internal Security, or any subcommittee thereof, is authorized to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any subcommittee, or by any member designated by any such chairman, and may be served by any person designated by any such chairman or member.

(b) Clause 1(n) of rule X of the Rules of the House of Representatives, as so redesignated by subsection (a), is amended by striking out subparagraph (19) and by striking out the two undesignated paragraphs immediately following paragraph (19).

SEC. 2. Subparagraphs (4) and (5) of clause 1(k) of rule X of the Rules of the House of Representatives are amended by striking out "clause 1(p)(4)" each place it appears therein and inserting in lieu thereof "clause 1(q)(4)".

SEC. 3. On the date of enactment of this resolution, all property and records of the former Committee on Internal Security of the House of Representatives under the control of the Judiciary Committee of such House, or under the control of any other agency of Government, in accordance with paragraph (m) of clause 1 of rule X of the Rules of the House of Representatives shall be transferred to the Committee on Internal Security for its use.

O

SJR

55

Alaska State Legislature

Senate
SENATOR MIKE COLLETTA

February 25, 1982

The Honorable Victor Fischer
Chairman
State Affairs Committee
Pouch V
Juneau, Ak 99811

Dear Senator Fischer:

Enclosed is a copy of a poll conducted by Dave Dittman for the Free Committee showing conclusively that Alaskans favor limiting the terms of legislators.

Based on the overwhelming statistics contained in the poll, I urge you to schedule hearings as soon as possible on Senate Joint Resolution 55, which I introduced earlier this session.

The resolution, which must pass this session to gain a spot on the 1982 general election ballot, would limit the number of terms a legislator may serve to four consecutive terms in the House and two consecutive terms in the Senate.

Nothing in the resolution prevents an incumbent from running for office in the opposite house after serving the maximum time in one body, or to sit out a term and seek election to his former seat.

I just feel it is good business practice to rotate people, before old habits set in. And apparently Alaskans hold the same opinion. Of the 455 persons interviewed in 51 communities across the state, 62 percent favored limiting the terms of legislators. The trend was consistent among Alaskans of all ages, background and areas of the state.

Again, I request that you take up SJR 55 as soon as possible, in order to allow the public ample time to testify on this matter.

Sincerely,

Mike Colletta

Mike Colletta

cc: all Legislators

SRA, BOX 1455-K, ANCHORAGE, ALASKA 99502 • POUCH V, JUNEAU 99811

MULTI-QUEST

VOLUME IX

MARCH 1981

PREPARED FOR

ANCHORAGE WOMEN'S CLUB
FREE COMMITTEE

DITTMAN RESEARCH CORPORATION
ALASKA BANK OF COMMERCE BUILDING
3230 "C" STREET
ANCHORAGE, ALASKA

Alaska Analysis / Dittman Research

SURVEY ACCURACY

The Dittman Research Corporation, recognized in 1978 as one of the nation's most accurate political survey research organizations following a nation-wide comparison of published pre-election survey results, further enhanced the reputation following the 1980 General Elections in Alaska. The final pre-election state-wide survey published in The Anchorage Times reported that Frank Murkowski would defeat Clark Gruening by 8% and become Alaska's new U.S. Senator. After all challenged and absentee ballots were counted, the certified results revealed Murkowski had defeated Gruening by 8.002%.

Alaska [illegible]

METHODOLOGY

During the period February 27 - March 5, 1981, residents of the sample locations listed on the following pages were personally contacted by telephone by professional interviewing employees of the Dittman Research Corporation. The views and opinions of the Alaska residents were recorded on a number of topics on a strictly confidential basis.

Research design- A random sample design was featured which provided that all residents of those communities included in the survey had essentially the same chance of being interviewed. The sample was apportioned based on the population of the included communities.

Sample selection- The Anchorage sample was selected through a computer-generated random digit dialing program. This is particularly important in Anchorage due to a 40% rate of unpublished and unlisted numbers.

The sample in the other communities state-wide was randomly selected from current telephone subscribers listed in the most recent telephone directory for each community. In these communities the percentage of non-listed numbers does not exceed 10%.

PROCESSING THE DATA-

Dittman Research Employees completed the coding and editing, while all key-punching, verification, and data processing was completed by Boeing Computer Services Company through the Statistical Package for the Social Sciences (SPSS) programs. The SPSS package is one of the most sophisticated research-oriented data processing and analytical systems available, and is designed specifically for the processing and analysis of survey research data.

Alaska Natives Commission Research

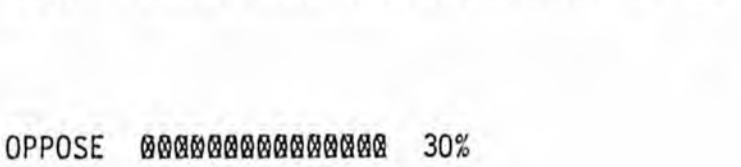
SAMPLE LOCATIONS

Sample points are assigned geographically throughout Alaska in such a manner that all citizens over 18 have essentially the same opportunity for involvement. Samples are drawn from 51 Alaskan communities.

QUESTION:

Would you favor or oppose limiting the number of terms a legislator may serve to a maximum of four consecutive terms -- 8 years -- in the House; and two consecutive terms -- also 8 years -- in the Senate?

ANSWER:



Dittman Research Corporation/March 1981

FILE MULTI9 (CREATION DATE = 81/03/10.)

* C R O S S T A B U L A T I O N O F * *
LOCATION BY LEGTERMS
* *

LEGTERMS

LOCATION	COUNT / ROW PCT	0 IN-R	1 FAVOR	2 OPPOSE	ROW TOTAL
1 RURAL		4	17	13	34
		11.8	50.0	38.2	7.5
2 CENTRAL		8	41	29	78
		10.3	52.6	37.2	17.1
3 SCENTRL		4	38	15	57
		7.0	66.7	26.3	12.5
4 ANCH		11	137	52	200
		5.5	68.5	26.0	44.0
5 SOUTHEST		6	51	29	86
		7.0	59.3	33.7	18.9
COLUMN TOTAL		33	284	138	455
		7.3	62.4	30.3	100.0

FILE MULTI9 (CREATION DATE = 81/03/10.)

* C R O S S T A B U L A T I O N O F * *
TIMEINAK BY LEGTERMS
* *

TIMEINAK	COUNT / ROW PCT	LEGTERMS IN-R 0	FAVOR 1	OPPOSE 2	ROW TOTAL
1-4YRS	1	12 9.4	87 68.5	28 22.0	127 27.9
5-7YRS	2	3 3.5	52 60.5	31 36.0	86 18.9
8-13YRS	3	6 7.7	49 62.8	23 29.5	78 17.1
14-19YRS	4	1 1.8	41 71.9	15 26.3	57 12.5
20+YRS	5	11 10.3	55 51.4	41 38.3	107 23.5
	COLUMN TOTAL	33 7.3	284 62.4	138 30.3	455 100.0

FILE MULTI9 (CREATION DATE = 81/03/10.)

* C R O S S T A B U L A T I O N O F * *
AGE BY LEGTERMS
* *

AGE	COUNT / ROW PCT	LEGTERMS IN-R (0)	FAVOR (1)	OPPOSE (2)	ROW TOTAL
0		0	1	0	1
N-R		0	100.0	0	.2
1		5	46	27	78
18-24		6.4	59.0	34.6	17.1
2		13	133	68	214
25-40		6.1	62.1	31.8	47.0
3		8	69	35	112
41-55		7.1	61.6	31.3	24.6
4		7	35	8	50
56+		14.0	70.0	16.0	11.0
COLUMN TOTAL		33	284	138	455
		7.3	62.4	30.3	100.0

FILE MULTI9 (CREATION DATE = 81/03/10.)

* CROSSTABULATION OF * *
SEX BY LEGTERMS
* *

LEGTERMS

SEX	COUNT / ROW PCT	IN-R	FAVOR	OPPOSE	ROW TOTAL
		0	1	2	
1 MALE		15	130	57	202
		7.4	64.4	28.2	44.4
2 FEMALE		18	154	81	253
		7.1	60.9	32.0	55.6
COLUMN TOTAL		33	284	138	455
		7.3	62.4	30.3	100.0

FILE MULTIS (CREATION DATE = 81/03/10.)

* C R O S S T A B U L A T I O N C F * *
WORKFOR BY LEGTERMS
* *

WORKFOR	COUNT / ROW PCT	LEGTERMS IN-R	FAVOR	OPPOSE	ROW TOTAL
		0	1	2	
1 FEDERAL		2	26	10	38
		5.3	68.4	26.3	8.4
2 STATE		2	32	14	48
		4.2	66.7	29.2	10.5
3 LOCAL		1	28	14	43
		2.3	65.1	32.6	9.5
4 PRIVATE		16	118	59	193
		8.3	61.1	30.6	42.4
5 NETWORK		12	80	41	133
		9.0	60.2	30.8	29.2
COLUMN TOTAL		33	284	138	455
		7.3	62.4	30.3	100.0

FILE MULTI9 (CREATION DATE = 81/03/10.)

* CROSSTABULATION OF * *
WORKDO BY LEGTERMS
* *

LEGTERMS

WORKDO	COUNT / ROW PCT	IN-R	FAVOR	OPPOSE	ROW TOTAL
		0	1	2	
0		0	3	0	3
N-R		0	100.0	0	.7
2		2	42	20	64
DEGREE		3.1	65.6	31.3	14.1
3		6	74	35	115
NONDEGREE		5.2	64.3	30.4	25.3
4		10	47	19	76
SKILLED		13.2	61.8	25.0	16.7
5		3	35	23	61
NONSKILL		4.9	57.4	37.7	13.4
6		5	21	4	30
NOTWORKF		16.7	70.0	13.3	6.6
7		7	62	37	106
HOMEMAKE		6.6	58.5	34.9	23.3
COLUMN TOTAL		33	284	138	455
		7.3	62.4	30.3	100.0

FILE MULTI9 (CREATION DATE = 81/03/10.)

* CROSSTABULATION OF * *
INCOME BY LEGTERMS
* *

INCOME	LEGTERMS				
COUNT / ROW PCT	IN-R	FAVOR	OPPOSE	ROW TOTAL	
	0	1	2		
0 DECLINED	3	20	10	33	
	9.1	60.6	30.3	7.3	
1 0-20000	10	69	37	116	
	8.6	59.5	31.9	25.5	
2 20-45000	13	107	61	181	
	7.2	59.1	33.7	39.8	
3 45-60000	2	60	17	79	
	2.5	75.9	21.5	17.4	
4 60000+	5	28	13	46	
	10.9	60.9	28.3	10.1	
COLUMN TOTAL	33	284	138	455	
	7.3	62.4	30.3	100.0	

FILE MULTI9 (CREATION DATE = 81/03/10.)

* C R O S S T A B U L A T I O N O F * *
VOTER BY LEGTERMS
* *

LEGTERMS

VOTER	COUNT / ROW PCT	N-R	FAVOR	OPPOSE	ROW TOTAL
		0	1	2	
N-R	0	0	3	0	3
		0	100.0	0	.7
YES	1	25	235	124	384
		6.5	61.2	32.3	84.4
NO	2	8	46	14	68
		11.8	67.6	20.6	14.9
	COLUMN TOTAL	33	284	138	455
		7.3	62.4	30.3	100.0

SJR

57

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 11, 1982

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. President:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a joint resolution proposing an amendment to the Alaska Constitution which would limit the length of legislative sessions.

Regular sessions will be limited to 90 days, but they could be extended in increments of up to 15 consecutive calendar days. This could be done by the governor, or by a majority of each house of the legislature with the approval of the governor. The resolution also provides for limiting the subjects that would be covered in an extension of a regular session and provides a means for extending that list of subjects.

As many of you know, I have long advocated a constitutional limitation on legislative session length. In my 12 years of legislative service, there was only one session which warranted more than 90 days. That was the first session upon achieving statehood, during which we set up the entire state government -- and we did that in only 84 days.

Although there has been a substantial increase in the size of legislative staff and the amount of interim committee activity, the length of legislative sessions has not been reduced. With the current sound condition of the state's finances, there is little incentive for early adjournment. However, the advisory vote taken at the general election in 1978 demonstrated the public's overwhelming support for a session limitation. I strongly urge your early approval of this measure.

Sincerely,

Jay S. Hammond
Governor

SJR

62

HJR 71, (cont'd)

authorized by law for housing for veterans and ratified by a majority of the qualified voters of the State who vote on the question... .". (underlined language is being added to existing statute). Provides amendment to be placed before the voters at the next general election.

Introduced January 12 and referred to State Affairs, Judiciary, then to Finance.

Permanent Fund (increasing contribu.) (state const. --amending)

HOUSE JOINT RESOLUTION NO. 72, by the Rules Committee by Request of Gov. Proposes an amendment to the state constitution providing at least twenty-five percent of production tax and severance tax proceeds shall be placed in the Alaska Permanent Fund. Provides amendment be placed before the voters at the next general election. (See SJR 58, page 23, identical).

Introduced January 12 and referred to State Affairs, Judiciary, then to Finance.

MX Missiles (deployment in Alaska)

HOUSE JOINT RESOLUTION NO. 73, by Reps. Rogers, Randolph, Moss, Clocksin, Vaska and Miller. Requests the President of the U.S. to direct the Secretary of Defense and the Secretary of the Air Force to eliminate Alaska from consideration as a basing site for MX missiles. Further asks the members of the Alaskan Congressional Delegation to use every means available to prevent or discourage deployment of the missiles and the use of nuclear excavation techniques to deploy the missiles. Copies to be sent to the President, Secretaries of Defense and the Air Force and the Alaskan delegation.

Introduced January 14 and referred to Resources.

Shuttle Ferry Svc. (improving)

HOUSE CONCURRENT RESOLUTION NO. 48, by Rep. Grussendorf. Urges the Governor to direct the Dept. of Transportation and Public Facilities to make every effort to improve the seating and rest facilities on the shuttle ferries by such additions as wall-supported bunks and other appropriate improvements to meet the needs of the traveling Alaskan public.

Introduced January 12 and referred to Transportation, then to Finance.

Ninilchik Speed Limit

HOUSE CONCURRENT RESOLUTION NO. 49, by Reps. Malone and O'Connell. Requests the Governor to direct the Commissioner of Transportation and Public Facilities to take the necessary action to reduce the speed limit between Mile 134.6 and Mile 137 of the Sterling Highway from 45 miles per hour to 35 miles per hour.

Introduced January 14 and referred to Transportation.

Introduced: 1/20/82
Referred: State Affairs

IN THE SENATE BY STIMSON

SENATE JOINT RESOLUTION NO. 62

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

Opposing the deployment of MX missiles in Alaska.

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

WHEREAS the United States Department of Defense is considering may locating MX Intercontinental Ballistic Missiles (ICBMs) in deep underground bases in Alaska; and

WHEREAS the United States Air Force, the Defense Nuclear Agency and the Alaska tunnel mining industry apparently are considering the use of nuclear explosives to excavate one or more mountains in which to deploy the missiles; and

WHEREAS the MX missile is a strategic weapon designed to destroy Soviet missile silos and other "hardened" targets; and

WHEREAS deployment of MX missiles in Alaska would make the state a target for a Soviet preemptive missile attack; and

WHEREAS a final decision on the MX basing mode is due in July 1983;

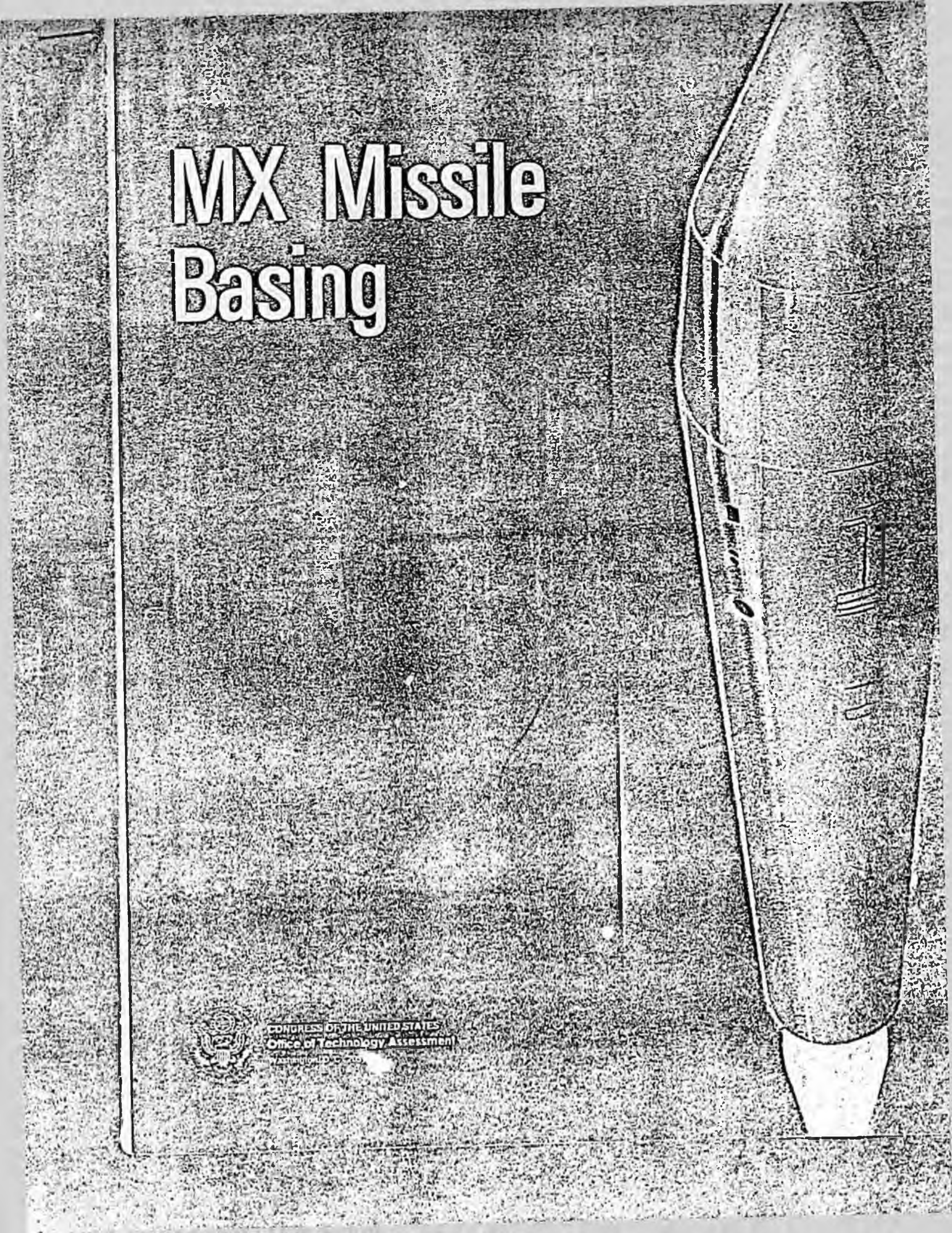
BE IT RESOLVED by the Alaska State Legislature that the President of the United States is respectfully requested to direct the Secretary of Defense and the Secretary of the Air Force to eliminate Alaska from consideration as a basing site for MX missiles; and be it

FURTHER RESOLVED that members of the Alaska Congressional delegation use every means available to them to prevent or discourage the deployment of MX missiles in Alaska and the use of nuclear excavation techniques to deploy the missiles.

COPIES of this resolution shall be sent to the Honorable Ronald Reagan, President of the United States; the Honorable Caspar W. Weinberger, Secretary

of Defense; the Honorable Verne Orr, Secretary of the Air Force; and the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

MX Missile Basing

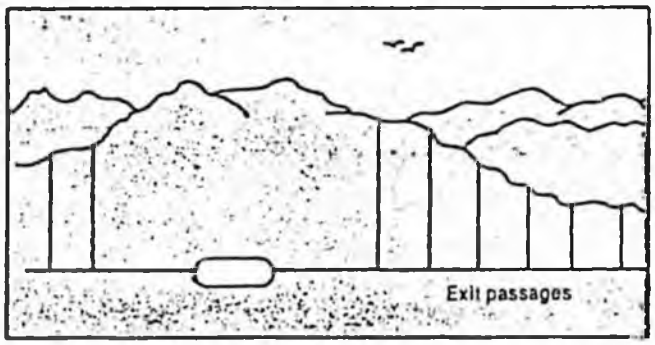


CONGRESS OF THE UNITED STATES
Office of Technology Assessment

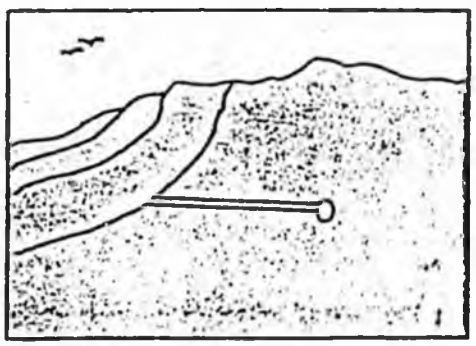
One interesting concept for missile basing is the deployment of the missile force in deep mountain tunnels, buried thousands of feet under the surface, thereby providing protection for the missiles from a nuclear attack. Such a facility would be manned and would have self-contained provisions for electrical power, life-support, and missile maintenance. Upon the command to launch, tunnels would need to be bored to the surface to give the missile outside access preparatory to being launched.

The limitations of such a missile deployment derive not from the technical feasibility of its construction, but from the time constraints of a reliable missile egress for launch. A schematic for two types of missile egress is illustrated in figure 116A and B shows a number of completed vertical exit passages that are preconstructed. Missile egress through these passages could be rapid, but the exit portals could be easily attacked with nuclear weapons, which would deny then the ability to launch the missile. Even "hardened" exit portals would be vulnerable with today's missile accuracies. Moreover, attempts at constructing hidden exits would rely totally on keeping their locations secret for the entire course of deployment—a considerable risk.

Figure 116A.—Postattack Egress



116B



SOURCE: Office of Technology Assessment.

These observations have led to designs for deep underground basing without preconstructed exits (see fig. 116B). After the order to launch, large underground tunnel boring machines would clear a path to the surface from the partially completed tunnels. This method of launch would not be rapid, due to the lengthy excavation process, and could take a period of days to perhaps weeks; in the meantime work continues on devising a faster method for missile egress.

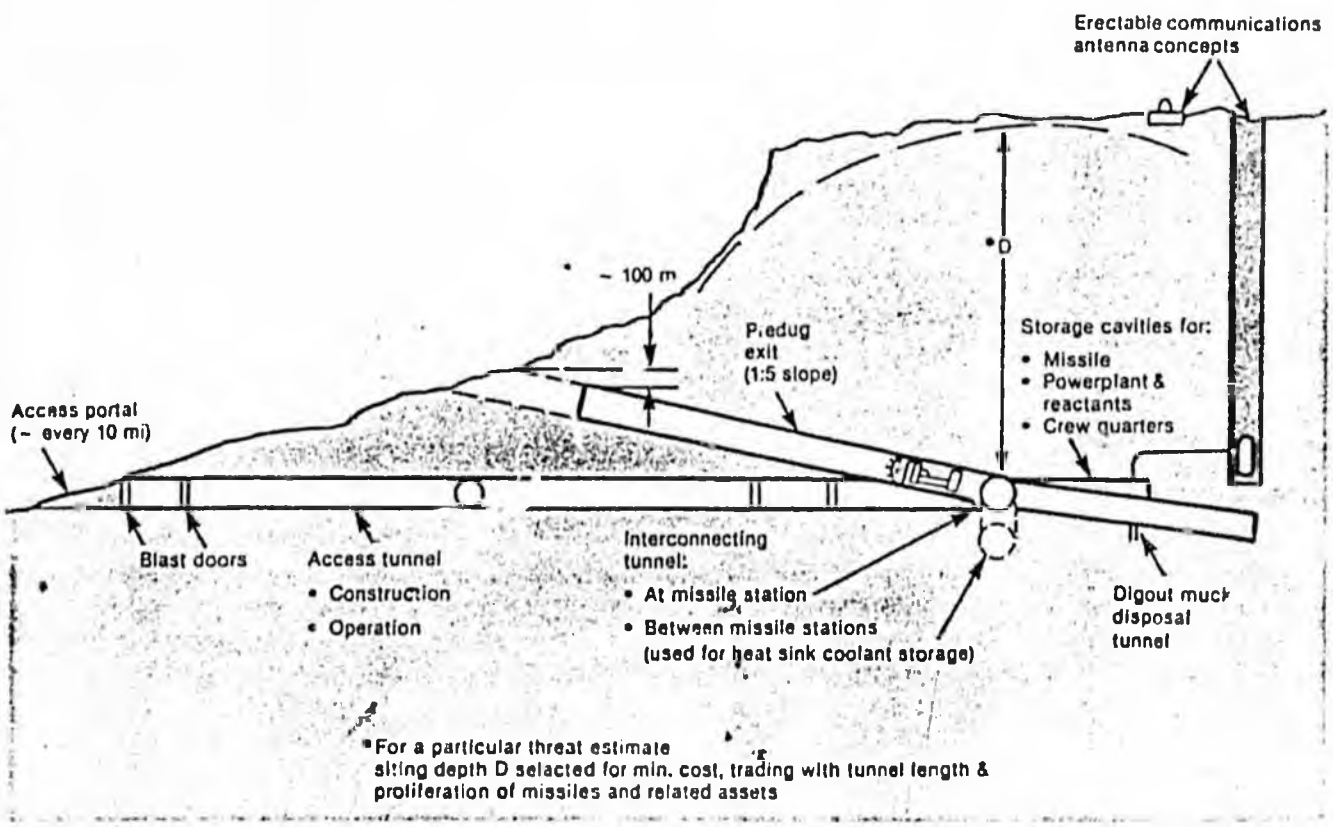
Clearly, this mode would not be suitable as a quick-response force for time-urgent missions after the initial attack—a major stated requirement for the MX missile. On the other hand, it could play a useful part in the overall strategic nuclear force as a secure reserve force. Postattack endurance might be very good, perhaps a year or longer. Furthermore, it could have a stabilizing effect and serve as a deterrent to war due to its high survivability to nuclear attack. Unlike fixed missile silos or multiple protective shelters, deep underground basing would be relatively insensitive to the increased accuracy of enemy missiles, or the fractionation of their payload. Moreover, deceptive basing of the mssiles would be unnecessary.

Although studies of deep missile basing date back many decades, it is still in a conceptual stage. Hardware specific to this type of missile basing has not been developed or tested, although many of its components, such as deep underground facilities and tunnel boring machines, have been constructed for other purposes. And, although a large data base on underground nuclear explosions has been collected over several decades, there is still a

degree of uncertainty on the coupling of explosive energy of a nuclear surface burst to the underground. This knowledge would be important in determining the minimum tunnel depth for sure survival of the missile against a large nuclear attack.

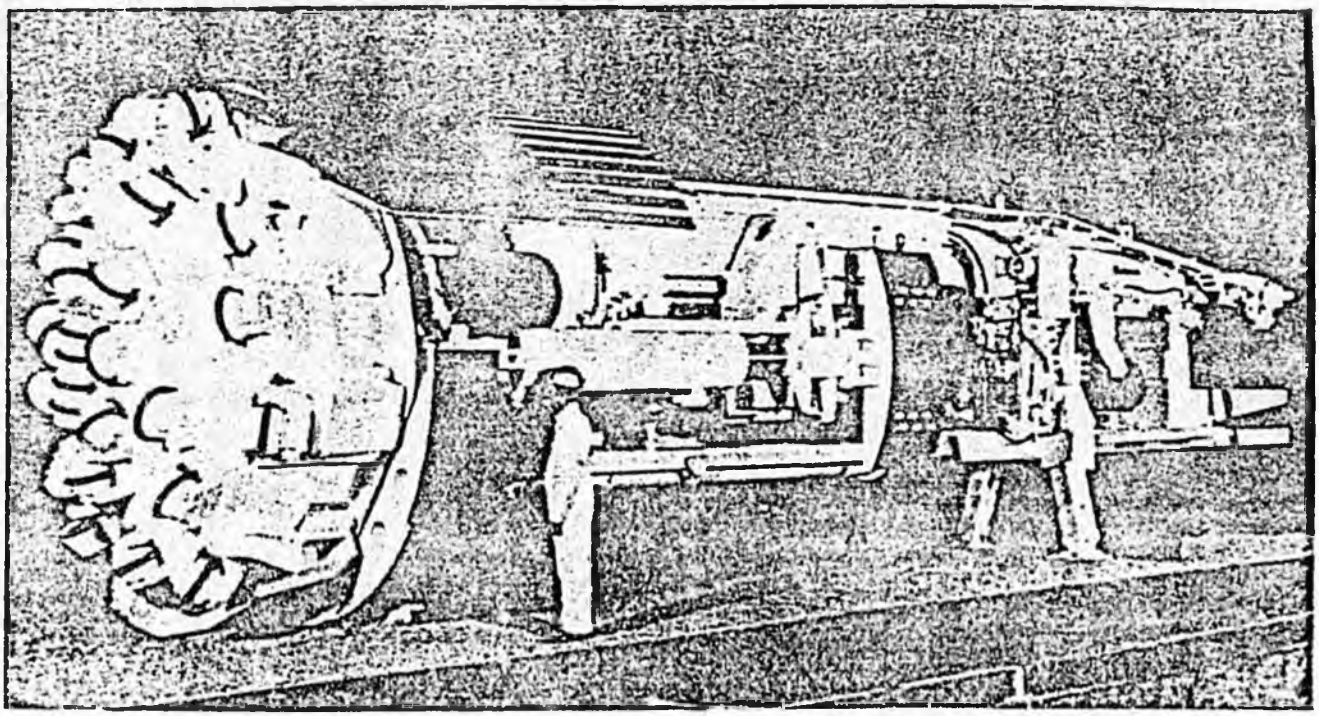
One concept for deep basing is illustrated in figure 117. This approach would utilize basing inside of a mesa, which, due to its relatively steep slope, has the advantage of providing a short tunneling length to the mesa face for missile egress. System burial would be typically several thousand feet. The exit route for the missile would be partially predug, with the remainder left to be dug by a tunnel boring machine, after receiving the command to launch. In addition, a number of horizontal access tunnels would lead to the underground complex from the outside. These access tunnels, which would be required during construction, would also provide underground access during peacetime. Blast doors in these tunnels would be needed for protection of the underground complex during an attack. Storage cavities would be provided for crew quarters, a fuel cell powerplant and its reactants, waste disposal, and tunnel boring machines. (A typical tunnel boring machine is shown in fig. 118. It is constructed and sold for tunnelling operations.) A reliable means of assuring a survivable communications link between the outside and the missile force has not yet been fully developed, although a number of possible candidate concepts do exist. One such concept involves the deployment of a large number of erectable communications antennas, as illustrated in the diagram. Assuring continuity of this link through the mesa during periods of attack is still a matter to be fully resolved, since resulting block movements inside the mesa may break underground cable links.

Figure 117.—Mesa/Tunnel Concept Section View (not to scale)



SOURCE: Office of Technology Assessment.

Figure 118.—Tunnel Boring Machine

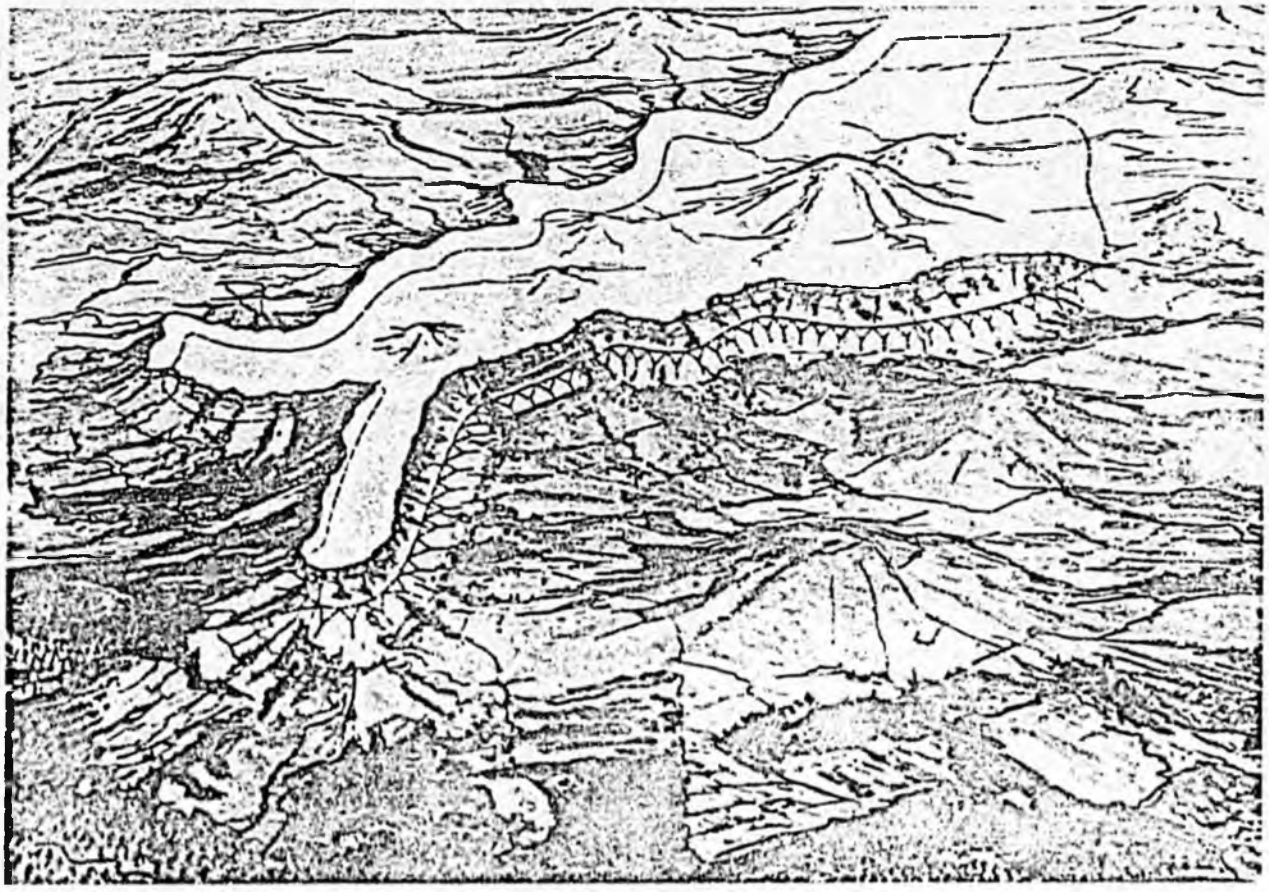


SOURCE: Robbins Co., Seattle, Wash.

An aerial view of the underground mesa-based force is shown in figure 119. The underground tunnels, shown as broken lines, form a closed complex around the mesa. An enlargement of a tunnel section is described in figure 120. The missile would be part of a launcher and transporter vehicle, as shown in figure 121, that resembles the vehicle used for buried trench basing, as discussed in chapter 2. For missile launch, after the tunnel boring machine cleared the way to the surface, the transporter-missile-launcher would move through the newly built tunnel to the surface, under its own power. This is illustrated in figure 122.

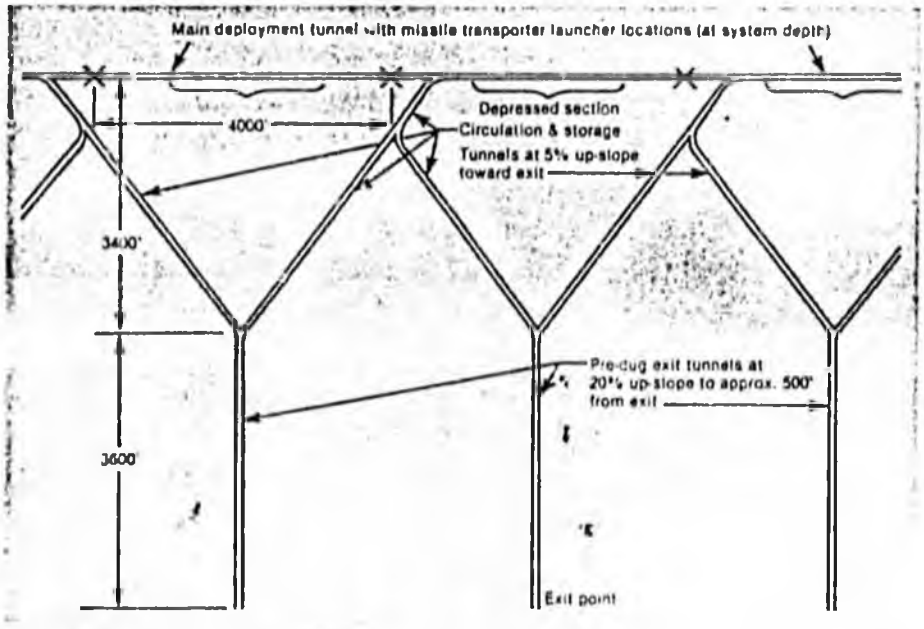
OTA has not analyzed either the environmental impacts or scheduling considerations for deep basing. A preliminary review does not indicate the likelihood of insurmountable problems, however. Estimates for system cost and construction time are highly tentative at this time. Much work on the detailed concept (particularly C³), research and development, and validation of design would be needed. Moreover, delays in construction for this basing mode could be expected, as experience in previous underground excavation projects indicates unexpected geological conditions that hamper progress. On the other hand, much excavation experience is available from many commercial and civil projects. Land area requirements are likely to be relatively small. Shown in figure 123 is a map of the United States with deployment areas of the Minuteman missile fields, the proposed MX/MPS deployment area, and two candidate basing areas for deep underground basing, one in the area of Grand Mesa, Colo., and an alternative site in southern Utah.

Figure 119.—Aerial View of Mesa-Based Force



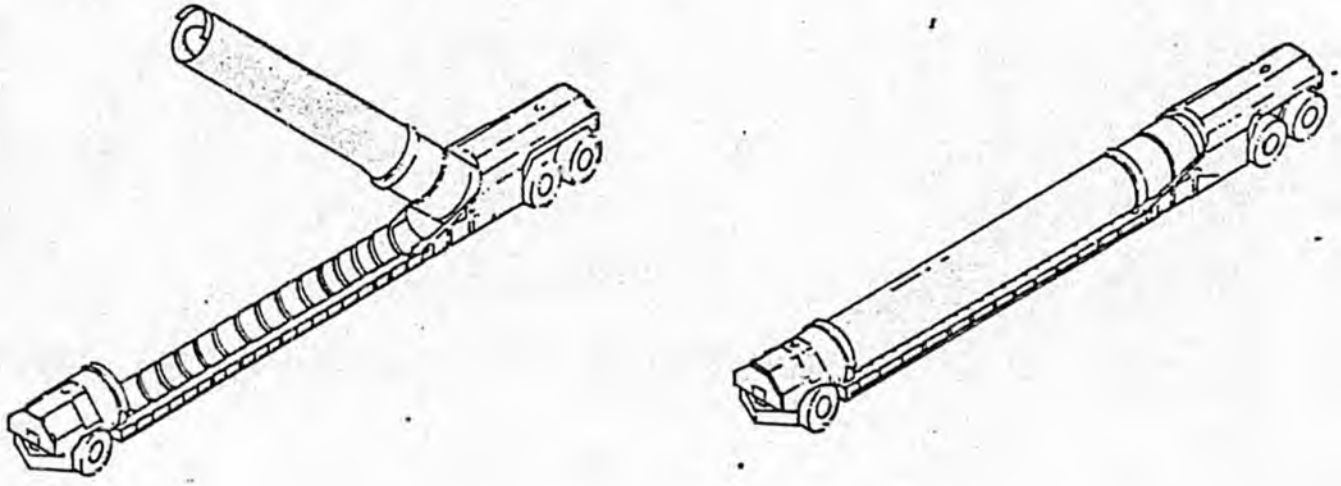
SOURCE: Office of Technology Assessment.

Figure 120.—Mesa/Tunnel Concept Plan View Schematic



SOURCE: Office of Technology Assessment

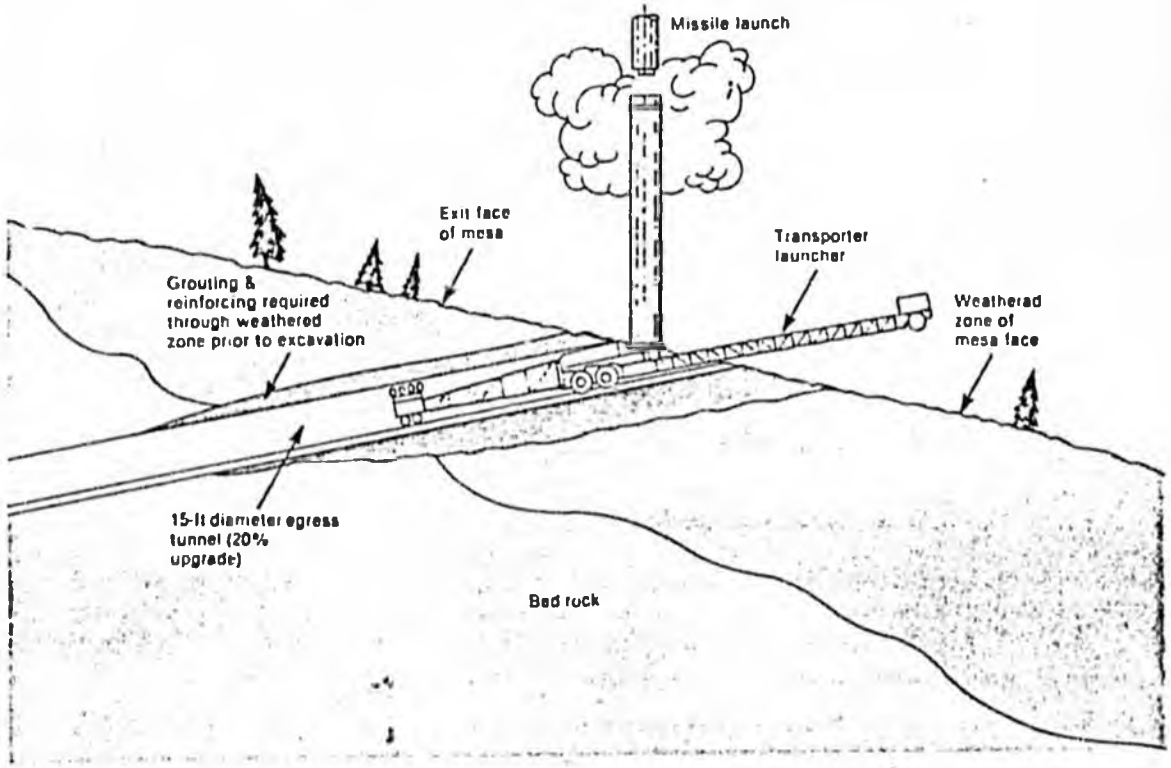
Figure 121.—Transporter Launcher



Length	35 m	(115 ft)
Width	3.5 m	(11.5 ft)
Height	3.5 m	(11.5 ft)
Weight	135,000 kg	(300,000 lb)
Drive motors (3)	350 hp each	

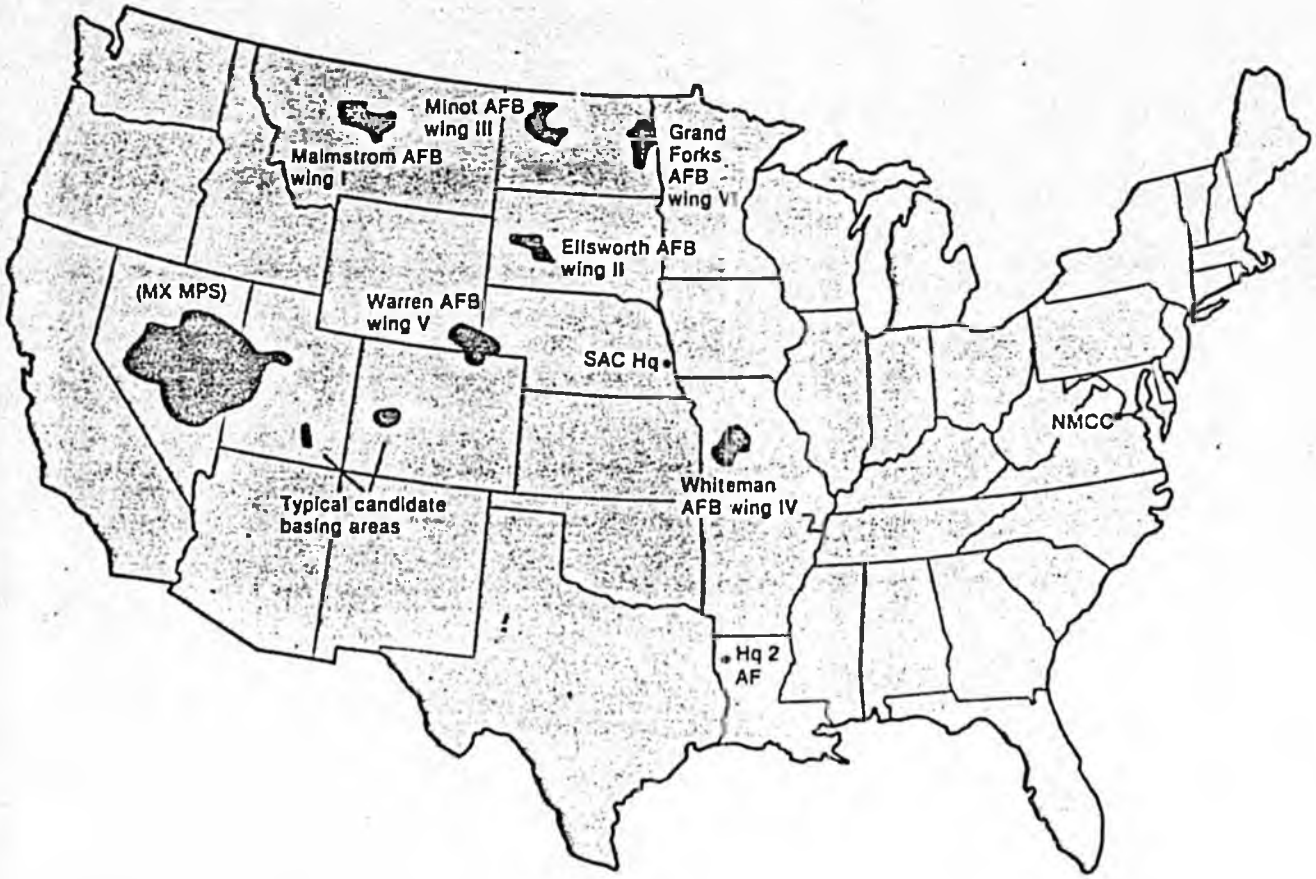
SOURCE: Office of Technology Assessment

Figure 122.—Missile Launch



SOURCE: Office of Technology Assessment.

Figure 123.—Land Area Requirements



SOURCE Office of Technology Assessment.

Alaska State Legislature

SENATOR
TERRY STIMSON
POUCH V
JUNEAU, ALASKA 99811

WHILE IN ANCHORAGE
1610 E STREET
ANCHORAGE, ALASKA 99501

Senate

January 28, 1982

The Honorable Donald E. Young
House of Representatives
2331 Rayburn Building
Washington, D.C. 20515

Dear Representative Young:

Thank you for the hospitality luncheon you provided while I was in Washington, D.C. with the Alaska Senate delegation last month.

Congress has completed a $199.7 billion defense appropriations bill. Part of this bill relates to President Reagan's ICBM Modernization Plan. One of the alternatives of this plan is deep basing the proposed M-X Strategic Missile System.

As a State Senator from Alaska I am interested in obtaining some general background information on the M-X system and some specific information on the following points:

* What does "deep basing" mean and what are the various methods used to "deep base"?

* What are "super hardened silos" and how would this be accomplished?

* How many missile silos currently exist in the State of Alaska?

* How far along is the Department of Defense in any plans to locate M-X missiles in Alaska? If these plans are only in the "discussion" phase, please respond as to when a "paper" planning process will begin and how much input the State of Alaska will have in the process.

* It has been said that Alaska is not a desirable location for the M-X missiles because the state's proximity to the Soviet Union would afford less

warning time in the event of a Soviet nuclear attack than other locations in the mid-west United States. However, Assistant Adjutant General Bill Sharro has been quoted as saying that Alaska is in a very strategic defense location and that the proposal to base M-X missiles in Alaska merits serious attention from a tactical and strategic standpoint. Please clarify the debate. Is Alaska strategic enough to warrant M-X basing in the state?

* If M-X missiles were deployed in Alaska, would this make the state a target for a Soviet preemptive missile attack?

* When is the final decision on M-X basing options due?

Your prompt attention in dealing with these questions is appreciated.

Sincerely,

Senator Terry Stimson
Alaska State Legislature
District 7-E

TS:am

DON YOUNG
CONGRESSMAN FOR ALL ALASKA

COMMITTEES:
INTERIOR AND INSULAR AFFAIRS
MERCHANT MARINE AND FISHERIES

FEB 16 1982

Congress of the United States
House of Representatives
Washington, D.C. 20515

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TELEPHONE 907/271-5978

BOX 10, 101 12TH AVENUE
FAIRBANKS, ALASKA 99701
TELEPHONE 907/456-6949

February 9, 1982

Honorable Terry Stimson
Alaska State Legislature
District 7-E
Pouch V
Juneau, Alaska 99811

Dear Senator Stimson:

This is in reference to your letter of January 28th requesting answers to your questions on the MX missile. I asked my staff to do a little research on the matter. I hope that this letter serves to clear things up a bit, but I am in any event pleased to be able to be of assistance to you.

Deep-basing is one of the three proposals for basi g the new MX missile. (The other two are continuous patrol aircraft, and sea-basing, either on ships or small subs.) There are several different modes of deep-basing, all in the formative stage at present. One version forsees digging deep tunnels to house the missiles, filling the tunnels with sand. The sand would serve to protect the missiles from a direct attack, and could be innundated with water to facilitate launching. Another form of deep-basing involves burrowing deep into the south sides of mesas to base the missiles, thus leaving the bulk of the mesa between the missile and the Soviet Union.

Super-hardened silos are Minutemen silos reinforced to withstand the incredibly high pressure associated with a direct hit by a large nuclear warhead. No one is sure how well such a silo could protect a missile. Tests with actual weapons are precluded by the Nuclear Test Ban Treaty, under which the US cannot test weapons above ground.

There are no intercontinental ballistic missiles (ICBMs) in Alaska. There may be other types of missiles, but their whereabouts and numbers are classified.

Under the provisions of the Nunn-Cohen Amendment to the Defense Appropriations Bill, the Administration will announce its final decision on MX basing in July, 1983.

The FY 82 Budget included $20 million for R & D on MX basing. The 83 figure is yet to be determined. Alaska could only conceivably be slated to receive MX missiles if the deep basing (DB) mode were chosen. If DB is eventually chosen, the choice of region for deployment will depend, among other things, upon which type of DB is chosen. Each type requires different geo-technical characteristics. If DB is chosen, a lengthy process would begin, starting with the Defense Systems Aquisition Review (DSARC). DSARC would not begin until after July, 1984 at the earliest. Then a lengthy environmental process would begin to assess the potential environmental impact of DB. The Environmental Impact Statement procedure would probably begin in 1986, with actual deployment starting in 1989 or later.

In any event, barring some change in US strategic doctrine, the strategic considerations leading the Air Force not to base ICBMs in Alaska would lead them not to deploy the MX in the state. Our policy is one of deterrence, and it is therefore not important to be able to strike first, but to be able to respond to a Soviet strike. Because response is important, it is crucial to have plenty of warning time before enemy missiles would actually impact in event of war. ICBMs are presently placed such that the Air Force would have 30 minutes warning time before enemy missiles would arrive. That gives the US time to launch from under an attack, if it so chose. In Alaska, however, there would be only 5 minutes tactical warning, not enough to launch. Furthermore, the command, control, and communications system in Alaska would be vulnerable, and any ICBMs there would be vulnerable to sea attack, which is why no coastal state contains ICBMs at present. This is not even mentioning the potential logistic and transportation problems Alaska would present as an MX basing site.

There is a connection between DB and Alaska. The connection, however, has nothing to do with deployment. It has to do with technology. The Defense Nuclear Agency has been studying Alaska tunnel mining techniques for application to DB. They are very interested in certain burrowing machines. Department of Defense sources stress that this has nothing to do with Alaska's characteristics as a potential basing site.

I apologize for the lengthy reply, but I hope it served to answer some of your questions. The chances of Alaska being chosen as a site for MX really seem remote. If you have any further questions or comments, please do not hesitate to write again. With best wishes,

Sincerely,

DON YOUNG
Congressman for All Alaska

DY:bw/rm

December 3, 1981

COPY

The Honorable Caspar W. Weinberger
Secretary of Defense
The Pentagon
Washington, D.C. 20301

Dear Mr. Secretary:

Recently, reports have circulated in Alaska that there were plans by the U.S. Department of Defense to place MX missiles in tunnels in Alaska. Preliminary checks with Washington indicate that this is not being considered as a policy at the present time. We would appreciate, however, confirmation from you as to whether or not the consideration is being given at this time to placing MX missiles in Alaska.

If now, or in the future, there are plans of this nature, we would certainly anticipate that the state of Alaska would be officially notified, and be allowed some input on those determinations.

For your information, I am enclosing a recent newspaper article regarding the situation so that you will understand my desire to have some statement from you.

Sincerely,

Jay S. Hammond
Governor

Enclosure

JSH:JD:SKF:mal/1

bcc: Dem Cowles

mil. AC

THE SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

RECEIVE

DEC 22 1981

DEC 29 1981

GOVERNOR'S OFFIC

Honorable Jay S. Hammond
Governor of Alaska
Juneau, Alaska 99824

Dear Governor:

Thank you for your letter regarding the proposed M-X strategic missile system. I certainly understand your concern on the reported deployment of M-X.

As a long-term option under President Reagan's ICBM Modernization Plan, deep basing is being evaluated as a survivable M-X option. Various defense agencies are beginning to assess the underground tunneling technology of the civilian industry. Presently, we are evaluating the mechanical factors which would allow us to develop an underground missile basing concept. At this time no specific sites are being evaluated.

If deep basing shows sufficient promise as an operational system which we could effectively deploy, we will begin to consider potential siting locations. Although it is quite unlikely that a missile with intercontinental range would be deployed in Alaska, the Department of Defense is obligated to review all options available for M-X deployment. Therefore, I cannot categorically tell you that Alaska will not be considered as a possible deep basing location.

The Department of Defense will definitely and properly inform you if our evaluation shows that the State of Alaska is a viable deep basing site for M-X deployment. Additionally, we would solicit and welcome your participation in the necessary planning for such a deployment.

I hope that this information is useful. Please contact us if we can be of any further assistance.

Sincerely,

Caspar W. Weinberger

oil rig

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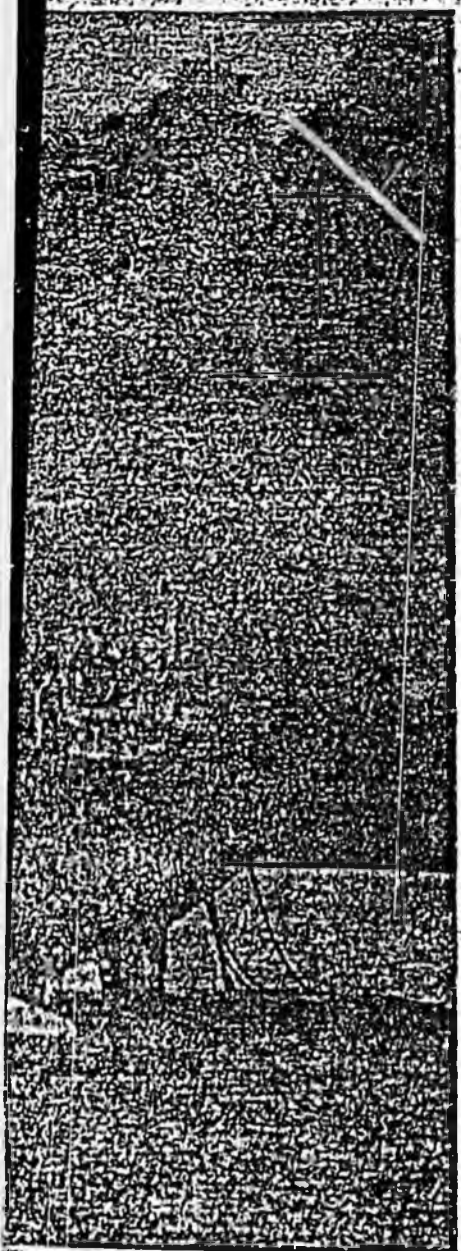
copter could not land because of
visibility, snow, rain, heavy seas
80 mph winds. Each helicopter can
y 25 passengers.

ther helicopters and aircraft were
ding by in St. John's, New-
ndland.

e oil rig, one of several drilling in
Hibernia field off Newfoundland, is
-propelled.



AP Laserphoto

Alaska MX missile site is proposed

By ANNABEL LUND
Empire Staff Reporter

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A geotechnical engineering firm, whose proposals for deep basing MX missiles are now being considered by Air Force and Pentagon officials, has recommended that missile sites be located in Alaska on the south sides of either the Brooks or Alaska mountain ranges.

The recommendation is part of a 23-page proposal by the company expected to undergo validation tests by the Air Force this spring.

A major advantage of locating the MX underground in the Brooks Range, according to Dr. Paul Erickson, engineer from Resource Engineering and Development, Inc. in Midvale, Utah, is the mountain range provides natural protection from Soviet attack. The Brooks Range runs east to west, allowing for a missile egress portal facing south which, Erickson said, is considered a very difficult target for Soviet missiles traveling over the North Pole.

In addition, Erickson said, the proposed Alaska sites would be in rugged mountains on very remote land far from urban centers, "which is a good selling point to the plan."

"It could take a lot less time for missiles launched in Alaska to hit targets in the U.S.S.R. than if they were sited in the Midwest," Erickson also pointed out.

The engineering firm's proposal calls for approximately 100 missiles to be based in four to five locations throughout the United States — with at least one site in Alaska — at a cost of approximately $4 billion in 1981 dollars.

Resource Engineering and Development, a subsiduary of Hoskins, Western Sonderegger, Inc., a civil engineering firm in Lincoln, Neb., has developed a system for providing rapid deployment of buried missiles and will be one of the firms selected by the Air Force for validation testing this spring, Erickson said.

The Air Force is expected to award contracts by June, 1982 for design of the deep basing mode of missile deployment.

Congress has required the President to make a decision considering several different basing modes by July 1983.

The Pentagon is considering three basing plans for the MX missile:

- The "Big Bird" plan, which includes keeping missile-bearing transport planes in the air constantly.
- The silo system, similar to the basing mode of the Minute Man missile system.
- Deep-basing sites in which missiles would be buried 2,000 to 7,000 feet under the sides of rugged mountain ranges.

The Defense Subcommittee of the Senate Appropriations Committee, chaired by Alaska Sen. Ted Stevens, is investigating several proposals for MX basing modes, said an informed congressional source, who asked not to be identified.

None, however, has been granted authority yet by the Department of Defense, the source said.

In the past, he said, Utah and Colorado — not Alaska — were considered prime sites for deployment of the MX.

"When Alaska was considered orginally for MX there were a number of criteria that had to be met, and Alaska was ruled out on several counts," the aide said.

One of the disadvantages of putting the MX in Alaska, he said, was the state's extended coastline would allow Soviet submarines to deploy depressed projectory missiles targeting Alaska sites, not a problem in land-locked Utah or Colorado. Alaska's close proximity to Canada and the limited warning time in case of Soviet attack were also cited by the aide.

According to Pentagon officials, however, deep-underground basing of the MX is designed specifically to protect the warheads by burying them thousands of feet underground, so the missile complex and personnel could withstand a direct nuclear hit and survive for up to a year without exposure to radiation.

Two high-ranking Alaska military officers, Adjutant Gen. Bill Sharro and Lt. Col. Floyd McKee of the Alaska Air Command, have pointed out that Alaska was in a very strategic defense location, and Sharro told the Empire the proposal to locate the MX in the state "does merit

Continued on Page 2

new of year'

given at the banquet. Carol and Trevor Davis were honored with the lifetime memberships to the chamber.

"They have done a lot for the community of Juneau, and the chamber recognizes them for that," said Schmitt.

Dean and Edna Williams were also given honorary membership awards. The Williams' travel the West Coast each year presenting programs on Juneau and Alaska to senior citizen's centers.

"Edna's put in many hours over the years for community activity," said Schmitt, describing her contributions. "She's a believer in the community and puts herself into it."

A past president's award was presented to Janis Rountree, who has served on the chamber's board for the past four years. She was vice president in 1980 and president in 1931, when the chamber merged with the convention and visitors bureau. She was instrumental in that reorganization. She and her husband, Graham, own George's Gift Ship.

Schmitt said he believes it was one of the best banquets the group had ever put on.

"It was the first time I've seen so many three-piece suits and long dresses at the banquet," he said. "It was very well-received."

MX sites...

Continued from Page 1

some very serious attention from a tactical and strategic standpoint."

State officials first became aware of proposals to locate the controversial MX in Alaska last November when a highly respected scientific journal, Aviation Week and Space Technology, reported the federal government was considering siting the missiles somewhere in the state.

Those reports were confirmed by a spokesman from the Nuclear Defense Agency and several Pentagon officials, but caught state military and governmental authorities by surprise.

Although both members of Alaska's senators delegation at first denied knowledge of the matter, Stevens later admitted to an Anchorage reporter that Alaska might be considered as a possible location for the warhead system in the future.

In a letter to Gov. Hammond Dec. 22, U.S. Secretary of Defense Caspar Weinberger said that, although no specific sites had been selected, Alaska had not been ruled out as a location for deep basing.

Concerned about the reports, state Rep. Brian Rogers, D-Fairbanks, introduced legislation in the state House opposing any plans the federal government might have for location of the MX in Alaska.

Rogers said he opposed basing the MX intercontinental ballistic missile system in Alaska because the state would then become a target for a Soviet pre-emptive attack and because nuclear explosives would be used to excavate the tunnels used for the system.

Parking...

Continued from Page 1

The proposed assessment would tax property owners on the basis of the size of their lot and the assessed value of the property.

For example, a property owner in Zone 2 with about 2,000 square feet of property would be assessed about $1,100, according to the city-borough.

Downtown property owners are expected to pay for roughly half of the garage costs, with the other half coming from state funds for Juneau capital projects. The state money was given to Juneau last year as part of its per capita capital improvements entitlement, according to Assemblyman Fred Baxter.

The state funds are a way of spreading garage costs among all residents since they represent area-wide money, he said.

Baxter said he has received a few phone calls from residential property owner objecting to their inclusion in the L.I.D. The assembly may investigate how many single-family residences are within the L.I.D. to see if it wants to treat them separately, he added.

The municipality is pushing to "get something started," since in the past two decades "five or six" parking garages have been proposed, but none have been built, according to Baxter.

on union

to all eligible faculty.

The mail ballots are to be returned to the labor agency offices in Anchorage within two weeks after professors at the Juneau, Anchorage and Fairbanks campuses get a chance to vote on the matter.

sicians play ovations

they played to an enthusiastic and appreciative crowd that packed the Juneau-Douglas High School auditorium Friday.

The crowd, numbering 780, was the largest of of the year

Obituary

Elias J. Reyes, Jr.

Elias J. (Eli) Reyes, Jr., died of a heart attack Saturday in Juneau.

Mr. Reyes, who was 47, was active in numerous Native political and community organizations, and was an active member of the Chapel by the Lake Presbyterian Church, where he served as trustee and sang in the choir.

Mr. Reyes was director of policy and planning with the Tlinglit-Haida Central Council when he died. He had served the council in many capacities over the past seven years, including intervals as its administrative manager and deputy Native agency director.

He worked for five years with the federal Bureau of Indian Affairs and 10 years with the state Department of Labor.

Mr. Reyes [illegible] school in Petersburg, until he left to attend Western Washington University in Bellingham.

Mr. Reyes later served in the U.S. Army until his honorable discharge in 1962.

Mr. Reyes served on a variety of committees and statewide boards associated with such organizations as the Alaska Federation of Natives, RuralCap and the state advisory board on vocational education.

At the time of his death he was chairman of the Juneau Indian Studies Parent Committee.

Mr. Reyes was a charter member and president of the Glacier Valley ANB Camp No. 70.

He was involved in youth sports programs such as Little League baseball, youth soccer, skiing and swimming.

Mr. Reyes is survived by his wife [illegible] Marilyn, 10.

Other survivors include his mother, Mary Reyes of Petersburg; sisters, Marie James and May Kowatna, both of Petersburg; sister, Lenora Lopaz of Anchorage; and brother, Donald Reyes of Juneau.

Included among the survivors are numerous cousins, aunts and uncles.

Funeral services have been set for 2 p.m. Wednesday at Chapel by the Lake. Pastors Jim Patton and Lew Rooker will officiate.

An Alaska Native Brotherhood memorial service has been scheduled for 7:30 p.m. Tuesday at the Salvation Army Hall. Robert Martin, Sr., will preside.

In lieu of flowers the family requests donations be made either to the Medic [illegible]

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(907) 337-6071

SENATOR TIM KELLY

March 2, 1982

MR. CHAIRMAN, MEMBERS OF THE SENATE STATE AFFAIRS COMMITTEE:

Thank you for this opportunity to speak with you for a minute about a problem all federal employees in Alaska, both civilian and military, are experiencing. As you know, Mr. Chairman, the Federal Government, in an effort to cut costs, has, during the last few years, changed the formula used to determine the cost-of-living allowance given federal employees in Alaska. The COLA is the government's way of insuring that an employee in Alaska, working the same job as an employee in Louisiana, for example, receives equivalent compensation by compensating for the increased cost-of-living up here. The result in the government's change to the COLA formula has been to reduce compensation for federal employees in Anchorage from 25% to 17.5% and reduce the living wage and lifestyle of our federal employees, both civilian and military.

Mr. Chairman, we all know that living in Alaska is more expensive than living almost anywhere else in the country. Just the basics of housing and food are constant reminders to all of us of the financial price we pay for living in Alaska. Our state is one of the most important to the future welfare of this country. Not only stratigically, as is exampled by the presence of large and vital military installations throughout the state, but also our proven natural resources may provide the key to the future economic independence of the United States. The decisions made by the federal government as to how our natural resources are developed and the mental and physical preparedness of our armed forces throughout the state, is in large part determined by the quality of the people making decisions. If those people can make more money elsewhere, then some will choose to go elsewhere. If the U.S. Government and the State of Alaska are to continue to depend on the high caliber of workers we now enjoy, we must maintain competitiveness with other areas of the nation. Federal COLA is just one example but it is an important example. It simply makes no sense to lower the compensation of these people making decisions vital to our future. I think the federal government should take another closer look at the federal COLA formula for Alaska and re-adjust it to more accurately reflect reality.

I would ask this committee to favorably act on this Resolution.

Thank you, Mr. Chairman.

N. Pacific Chinook Salmon

SENATE JOINT RESOLUTION NO. 70, by Senator Ziegler. Resolution states that since 1977, "the fishery management plan and amendments implemented by the Secretary of Commerce under the Fishery Conservation and Management Act of 1976 have resulted in substantial reductions in the harvest of chinook salmon in the fishery conservation zone off the coast of Southeast Alaska . . . and . . . in 1981, Alaska commercial fishermen suffered more than a 10 percent reduction from the 1980 allowable harvest of chinook salmon." States that at the January meeting of the NPFMC it was tentatively decided to direct the Nat. Marine Fisheries Office, Alaska Region, to manage the Yakutat-S.E. Alaska chinook salmon fishery at the lower end of the 1981 optimum yield range and that Canadian commercial fishermen have not experienced a comparable reduction.

Requests the North Pacific Fishery Management Council to direct the National Marine Fisheries Service, Alaska Region, to manage the Yakutat-Southeast Alaska chinook salmon fishery at the upper end of the 1981 optimum yield range. Requests the President to direct the Sec. of Commerce to disapprove amendments to the fishery management plan submitted by the NPFMC if the amendments reduce the harvest of chinook salmon in the Yakutat-S.E. Alaska Regional below the 1981 level. Also requests the President to direct American participants in salmon interception treaty negotiations with Canada to effect a speedy resolution of North Pacific salmon fishery issues.

Provides that copies be sent to the President, the Secretary of Commerce, the Chairman of the N. Pacific Fishery Mgmt. Council, and to the members of the Alaska Delegation in Congress.

Introduced February 15 and referred to Resources.

Federal C-O-L-A

SENATE JOINT RESOLUTION NO. 71, by Senators Kelly, Fischer, Ferguson, Bradley, Rodey, Stimson, Sturgulewski and Ziegler.

Urgently and respectfully requests the President to direct the Office of Personnel Management to obtain cost-of-living information from affected federal employees in Alaska and, based on that information, to recalculate the reductions in the cost-of-living allowance recommended over the past two years, so that the former level of allowance might be restored, thus allowing federal employees in Alaska to receive a more equitable and adequate cost-of-living allowance than they now receive. Provides that copies be sent to the President and to members of the Alaska delegation in Congress.

Introduced February 16 and referred to State Affairs.

WW II Artifacts (removal from state)

SENATE JOINT RESOLUTION NO. 72, by Senator Bradley. Requests the federal government not to remove World War II artifacts from Alaska and to make them available for preservation in museums in the state. Also requests Congress to make it illegal to remove World War II artifacts from Alaska. Provides that copies be sent to George Bush, Vice President; Thomas O'Neill, Jr., Speaker of the House; the Secretaries of the Air Force, Navy, and Army; and to the members of the Alaska delegation in Congress. (See SB 740, page 181--same subject.)

Introd. 2-16 + referred State Affrs

SJR

15

TELEGRAM

ALASCOM, INC.
PHONE: 586-6442
JUNEAU, AK 99803

#

02129 NL ANCHORAGE ALASKA 68 02-19 0510P AST

PMS SEN VIC FISCHER

JUN 1948

RESOLUTION SJR-75 IS JUST ANOTHER SYMBOLISM OF THE AMERICAN TRADITION FOR THE HANDLING OF FREEDOM AND DEMOCRACY IN THE WORLD OVER THE PAST 200 YEARS. I SUPPORT THIS RESOLUTION AND GOD BLESS YOU MR. STIMSON FOR INTRODUCING THIS RESOLUTION SHOWING YOUR SOLIDARITY WITH THE POLISH PEOPLE. MY THANKS TO THE ENTIRE SENATE FOR THEIR SUPPORT IN THE PASSAGE OF THIS LEGISLATION.

STAN BORUCKI OF ANCHORAGE

7550 OLD SEWARD HIGHWAY

ANCHORAGE ALASKA 99502

'82 FEB 20 AM 8 06

The New York Times

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Neither Polish Nor a Solution

Yes, this is "it" — the long-feared suppression of the Polish people's rebellion against the Communist Party's monopoly on power.

For their acquiescence in defeat and cooperation in preventing bloodshed, Lech Walesa and Pope John Paul II might yet be able to soften the effects of the proclaimed martial law. For their willingness, even now, to keep on helping Poland, West Germany and the United States might obtain humane treatment for the fallen Solidarity leaders. There should be no doubt, however, that the Polish Government is now determined to decapitate the union opposition, to move against strikers with force and to summon the Polish army and, if it fails them, the Soviet army to put down insurrection.

The American leaders who found some initial comfort yesterday in the inactivity of Soviet tanks draw a pitiful distinction. This is no "Polish" solution. For months, the Soviet Union has demanded a crackdown, made to look exclusively Polish. But it could occur only with Soviet help. It requires the threat of Soviet intervention if Polish soldiers side with Solidarity. Only the futility of resisting Soviet forces may prevent massive civil disobedience.

•

Why, then, did General Jaruzelski wait until this moment?

Probably because he lacked a broad party consensus until some union leaders gave him the appearance of cause with new threats of political action. Mr. Walesa's overheard predictions of more "confrontation" have been shrewdly exploited to portray the union as reckless against a patient and compromising Government. That may be enough to confuse a frightened Polish public and to give some credence to the General's overdrawn charge that "not days but hours separate us from a nationwide catastrophe."

But the evidence does not support his claim of crisis. It is true that in about half of Poland's provinces, union leaders were maneuvering to eject Communist officials from factory leadership positions. This winter's economic chaos, however, is more clearly attributable to shortages and inefficiencies than to strikes.

It is also true that a day of national protest had been called for next Thursday. But that was mainly a response to the Government's provocative threat to revoke the right to strike — the principal reform won by Solidarity at the start of its remarkable challenge 16 months ago.

The pretexts have an obvious propaganda value to the Government. Its actions, however, suggest weeks of careful planning. Nothing less could account for such details as military dress for television announcers, new censorship routines at the post office, the closing of gas stations and the proclamation of scores of regulations.

No doubt General Jaruzelski acted "with a broken heart." He is right to say that "none of Poland's problems can be solved by force." But force is what he has now invoked, challenging Poland to choose between bloody resistance and a demoralizing peace.

A Cold Stare at the Garden Ice

Nothing about New York's Madison Square Garden, with its slick, tacky sheen, suggests permanence — but no one thought its owners would close the place after a mere 13 years. That's what the Gulf and Western Corporation now threatens, because of mounting losses.

If the Garden closes, New York City will have no arena for hockey or basketball, or the circus and the ice show. City Hall would like to save these symbols of urbanity; but the Mayor and his Corporation Counsel, Allen Schwartz, are right to be taking a very hard look at the price of ice.

•

The arguments for subsidizing the Garden with public funds are not frivolous. In winning seasons, the Knicks and Rangers, owned by the Garden, stimulate spending, generate sales taxes and enter-

tracks and other O.T.B. outlets, and leave them clamoring for a rescue. Boxing, with its small playing surface, is a television natural and its promoters no longer need to pay high Garden rentals.

Without other reliable sources of revenue, the city and state could not turn a losing private business into an affordable government enterprise. New York borrowed funds to keep two baseball teams, at Yankee and Shea Stadiums. One football team nonetheless moved away and the returns now do not even cover the debt service. The symbolic importance of keeping New York a two-team baseball city may justify a deal already made. The Garden's symbolic importance is much smaller.

Its losses reflect economic tides not easily reversed. The Meadowlands in New Jersey and the Nassau Coliseum reflect a national experience: an

To the Editor:

Please spare us yet anot simplistic "Japan Inc." their application to the U.S

The Dec. 3 letter titled Tech Needs a Command waves again the blood Japan's competitive chall tify greater U.S. Governm ment in the management technology.

Those who lack public-sector experience in the policy process in Tokyo an ton generally fail to unde critical flaws in the "Japa tionale for U.S. Governme tion in American industrial

First, the Japanese Gov pot the primary force in Ja mercial and technologic However comforting this m for American managers competed unsuccessfully. Japan, it is simply not cor over, it is extremely dange U.S. to underestimate the of Japan's industrial stren Japanese private sector.

Second, given the enormo ties faced by American managing technological ch absurd to suggest that th process could be better m Washington. Even more da the suggestion that this role

The Case of a C

To the Editor:

Tom Wicker's two-part "Threatened Harvest" [No 27] makes a compelling ca tillage farming. I've been method for years on my patch at home and have n most no soil erosion. It also s of manual tilling. Perhaps b this, my wife remains unconv

Reading Mr. Wicker's however, I developed a burn osity to learn where all this e disappeared to. Soil loosened ventional planting can eith g. avity and go into orbit or ge and washed away by riv streams to the oceans. We wil fission and fusion are not fa work here.

Assuming soil is a prisoner ity, windstorms must larger tribute eroded soil so that far soil blows over to farmer B, versa. Some fraction — small, sumes — will escape if deposi a river or stream, but can this

Limits to the Green

To the Editor:

In the chorus of protest fro and local officials, as well as i als, of hardships resulting from ministration's program of parti Federal aid programs and em upon the "new federalism," the a strong implication that some Government has resou

The New York Times

Founded in 1851

ADOLPH S. OCHS, *Publisher 1896-1935*
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Waiting for Walesa

With Poland sealed off, one can only imagine the fateful conversations between General Jaruzelski and Lech Walesa, the Solidarity leader he holds in "respected" custody.

J: *I plead with you to plead with the people to go to work, to end the defiance of authority, to save us from bloodshed, to avoid testing the army's loyalty, to spare us from Soviet tanks. Help make Poland whole again.*

W: I cannot plead with or speak for people with whom I am not allowed to communicate. You cannot invoke authority over workers with whom you refuse to negotiate. You can silence the people and arrest their leaders. You can force them, on pain of hunger, or death, to move their shovels and turn the machines. But that won't lift their spirits and make them productive.

J: *We have exhausted what you call negotiation. No day has been free of strikes and new demands. You were not content to correct mistakes or improve the methods of petition. Election reforms were not good enough. Your hotheads demand political power, even supremacy over the Party. That is impossible. Poland is bankrupt. No reforms will have meaning until the people produce enough to sustain themselves.*

W: Not Poland but the system is bankrupt. How can people produce when it yields them so little? How can the majority work well when the fruits go to a minority living in bourgeois elegance?

J: *It is too late to debate the causes of this crisis. I blame both the chicken and the egg. I have detained not only your reckless associates but also the corrupt sponsors of evil in the previous regime. I implore you now to bid the people to work, to accept authority and my promise of continued reform when conditions permit.*

W: The Government does not lack for hotheads. It is too easy to blame extremists, on either side. The people will work well only if they have confidence in the leadership and in the plans for progress. And for that they need to have their chosen representatives read the ledgers and help make the rules. They will not believe in words, even mine.

J: *The measures I have taken may appear extreme, but you must know that they are designed to head off worse: Solidarity is suspended, but not outlawed. Its leaders are detained, not arrested. The emergency can be temporary if patriots will pull together. Poland's destiny is Socialist and Soviet. But there is still time to avoid open conflict and foreign intervention. Go to work and, with your blessing, the West will sustain us through the winter and let us demonstrate that we can pay our way and build a new order—together.*

W: Whatever I could say in these circumstances will appear to be a betrayal to save my skin. You ask for my trust, but you do not trust me and Solidarity. Ours is not a movement of agitators whose removal will clear the air. It is the working people who rebelled and recognized their power to influence their destiny. Do not misjudge their mood by their confusion of one day, or week.

J: *I understand their frustration and their anger. That is why I beg you to speak out for order, before blood is spilled. Have you not heard the Pope's prayer? Do you not value mine? The people await your guidance.*

Limp Progress on Foreign Aid

The Reagan Administration deserves some credit for winning House passage of an $11.5 billion foreign aid appropriation, and particularly $725 million for the World Bank's soft-loan window. These compromise sums are far from adequate, however, to support America's wide-ranging objectives around the world.

At least the Administration has reversed its own initial hostility to foreign aid. The success in the House, against Republican opposition, should finally assure a regular appropriation for the first time in three years; stalemates in 1980 and 1981 led to "continuing resolutions" that limited aid spending to about the 1979 levels, despite inflation.

And the $725 million for the International Development Association is crucial to stimulating $12 billion in grants by 34 nations for interest-free 50-year pledged. Thereafter they are likely to fall short of the $5 billion to $6 billion the World Bank seeks to offset inflation and encourage further development.

Recession and budget stringencies are used to justify U.S. cutbacks. But recession only increases the importance of foreign aid. Developing countries buy one-third of America's exports. Each dollar the U.S. gives to the I.D.A. evokes almost three from other donors and stimulates the world economy far more than domestic spending.

Yet the United States now ranks 13th among the 17 industrial democracies that give development assistance. As a percentage of gross national product, American aid has declined to one-fourth of 1 percent — half as much as was provided in the Eisenhower and Kennedy years and now exceeding only the contributions of Austria, Finland, Switzerland

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Let Long Islande
Run Their Railro

To the Editor:

Your Dec. 5 editorial "Ha
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a position taken by the Cardinal, who wrote the letter in his capacity as military vicar. The controversy also exemplifies the deepening concern over the arms buildup by Pope John Paul II and other prominent Catholics in Europe and the United States.

Among the supporters of the protest is the Intercommunity Center for Justice and Peace, a coalition of the 33 major

Continued on Page B5, Column 1

A Letter From Warsaw

'Fear Can Come Back as Quickly as a Door Slamming'

Following is a letter received yesterday from John Darnton, Warsaw bureau chief of The New York Times, addressed to Robert B. Semple Jr., the paper's foreign editor. Normal communications from Warsaw have been shut by the authorities since Sunday.

Dec. 16, 1981

Dear Bob,

At least twice in the past 24 hours the official Polish press agency has used the word "normalization" to apply to events here. For Poles and other East Europeans this is a dreaded code word.

"Normalization" is what happened to Czechoslovakia after a Warsaw Pact invasion crushed the "Prague Spring" of 1968. In the peculiar jargon of Communist officials, in which words can mean their opposite, it is the restoration of orthodox authority. To people it is the almost unbearably painful process of watching the dismantlement, piece by piece, of freedom and liberties painstakingly won.

A major part in that process is fear, and fear, it is clear, has become of the new military Poland. [*As written.*] It is strange; perhaps the one defining trait of the Polish "renewal" of the past 16 months was the absence of fear.

A Calculated Campaign of Intimidation

With a massive show of manpower and equipment and a calculated campaign of intimidation, the military authorities here are trying to break the spirit of resistance of the workers' movement.

Yesterday evening, a caravan of 273 police cars, trucks, water cannons and other hardware moved slowly through the city at rush hour. Thousands of onlookers were forced back on the sidewalks, dark figures waiting on dirty snow banks and trees in the cold. It seemed a parade of brute force.

This morning at an early hour three secret policemen barged into the small apartment of a Polish journalist. They insisted that he sign a document asserting that he would no longer "act in a manner to oppose socialism in Poland." He resisted and was bundled away. His wife pleaded with the policemen as they dragged him down the stairs. One of them responded, "Don't worry, we'll be back tomorrow for you to sign it."

The fear campaign is working in some respects. Already people open their doors just a crack, to inspect who is there. They play the radio loudly while talking, or set the water running — old devices from the Stalinist 1950's to foil the eavesdropper.

For someone who has lived here for almost three years, it is as if a door that was gradually opened has been suddenly shut.

'You're Being Observed'

"I can't see you now," whispers a Polish friend, as he answers his door and steps into the hallway, closing it behind him. "Didn't you hear? I was detained. I just got out. I'm sure you're being observed."

"We can't talk here," says another Polish friend standing in a stairwell, with a glance at a man nearby, who said he was a taxi driver waiting for a customer. He may, or may not, have been listening.

It takes a long time for fear to go away, weeks, or months even, in which people slowly learn that they can speak out or, emboldened by others, write more forcefully and honestly in the newspapers. But fear can come back as quickly as a door slamming.

Overwhelming Show of Force

The full extent of the strike protest to the imposition of martial law cannot be determined with all communications down all over the country. But in areas where foreign journalists have been able to reach, factories in the Warsaw region, what broke the backbone of the protest was fear. The authorities mounted an overwhelming show of force — surrounding factories with tanks and armored cars and simply waiting for darkness and curfew to unsettle the demonstrators inside.

Workers who gave up said afterwards that they felt

Continued on Page A16, Column 1

U.N. Council Votes n Annexation Illegal

Al to The New York Times

Council Resolution 338, which was adopted after the 1973 Middle East War. Resolution 338 referred to an earlier one, Resolution 242, which called for Israel's withdrawal from territories occupied in the 1967 war and supported the right of "every state" in the Middle East to live within secure boundaries.

Syria objected to this implicit recognition of Israel's right to exist. But eager to gain American support, the Syrian delegation came up with a counterproposal that referred instead to "relevant Security Council resolutions." After a flurry of phone calls to Washington and Damascus, the proposal was accepted by the United States.

The resolution also called for the Council to meet again no later than Jan. 5 to consider "appropriate measures" if Israel failed to comply. Council members said these could include a cutoff in trade. But diplomats here do not believe

Continued on Page A3, Column 4

MILLION DOLLAR IRA PLANS 1-800-221-1786 Operator 820 24 Hr. 7 Day Service—ADVT.

SIDNEY POLLAR HAPPY 10TH BIRTHDAY LOVE—ADVT.

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Mining Planned

The Interior Departme
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St. Patrick's Par

The St. Patrick's Day
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Antiques	C33	Op-E	
Around Nation	A18	Real	
Art	C30-32	Relig	
Books	C4, C34-35	Resta	
Bridge	C30	Shipp	
Business Day	D1-14	Sport	
Crossword	C34	Style	
Dance	C1	Theat	
Editorials	A34	TV/R	
Movies	C10, C18	U.N.	
Music	C3, C7, C10, C29	Washi	
Notes on People	A25	Weath	
Obituaries	D18	Week	

News Summary and Inde

Classified Ads D14-18 | Auto Ex

Advent Vespers, Sun. (12/20) 4 pm. St. James Cathedral, Bklyn. Info. 858-4

sion among the Soviet-bloc leaders will come over the next two days, when they gather here for the 75th birthday of Leonid I. Brezhnev on Saturday. Three of the guests — Gustav Husak of Czechoslovakia, Janos Kadar of Hungary and Yumzhagiin Tsedenbal of Mongolia — arrived today.

The degree of Soviet concern not to be

tions as a Polish initiative.

Kulikov's Visit to Warsaw Recalled

The Soviet press agency has also avoided commenting on reports out of Warsaw that Marshal Viktor G. Kulikov of the Soviet Union, who is the commander in chief of Warsaw Pact forces, was in the Polish capital last Friday.

shooting it through guns," the Greek said.

The two witnesses said that the troops and riot policemen had not used other force against the workers and that the workers fled after the tear gas barrage. This morning, Mr. Stokkeland said, the shipyard seemed empty of workers, the

and ... yard. The ... and shipping ... boring city of Gdy...

Describing the clash ... mine near Katowice, the w... said "a group of irresponsible ... some of whom are not employ... mine, organized a strike" and ... despite warnings from the Pol... and from Government prosecu...

Security forces sent to the ... attacked with stones, crow... axes, according to the Polish ... ment broadcast. The radio sa... were employed" by troops, b... no details. "Seven people w... and 39 civilians were injured ... attacked the representatives ... who were peforming their d... said.

Warnings of Swift Punish...

Other radio broadcasts ... today indicated that the autho... broken up strikes at a hosiery ... Lodz, in central Poland; at an ... steel plant at Cracow, in sou... land, and at a coal mine in ... eastern Poland, near the Sovie...

The Polish authorities ... stern warnings of swift puni... anyone who participated in d... tions commemorating the 11t... sary of riots in Gdansk and ot... Those riots led to the downfall ... slaw Gomulka as the Polish C... Party leader in 1970.

The Roman Catholic Chur... ued speaking out strongly tod... sition to the curtailment ... rights under martial law. T... radio said Polish bishops hac... the release of Lech Walesa, th... the Solidarity union, who has ... been held in isolation at a G... guesthouse on the southern ... Warsaw. The bishops were ... having said Mr. Walesa was ... indispensable for nationa... rium."

In a statement issued ... Archbishop Jozef Glemp, wh... mate of Poland, and oth... called for "the freeing of ... held by the Government.

Radio broadcasts from W... indicated a suspension of n... cial procedures, a severe cu... civil rights, new restriction... and the rationing of electric... and other fuel.

A television broadcast de...

A Letter From Warsaw

12/13

Continued From Page A1

isolated, with no idea of what was going on in other parts of the country. They were worn down, sometimes hungry, and began thinking of their children. Women among them began weeping. When the troops and policemen burst in, they were offered a chance to leave, unharmed, if they would separate themselves from their leaders.

"We really had no other choice," said one worker at the Huta Warszawa steel mill. "They had live ammunition and their guns were raised. They seemed as scared as we were."

In other regions, resistance is still going on and some workers are apparently determined to repel an armed attack. But what the outcome will be cannot even be guessed.

'Will Have to Eat Their Words'

"Poles always called the Czechs cowards for not resisting in '68," said one foreign visitor here who travels frequently throughout Eastern Europe. "Now they will have to eat their words. The Czechs were invaded by five armies, the Poles did it all by themselves."

A major factor in the ease with which military rule has been established so far is the Polish love and respect for the army. The army, like the flag and church, is a symbol of nationalism.

"All this time we were all looking at the army and saying that because it is mostly made up of conscripts it might not be loyal to the government," said one European diplomat. "What we didn't see was the other side of the coin. Because the army contains so many sons and brothers, people were reluctant to move against it."

The most telling scene in the capital over the past three days, perhaps, occurred yesterday morning when busloads of soldiers moved into the Polish Academy of Sciences to break up a strike by some of the country's most eminent thinkers. The crowd was sullen and angry as the troops led away men in rumpled suits and spectacles and loaded them into a bus. But no one even threw a snowball. Minutes afterward, a truckload of soldiers goes past and, surprisingly, some of them waved to the crowd, for all the world like liberating soldiers, not agents of repression.

The military decree that was promulgated the morning after the army moved in was Draconian, and it was prominently displayed on posters and the two newspapers allowed to publish. Penalties range from two years to death, for seemingly minor infractions. It simply overwhelmed people.

Soldiers posted at intersections throughout the city turned cars away and let others through, rerouting traffic without any logical rhyme or reason. It was effective psychological harassment.

'The Time for True Courage'

One Polish journalist, sitting at a cafe and talking to a foreign colleague with a nervous glance over his shoulder from time to time, displayed the demoralization and depression that most Poles seem to be feeling. It was, he said, the intellectuals who would feel the backlash. All his journalist friends, he said, were now out of work. One by one, he predicted, new newspapers would open up and one by one his friends would be offered jobs, if they were judged reliable. "Now comes the time for true courage," he said, "I wonder how many will measure up. It's either that or going to the work center for a job as a street cleaner."

"We are back to 1951 and '52," he continued, referring to the Stalinist years. "It would take us 20 years to rebuild what we had here."

Solidarity, he suggested, has talked a great line, but at no time over the past 16 months did the union really prepare a plan to counter a massive display of force. It was not envisaged that things could turn around so quickly, he said. Nor was it even thought that fear could come back so quickly.

Yours sincerely,
John Darnton

Excerpts From Some Domestic Radio and Te...

Special to The New York Times

WASHINGTON, Dec. 17 — Following are excerpts from domestic Polish radio and television broadcasts as transcribed and translated from the Polish by the Foreign Broadcast Information Service, a United States Government agency:

Seven Killed at Mine

6 P.M. Thursday
(Noon Thursday, E.S.T.)

the unusually complex situation calls for the highest sense of responsibility. The requirements of martial law, the legal order that derives from it, should be, in the name of calm and the security of the state and citizens, strictly observed. Violation of this order leads to events which are tragic in their consequences. These casualties were unnecessary. Human life has too great a value for the instigators of unrest and disturbances to threaten it through actions which are irresponsible and contrary to martial law. An investigation into these affairs is being conducted by

were not looking for confrontation, for martial law was proclaimed for the very purpose of avoiding confrontation. Even when members of the forces of order began to fall with serious wounds under the blows of chains, kicks and stones, attempts were still made to appeal to reason. It was no longer any good. Firearms were only used when there was a clear need for self-defense.

The authorities will not retreat since there is nowhere to retreat.

Provocation has no future in Poland. Socialism will not be overthrown but

Economic Refo...

6 P.M. Thursda...
(Noon Thursday, E...

The military council ... Salvation sets the Gove... task of quickly adapting t... management system to t... of martial law. It confirm... will to carry out a profou... prehensive economic re... cordance with directions ... the S.E.J.M. of the Polish ... public. It stresses that th... turn — not can there be ...

The Cry From Poland

The unofficial news now trickling out of Poland speaks volumes. The Catholic bishops describe an "entire nation terrorized by military force." The Times's John Darnton writes of a social order shattered by palpable fear. The Polish people are suffering a new kind of "atomic" attack — the isolation of every individual from every other so that in lonely desperation, millions might yield up the liberties won only over decades.

The news not heard from Poland is equally revealing. Three or four days of parading his power was all that General Jaruzelski should have needed to prove himself Polish first and Communist second — to show the will and freedom to persuade moderate church and union leaders to help him restore a productive order. Lech Walesa and Archbishop Glemp would then have appeared at his side to counsel discipline and nonviolence. The roads of Poland would have been thrown open so that all could observe the regime's control, or at least the people's acquiescence.

Instead, the ominous blackout continues. Even in arrest and isolation, not a single leader of Solidarity has been given terms or hope enough to be entrusted with a microphone, or even telephone. Their silence is an unmistakable cry to resist, at least in spirit and conscience. So is the church's remarkable manifesto calling the freedom of Mr. Walesa and other union leaders an "indispensable" condition of peace.

General Jaruzelski has lost the gamble that "Polish hands will not spill Polish blood." To demoralize his people further, he is reduced to boasting about the loyalty of the security forces that finally opened fire. But for that, he must also advertise the fact of resistance. Now the contest is for the conscience of the soldiers. Yet even if they pass his test, what can the general expect of the workers when they sullenly carry their wrenches back to work? And if they do not sabotage his machines, how well can they perform under such duress?

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President Reagan has eloquently expressed America's revulsion at these events. He is right to blame the Soviet Union first of all and to eliminate the distinction that his spokesmen had been making between Warsaw's massive repression and Moscow's direct intervention.

The President was also right to declare a moratorium on economic aid to Poland until civil and union rights are restored. The Warsaw radio had begun to crow about the applause of Western bankers, whose only concern this week seemed to be the $30 billion that Poland owes.

The Polish economy is shattered and so is the pretense that new loans and rolling over old ones can prevent default. Aid to Poland from now on will be what it always should have been: a political instrument by which to keep encouraging evolutionary change in the Communist system.

The catastrophic failures of that system threaten not only the well-being of the Polish people. They inspire brutalities that jeopardize Poland's relations with all civilized peoples and, inevitably, the peace of Europe.

A Haitian Freeze

A Christmas plum to Attorney General William French Smith. His Justice Department has not abandoned the idea of sending illegal immigrants who have fled Haiti to detention at icy Fort Drum, N.Y. But now it says it won't do so, at least not during the dead of winter.

To hold poor, desperate people from the tropics in a camp near the Canadian border, where the temperature yesterday morning was 12 degrees, would be callous. "Siberia," some people say. So we're all for Mr. Smith's conclusion, even though we don't exactly follow his logic.

The Attorney General observes that 1,021 illegal Haitian migrants were caught entering the country in November 1980, while in November of this year the number was only 47. That, he says, shows that the Administration's policy of intercepting and detaining Haitians is "working remarkably well." And it means existing detention camps in Florida and elsewhere can handle all the Haitian illegals; the Fort Drum plan can be deferred.

But the numbers can also be read another way — not as a sign that the fear of freezing deters migration but that illegal Haitian entrants are struggling much harder to avoid capture. If they were caught in November 1980, nothing awful happened. They were allowed to stay, even work, pending a hearing on whether they were legitimately entitled to refugee status. Now everyone who is caught is put in a detention camp.

•

There is another set of relevant new numbers. They show that in fiscal 1981 503 Haitians applied for asylum, as refugees. Compare that with 36,296 Cubans, 7,138 Iranians, 4,111 Nicaraguans, 1,670 Poles, 992 Ethiopians. All told, 63,202 foreigners asked for asylum.

Why make such a fuss over only a few hundred black Haitians, especially when doing so is sure to engender accusations of racism?

There are two answers. One is technical: most of the Haitians got here illegally and, when caught, are detained for fear of encouraging more illegals. Most of the asylum applicants from other countries came in legally, as students or visitors, but overstayed. That is a lesser transgression than sneaking in; they need not be detained.

Pending remedial action by Congress, there is another, less technical answer: make less of a fuss over the Haitians. The interim decision on Fort Drum is a welcome step in that direction.

Melt the Garbage Mountains

states, such as Mali, Libya.

In any event, King Ha did not drive hundreds Saharans from their vil in the initial stages of (1975-76), Moroccan tr patched to the countrysi and return to their ho who had fled from the w

If the Moroccan arm fronted only by Polisar the Western Sahara wou died into insignificance

What Byrne D To South Jers

To the Editor:

As you correctly state Byrne's Record" (editor popularity is at rock b been a long time since higher in South Jersey. Florio's defeat has been part to his failure to put r between himself and Byr fore failed to get the gre South Jersey votes he exp

However, if, as you say tax has stabilized prope must have done so in plac our town. In 1978, our taxe $1,250; they are now $1,900 you call stabilization? We the same house all along, try to keep it maintained ability to do so has not be Mr. Byrne's accomplishm

Yes, he took over the bus cost $42 million rather tha lion we were told it woul ments to service in South from very little to none at a pay a higher fare now. Philadelphia is $2. Two yea $1.35, and Transport of then owned by Public Ser & Gas, paid taxes on its faci

If Mr. Byrne brought ski and integrity to Trenton, many, if not most of us, wh Trenton that he was su using those noble attribut the benefit of North Jerse certainly kept most, if no "benefits" of his regime u cluding Brendan Byrne Ar

JOHN F. Willingboro, N.J.,

Honored by Mo

To the Editor:

A Dec. 9 editorial Topic John Reed is the only Ame in the Kremlin wall. This is least two other Americans there: Charles E. Ruthe died in Chicago in 1977, and Haywood, who died in Mosc

Ruthenberg was a founde Communist Party. Big Bi was a founder of the Industr of the World (I.W.W.). In Haywood, half his ashes w in Waldheim cemetery, Chi

ARTHUR

What to Do On Poland?

By Flora Lewis

PARIS, Dec. 17—The trickle of information from militarized Poland has been enough to make two things clear.

First, the coup was well prepared, even to timing. Reports from Gdansk show it began before Solidarity voted its last resolutions. Some people named by the Warsaw radio as arrested are actually in the U.S.; the list was an old one. Soviet "non-interference" is a myth. Gen. Wojciech Jaruzelski himself said he was acting to protect Polish sovereignty, a barely veiled admission of a Soviet ultimatum.

Second, the military dictatorship's promise of return to "renewal" of Polish society is empty. Of course the country cannot go back to pre-1980. It collapsed under 35 years of misrule. The regime's unwillingness and inability to deal with its people without force has been proved. Solidarity's early demands were modest, escalating when rulers showed they would respond to nothing but the most insistent pressure.

But neither have the generals, mostly Soviet-trained, brought room for reconciliation. Massive arrests, the banning of organizations that had nothing to do with the union, such as Catholic groups and the association of university rectors, reveal a will to destroy all popular representation.

When and if the military "terminates" its rule as pledged, to whom will it hand power? The fact that organs of repression remained fully in place, untouched by Solidarity's achievements, is now starkly highlighted. The union and its supporters built a parallel structure that was dazzling and aroused profound echoes among the people, but the oppressive power was never dismantled.

There remains the Communist Party — deeply shaken, self-purged by defection of the relatively moderate fraction, purged of a few discarded and discredited incompetents. Never before has a ruling Communist apparatus been taken over by its uniformed comrades. But where can that l[illegible]

It appears that [illegible] Jaruzelski's idea of "renewal" [illegible]mply renewal of the apparatus, replacement of one *nomenklatura* (the secret list of people eligible for responsible jobs) by another more vigorous but with the same goal of monopoly power.

Janos Kadar did manage a fairly effective renewal of his Communist Party after Hungary's 1956 revolution. But there are two key reasons why ter century of Polish experience has killed illusions about the system's capacity for reform.

The other is alienation of intellectuals. Mr. Kadar's turning point came when he reversed the old Stalinist slogan of "He who is not with us is against us" to an acceptance of all who did not actively resist. Gradually, competent people agreed to seek improvements within the limits imposed, and indulgence of their efforts persuaded others to participate.

General Jaruzelski and his junta may enforce a dead "order," but there is no question of law. They cannot revive Poland's productive capacity without help from such people. Almost all have been swept into prison. However ardent his patriotism, the military ruler has turned against the wellsprings of the nation's vitality.

What is the West to do? I would make a distinction between Government and public reactions, just as Poles have always had to distinguish between "reasons of state" and feelings. There should be no damper on widespread voicing of outrage. The more protests the better.

Woe to us all if fatigue and distraction are allowed to erode our instinctive revulsion. It is especially the duty of American and European unions to sustain sensitive attention to the Polish workers' call for "solidarity with Solidarity." In the fall of 1980 it was unwise for American labor, though well-intentioned, to speak more loudly than the Poles. Today Poles are muzzled. It is time to shout.

Western governments, and private bankers, should immediately suspend credits and aid to Poland, except for whatever foodstuffs and medicine can be distributed directly, not through the regime. The word is suspend, not cancel, for there is leverage only as long as a chance for easement exists.

The proper condition for restoring a flow of funds is cold self-interest, therefore in no way interference. The West cannot pour money into Poland until its leaders create conditions for its people to work productively — impossible with guns and bulging jails.

As for relations with the Russians, the fiction of Moscow's non-interference deserves a hard squint. There cannot be business and courtesies as usual, but again leverage should be preserved by judicious though initially limited measures.

Whatever happens, though, the nascent arms reduction talks with Moscow must be preserved. Reducing the danger of nuclear war, especially in time of crisis, is in everybody's interest. Excessive reliance on the nuclear deterrent is a major reason for Western impotence now. To extend it risks shattering the Western alliance. Poland should spur both Western Europe and the U.S. to concentrate more on conventional defense.

the homage to mankind's lofty ideals, in Poland all these positive, exemplary, copybook values were, quite unexpectedly, devalued. Out of the blue, they were prostituted and dragged the venerable corpse of the republic straight to the bottom like a millstone.

We're well aware of what happened and why. Our historiographers have taken precise soundings of the vertebral column of Polish history. They have brought to light all manner of defects, faults, and degeneration. We know that our "golden freedom" was our undoing. That fierce, mad adherence to the freedoms of the individual citizen, the autonomy and independence of the person. All our troubles stem from that unbridled freedom.

Like a bad pupil, like a dunce in the corner, like street hooligans, we are used as an example by the wise and bearded historiographers of our exemplary neighbors, who, instead of submerging themselves in freedom, making a god and a religion of it, build strong, despotic states based on tyranny, the staunch superiority of the state over the confused individual, a cult of crushing individuals in the name of the genocidal goals of mighty Molochs. Our history envies our beheaded neighbors with their lawless states, the ultimate captivity of the thinking beings called by biologists, our fellow historians, *Homo sapiens*.

But to hell with that unfulfilled career of despots and tyrants. To hell with that unrealized role of the gendarme in Europe. To hell with that abortive summoning of defenseless individuals and entire helpless nations to the hangman.

What is it that we should be ashamed of? A fondness for freedom? Even though it was a foolish, mad, total, anarchistic, provincial freedom, the freedom which leads to ruin.

I know, I know. I know full well those ominous examples of our golden freedom which gave rise to our nation's entire chain of misfortunes and tragedies. I see the immensity of the evil born out of old-time, Sarmatian, noble, selfish, nihilistic, unthinking, lone-wolf, egotistical Polish freedom. But had we been a disciplined, ordered, antlike society of the Anglo-Saxon variety, would we have been spared by acquisitive despots, would our aggressive, totalitarian neighbors not have quartered our corpse? For nobility will always succumb to villainy, virtue fall at the feet of crime, freedom perish at the hands of the unfree. Though one may equally say that righteousness will conquer sin, good be victorious over evil, freedom triumph over slavery. But let us remember that the good is free like a cloud in the sky and that evil is swift as lightning.

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Tadeusz Konwicki, a novelist, lives in Poland. These are excerpts from the forthcoming novel "The Polish Complex," translated by Richard Lourie.



Rendering of The Morgan Librar c. 1902

SJR

&5

Original sponsor: State Affairs Committee

IN THE SENATE BY THE RULES COMMITTEE

CS FOR SENATE JOINT RESOLUTION NO. 85 (Rules)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

Requesting the President of the United States to propose a freeze on nuclear weapons, the transfer of funds from nuclear weapons to peaceful nonnuclear uses, and nuclear disarmament by all nations.

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

WHEREAS the unleashing of nuclear weapons in warfare would cause untold deaths, suffering, and destruction; and

WHEREAS the continued development, testing, and production of nuclear weaponry and related delivery systems increase distrust and apprehension among nations, the likelihood of nuclear accidents, and the potential magnitude of any international conflict; and

WHEREAS the burgeoning defense budget required for production and deployment of nuclear weapons increases the United States budget deficit; and

WHEREAS governmental spending for nuclear weaponry and related delivery systems may be spent more wisely in peaceful pursuits;

BE IT RESOLVED by the Alaska State Legislature that the President of the United States is respectfully requested to propose to the Soviet Union and other nations

(1) a mutual freeze on the testing, production, and deployment of nuclear weapons and of missiles, watercraft, and aircraft designed primarily to deliver nuclear weapons;

(2) verification safeguards for the freeze that are satisfactory to all parties; and

(3) eventual nuclear disarmament by all nations; and be it

FURTHER RESOLVED that, if such a freeze is mutually agreed upon and the Soviet Union has conclusively proved that it has frozen all nuclear testing, production, and deployment, the President of the United States is respectfully requested to propose that funds that would have been used for nuclear military purposes be used for peaceful nonnuclear uses; and be it

FURTHER RESOLVED that the Alaska Delegation in Congress is respectfully requested to urge President Reagan to make the proposals requested in this resolution.

COPIES of this resolution shall be sent to the Honorable Ronald Reagan, President of the United States; and the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

7098 Sunny Drive
Juneau, AK 99801

April 28, 1982

Senator Vic Fischer
Pouch V
Juneau, AK 99811

Dear Senator Fischer:

I wish to thank you for the support you gave SJR 85--the "nuclear freeze" proposal--in committee and hope you will continue to press for its passage on the Senate floor.

I hope you will also consider supporting SJR 62, which opposes deployment of the MX missile in Alaska.

There is no better time for Alaskans to send a message eastward so loud and clear that even Washington will listen: We will not allow our state to become contaminated by this nuclear madness.

Sincerely,

Leon Kolankiewicz

Leon Kolankiewicz

DEAR SENATOR

I WOULD LIKE TO STRONGLY URGE YOU TO SUPPORT "SENATE JOINT RESOLUTION #85" CONCERNING A NUCLEAR FREEZE. THIS NUCLEAR ARMS RACE BETWEEN THE SOVIET UNION AND THE U.S. CANNOT CONTINUE. WHAT GOOD WILL MORE BOMBS BE? AT CURRENT LEVELS THE U.S. AND SOVIET CAN DESTROY EARTH MANY TIMES OVER. HOW MUCH MORE OF A DETERRENT CAN THERE BE? FOR YOU, ME, AND ALL LIVING THINGS ON EARTH, THINK OF THE CONSEQUENCES OF A NUCLEAR WAR. PLEASE SUPPORT SENATE JOINT RESOLUTION #85

THANK YOU

SINCERELY

Kurt Kondzela

KURT KONDZELA
P.O. BOX 572
DOUGLAS, ALASKA
99824

LAW OFFICES OF
CHRISTIANSON, STAHLA & COLE
403 Lincoln, P.O. Box 4
Sitka, Alaska 99835

WARREN C. CHRISTIANSON
EDWARD A. STAHLA
THERON J. COLE

907-747-6681

3-18-82

Dear Dick,

a surprisingly large group attended the organizational meeting of an anti Nuclear Weapons group in Sitka Group 1 Sitka.

We ...

... similar to the Washington one enclosed. I wrote to Ben also. Mary Martha (who says to give you a warm hug) & I are headed to Hawaii for 2 weeks, but if you need more information contact Matt Longenbaugh.

I hope you feel you can do this - &

Thank you,

Chris

SENATE JOINT MEMORIAL NO. 122

State of Washington
47th Legislature
1982 Regular Session

By Senators Lysen, Rasmussen, Moore, Goltz, Hughes, Murley, Haley, McDermott, Talmadge and Williams

Read first time February 2, 1982, and referred to Committee on STATE GOVERNMENT.

TO THE HONORABLE RONALD REAGAN, PRESIDENT OF THE UNITED STATES, AND TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, AND TO THE SENATE AND HOUSE OF REPRESENTATIVES OF THE UNITED STATES, IN CONGRESS ASSEMBLED:

We, your Memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

WHEREAS, The unleashing of nuclear weapons in warfare would cause untold deaths, suffering, and destruction; and

WHEREAS, The continued development, testing, and production of nuclear weaponry and related delivery systems increase distrust and apprehension among nations, as well as the potential magnitude of any international conflict; and

WHEREAS, Our nation's environment is threatened by the mere preparation for nuclear war because (1) according to the Department of Energy, 98.8 percent by volume of all high-leval radioactive wastes come from military nuclear programs, and (2) the proposed MX nuclear missile system will require 14 million acres of land, 12 percent of the total annual water runoff in that area, 10,000 miles of heavy-duty roads, and twice the amount of cement required to build Hoover Dam; and

WHEREAS, Governmental spending for nuclear weaponry and related delivery systems would be spent more wisely in peaceful pursuits;

NOW, THEREFORE, Your Memorialists respectfully pray that the Congress of the United States request the President of the United States (1) to propose to the Soviet Union a mutual freeze on all further testing, production, and deployment of nuclear weapons and of missiles and new aircraft designed primarily to deliver nuclear weapons, and (2) if such a freeze is mutually agreed upon, to transfer the funds that would have been used for these purposes to peaceful nonnuclear use; and

BE IT RESOLVED, That copies of this Memorial be immediately transmitted to the Honorable Ronald Reagan, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington.

oesn't Military Spending Help ur Economy?

American people lose jobs when military spending is high, for the fense industry is capital intensive and requires highly skilled, highly id workers. A study done for the Machinists Union in 1979, for ample, showed that if 1 billion dollars were transferred from military dustry to civilian industry, 14,000 MORE JOBS would be created. If billion dollars were used by state and local governments to hire chers, police and firemen, 30,000 MORE JOBS would be created n if the same billion dollars were used to hire military personnel.

hat's more, as the military budget increases, DOMESTIC PROGRAMS CUT. The costs of the nuclear arms race are already killing as we glect human needs—food, care and shelter—to purchase new nu-ar weapons.

"Every gun that is made, every warship that is launched, every rocket fired, signifies in the final sense a theft from those who hunger and are not fed, those who are cold and are not clothed."—President Dwight D. Eisenhower

/ould the Soviet Union Agree to Freeze?

lks between the Americans working on the Freeze and representa-es of the Soviet Union indicate that if the USA proposed a Freeze, Soviet Union would give it very serious consideration. In fact, in 77, 1978, and 1979 Soviet officials proposed a halt to the nuclear ns race along the lines of the Freeze. We will never know whether ese proposals were serious unless we put them to the test.

an We Trust the Russians Not to olate the Freeze?

Freeze is verifiable by means of detection which both the USA the USSR already possess. Both countries could, by radar, satel-s and other means, check to make sure that the other nation is king to the agreement—as they have done for numerous agree-nts in the past.

Citizens' Campaign for a Mutual US/Soviet Halt to the Nuclear Arms Race

"I consider a bilateral moratorium on nuclear weapons deployment and testing to be the single most crucial issue facing humanity today."
—Senator Mark Hatfield
(R-Oregon)

A mutual US/Soviet Freeze to the nuclear arms race will be achieved only when there is enough public support to compel the USA and the USSR to act on it, and a concerted national campaign is underway to build this support. Across the country, people are joining to call a halt to the arms race: mothers and fathers, electricians and executives, teachers, scientists, farmers, carpenters—Republicans and Democrats, "liberals" and "conservatives"—citizens of this counry who want to live free from the threat of nuclear war.

Please join us in this powerful new initiative to call a halt to the nuclear arms race.

CONTACT:

OR: The New Manhattan Project, American Friends Service Committee, 15 Rutherford Pl., New York, NY 10003. The AFSC is one of a number of social, religious and civic organizations working on the Nuclear Weapons Freeze Campaign/NY Metro Area.

Other supporters of the proposal for a US/Soviet Freeze include the State Assembly of New York and the State Senates of Massachusetts and Oregon; the General Assembly of the United Presbyterian Church; Freeman Dyson, physicist; John Kenneth Galbraith, economist; the National Conference of Black Mayors; William Winpisinger, President of the International Association of Machinists; US Representatives Shirley Chisholm (NY), Robert Edgar (PA), Richard Ottinger (NY), Peter Rodino (NJ), and Harold Washington (IL); Rabbi Arnold Wolf of the K.A.M. Isaiah Israel Congregation; and George Kistiakowsky, former Presidential Science Advisor.

Please return (coupon) to the New Manhattan Project, American Friends Service Committee, 15 Rutherford Pl., New York, NY 10003, or local contact.

___ YES! I endorse the proposal for a US/Soviet freeze on nuclear weapons.
___ Please tell me how I can get involved in the campaign.
___ Here's a contribution of $ _____ to support your work on the Nuclear Weapon Freeze Campaign.

NAME: _____

ADDRESS: _____
street city state/zip

ORGANIZATION OR TITLE (if any): _____

IN A DEMOCRACY,
WE ARE ALL RESPONSIBLE FOR
PUSHING THE BUTTON.



THE FUTURE IN OUR HANDS

FREEZE THE ARMS RACE US-USSR

Citizens' campaign for a **mutual US/Soviet** halt to the nuclear arms race.

"A government of the people, by the people and for the people shall not perish from the earth."
—Abraham Lincoln

WE SUPPORT HJR 73. THUS FAR 1,200 PERSONS IN THE JUNEAU AREA HAVE SIGNED THE INTERNATIONAL PEACE PETITION CALLING FOR AN IMMEDIATE HALT TO THE DEPLOYMENT OF NUCLEAR WEAPONS BY THE U.S. AND THE U.S.S.R.

ALASKANS FOR WORLD PEACE
BOARD OF DIRECTORS
CONNER SORENSEN
DORIS LYNCH
MARTHA DENSMORE
FRANK TOLAND
DON GOTSCHALL
JUDITH MAIER
GREGG STEVENS

22 April 1982

AGAINST THE NUCLEAR ARMS FREEZE RESOLUTION, AS PROPOSED

Dear Senator,

Although I fully agree with the humanitarian ideals and peacemaking intent of the nuclear arms freeze resolution the Alaska State Senate is considering, I am deeply convinced and concerned that the practical effect of this resolution will be the exact opposite. Where Alaska stands with the other states on this issue may be especially noticed, considering our geographical vulnerability to Soviet military power and our longstanding concern about that. (I hate to think what kind of arms freeze resolution Massachussetts will produce.)

Taking a legislative stand -- and the moral and political responsibility for it -- on an issue of the gravity of nuclear weaponry should be done only after a full and fair consideration of it. The issue is profound and complex, and it requires much more comment than I can put in a letter. (Family matters have preoccupied me lately, and I learned of the State Affairs hearing from a gloating pro-freeze acquaintance of mine only after it was over.) As an individual Alaska citizen and as a serious student of military history, I ask you to consider the following points and to examine the background information attached. (The information was compiled in response to a similar resolution being advocated in the Presbyterian Church.)

Far more important than informing the Reagan Administration of the national concern about nuclear war (which is already apparent anyway) is the real danger of encouraging the Soviet military/industrial/ideological leadership's belief that our will to militarily resist their military and political expansionism is disintegrating. World War I, World War II and even this nonsense between Argentina and Great Britain was caused by one nation miscalculating another's will to militarily deter and/or resist them. The mentality of the Soviet leadership can only interpret nuclear arms freeze petitions and resolutions as a continuation of the breakdown of our national will to militarily resist them. (The early involvement of many of the anti-VN-war activists in this agitation justifies such an interpretation.)

An immediate nuclear arms freeze of neutron weapons development and deployment similarly encourages the Soviets to believe that their massive civil defense program may make their risks in any future nuclear showdown/crisis acceptable.

Although the parity amendment would certainly help the resolution, anything not supporting the Reagan Administration amounts to a pressure instrument which will be to the advantage of the Soviets at a bargaining table* and which will probably make fair, effective and genuinely verifiable arms agreements impossible. This same kind of pressure led to our desertion and betrayal of the South Vietnamese and Cambodian peoples -- and our own war dead -- and to the "Paris Peace Talks" charade. This time, we will be betraying ourselves and our children's future.

I also have been dissatisfied by the Reagan Administration's attitude about nuclear war. However, if the Alaska State Senate passes a resolution concerning nuclear/gas/germ weaponry, I ask that it be a resolution of complete support for the Administration in its efforts to assure parity and direct verification in any disarmament or arms freeze agreements with the Soviets. National survival is a bipartisan issue.

Incidentally, I do not hate the Soviet people or their leaders. In fact, I am an avid student of Soviet (military) history and affairs. (The efficiency of the Soviet criminal justice system -- at least in deterring nonpolitical crime -- is enviable.) It is on the Soviet people's behalf, as much as our own, that we must continue to deter their already-mobilized militarism and be able to try to mitigate the totalitarian excesses of their society.

I realize the amount of pressure that you must be under about now, and I thank you for your time and fair consideration.

Respectfully,

Louis R. Coatney

Louis R. Coatney
9706 Trappers Lane
Juneau, AK 99801
789-0046

*Popular opinion pressures are not allowed in the Soviet Union, of course.

1. Although the mere existence of nuclear/chemical/biological weapons is potentially suicidal, psychologically burdensome, morally destructive, economically exhausting and unChristian, the consequences for Christianity and for Mankind's very survival are infinitely more so if Soviet military and political domination is undeterred and unchecked. Coping with the fear and revulsion of weapons of horror is very hard for all of us, but we must not allow our judgement and resolve to weaken. It should be the duty of the Church to provide emotional and spiritual support for that resolve -- not to undermine it.

2. The Soviet Union is an already mobilized -- and disciplined -- military state which has been covertly and unilaterally at war against the West for decades. The unwillingness of the Soviet leadership to agree to or abide by fair, verifiable and effective disarmament agreements is based upon their growing expectation that growing Western demoralization will result in our unilateral disarmament and military inferiority in deterrent weapons systems and/or will result in quick Western surrender in the event of a war in which the undeterred use of such weapons could be threatened or made by Soviet forces. The methodical use of terrorism by the Soviet leadership -- internally as well as externally and politically as well as militarily -- is an integral and historical part of the Soviet system.

   The Nazis' undeterred bombing of the "open city" of Rotterdam in 1940 and the immediate collapse of Dutch military resistance thereafter is a classic case of the consequences of the lack of a deterrent threat in the wartime climate of military expediency. We must clearly discourage the Soviets from making a catastrophic miscalculation on the basis of such expectations.

3. Our desertion and betrayal of the South Vietnamese and Cambodian peoples -- and our own dead and crippled GI's -- in the name of "peace" has only continued and intensified their material and spiritual suffering. America was militarily and morally defeated in Indochina primarily by the the self-concerned and demoralizing activities of our "peace protestors" and other political agitation, by such "concerned" groups as our own Church.?

   The Soviet leadership accordingly interprets the current (unilateral) efforts of peace groups in the West as a continuation of this Western demoralization: a demonstration of the weakening of the Western will to militarily resist in the horrible face of a possible nuclear/chemical/biological holocaust. The prominent endorsement of a "bilateral" peace petition by many prominent members of the anti-Vietnam protest movement encourages this interpretation by the Soviets.

4. The tragedy of Poland again shows us that the Kremlin is unintimidated and unmoved by any people's demonstrations of concern or grievance. Indeed, popular peacemaking efforts are not tolerated within the Soviet Union. Stalin's question, "And how many divisions does the Pope have?!", is entirely indicative of the amorally and ruthlessly utilitarian mentality of the current Soviet leadership. Bibles, prayers and peace pronouncements alone do not stop Soviet tanks.

   On the other hand, the Kremlin considers religion to be a serious idealogical threat which must be eradicated. (See PERSECUTOR, by Sergey Kourdakov, in the Chapel Library.) Political and spiritual dissidence in the Soviet Union is only possible because of the Kremlin's respect for the Western Press. That free press is preserved only by American military power. Spiritual resistance to a regime which even (mis-)uses psychiatry for political control is impossible.

(Alexander Ginsburg)

5. The Soviets' covert use of lethal chemical weapons in Afghanistan and Cambodia, the 1979 disaster in Sverdlovsk indicating the Soviets' secret violation of the Germ Warfare Treaty of 1975 and other examples of the Kremlin's ruthlessness and treachery demonstrate the need for disarmament treaties which can be verified through direct and unrestricted investigation. Current methods of remote verification -- such as reconnaisance satellites -- can be deceived and disrupted.

6. Although peace requires two-sided effort and sincerity, we learned in Poland in 1939 and at Pearl Harbor in 1941 that war only requires the ruthless will and action of one side. The attitudes of contemporary "pacifists" are basically the same and just as self-deluding as those of the pre-World War II isolationists and international pacifists and are just as responsible for the murder of tens of millions of innocent men, women and children as were the Nazi, Fascist and Japanese militarists arrogantly and whom they allowed to flourish, march and murder. Even if such criminally naive attitudes were Christian in intent and dogmatic consistency, they are morally irresponsible and unChristian -- indeed, anti-Christian -- in their practical effect.

SUGGESTED FURTHER READING FOR CONCERNED PERSONS:

a. THE BATTLE FOR STALINGRAD, by V.I. Chuikov. A gripping statement of "The Sprit of Stalingrad" by the commander of the victorious Soviet 62nd Rifle Army and, later, Commander of Strategic Rocket Forces. U/A-5 LIBRARY

b. THE GREAT TERROR, by Robert Conquest. A description of the establishment of institutionalized terror as a political and spiritual instrument in the Soviet Union -- at a cost of 30,000,000 dead. (STATE LIBRARY) (CHAPEL LIBRARY)

c. PERSECUTOR, by Sergey Kourdakov. A description of the attitudes and methods of the KGB in its destruction of religious activity and persons.

d. THE RUSSIANS, by Hedrick Smith. Best description available of attitudes and conditions in the Soviet Union by NEW YORK TIMES' former Moscow correspondent. Includes chapter entitled, "XII. PATRIOTISM: World War II Was Only Yesterday." (STATE LIBRARY)

e. "Keeping An Eye On Russia: A Mysterious Event in Sverdlovsk Has Raised Serious Doubts About Arms-Treaty Surveillance," NEW YORK TIMES MAGAZINE - Nov. 29, 1981 by Leslie H. Gelb,

8882 Cedar Court
Juneau, Alaska 99801
April 12, 1982

Senator Vic Fischer, Chairman
Senate State Affairs Committee
POUCH V
Juneau, Alaska 99811

Dear Senator Fischer,

I am delighted that Senator Elias has introduced Senate Joint Resolution 85 calling for a bilateral nuclear arms freeze and eventual nuclear disarmament. With the wave of concern about nuclear war or accident sweeping not only this country but the entire world, I am proud that the State of Alaska would consider such a timely and progressive stand on the issue.

I urge your support of Senate Joint Resolution 85.

Sincerely,
Fran Foland

April 13, 1982

Dennis Gellhouse
9324-8 Glacier Hwy.
Juneau, Alaska 99801

Dear Senator Fischer,

Senator Eliason has introduced Senate Joint Resolution No. 85 calling for a bilateral freeze on nuclear armaments and their delivery systems.

This idea is gaining momentum worldwide, and I wish to express my personal support while encouraging you to do the same. Through an understanding of the use of nuclear weapons to ostensibly increase our security one becomes aware of their profound negative effect on our economy and society.

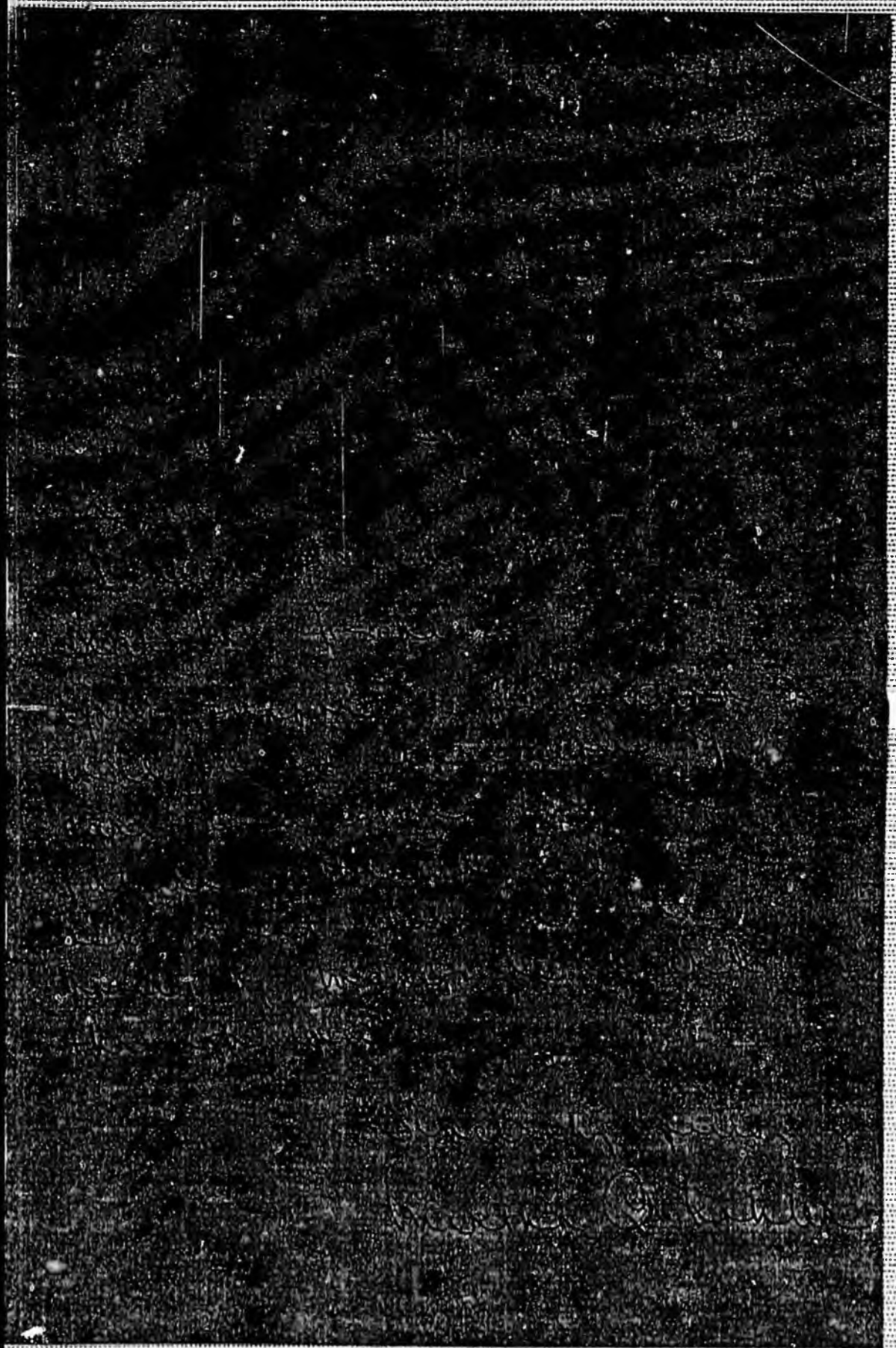
Is utter destruction a plausible solution to resolving conflicts?

Sincerely,

D. Gellhouse

Dennis Gellhouse

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.



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Dennis Gellhouse

8886 Cedar St.
Juneau, Ak 99801

April 12, 1982

The Honorable Vic Fischer
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Sen. Fischer,

Your support of Resolution 85 will be an expression of care and hope for the future of the world. I ask that you let the voices of many be heard through you.

Sincerely yours,
Martha Q. Kahler

Sitka
City Council has recently
passed resolution
related to this.

DON GOTTHALL

JUDITH MYERS

2567

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

Alaska State Legislature

Senate

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: Senator Terry Stimson

FROM: Bruce Weyhrauch Bruce

DATE: April 26, 1982

SUBJECT: MX Missiles in Alaska

INTRODUCTION

This memo is to inform you of the status of the U. S. Government's potential to base the MX Missile in Alaska and to recommend a committee substitute for SJR 62: a resolution relating to the deployment of MX Missiles in Alaska.

Information in this memo comes from a variety of sources and personal communications. These sources include: the Salt Lake City Tribune, the Juneau Empire, the Anchorage Daily News, the U. S. Office of Technology Assessment, Congressional Quarterly, New York Times Magazine, The Nation Magazine, Science Magazine, and Aviation Week and Space Technology Magazine. Other data, including personal communications, comes from: the U.S. Department of Defense and U.S. Air Force, Senator John Tower, Senator Murkowski, Senator Stevens, Representative Young, the Johns Hopkins School of International Studies in Washington, D.C., and the U.S. Department of State's Strategic Nuclear Policy Office.

This memo contains four major parts: (1) An explanation of what the MX Missile means, what it is, how it came about, and what deployment options for the MX Missile are; (2) an assessment of the environmental, economic and social ramifications of possible MX deployment in Alaska; (3) the reasons the deployment of the MX Missile in Alaska is not consistent with the U. S. Government's nuclear defense policy; (4) the effectiveness of introducing a resolution opposing the deployment of MX Missiles in Alaska, and what the intent of such a resolution should be.

Appendant to this memo are various citations as referenced, SJR 63 and a CS for SJR 63 (Rules).

THE MX MISSILE

The MX Intercontinental Ballistic Missile carries up to 10 Advanced Ballistic Re-entry Vehicles (warheads). The explosive size of each warhead is classified. The destruction potential of each warhead is also classified, but the combination of the MX's throw-weight, accuracy and weapon yield is large enough to "hold at risk any target in the Soviet Union." The missiles are 70 feet long, 7 feet, 8 inches in diameter, and weigh 192,000 pounds. The velocity of the missile is classified, but would require about thirty minutes to fly from the central continental United States over the polar region to the center of the Soviet Union; the range would vary upon the way the re-entry vehicles (warheads) are deployed off the post boost vehicle (the missile), but a nominal range is all of Eurasia.

The idea of building and deploying the MX has been around a long time and was formally presented by President Carter in 1977. The MX was touted by the Carter Administration as necessary to beef up the country's land-based missile system. The land-based missiles are one leg of our strategic nuclear triad. The other two legs are our submarines and B-52 forces -- both of which are capable of responding to an attack with nuclear missiles and/or bombs.

When Ronald Reagan was swept into the White House, part of his campaign platform consisted of reviewing the plan to deploy the MX in the Nevada-Utah desert. The fact that Reagan's campaign manager, Senator Paul Laxalt of Nevada, is under intense pressure from his constituents not to base MX's in their state has politicized the entire MX Missile question. It is safe to state that political pressure from a core group of western state conservative Republican senators helped President Reagan come to the conclusion that basing MX's in multiple protective storage fashion is not very appropriate, and that the entire MX decision should be reviewed.

Various methods are presently under consideration for basing and deploying the MX. The original method was placement of the MX in a multiple protective storage (MPS) system. This method would involve shuttling missiles on a track in the desert from one bunker to another. The theory behind such a strategy is that the enemy would not know what bunker to hit and would therefore either leave some missiles remaining after an attack for retaliation or MPS would require the enemy to drain its supply of ICBM's and hit every bunker guaranteeing no retaliation. This "shell game" approach would involve a massive system of roads, trucks and support facilities to adequately work as theorized. The "baseline" size of the MPS system would require at least 200 MX Missiles and 4,600 shelters and would necessarily involve the disruption of 200 square miles of land area for construction of shelters, roads and support facilities. There are variations of MPS basing, but this is the concept around which others are discussed.

An alternative to the MPS system is placement of the MX in existing ICBM silos which have been "hardened" or "super-hardened." Hardening refers to reinforcing the silos with concrete and steel so that they could withstand a direct hit and still be launched. This is an admittedly interim measure because enemy missiles are increasingly accurate and a nuclear blast would excavate all around the silo leaving it free-standing. In addition, the costs of hardening do not seem justifiable if they are vulnerable to very accurate incoming warheads.

Another alternative to MPS basing is the deployment of MX's in large airplanes in continual flight. The so-called "big bird" concept has also come under Congressional attack. Continuous airborne patrol aircraft would mean having a fleet of aircraft, several of which would be aloft at any time, launching the MX in flight. An air mobile MX would have tracking problems. That is, the enemy would be able to track the planes, know where they were and isolate or destroy them; plus, the missiles, when launched, would have some problems establishing coordinate position and good "position-fix accuracy" due to the nature of a dynamic launch. It is also felt by various persons in government that since the big-bird concept was proposed by Carter, it doesn't stand a political chance of flying even today due to anti-Carter sentiment in Congress.

Finally, the "deep-basing" mode of deployment is being considered as an alternative to the MPS. There are many, many other modes of deployment of MX being discussed at this time. Other modes being tossed out for consideration include: launching from diesel electric submarines [known as SUM], deploying MX Missiles encapsulated from surface ships, and orbital basing of MX. Given the "Battlestar Galactica quality" of MX deployment [as one official put it], any form of deployment is probably under consideration. I have limited the discussion here to most probable and how Alaska could be involved.

Deep basing MX would involve deployment of the missile in mountain tunnels thousands of feet underground to protect against attack. These facilities would need personnel, power, life support facilities, roads, communication facilities and maintenance outlets. Deep basing theoretically would not have exit portals for the missiles, but would have to be dug using boring machines. Therefore launch would not be rapid due to the excavation process and could take days or weeks to conclude. Obviously this method of deployment is not intended as a quick response to an attack, but to provide a reserve force ("You hit us, we'll get you back -- but a little later"). Some preliminary work has been done on this deployment method by looking at the potential of using the south sides of mesas and mountain ranges as exit portals. The south side would be less vulnerable to destructive missiles coming over the North Pole. The missiles would be placed on a carriage and moved into place behind the tunneling boring machine. Reliable communication facilities between the outside and the missile force still have not been developed and so deep base is still under evaluation. This method of deployment has not fully determined environmental impacts nor timing considerations and costs and construction time are also highly tentative.

IMPACT OF MX DEPLOYMENT IN ALASKA

This section will address only the impact of deep basing MX in Alaska. It is felt that MPS deployment in Alaska is unfeasible due to climate, terrain and remoteness and that sea based or big bird based MX deployment would have insignificant impacts on the state in terms of overall impact. Deep basing, however, would impact the state tremendously. First of all, deep basing MX's in Alaska is a real possibility and military planners are considering a proposal from Resource Engineering and Development, Inc. to deep base in the Brooks Range and have not ruled out anything of the alternatives listed in the previous section.

While the surface land area is small with respect to land necessary for launch, the deployment inside mountain ranges would require the excavation of tunnel paths totaling (by my estimation) a conservative 55,000 yards of material for just one MX Missile tunnel entrance and exit (figure is based on schematic diagram provided by the U. S. Office of Technology Assessment and assumes a 15-foot diameter egress). In order to provide a facility inside Alaska's mountain for the MX, the following bare essentials would be required:

*Improved roads capable of supporting large-tired, very heavy equipment and year-round maintenance.

*A power grid and power generation facilities.

*Remote bases capable of providing manpower, and personnel relief, food and supplies, parts and maintenance equipment, a guard facility to protect against sabotage to the missile facility and espionage activities of the enemy.

*Communication equipment capable of withstanding attack and equipment necessary for day to day operation.

*All other systems and facilities necessary for military and human support.

The concomitant and resulting impact on the Alaska environment would be, at the minimum, huge and negative. Alaskans could be expected to be excluded from not only lands set aside for MX deployment, but a safety perimeter would be established, increasing land area prohibited to entry. Fish and game resources would be negatively impacted. Topography would be impacted and air and water quality would be affected. The state government and people of the state would have to develop ancillary facilities to support deep basing activities of MX which in turn would further the impact on government services. All of these are difficult to quantify at this time, but the impact scenarios are reasonably accurate and understated, to say the least. Of course, basing MX's in Alaska would enhance the state's opportunity for becoming the target for an enemy nuclear attack, which is not to say that it isn't already a target.

U.S. DEFENSE POLICY AND MX IN ALASKA

Placement of MX's in Alaska would clearly represent a threat to the Soviet Union and targets in Alaska would be vulnerable to shorter range missiles unlike the large ICBM presently targeted on the continental U.S.. Two major logistical problems work against placement of the MX here. First, the missiles and their control centers are far away from main command centers in the lower 48. Secondly, weather conditions in Alaska mountain ranges are not well suited to large military operations.

Also, the United States' defense policy is one of deterrence and it is not our policy to strike first but be able to respond to an enemy's strike. That is,"If you hit us first, we'll have enough to hit you back." Because response to an attack is important, it is crucial to have enough warning time before enemy missiles hit the U.S. The President alone is the one who has to make the decision to launch our missiles while we are under attack or to absorb the hit and then launch, or whatever. ICBM's are presently in locations such that from detection to impact is about thirty minutes. This apparently is enough time to launch from under attach if we choose. However, if MX's were in Alaska and were targets, there would be only five minutes to decide -- not enough time. Plus, MX in Alaska would be open for attack from enemy submarines. Placement of MX in Alaska would break our policy of not putting missiles in coastal states because of the possibility of sea-based attacks.

INTENT OF RESOLUTION 62

First of all, the resolution (CSSJR 62) has been carefully drafted so that it is not an "anti-military" resolution, "nuclear freeze" resolution, or an "anti-U.S. defense" resolution. There are other resolutions which cover these topics. It simply states that the Legislature opposes any plans to deep base the MX's here. If Congress chooses another method of deployment (such as big bird or any other as outlined), other deployment options probably will not occur here. This is important and key to the resolution's narrow language. The resolution is narrowly written such that our Senators and Representative should work to oppose deep basing MX's here and to keep the state informed of any plans or decisions on the MX's in Alaska. Senator Stevens is the Defense Appropriations Subcommittee Chairman and Senate Majority Whip -- a powerful Republican Senator -- he alone may have the power to prevent MX's in Alaska. And the need for MX as an important part or our national defense is not a valid argument anymore; the Laxalt-Reagan political decision demonstrated this.

The resolution makes seven statements of fact as follows:

*MX is generally described physically.

*The Department of Defense is considering methods of MX deployment.

*Four deployment methods are defined including deep basing.

*It states Alaska has mountain ranges which could be used for deployment.

*Describes activities generally associated with MX deployment.

*States the negative impact upon Alaska.

The resolution finishes by saying placement of MX here would make the state a target for nuclear attack.

Finally, the resolution resolves that the Legislature opposes any plans to deep base the MX here. It requests our Congressional Delegation to attempt to prevent or discourage deep based MX deployment here and requests them to keep the state informed about what is going on with the missiles.

There is a great body of literature on the MX subject. If you desire any specific information or have any questions, please advise.

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

Week of 'ban the bomb' activities begins in U.S.

Associated Press

Marches, speeches, bicycle tours and foot races are serving as forums for blasting the bomb as Americans observe Ground Zero Week — the new peace movement's biggest assault so far on the buildup of nuclear arms.

In one of numerous exercises to demonstrate the effects of a nuclear bomb on an American city, a siren wailed in Fountain Square in downtown Cincinnati and bicyclists, joggers and at least one man in a wheelchair scattered to see how far away they could get from a red "x" marking the symbolic center of the attack.

But most of the 200 people present just stood there.

"This probably will be the way they react to the real thing," said Anne Bernard Becker, who chaired Cincinnati's Ground Zero Organizing Committee.

Along the route of today's Boston Marathon, signs will detail the destruction that would occur at each point if a nuclear bomb were to explode over the finish line.

Later this week, runners in Salt Lake City and Winston-Salem, N.C., will race to see how far they could get get from "ground zero" in the half-hour of advance warning residents would get before a nuclear attack.

Children's anti-nuclear letters to President Reagan were to be read at a rally today in San Francisco's Civic Center Plaza.

On Saturday, bicyclists in Missouri will trace a 370-mile ring around Whiteman Air Force Base. A nuclear strike would kill half the population inside the circle, organizers said.

Most atomic warheads are designed to explode in the air, and ground zero is the term used to describe the point on the ground directly beneath the explosion. It was the name taken by the Washington-based anti-nuclear lobby that began organizing Ground Zero Week two years ago.

Two brothers, Roger and Earl Molander, started the Ground Zero movement. The idea "took off on its own," said Earl Molander. "There's a lot of interest on the local level, which is where nuclear war would be felt."

"If this were ground zero, a one-megaton nuclear explosion would instantly destroy virtually everything within two miles of this spot," declared a banner unfurled Sunday at a downtown Atlanta rally.

"The living will envy the dead," read a sign at a Phoenix rally that drew 600.

Elsewhere on Sunday, protesters held rallies from Texas to North Dakota.

In Los Angeles, about 200 people carrying a whale-shaped balloon reading "Save the Humans," marched through Exposition Park before gathering for a rally at the University of Southern California.

But in New York, activities got off to a slow start when only one of eight runners scheduled to "Run for Peace" participated. The others were at a track meet out of town.

The lone runner made it from 42nd Street to Columbia University, at 116th Street, in less than half an hour. Concerts, lectures, and slide shows were held throughout the day at Columbia.

Sunday's events and the week of anti-nuclear activities they heralded are aimed at awakening Americans from "a state of dangerous apathy" toward nuclear war, said Dr. John Mack, a Harvard medical School psychiatry professor who spoke at a forum in Boston.

There is a "tidal wave of interest" in America in the danger of nuclear war, Rep. Jonathan Bingham, D-N.Y., told an anti-nuclear gathering at Columbia University in New York City.

In North Dakota, where part of the U.S. nuclear arsenal lies buried in missile silos, a Nobel Peace Prize winner told 600 marchers in Grand Forks, "I'm sick and tired of listening to academic, intellectual minds telling me the buildup of arms is for our defense."

"That's nonsense," said Betty Williams, who was awarded the 1977 Nobel prize for work in Northern Ireland. "The buildup of arms is for our death and destruction."

The United States should take the first step toward nuclear disarmament by destroying one of North Dakota's Minuteman missiles, said the Rev. Robert Branconnier, a Catholic priest active in the anti-war movement in the 1960s. He said that would put world pressure on the Soviet Union to do the same.



Associated Press

Arms race demonstrators marched in Los Angeles Sunday displaying signs calling for global disarmament

Newsweek

The Nuclear Nightmare

The Growing Outcry Over The Bomb

How Can The Arms Race Be Halted?



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Haig's Stake in the Falklands

Alexander Haig's inner circle is worried that failure to defuse the Falkland Islands crisis may end his career as Secretary of State. For the first time in months, aides insist, the White House is actively gunning for him. They believe that Henry Kissinger has positioned former Treasury Secretary George Shultz to replace Haig by maneuvering to have Shultz named director of planning for the upcoming Versailles economic conference. Also in the wings is another Haig rival: former Defense Secretary Donald Rumsfeld, now openly angling for the appointment.

Haig has other problems as well. His sputtering feud with U.N. Ambassador Jeane Kirkpatrick has escalated so savagely that some members of her staff believe the Secretary of State is pressuring Kirkpatrick to resign. The technique: a Byzantine whispering campaign. Last week rumors spread through Washington that Kirkpatrick bucked the Secretary's instructions to vote for the U.N. resolution condemning the Falklands invasion on the ground that she disagreed with the document—when in fact she helped shape it. Meanwhile, connoisseurs of Washington infighting relished the battle. This most recent example of Haig's continued preoccupation with protecting his foreign-relations fiefdom, when combined with the President's vacation in Barbados, even inspired one wag to create a new nickname for Reagan and his combative Secretary of State: Surf 'n Turf.

Apartheid on the Barricades?

Last February's split in South Africa's ruling National Party—the most serious since it came to power in 1948—may have opened a path to peaceful revolution. Both centrist Afrikaners and English-speaking South Africans are talking of dismantling the apartheid laws that they have long viewed as outdated but never had the power to repeal. "It's stupid of us to take the blame for legislation that we didn't create," one moderate official told Ray Cline, senior associate of Georgetown University's Center for Strategic and International Studies and a former deputy director of the CIA. Cline, who has just returned from a lecture tour in South Africa, reports that such a dramatic change might take place by the end of this year.

Higher Prices at the Pump

Gasoline prices have probably bottomed out, according to some Washington analysts, and may even climb through the summer. The evidence they cite: spot-market prices for gas have been firming recently and gas inventories are low for this time of year. But even more significantly, the futures market is rising. In early March regular gasoline for July delivery to service stations logged 74 cents a gallon, before taxes. Now gasoline for July delivery runs at 91 cents a gallon. With 12 cents for taxes and 7 cents for the dealer factored in, that puts the pump price at $1.10—above what some stations are quoting today.

Republican Infighting, cont'd

Relations have soured further between the White House and Sen. Robert Packwood, chief GOP fund raiser for the 1982 Senate elections. At least $3 million in contributions could have been raised, insist Packwood allies, by a fund-raising letter that Packwood drafted over President Reagan's signature three weeks ago. But the White House refused to approve the letter for mailing. Senate Republicans suspect that the White House is trying to force Packwood to resign from his GOP post by crippling the fund-raising effort. The White House, in turn, is spreading the word that only Packwood's personal ambition can explain a letter whose text Reagan aides denounced as self-aggrandizing—as well as an Astoria, Ore., speech in which Packwood charged that by abandoning the goal of a balanced budget the President "has removed the glue that held everyone together in the Republican Party."

Moscow's High-Tech Thievery

The U.S.S.R. has grown so adept at stealing American high-technology secrets that it sends industrial spies to the United States with detailed shopping lists, a former Soviet engineer has disclosed to Senate investigators. Using the assumed name of "Joseph Arkov," the defector detailed how Soviet scientists, students and trade missions arrive with explicit instructions including makes and model numbers of sensitive equipment—such as computers and communications systems—that Moscow covets. This equipment is banned for export by the Commerce Department. But according to Arkov, who will testify publicly next month before the Senate permanent investigations subcommittee, the ban is toothless.

Cairo's Quid Pro Quo With Baghdad

Arab sources report that Iraq has paid Egypt $1 billion for military equipment recently airlifted to Baghdad. But the real price tag is diplomatic. Iraq was among the first Arab states to break ties with Egypt over the late President Anwar Sadat's historic trip to Jerusalem in 1977. In exchange for supplying armaments to Iraq since its invasion of Iran in September 1980, Baghdad is expected to be among the first Arab states likely to restore diplomatic relations when the last slice of the Sinai is returned on April 25.

Nixon on His Knees

Newsman Seymour Hersh's upcoming book about Henry Kissinger's days in the Nixon White House will add some unflattering details to a famous incident recounted in Kissinger's own memoirs. In a sympathetic passage, Kissinger had written of his prayer session with Nixon on the eve of the President's resignation. But what Kissinger left out, according to Hersh, was that afterward he went directly to a White House office where his aide Lawrence Eagleburger, among others, was waiting. Both men laughed at Nixon for kneeling and praying. As Hersh tells it, one witness to this spectacle had an urge to slap the faces of both men for mocking the President.

Black Power in the White House

Spurred by criticism that President Reagan is indifferent to the impact of his policies on minorities and the poor, the White House is moving two prominent blacks into high-level positions. Melvin Bradley, currently a White House policy consultant and the staff's ranking black, will be named a special assistant to the President; Wendell Gunn, a financial expert with Pepsico, Inc., is to join the White House economic staff. The appointments, explains an aide, "are designed to make sure the President receives sensitive analysis" of his policies. They are also designed to help black voters forget such blunders as Reagan's endorsement of tax-exempt status for private schools that practice racial discrimination.

ELIZABETH PEER with bureau reports

A Matter

Harry Barnhill of Auburn, Calif., has been crippled since childhood by a deformed hip that forces him to walk with a painful limp. But his disability has not stopped Barnhill from gathering more signatures—at least 3,000—than any other volunteer in the northern California wing of a mammoth drive to place a nuclear-freeze proposition on the state ballot in November. "Once, I had my table kicked over, and another guy took a swing at me," drawls Barnhill, 72. "I've been called a communist, a subversive and Lord knows what else . . . But I know what our government is doing is wrong. To me it makes a mockery out of that motto on the coin. I don't see how we can trust in God if we trust in nuclear weapons."

Jeanne Meacham, 34, had not thought much about nuclear war since the civil-defense drills of her grade-school days near Columbus, Ohio. "I think because we grew up with the threat, we became accustomed to it," she muses. "But now it's come from out of the closet into the front room." As a schoolteacher and a member of the city council in tiny Mt. Olivet, Ky. (population: 600), Meacham was intrigued by the idea of a freeze on the growth of U.S. and Soviet nuclear arsenals. She called around for information on the freeze proposal and started a campaign in Mt. Olivet. "We're talking about destruction of civilization for a long, long time," she says. "And that scares me."

The Rev. Louis Vitale supervises the labors of 350 Franciscan friars around the West Coast, and often in the last twenty years he has been a lonely voice crying against war. But Vitale, 49, was in good company on Good Friday. He led a band of 150 demonstrators carrying black banners and a large wooden cross to the windy desert site where nuclear weapons are still tested underground barely 60 miles from the gambling capital of Las Vegas. There had been daily prayer vigils at the site since the start of Lent and now the friar's odd assortment of housewives and activists came to trespass on government property and woo arrest (they were released later with no charges filed). "For some of you used to other places, this may not seem like much," Vitale told a swarm of reporters. "But for Nevada, it's a heck of a lot."

They are homemakers and businessmen, clerks and doctors, clergymen, teachers, scientists and even military men—a cross section of Americans suddenly enlisted in a loosely linked, burgeoning campaign to end the nuclear arms race. Their numbers are mushrooming now like the deadly clouds they are determined to

# of Life and Death

forestall, growing faster than even their own leaders ever expected. If their arguments sometimes sound simplistic or emotional, they have managed to move the crucial issue of nuclear weapons out of the rarefied domain of think-tank strategists and Pentagon planners. They differ on specific policies and tactics, but the hundreds of separate groups that make up the movement are united by a deep and urgent sense of concern that has reverberated from town meetings and county councils to the halls of Congress and the White House itself. This week they will join forces to signal a milestone of the movement: a nationwide outpouring of protest and propaganda called Ground Zero Week.

At the heart of Ground Zero Week is a dramatic reminder of just how devastating the prospect of nuclear war has become since the primitive 15-kiloton bomb that killed or wounded nearly 100,000 Japanese at Hiroshima 37 years ago. In 150 major cities and 500 smaller communities across the country, banners in prominent locations will proclaim: "In a nuclear war, if this were ground zero, everything and everyone within 2 miles of this spot would be destroyed." The schedule also includes a "March for Survival" in Austin, Texas; an ecumenical "peace witness" outside the General Electric nuclear weapons components plant near St. Petersburg, Fla., and a candlelight procession to the White House—along with seminars, films and protests at 335 colleges and a list of speakers spanning the ideological spectrum from longtime leftist activist Seymour Melman to the evangelical friend of presidents, the Rev. Billy Graham.

Many activists are already planning even larger demonstrations to coincide with a United Nations special session on disarmament this June. Others look ahead to the possibility of direct impact on this year's Congressional elections and the 1984 Presidential contest. "The nuclear-disarmament issue is the issue of the '80s and it will do to Ronald Reagan what Vietnam did to Lyndon Johnson," predicts Los Angeles Democrat Midge Costanza, a veteran of the Carter White House. That remains to be seen, but a NEWSWEEK Poll* shows that 68 percent of Americans are concerned about the chances of nuclear war—and that among those who had heard about the proposal, 68 percent favor a freeze. Even Reagan political aide Edward Rollins agrees that there is reason for Presidential concern over the anti-nuclear movement. "The potential is out there for it to become a real force," Rollins says, "if not this fall, clearly by 1984."



John Blair—Photoreporters

A demonstrator in Washington: 'Psychic numbing'

The message of Ground Zero Week is that nuclear arms control is too important to be left to politicians.

The White House rejects hasty action on strategic-arms control, and particularly the ground swell of support for a freeze—a mutual, verifiable freeze of U.S. and Soviet arsenals at current levels. Ronald Reagan plans to build up the U.S. nuclear arsenal with $240 billion worth of B-1 bombers, MX missiles, Trident subs and other strategic weapons, so as to remove the "margin of superiority" he attributes to Moscow (NEWSWEEK, April 12). Only in that way, he contends, can he negotiate deeper arms reductions in the future. Indeed, Air Force planners came up last week with yet another MX scheme, this time proposing a questionable "dense pack" basing mode that would avoid local political opposition by clustering the new missiles together. The notion behind the plan is that any flock of attacking missiles would blow each other up rather than wiping out the MX cluster. In a weekend radio address, Reagan underscored his objection to an all-out freeze. "If steps are not taken to modernize our defenses," he said, "the United States will progressively lose the ability to deter the Soviet Union from employing force and threats of force against us and against our allies."

To a growing number of Americans, all the talk about preparing for, fighting and winning a nuclear "exchange" with the Soviet Union—in the absence of real progress on arms control—seems a sure recipe for escalating the arms race on both sides. That, in turn, inevitably increases the risk of war through fear, miscalculation or accident. "Even if I don't believe there could ever be a nuclear war, my government does," complains Donna Mickelson, 40, of Oakland, who co-founded a group called Parenting in a Nuclear Age. The staggering cost of Reagan's plans adds impetus to the swelling protest. "People are saying that it's not only morally wrong, but we're killing domestic programs and not buying any additional security," says former Senate Armed Services Committee staffer John Roberts, now dean of the law school at Detroit's Wayne State University.

Many if not most of the volunteers in today's anti-nuclear campaign have never before held a banner or a vigil. Still, the seeds of their grassroots movement were carefully sown and cultivated by veteran antiwar activists. In January 1980 the Fellowship of Reconciliation held a meeting for about 30 peace groups to consider the nuclear-freeze proposal of a disarmament researcher named Randall Forsberg—a statement carefully worded to avoid any hint of unilateral disarmament. The proposal was rejected by the Democratic National Convention in August 1980, but by then it had come to the attention of James Geier, 38, a Burlington, Vt., cabinetmaker and former Army officer. After hearing a speech by anti-nuclear leader Helen Caldicott, Geier and his brother, Frank, began proposing the freeze in those last bastions of cracker-barrel democracy—Vermont's town meetings.

Some natives thought it "presumptuous" to tell the President what to do. But with

*For this NEWSWEEK Poll, The Gallup Organization surveyed 757 adults by telephone on March 17 and 18. The margin of error is plus or minus 4 percentage points.

skillful organizing help from the American Friends Service Committee, Forsberg's proposal swept the state like wildfire: it was approved in eighteen towns in March 1981 and 161 this year—many of them towns that had voted for Ronald Reagan. After endorsing the freeze in West Windsor, citizens rose and sang "God Bless America." Says Vermont AFSC coordinator David McCauley: "Someone once criticized the freeze as a mom-and-apple-pie issue. That's exactly what it is."

Success in Vermont—and earlier in eight Massachusetts election districts—caught the media's attention and stimulated freeze proponents elsewhere in the country. So far, nuclear-freeze resolutions have been passed by 309 New England town meetings, 33 city councils from coast to coast, ten county councils and one or both houses in eleven state legislatures. Organizing efforts are under way in 43 states. In California this week, millionaire Harold Willens has arranged for armored trucks to pull up at county registration offices with petitions bearing 700,000 signatures—more than twice the number needed to put an initiative to the voters in November. At the recent farm and home show in Chamberlain, S.D., more than 300 ranchmen and farmers took time out to sign nuclear-freeze petitions. "This is not just attracting the Volvo-and-quiche crowd," beamed Tim Langley, director of the Peace and Justice Center in Water-



James D. Wilson—Newsweek

Sign of the times: 'A gulf between the people and the leaders'

Who's Who in the Movement

American Friends Service Committee: Founded in 1917 by Quakers, this old-line peace group (winner of the 1947 Nobel Peace Prize) helped organize the campaign that resulted in the pro-freeze votes by 161 Vermont town meetings this year.

Business Executives Move: A Chicago-based group originally formed during the Vietnam War era, BEM has remobilized against the impact of the arms race on the economy. "Businessmen unite!" says Erwin Salk, a mortgage banker. "You have nothing to lose but high interest rates."

Clergy and Laity Concerned: Begun in 1965 to mobilize the religious community against the Vietnam War, this 25,000-member group, with headquarters in New York City, is now a powerful force in the disarmament movement.

Council for a Livable World: One of the authoritative voices in the anti-nuke movement, the council is led by top scientists including Jerome B. Wiesner, former president of the Massachusetts Institute of Technology. Co-founder and current chairman George Kistiakowsky, a former Harvard chemist, was one of the fathers of the atomic bomb.

Federation of American Scientists: The first anti-nuclear-weapons group, it was founded immediately after atomic bombs were dropped on Hiroshima and Nagasaki during World War II. The founders were scientists who worked on the first atomic bomb at Los Alamos, N.M. For years their voices went largely unheeded, but, says Nobel Prize-winning physicist Hans Bethe of Cornell University, they are being listened to today because "the Reagan government certainly talks as if it's contemplating nuclear war."

Fellowship of Reconciliation: A primary force in the campaign, the FOR sponsored a January 1980 meeting of representatives of 30 peace groups at which the freeze movement was born.

Randall Forsberg is the woman credited with the nuclear-freeze proposal. She wrote it in 1979 and presented it at the FOR meeting. Forsberg hopes that the movement will avoid the mistake of going too far. "One of the strengths of this movement," she says, "is that it does not call for nuclear disarmament right now." Forsberg is founder and director of the Institute for Defense and Disarmament Studies in Brookline, Mass.

Freeze Campaign Clearinghouse: This information center was set up in St. Louis to emphasize that the freeze campaign springs from the heart of the nation—"a groundswell coming out of middle-class America," says its co-director.

Thomas Gumbleton is auxiliary bishop of Detroit and president of the American section of Pax Christi, which numbers 54 American bishops among its members. He is convinced a nuclear war couldn't possibly fall within the Roman Catholic concept of a "just war." He is one of many Catholic religious leaders speaking out against nuclear arms. Others include: Bishop Leroy Matthiesen of Amarillo, who challenged those working with nuclear weapons to quit and "seek employment in peaceful pursuits"; Archbishop Raymond Hunthausen of Seattle, who urged Washingtonians to withhold 50 percent of their taxes in "nonviolent resistance to nuclear murder and suicide" and Archbishop John Quinn of San Francisco, a key voice in the California freeze initiative, who calls the nuclear arms race "a moral form of theft."

Howard Hiatt: The dean of Harvard's School of Public Health has made the nuclear issue a personal crusade over the past two years. He was a member of a group that met with President Reagan last December at the request of the Pope. Hiatt reminded the President of the blood he received for shock after he was shot and told him the hospital wouldn't have been able to handle five additional patients with the same needs. Hiatt says, "I told him there would be 800,000 people in shock from burns and radiation if a 1-megaton bomb exploded over Washington."

Robert Jay Lifton: A Yale psychiatrist and one of the pioneers in investigating the psychological effects of the nuclear arms

Buttons: Many words—one message

Andy Levin—Black Star



town, S.D. In Washington a freeze proposal sponsored by Senators Edward Kennedy and Mark Hatfield, among others, has won the support of 24 senators and 166 House members—and prompted even greater numbers of legislators to endorse a variety of other arms-control plans.

In the view of its leaders, the movement has been fueled largely by the rhetoric and policies of the Reagan Administration on nuclear armament and U.S.-Soviet relations. It has been influenced by the example of dramatic anti-nuclear demonstrations in Western Europe. One of its major strengths is the widespread participation of church leaders (NEWSWEEK, Jan. 11). About 70 Roman Catholic bishops have joined the protests, basing their opposition to nuclear weapons on Catholic literature and a Vatican II condemnation of weapons that were "indiscriminate" in their destruction. Bishop Leroy T. Matthiesen of Amarillo, Texas, for example, has urged workers at the nearby Pantex plant—where all U.S. nuclear warheads are assembled—to consider whether their jobs square with morality. The Mormon Church stunned the Administration by opposing basing of the MX in Utah and deployment of nuclear arms in general. "God calls us to be the stewards of His creation, to take care of the earth and the people on it," says Erick Johnson, pastor of the Prince of Peace Lutheran Church in Dearborn, Mich. "Our technology now has developed to the point of massive destruction of the world as we know it, and

race, Lifton coined the term "psychic numbing" to describe the reaction of victims in Hiroshima. Today, he maintains, policymakers suffer from much the same syndrome—"an inability or unwillingness to feel what happens at the other end of the weapons . . . they see before them no corpses, no people grotesquely injured and maimed, no human beings exposed to lethal radiation."

Roger Molander is the former National Security Council analyst who organized Ground Zero. His moment of truth came in 1979 when he watched Congress dismember the Salt II agreement and waited for Americans to come to its rescue. "The silence was deafening," he recalls. "It was quite clear that you couldn't conduct policy on this issue with a gulf between the people . . . and the leaders." Ground Zero, which he founded with his twin brother, Earl, is aimed at bridging that gulf. A key element of their effort is the primer "Nuclear War: What's in It for You?"

Nuclear Network is a Washington-based group with a sizable goal—keeping track of the proliferating number of anti-nuke groups.

Parenting in a Nuclear Age: This organization was founded by California parents who want to find a way to explain the nuclear issue to their children in "an unalarming way." Arlyce Currie, who runs an Oakland day-care center, came up with the idea after her 9-year-old daughter began having nightmares that the world was coming to an end. "This is definitely a family issue," she says. "The Moral Majority can't strip us of this one."

Physicians for Social Responsibility: The group claims 10,000 doctors as members. Its president is Helen Caldicott, an Australian-born pediatrician who resigned from Harvard Medical School last year to devote all her time to what she calls "the ultimate form of preventive medicine." She says, "I couldn't see the point in keeping these children alive another five to ten years with meticulous medical care when during that time they could be vaporized."



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Jonathan Schell is The New Yorker writer whose much-ballyhooed series in the magazine is now the movement's bible, a book entitled "The Fate of the Earth."

Ian Thiermann is the 63-year-old creator of "The Last Epidemic," a film about what would happen to San Francisco in a nuclear attack. He sold his home and his Los Angeles tree-preservation and pesticide business to devote himself to the movement. "The Last Epidemic" has become one of its principal education and recruitment tools. Says Thiermann of his effort: "It really personalizes death."

Union of Concerned Scientists: This group of prominent scientists is headed by MIT physicist Henry Kendall. A sponsor of last November's nuclear-issues convocation on 150 campuses, the union has endorsed a no-first-use policy, the nuclear freeze and cutting the U.S. strategic-weapons arsenal in half. "The real megatonnage is immense," insists Kendall. "Overkill is an understatement."

United Campuses to Prevent Nuclear War: An organization trying to mobilize the college population, which has been conspicuously absent from the anti-nuke movement. UCAM wants to inject the campuses into November's Congressional election campaign, resurrecting a force that has been still since the anti-Vietnam protests of a decade ago.

Harold Willens, a Los Angeles millionaire, is the driving force behind California's nuclear-freeze initiative. The freezers have already obtained 700,000 signatures in an effort to put the question on California's November ballot, an effort funded primarily out of Willens's pocket. Willens visited Hiroshima and Nagasaki as a Marine intelligence officer shortly after the bombings. He is convinced that a successful referendum on President Reagan's home turf will "knock the hell out of the myth that Reagan was elected on a mandate to expand the nuclear arsenal."

Women's International League for Peace and Freedom: This group was instrumental in pressing for the Nuclear Test Ban Treaty of 1963. It alerted the public to evidence of strontium-90 in women's breast milk. It hopes to register 1 million American women behind its "Stop the Arms Race" campaign.

A NEWSWEEK POLL: NUCLEAR FOREBODINGS

Which one of these categories best describes you?

Frequently worry about the chances of nuclear war	19%
Concerned, but try to put nuclear war out of mind	49%
Don't think nuclear war likely—don't worry	30%
Don't know	2%

The advocates of a nuclear freeze say that both the United States and the Soviet Union already have enough nuclear weapons to destroy each other and want both sides to ban all testing, production and deployment of nuclear weapons. What is your view of the nuclear-freeze movement?*

Strongly favor	30%
Favor	38%
Oppose	17%
Strongly oppose	8%
Don't know	7%

The major problem in arms control is the difficulty in verifying whether the other side is complying with the agreement. Some people feel that verification is essential for such an agreement. Others feel that it is more important for the United States to halt the growth of its nuclear arsenal even if we cannot be sure the other side is doing the same. Which is more important in your view?

Verification	67%
Halting growth	25%
Don't know	8%

If we should get into a limited nuclear war in which the Soviet Union attacked some of our military bases and installations with nuclear weapons, what do you think would be your chances of living through it?

Good	9%
Poor	51%
Just 50-50	38%
Don't know	2%

Do you think a stepped-up civil-defense program would increase your chances of surviving a nuclear attack?

A great deal	18%	Somewhat	34%	Not very much	26%	Not at all	20%	Don't know	2%

*Based on the 43% who had heard of the nuclear-freeze movement. The NEWSWEEK Poll © 1982 by NEWSWEEK, Inc.

Cynthia Z. Rachlin, Jerry Ellelberg—Newsweek

that is certainly a matter of faith ... If anything, I'm not political enough."

If clergymen view nuclear policy as a moral issue, the nation's doctors have made it a pragmatic one. Groups such as Physicians for Social Responsibility emphasize the gruesome facts and figures of even a "limited" nuclear exchange in medical terms—especially the inadequacy of surviving health-care facilities and specialists to deal with the injured and dying. In a meeting with Reagan, Harvard Public Health School dean Howard Hiatt tried to personalize the issue by comparing the President's treatment after his shooting last March with the emergency aid that would be needed after a nuclear blast in Washington. "Those people who talk about winning or surviving a nuclear war," says Hiatt, "don't understand what they are talking about."

Emotional Dangers: Psychotherapists also have begun to examine the emotional dangers posed by simply living with the threat of nuclear war. Yale psychiatrist Robert Jay Lifton talks of "psychic numbing," and San Francisco area therapist Chellis Glendenning sees "enormous feelings of grief and despair" among people who sign up for her group-therapy sessions ($35 for two days) on life in a nuclear age. The great majority of people may not express their nuclear concerns in everyday conversation, says Dr. John E. Mack, professor of psychiatry at Harvard. But that, Mack suggests, may be because it is not easy "to talk about the fact that you don't think your kids are going to grow up because of nuclear war."

Lending credibility to the campaign for effective arms control is the support of several nuclear experts who helped give birth to the nation's first atomic bomb. Manhattan Project veteran Marvin Goldberger, now president of the California Institute of Technology, says that today's vast stockpiles of nuclear warheads (nearly 50,000 on both sides) are "an obscenity [that] changed completely the character of warfare—and that hasn't been grasped in either the Soviet Union or the United States." Nobel physicist Hans A. Bethe, who also worked on the first bombs at the Los Alamos Scientific Laboratory, says he joined the arms-control crusade "the day the second bomb was dropped on Nagasaki." Bethe favors a plan that calls for the United States unilaterally to reduce its nuclear arsenal by 5 percent and challenge the U.S.S.R. to do likewise. If the Soviets comply, each side would make annual reductions of 5 percent until the nuclear stockpiles were cut in half.

A fortnight ago Bethe also joined four other fathers of the bomb, plus MIT president Jerome B. Wiesner, retired Admirals Noel Gayler and John M. Lee in endorsing a new proposal by the Union of Concerned Scientists. It called for the United States to forswear first use of any nuclear arms, agree to a verifiable, bilateral freeze on strategic weapons and immediately seek negotiations with Moscow to cut strategic and medium-range nuclear forces. Expanding atomic arsenals only increases the risk of escalation and mutual "annihilation" should war break out, the experts said. "Massive cuts can be made which would still leave each side with adequate retaliatory strength."

Up to now, young people—especially college students, like those who protested Vietnam—have been conspicuously absent from the anti-nuclear movement. "This is not going to be a mass movement on campus," says the Rev. Paul Dinter, leader of the Columbia University chapter of Pax Christi-USA, a Roman Catholic peace group. "Young people, for the most part, prefer not to think about it," explains southern AFSC organizer Bob Brister. But there are some signs of growing student interest. University of Michigan sophomore Liz Galst, 19, recently led 400 fellow students in a symbolic "die-in" that briefly blocked traffic on an Ann Arbor street, and similar demonstrations are scheduled on other campuses this week. Moreover, a new group called United Campuses to Prevent Nuclear War has pledged to organize schools in every Congressional district so that candidates for House seats can be questioned on the nuclear issue.

'Dupes': Economic and geographic factors make some areas of the country more difficult than others for the anti-nuclear forces to organize. In the South and West, for example, military bases and missile sites provide many jobs and considerable local income. "We have a nuclear establishment deeply rooted in the economy," notes author Garry Wills, a professor of American culture at Northwestern University. "I don't underestimate the resistance." In Arizona, the state legislature recently passed a resolution urging Congress and the President to adopt a policy of "peace through strength," and rumors about communist support have greeted Ground Zero Week. "The people participating in this are dupes of Soviet policy, well intentioned as they may be," charges retired Army Col. Sam Sharp of Tucson. In Alabama, Rep. William Dickinson, ranking Republican on the House Armed Services Committee, has "no doubt" that the KGB's "disinformation division"

Wiesner: Livable world

AP



Willens: 'No mandate'

Gene Hollington



is behind the nuclear freeze.

It is clear from the NEWSWEEK Poll that most Americans believe that any freeze must be verifiable, and that it must not leave the United States in an inferior position. Even many dedicated supporters of disarmament wonder whether a freeze would really set the stage for arms reductions or instead remove any incentive for budging either side from the status quo. "The problem is that the freeze presents an arms-control position, not a disarmament position," says David McReynolds, co-secretary of the War Resisters League. But traditional negotiations to limit or reduce strategic weapons have generally taken long and complex bargaining, and meanwhile, arsenals on both sides have grown apace. Proponents of the freeze say the best way to stem that growth is simply to put an end to it—and work out the details later.

Spots and Stars: Proponents of the freeze and other anti-nuclear activists plan a broad range of educational and organizing activities leading up to and beyond the U.N. disarmament meeting in June. There will be rallies in New York and Los Angeles. The AFSC is gearing up a Jobs With Peace campaign to support local referendums asking Congress to shift funds from the Pentagon to social programs. Other groups will press local governments to spurn the stepped-up Federal civil-defense program (page 31)—as some have already done. And the Women's International League for Peace and Freedom will be promoting its Stop the Arms Race (STAR) campaign with television and radio spots featuring such stars as Joanne Woodward and Marlo Thomas.

Whether the movement will become more pointedly political is a question that its leaders themselves have not agreed on. The Council for a Livable World has set up a political-action committee to help finance the right Congressional candidates. The nuclear issue is already a key element in the decision by A. Stephen Dirks, five-term Democratic mayor of Ogden, Utah, to challenge GOP freshman Rep. James Hansen, a strong supporter of a nuclear buildup.



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Stop sign: Does the movement have political muscle?

Yet some political experts believe that the movement will be most effective if it is nonpartisan. A group of movement leaders and sympathetic congressmen has arranged to discuss that subject privately this week at the Georgetown Center for Strategic Studies. They will consider the value of nationwide hearings and local forums like those of the League of Women Voters. Rather than demanding support for a single anti-nuclear position, these forums would "get every candidate to think about the issue and have a position that goes beyond generalities," says direct-mail specialist Tom Mathews, who sees vast potential for fund raising among anti-nuclear activists.*

The potential of this grass-roots pressure has already been felt on Capitol Hill, where a variety of arms-control bills have recently been introduced. The latest plan: Arizona Rep. Morris Udall's proposal for a continuing exchange of U.S. and Soviet students—including the sons and daughters of government leaders—to ensure against sneak attacks. Democratic Rep. Les Aspin of Wisconsin suggested last week simply ratifying the spurned SALT II agreement—which both sides still abide by even though it has never been approved.

Still, the main competition is between the Kennedy-Hatfield freeze bill and the proposal by Senators Henry Jackson and John Warner (already endorsed by a majority of senators) to build up U.S. nuclear forces as a prelude to negotiating balanced reductions. Some congressmen believe that even dedicated supporters of the nuclear freeze might settle for something less, especially if President Reagan begins to seem more interested in arms control. In his radio address, indeed, the President agreed that "a nuclear war cannot be won and must never be fought," and on that score he assured protesters: "I'm with you."

Energize: How Reagan handles the nuclear issue will largely determine its impact on the 1984 election. Most of the Democrats mentioned as Presidential contenders—Kennedy, Hart, former Vice President Walter Mondale and Ohio Sen. John Glenn—generally disagree with the Administration on key elements of the debate. They do not see any clear-cut Soviet superiority, any way to limit a nuclear exchange nor any value in increased civil defense, and those views put them closer to the movement whatever their positions on a simple freeze. At the least, says Democratic National Committee Chairman Charles Manatt, growing interest in nuclear policy seems likely to energize traditional party supporters.

"Republicans have an opportunity to co-opt this issue by making 'verifiable' the key word [in any arms proposal] and being very tough about that," insists GOP strategist Roger Stone. He concedes there is great danger in the issue "if we mishandle it." Democrat Hart agrees that the President could undercut some anti-nuclear momentum with a diplomatic flourish—perhaps a meeting with Soviet President Leonid Brezhnev. (Reagan has already proposed a June meeting in New York, but at the weekend Moscow suggested October in a neutral country instead.) "He can take some steam out of it that way," says Hart. "But it doesn't stop the movement." Says Kennedy: "The issue will not go away." Citizens thronging Ground Zero activities this week would undoubtedly agree. The difficult task of bringing nuclear arms under control can only benefit from a growing debate spurred by the nightmare that Americans can no longer afford to consider "unthinkable."

DAVID M. ALPERN with JAMES DOYLE in Washington, RON LaBRECQUE in Los Angeles, PAMELA ABRAMSON in San Francisco, MARILYN ACHIRON in New York and bureau reports

Caldicott: 'Vaporized'

Wendy Maeda



Matthi sen: Job challenge

© Henry Ortega



*On the guest list along with Mathews: Senators Hart and Charles Mathias of Maryland, Congressmen Lee Hamilton of Indiana and Joel Pritchard of Washington, Ground Zero founder Roger Molander, former Ambassador Malcolm Toon and several international union presidents.



A Complex of Tricky Issues

Behind the current ground swell of anti-nuclear sentiment in the United States is a wide-ranging technical debate over the relative strengths of the U.S. and Soviet nuclear arsenals, the survivability of nuclear war and the possibility of a "limited" nuclear exchange. NEWSWEEK *explored such key questions with five experts—Paul Warnke, former chief U.S. SALT II negotiator and now a leading proponent of the nuclear freeze; Edward Luttwak, a longtime consultant to the Pentagon; Roger Molander, former nuclear strategist for the National Security Council and now executive director of Ground Zero; Sen. Gary Hart, Democrat of Colorado and an outspoken member of the Senate Armed Services Committee, and Richard Perle, Assistant Secretary of Defense for International Security Policy. A sampling of their opinions:*

Do you agree with President Reagan's statement that the Soviet Union enjoys a "definite margin of superiority" in nuclear weapons?

Warnke: He's been badly misinformed . . . Obviously there are asymmetries. The Soviets, for example, have something like 80 percent of their strategic nuclear resources in their land-based ICBM's. We have less than 30 percent . . . But if you look at 100 percent of both forces, the respects in which we have the edge more than balance the respects in which the Soviets have the edge. [And] we have the edge in the most important respect, which is survivability, because . . . over 50 percent of our strategic warheads [are] on the least vulnerable part of the nuclear-deterrent triad . . . ballistic-missile submarines.

Molander: I have never met . . . a U.S. military officer who would trade the strategic nuclear forces of the United States for those of the Soviet Union now, or for the foreseeable future.

Perle: The only way you can argue that we retain an advantage is if you count all the bombs that go on our bombers and regard them as comparable to the warheads on missiles. We don't think that is an appropriate measure because there are massive air defenses that would [limit] the number of bombs that would actually be delivered.

Luttwak: Roughly ten years ago . . . we were ahead in every single index except one—gross megatonnage. Today . . . we are only ahead in one—number of warheads. How important that difference is depends on whether you believe in limited nuclear war or not. If you think everybody is going to throw everything at each other, including the kitchen sink, then the difference in the over-all total hardly counts. However, if nuclear weapons are going to be used . . . in controlled doses, it makes a very big difference.

If America builds up its nuclear arsenal, what is to prevent the Soviets from keeping pace?



Herman J. Kokojan—Black Star

U.S. soldiers with nuclear missile: The debate goes on

Luttwak: We're twice as rich as [the Soviet Union] is. We're technologically more advanced. We definitely ought to be able to beat [the Soviets] in a competition for these weapons.

Hart: We see no indication of any political constraints on the Soviet leadership [which might limit] the amount of resources available to them, military or financial, to seek whatever level of nuclear arms they wish . . . There is no prospect for success for the United States in an unlimited nuclear arms race with the Soviets. And in fact, there's probably some prospects of losing the race in quantitative terms.

Warnke: There is no way in which either side can gain strategic superiority ever again unless the other side gives up. Now, we know we're not going to give up, and we have no reason to believe they will, so that all you will do is preserve the present nuclear stalemate at higher levels of risk.

Are there any circumstances under which the United States should use nuclear weapons first—for example, to prevent a victory by Soviet conventional forces in Western Europe?

Perle: There is nothing to be gained by gratuitously assuring the Soviets that we would not do so under any circumstances. That's the first point. And the second point, which is not well understood but is terribly important, [is] that in the presence of nuclear weapons on the Western side, the Soviets must disperse their conventional forces, and this greatly diminishes the effectiveness of their conventional forces in any possible invasion of Western Europe.

Hart: I think there are circumstances where we ought to have that option . . . I can see a tactical nuclear deterrent—short-range missiles or weapons with relatively low yields and high degrees of accuracy and in limited numbers.

Molander: It may be the only policy—if we and the Europeans are unwilling or unable to build those conventional forces that would ensure that we could blunt a Soviet attack on Western Europe.

Luttwak: We must also remember what the context of such a nuclear attack [might] be. Soviet armies are invading Western Germany . . . Terrific destruction is being inflicted by artillery barrages. Thousands of tanks are smashing their way through this urban landscape. NATO armies have tried and failed to stop the invasion. Then we say stop or else . . . And one of the ironies is that if you're talking about . . . neutron bombs [enhanced-radiation weapons that destroy people, not buildings], the damage of this famous first strike in Europe probably would scarcely be visible.

Warnke: Whether or not we're going to use an American nuclear weapon in Europe is something that Western Europeans would have to decide along with us . . . If I were they, I think I'd take my chances on a conventional defense because I would figure I can live and fight again.

Paul Warnke

Bruce Hoertel



Can there be a limited nuclear war?

Luttwak: There's a reasonable hope, if a crisis gets out of hand . . . that one can shock everybody back into a cease-fire by using one or two nuclear weapons against one or two

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very minor targets . . . You can't get an advantage out of using them . . . but you can at least stop the conflict . . . If you go beyond that simple reasoning and try to develop plans that call for very graduated, cleverly calculated usages of 30 or 40 or 50 warheads, that is all, of course, absurd.

Hart: I find the notion of limited nuclear war to be, for all practical purposes, folly. The survivability and operability of command and control of communications systems is practically nil. The dependability of intelligence or information . . . would be destroyed. There would be no means . . . of determining in the chaos of the exchange the long-range intentions of the other side.

Warnke: When people talk about a limited strategic exchange, they talk about a counterforce exchange in which [the Soviets] try and destroy our missiles as we try and destroy their missiles. We have 1,052 ICBM silos . . . [That means] 2,104 Soviet warheads. Now, is that a limited strike?



Bruce Hoertel

Richard Perle

How effective is a stepped-up civil-defense program likely to be in the event of nuclear war?

Molander: U.S. civil-defense programs which plan for crisis evacuation of cities could, if successful, save American lives in the short run—if one had the five to seven days of warning that would be necessary to implement such a plan and if people went where they were told to go. It's quite clear that many of [those] people . . . would [eventually] suffer and die in that struggle for food, shelter and medical services—even uncontaminated water . . . It comes down to . . . whether saving some lives in the short run is worth $4.8 billion.

Hart: The idea of relocation . . . presupposes a great deal of time . . . an enormous amount of planning . . . and that everything works right—chokepoints flow freely, enormously expensive stocks of supplies are updated . . . In the time it would take to relocate urban centers, missiles that are targeted on those centers could be retargeted . . . It makes very little sense.

Warnke: There's no possible defense against a nuclear attack . . . In a period of rising tensions, are you going to give the order to evacuate the cities? . . . [The Soviets] might figure that this indicates that the Americans are getting ready to strike, therefore strike first.

Perle: The Administration's approach to civil defense has been overstated. We are not moving toward the ability to cope with an all-out nuclear war . . . I can imagine a situation where a nuclear weapon was in the hands of a terrorist, in which case you might want to evacuate a city, for example. [Reagan's program] will add something to the quality of our deterrence . . . It sends a signal that we are not going to be abjectly and deliberately unprepared to take any measures at all.

Roger Molander

Wally McNamee—Newsweek



What's motivating the current nuclear-freeze movement in the United States?

Hart: It's latent. It's been there all the time . . . What brought it to the surface, obviously, were the policies of this Administration, of not going forward with [arms control] negotiations in a meaningful way, of building up the nuclear arsenal on an almost mindless basis across the board, of believing that there was such a thing as nuclear superiority, of having policies of limited nuclear war or at least discussing those [policies].



AP

Gary Hart

Molander: What [people] realize is that . . . the post-Cuban missile-crisis effort to try and find a technical solution to the problem of preventing nuclear war . . . has failed and has not been replaced by anything that they find credible or assuring.

Luttwak: Until the military buildup began with the Reagan Administration, we were like a patient very comfortably drifting into a coma. If we had continued with the pre-Reagan defense strength, we would not have woken up . . . But with the Reagan defense program, the patient . . . is asked to get out and to recover. And now, all the wounds hurt.



Bruce Hoertel

Edward Luttwak

Warnke: A whole variety of factors have come together . . . We aren't talking with the Soviets about controlling intercontinental-range nuclear missiles . . . [And] the anti-nuclear movement in Western Europe was bound to have a reflection over here after a period of time.

Perle: [The movement in Europe] was exaggerated . . . and polls tend to bear that out . . . You know the Russians are involved covertly in financing demonstrations abroad, as the Danes discovered.

Do you favor a freeze of U.S. and Soviet nuclear arsenals? What would you propose instead?

Molander: The freeze is . . . a very useful and badly needed vehicle for people to confront the nuclear-war issue . . . But you cannot justifiably say that [it] is the formula for an arms-control treaty . . . The fundamental lesson of the last twenty years is that we are not going to be able to find an exclusively technical . . . solution to this problem. The next step is confronting the challenge of dealing with the Russians . . . When you find that your agent for working that relationship—the U.S. President—has only met once in the last six and a half years with the principal agent on the other side . . . it gives you some idea as to why we have such an extreme problem in the U.S.-Soviet relationship. Not only do we start from a point where we don't understand each other very well, but we're not even working [on] the problem.

Luttwak: This colossally insane proposal . . . is born out of impatience and fear . . . This is the politics of unilateral surrender masquerading as politics of controlling irresponsible leadership . . . We ought indeed to feel very uneasy about the fact that our system of government, which was built to cope with ordinary problems, which is run by ordinary men in a rather ordinary way, is now supposed to control nuclear weapons, which [are] none of these things. I think there is a case for seriously considering an addition to our system of government that can cope with [nuclear-weapons control]. If we have a Supreme Court to look after the Constitution, we ought in my view to have a Supreme Nuclear Council to look after nuclear weapons.

Hart: I introduced my own proposal, the acronym of which is STOP—Strategic Talks on Prevention . . . I would go back to the bargaining table on over-all limitations on numbers but expand those talks . . . to include agreements on how to reduce the possibility of the use of the weapons.

Perle: I favor the Jackson-Warner approach to bring about sharp reductions in nuclear weapons to a level of equality and then freeze them at that level. A freeze at current levels would legitimize . . . the current Soviet advantages and permit further Soviet buildups to weaken our capability . . . The freeze would prevent us from modernizing our bombers, but it wouldn't stop them from building air defenses to shoot down our existing bombers.

Warnke: I think that most of the critics of the freeze mischaracterize it. [The Kennedy-Hatfield proposal] says that the two countries ought to get together and try to negotiate a mutual, verifiable freeze, that they ought to decide when and how to bring the freeze into existence, and that they ought to concentrate on the most destabilizing weapons and they ought to proceed with reductions. Now, what the hell's wrong with that?

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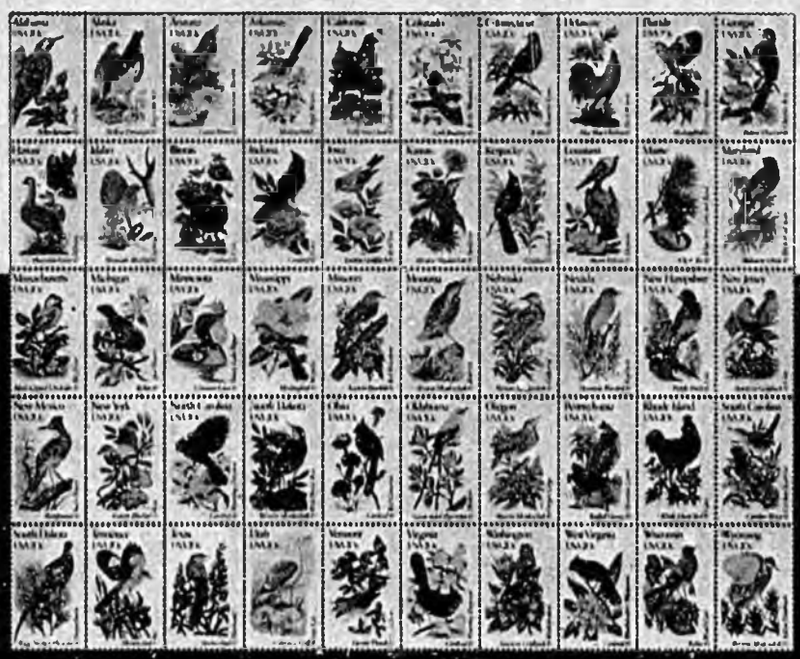

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Does Civil Defense Make Sense?

Susan Rothbaum remembers the original flap over civil defense, the plans to take shelter from atomic attack, the drills that had schoolchildren diving under their desks against the day when a fireball seared the sky. And she remembers how suddenly civil defense died away. "When I was in the third grade, in the early '60s," says Rothbaum, now a San Francisco social worker, "a family in our neighborhood built a fallout shelter in their front yard. Passing it every day on my way to school, I saw the lawn being torn up, the dark pit growing larger . . . Frightened by the air-raid drills in school, I asked my parents if we could build a shelter. They refused. I pondered ways to make friends with the neighbors so they would let me in when the warning sirens sounded. Before I was able to put a plan into action, heavy rains came. When I walked by the neighbors' house the next morning, I saw the shelter had caved in, leaving a gaping ruin of concrete and earth. It was not long after this that the schools stopped having air-raid drills. Along with my country, I had entered the long silence about nuclear war."

That long silence has ended, and with it the indifference to civil defense. After a period of two decades in which Americans assumed—and American nuclear doctrine demanded—that there would be few survivors in a nuclear war, the Reagan Administration now wants to devote $4.2 billion over the next seven years to a plan for mass evacuation of cities and other "high risk" areas if attack ever seems imminent.

Debate: This new policy has rekindled an old debate. One side, alarmed by what it regards as an ominous improvement in the Soviet Union's ability to protect its civilian population, argues that civil defense is not only a lifesaver of last resort, but also an essential element of nuclear deterrence. The other side says, in the words of Sen. Alan Cranston of California, that civil defense is "a cruel and dangerous hoax that encourages the false notion that nuclear war is . . . tolerable and perhaps even winnable." So far, a NEWSWEEK Poll (page 24) suggests, Americans are ambivalent. But as the larger nuclear-weapons controversy heats up, a new consensus for civil defense may emerge—or the whole idea may slip back into the obscurity that enveloped it for the past twenty years.

Most of the argument will rage around the Reagan Administration's head-for-the-hills approach, known in Federalese as "crisis relocation." The plan designates nearly 450 cities and strategically important areas like missile sites and airfields as likely targets for Soviet warheads. In all, about 145 million Americans live in such places, and they would be removed to "host communities" in rural areas throughout the countryside. The Federal Emergency Management Agency (FEMA), which is in charge of the program, estimates that an orderly evacuation even of a metropolis like New York could be managed within a few days—just about the amount of time that would be available, assuming that a previous evacuation of Russian cities had signaled the Soviet Union's intention to attack. The result, according to advocates of the plan: the death toll would be cut from perhaps 140 million to fewer than 50 million Americans.

Critics say that for relocation to work, every one of a series of optimistic assumptions must pan out. There must be not only adequate warning time but also decent weather, docile evacuees and hospitable hosts. The plan for Texas calls for residents of high-risk areas to drive to host counties, then calmly surrender their cars to authorities for impoundment. The goals are obvious—traffic control and fuel conservation—but cooperation is uncertain, at best. Similarly, the ban on taking firearms and alcoholic beverages along in an evacuation would doubtless be ignored. Even with the best will imaginable among evacuees, the process seems likely to degenerate into congestion and often panic. Many important American cities—San Francisco, for example—have overwater escape routes that are clogged enough during normal rush hours. Perhaps mindful of the problem, Marin County at the other end of the Golden Gate Bridge recently voted not to plan for civil defense. "The bottom line," says Marin supervisor Barbara Boxer, "is that there's no way we can evacuate skeletons."

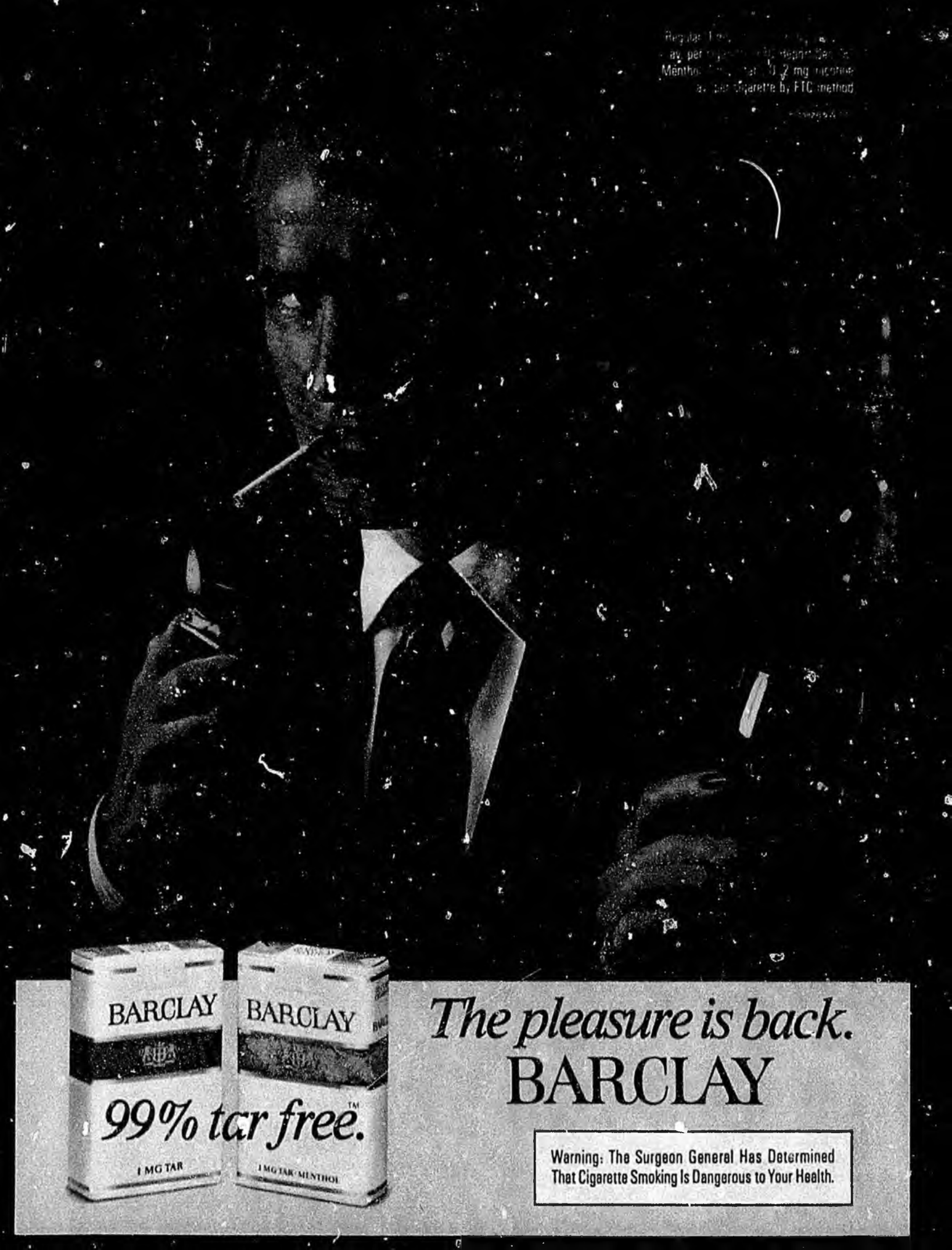
Imponderable: What life would be like when evacuation was complete is another imponderable. In some places the refugees would be less than welcome, even though they would be housed exclusively in public buildings rather than private homes. Both they and their hosts might well have to spend time together in fallout shelters, adding social and possibly racial tensions to the already formidable difficulties of life in a cramped underground space. The Federal plan envisions the eventual training of 20,000 shelter-management instructors who would teach 2 million others how to keep peace under pressure—but that is years away. "I won't . . . say that there's not going to be [confusion] at all," says Thad Zale, planning manager for the Nuclear Protection Division of the Michigan state police. "Obviously, there's going to be some. But in every disaster we've seen, the crisis period is probably the only time that we pull together as a people in this country."

Even so, law and order may turn out to be the critical problem for a post-attack United States. FEMA has plans for ensuring the continuity of government, but like all plans for the apocalypse, they can't be readily tested. If the President were dead—vaporized in the White House or buried under the rubble at an underground facility—who would be in charge? A central locator system devised by FEMA and run by the White House could keep track of everyone in the constitutional line of succession, but would the survivors accept the top remaining official? Or would there be confusion

'Picnic': Evacuees shouldn't leave home without credit cards

© 1982 Herblock in The Washington Post




BARCLAY
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1 MG TAR
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on a scale to invite takeover by the military?

Government planning calls for evacuation not only of the President, Cabinet officers and Congressional leaders, but also of the top officials of vital Federal agencies. About three dozen agencies have been designated Category A, meaning that their operations must not be interrupted even by nuclear attack. Among these are the Central Intelligence Agency, the Federal Reserve Board, all Cabinet-level departments and FEMA itself. Moreover, each Category A agency has established three emergency teams—one to stay in Washington even during a period when officials would be aware of a coming attack, one to hie itself to the underground government complex known as Mt. Weather, near Paris, Va., and one to disperse to a secret location somewhere within a day's drive of the capital city. Less essential agencies, such as the National Labor Relations Board, have been relegated to the expendable categories B and C. Whether any of these bodies would retain their authority in a postwar world is an open question.



AP

Demonstration bomb shelter in Los Angeles, 1951: 'A cruel and dangerous hoax'?

Victory? The government hopes to provide civil defense for the economy, too, on the theory that—as a Federal Reserve System booklet puts it—"Victory in a nuclear war will belong to the country that recovers first." Nine of the twelve Federal Reserve banks maintain emergency quarters underground, and records are updated every day. The system will try to clear all checks—"including those drawn on destroyed banks," according to the National Plan for Emergency Preparedness—but just in case, the Fed's main relocation center in a hillside bunker in Culpeper, Va., also has a large stockpile of currency. Credit cards will also be honored in a post-attack economy, the government advises; evacuees should not leave home without them. Skeptics, however, envision a reversion to a primitive barter economy. The most valuable items for trading purposes, says survivalist Duncan Long, will be penicillin, candy and .22-caliber bullets.

The extent to which industry survives would depend, of course, on the magnitude of the attack. Oil refineries would be a prime target in almost any conceivable Soviet strategy, even one for "limited" nuclear war. They cannot be protected. Heavy industries would also be at risk. But sheltering some equipment is at least within the realm of possibility; Boeing, the aircraft manufacturer, has gotten encouraging results by packing sand, polyurethane foam and earth around machinery, then detonating high explosives nearby. One critical industry, communications, would probably survive in some form. The American Telephone and Telegraph Co. has already "hardened" a nationwide network of cables against the effects of nuclear weapons. Many companies, including AT&T and Exxon, have plans of their own for relocating top executives to underground refuges.

According to defense analysts like T. K. Jones, the Deputy Under Secretary of Defense for Strategic Theater Nuclear Forces, the Soviet Union now has a commanding lead in the ability to protect both civilian population and industrial resources. These analysts claim that the Soviets devote about $2 billion a year to such projects as evacuation plans and hardened factories—compared with the $133 million the U.S. Government is spending in the current fiscal year and the $144 million the Senate Armed Services Committee recently recommended for 1983. To Jones and others, this is evidence that the Russians are prepared, if necessary, to wage and "win" a nuclear war; they believe they can absorb a nuclear strike better than the United States and recover from it sooner. Thus, it is argued, the balance of terror has shifted, and the best way to restore it is to close the civil-defense gap. The only alternative would be to develop new weapons capable of overpowering Soviet civil defense, Jones wrote last month, and even a $10 billion evacuation-and-shelter program would be cheaper and less dangerous than that.

Civil-defense critics are unconvinced by such tales of fortress Russia. They say—citing a 1978 CIA study—that the $2 billion the Soviets are said to spend actually represents a calculation of what it would cost them if they paid their soldiers and workers on an American wage scale, which they don't. Moreover, there are doubts that any Soviet evacuation could be as efficient as the civil-defense camp thinks. Much of it would be on foot over long distances, with food supplies tight all the way. Given that relatively more of their population and industrial capacity is concentrated in high-risk urban areas, the Soviets might well conclude that even with civil defense their country is too vulnerable to risk a nuclear war. Indeed, defense analyst Fred M. Kaplan suspects that the real aim of Soviet civil defense is not defense at all, but conditioning: by evoking the threat of war and preparing people for the idea of evacuation, the Kremlin reinforces the garrison-state mentality it needs to remain in power.

Unreality: If there is an aura of unreality to claims for Soviet civil defense, the same might be said of American plans. As the pro-freeze Physicians for Social Responsibility tirelessly point out, no civil-defense scheme has ever come to grips with the staggering medical impact of even a limited nuclear strike, to say nothing of a war in which "only" 50 million Americans died. The most successful evacuation program would still have to cope with millions of burn and radiation victims, deprived of the hospitals left behind in the deserted, devastated cities. Disease would feed on a post-attack environment of decaying flesh and polluted water—and the drug companies and supply houses would also lie in ruins. It is for such reasons that Beverlee Meyers, the director of California's Department of Health Services, last month denounced as an "illusion" and a "hoax" the idea that care could be provided for relocated populations. In the aftermath of the holocaust, Americans might find that their government's best civil-defense plan was its 130,000-pound stockpile of opium, a source of morphine, to help them face the dark at the end of the tunnel.

PETER McGRATH with MARY LORD in Washington, DAN SHAPIRO in Houston, JACOB YOUNG in Detroit and bureau reports

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PROGRAM

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*Konica is a trade name of Konishiroku Photo Ind. Co., Ltd., Tokyo, Japan, originally Konishi-ya

HB

1

OPENING STATEMENTS FOR PERMANENT FUND/ROYALTY PAYMENTS VIDEO TELECONFERENCE

I. The CHAIRMAN'S opening comments

Welcome to the first statewide Senate State Affairs Committee Meeting . . .

II.Our program is designed around six communities around the state. Rural and urban Alaska are represented and we will treat this just as we do a normal committee meeting, in that we will make a complete round on the first bill, HB 1, then we will move on to the second top, SB 66 & 67, royalty payments to Alaskans. The rotation we have established, will be followed throughout the meeting: KOTZEBUE, ANCHORAGE, FAIRBANKS, SITKA, BETHEL. Testimony is being limited to FIVE MINUTES per person and will be adhered to. This is so everyone will have a chance to have their say on both bills that are before us today. IF TIME PERMITS, we make a third round of communities for additional comment from anyone who might have walked in to the studio. After that, if there is time remaining, journalists from any of the locations can ask questions.

III. The prime sponsor of House Bill 1 is here to testify first from Juneau, Rep. Oral Freeman . . . . .

Groundrules for Video Teleconference April 30, 1981

1. The Chairman of the Committee will ALWAYS make the transition from site-to-site. Local site moderators will always provide an "out" and you will make an AUDIO transition to the next site. Alascom will make the VIDEO transition on to the next site.

2. Because of the format, the speaking roster is already full. But, if time remains at the end we will go around our schedule of sites again to see if there is any public testimony remaining. Politeness will help alleviate any frustrations from "studio walk ins!"

3. If time is remaining at the end and if there is no further testimony, we will have a round of journalists questions. It will follow the schedule of towns as in previous rotations.

4. In regards to 3 & 4 (above), when you make these rounds, they will be AUDIO ONLY. The rest of the state will see Juneau as we check for both additional testimony and journalist's questions.

5. Questions from State Affairs Committe members should be restricted to Juneau testifiers, as much as possible. As the show progresses, we will know how the technical switching is working and can make our improvisational decisions based on that data.

6. Moderators in the six locations:

Kotzebue	Mary Schaeffer
Anchorage	Kathy Baltes
Fairbanks	Maxine Walton
Sitka	Teresa Brooks
Bethel	Wally Richardson
Juneau	Perry Brewster

Audio & Video Conference Sites

- TWO-WAY VIDEO CONFERENCING

  * Anchorage
  * Fairbanks
  * Kotzebue
  * Kodiak
  * Juneau
  * Bethel
  * Barrow
  * Nome

- RECEIVE ONLY VIDEO CONFERENCING

  * Sitka
  * Ketchikan

- AUDIO CONFERENCING ONLY

  Dillingham
  Kenai Peninsula (Soldotna)
  Mat-Su (Wasilla)
  Valdez
  Seward
  Homer
  Haines
  Delta Junction
  Sand P

  OFF NET (via phone)

  Wrangell
  Petersburg
  Others by special request through LTN office

CONFERENCING INFORMATION SHEET

LMC Initial

Date Requested	Date of Conference	Time
	April 30, 1981	2pm to 4pm PST

Requested by Senator Vic Fischer

Committee Senate State Affairs Committee

Subject Permanent Fund and Royalty Premium Payments to Alaskans

Contact Robert Roark phone 465-4954

Committee Location Rm. 205 Behrends--Program location-Senate Finance

Number of Committee members - Total four

	Names
Senator Vic Fischer, Chairman	
Senator Mike Colletta, Vice Chairman	
Senator Terry Stimson	
Senator Dick Eliason	

Requestor Notes/Description see attachments

CONFERENCING SITES

SITE Kotzebue PARTICIPANTS Marie Schwind

Pam Herman

COORDINATOR PHONE

LOCATION Mary Schaffel

Journalists: Stan Jones

SITE Anchorage PARTICIPANTS Jim Rhode

Tom Fink

COORDINATOR PHONE

Journalists: Pete Spivey, Anch D. News
~~Heather Arnett~~, APRN
Steve Lindbeck, Daily News

LOCATION KAKM--Media Services--ACC
Kathy Baltes

SITE Fairbanks PARTICIPANTS John Butrovich

Robert Weeden

COORDINATOR PHONE

Journalists: Dermot Cole, News Miner

Tom Snapp, AA-Weekly

LOCATION
Maxine Walton

CONFERENCING SITES

SITE Sitka PARTICIPANTS Brad Shaffer

Cecil McClain

COORDINATOR PHONE

LOCATION

Teresa Brooks

SITE Bethel PARTICIPANTS Bev Hoffman

Don Shantz or Harold Sparks

COORDINATOR PHONE

LOCATION

Wally Richardson

Journalists: Barbara Albert

SITE Juneau PARTICIPANTS Committee members

Rep. Oral Freeman, D-Ketchikan

COORDINATOR PHONE

Rep. Hugh Malone, D-Kenai

Commissioner Tom Williams, ~~Dept. of Revenue~~

LOCATION Perry Brewster

Journalists: Jean Kizer, AP
Dave Carpenter, Anch. Times
Jon Matthews, Anch. Times

PRODUCTION INFORMATION

LTN Audio [x] Dual [ ] Standard [ ] Bush [ ]

SITE	Two-Way Video	Receive Video Only	Audio Only
Juneau	[x]	[ ]	[ ]
Kotzebue	[x]	[ ]	[ ]
Anchorage	[x]	[ ]	[ ]
Fairbanks	[x]	[ ]	[ ]
Sitka	[ ]	[x]	[ ]
Bethel	[x]	[ ]	[ ]
	[ ]	[ ]	[ ]
	[ ]	[ ]	[ ]
	[ ]	[ ]	[ ]
	[ ]	[ ]	[ ]

Number of Microphones Each person

Number of Cameras 1 [2] where possible

Number of Monitors, Total 1-2 each community

xxxxx In-coming _____ Outgoing

Juneau VTR segments yes [no]

Record: xxx In-coming xxx Outgoing

Notes and Description [redacted]

(2)

FORMAT

1. Program OPEN (Long Shot Senate Hearing Room)

2. Chairman Vic Fischer
   Intro to Program and Format
   Intro of State Affairs Committee
   Chairman Fischer introduces sponsor of HB 1--Rep. Oral Freeman

3. Rep. Oral Freeman
   D-Ketchikan

4. Chairman revues the order of communities and the time limit
   Intro to Kotzebue

5. Kotzebue: Marie Schwind
   Pam Herman

6. Anchorage: Jim Rhode
   Tom Fink

7. Fairbanks: John Butrovich
   Robert Weeden

8. Juneau: Chairman Fischer
   Rep. Hugh Malone
   ~~Response from a Committee member (Colletta, Stinson,~~ Eliason)
   ~~Chairman Fischer~~ intro's Sitka

9. Sitka: Brad Shaffer
   Cecil McClain

10. Bethel: Bev Hoffman
    Don Shantz or Harold Sparks

11. Juneau: Chairman Fischer intro's Administration spokesperson
    Tom Williams-Comm. of Revenue
    Fischer closes testimony on HB 1

12. Juneau: Chairman Fischer's introduction to SB 66 & 67
    Intro's Tom Williams
    Chairman Fischer introduces next round beginning with Kotzebue

13. Kotzebue: Pam Herman
    Marie Schwind

14. Anchorage: Tom Fink

15. Fairbanks: John Butrovich
    Robert Weeden

16. Sitka: Brad Shaffer
    Cecil McClain

17. Bethel: Bev Hoffman
    Don Shantz or Harold Sparks

18. Juneau: Questions from Journalists if time permits
    Close of program

FORMAT

2:00 1. Program OPEN (Long shot of Senate Hearing Room)

2. Chairman Vic Fischer
Intro to Program and format
Intro to State Affairs Comm. Members
2:04 Intro of Rep. Oral Freeman (sponsor of HB 1)

3. Rep. Oral Freeman

4. Chairman Fischer intro's Kotzebue

5. Kotzebue: Mary Schaeffer, moderator
2:08 Pam Herman, NANA
Marie Schwind, Mauneluk
Fischer audio transition to Anch.

6. Anchorage: Kathy Baltes, moderator
2:10-30 2:11 Jim Rhode
2:15 Tom Fink
2:18 Fischer audio transition to Fbx.

7. Fairbanks: Maxine Walton, moderator
2:30-2:40 2:21 Sen. John Butrovich
2:31 Robert Weeden
Fischer switch back Juneau

8. Juneau: Sen. Fischer intros Rep. Hugh Malone
2:40-2:45 Rep. Hugh Malone
Questions from Committee members
Intro to Sen. Eliason to intro Sitka

9. Sitka: 2:34 Teresa Brooks, moderator
2:50-3:00 Brad Shaffer

10. Bethel: Wally Richardson, moderator
3:00-3:10 2:46 Beverly Hoffman
~~Don~~ Shantz
2:48 Lyman Hoffman

11. Juneau: Chairman Fischer intro's Tom Williams
3:10-3:15 2:52 Tom Williams, Comm. of Revenue — INTRO TO Tom Williams
Questions from committee members — SB 66 & 67 Royalty Payments
3:15-3:20 3:08 Chairman Fischer intros Kotzebue

12. Kotzebue: Maxine Walton, moderator
3:20-3:25 3:26 Marie Schwind — public assistance noble
? Pam Herman
Fischer audio transition to Anch.

13. Anchorage: Kathy Baltes, moderator
3:25-3:30 3:29 Tom Fink
Fischer transition to Fairbanks

14. Fairbanks: Maxine Walton, moderator — cash. lowest priorities
3:30-3:40 3:38 Robert Weeden
3:43 John Butrovich
Fischer intros Sitka

15. Sitka: Teresa Brooks, moderator
3:40-45 Brad Shaffer (might leave)

16. Bethel: Wally Richardson, moderator
3:45-3:50 ? Don Shantz
3:48 Bev Hoffman, Lyman Hoffman — 3:46

17. Juneau: Chairman Fischer???Is anyone left to testify
3:50 3:50 Same rotation

18. Juneau: Questions from journalists in same rotation

RON GAMBLE

AGENDA

Location	Name	Time
Juneau	Sen. Vic Fischer	2:00pm to 2:05
	Rep. Oral Freeman	2:05 to 2:10
Kotzebue	Marie Schwind, Pam Herman	2:10 to 2:20
Anchorage	Jim Rhode, Tom Fink	2:20 to 2:30
Fairbanks	John Butrovich, Robert Weeden	2:30 to 2:40
Juneau	Sen. Vic Fischer, Rep. Hugh Malone	2:40 to 2:45
	Sen. Eliason Committee member	2:45 to 2:50
Sitka (Audio only)	Brad Shaffer, [redacted]	2:50 to 3:00
Bethel	Bev Hoffman, D. Shantz or H. Sparks	3:00 to 3:10
Juneau	Sen. Vic Fischer, Tom Williams	3:10 to 3:15
66-67 Juneau INTRO TO SB66-67	Commissioner Tom Williams 10 min ahead	3:15 to 3:20
Kotzebue	~~Pam Herman~~, Marie Schwind only	3:20 to 3:25
Anchorage	Tom Fink	3:25 to 3:30
Fairbanks	John Butrovich, Robert Weeden	3:30 to 3:40
Sitka	~~Brad Shaffer~~, [redacted]	3:40 to 3:45
Bethel	Bev Hoffman, ~~Don Shantz~~ (H. Sparks)	3:45 to 3:50
Juneau	Questions from journalists	3:50 to 3:56
	Kotzebue-Stan Jones Anchorage, Spivey, Arnett, Lindbeck	to
	Fairbanks-Dermot Cole, Tom Snapp Juneau-Kizer, Carpenter, Matthews	to
CLOSE CLOSE CLOSE CLOSE		3:56 to 3:58
		to
		to
		to
		to
		to

HB 1 -- ONE OF MOST IMPORTANT BILLS OF 1981 SESSION

-- TO APPROPRIATE $1.8 BILLION TO PERMANENT FUND.

PF ESTABLISHED BY VOTE OF THE PEOPLE TO ASSURE THAT PART OF OIL INCOME WILL BE AVAILABLE TO MEET ALASKA'S NEEDS IN THE FUTURE.

HB 1 - PRINCIPAL AUTHOR ORAL FREEMAN

SIMILAR BILL INTROD BY GOV HAMMOND, WHO HAS ESPOUSED THE CONCEPT OF PF AS FAR BACK AS THE 1969 BROOKINGS SEMINARS ON THE FUTURE OF ALASKA

~~HB 1 PASSED HOUSE BY~~ SO FAR, THE ENTHUSIASM FOR PUTTING THIS MUCH MONEY ASIDE FOR FUTURE USE IS LIMITED IN THE SENATE -- MANY MEMBERS FEELING THAT WE HAVE CURRENT NEEDS THAT WHOULD BE MET BEFORE WE STASH MORE MONEY AWAY IN PF.

THAT'S WHY THIS HRG PARTICULARLY IMPORTANT...

SB 66 & 67 -- DISTRIBUTION OF ROYALTY DIVIDENS TO THE PEOPLE -- THEIR RESOURCES, BELONGS TO ALL.

CASH DIVIDEND TO ALL ALASKANS - OR SOME OTHER EQUITABLE METHOD OF DISTRIBUTING OR USING THE MONEY OTHERWISE

TODAY'S HEARING PART OF LEGISLATURE'S EFFORT TO OBTAIN VIEWS OF PEOPLE FROM ALL OVER STATE. GENERALLY, THIS IS DONE BY AUDIO TELECONFERENCE. TODAY -- VIDEA CONNECTIONS -- AND WE''LL BE HEARING AND SEEING PEOPLE IN ANCH, BETHEL, FAI, KOTZ JUNO, AND SITKA - THEY WILL SEE US, BUT WE'LL ONLY GET AUDIO FROM S. FIRST, HB 1, THEN 66&67

TIGHT SCHED. — LIMIT TIME 5 MIN MAX

REP ORAL FREEMAN, KETCHIKAN, PRINCIPAL SPONSOR HB 1

COMMITTEE MEMBERS PRESENT: SN COLLETTA, ELIASON, STIMSON

GARY C. NEWMAN
S.R. BOX 51233
FAIRBANKS, ALASKA 99701

Senator Vic Fischer
Chairman, State Affairs

May 5, 1981

Dear Vic,

Herewith are the comments I have to make regarding the Permanent Fund, about which I wrote you last week.

I support House Bill 1 which would put an additional 1.8 billion dollars into the fund. While the state may have a lot of requests for funding that certainly exceed the revenues regardless of whether additional funds are put into the Permanent Fund, it is not reasonable to assume that all worthwhile projects could be funded in one or even in two legislative sessions.

Secondly, the oil royalty money income is of limited duration and it was the hopes of two thirds of Alaskans in creating the Permanent Fund that some of that royalty money could help stabilize the economy of the state after the oil ran out.

Realistically speaking, people who put money away for their retirement try to put enough away so that they can live only off the interest. I would like to see the state put enough away so that government could fund itself and the needs of Alaskans off of that interest. Instead of a law limiting state government expenditures to some fixed dollar amount, tie it to the interest off the Permanent Fund.

It is my hope and desire that we would use what moneys we do not put into the Permanent Fund to finance the most worthwhile projects to improve Alaskans' social condition, to work toward self-sufficiency in food and energy production, and to provide a solid educational base for our citizens, both young and old. I feel that the several billion dollars available this year is enough to do some of those things this session. We are a young state in many ways and we should not presume that we can solve all of the state's problems and take advantage of all the opportunities in a single year.

I recognize the position that we should invest in Alaskans and not use the big pot of money just to make more money. Yet I strongly feel that the oil money belongs not just to Alaskans today, but to future Alaskans as well. To try to stimulate the economy is fine to a point, but I want to, at all costs avoid the boom and bust economy that Alaska has always suffered from. I believe this can be done if we set the direction and goals now by providing first for our future.

I hope my comments will aid your committee's deliberation.

Sincerely,

Gary C. Newman

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

HB 1

FISCAL NOTE

I. REQUEST CS
Bill/Resolution No. HOUSE BILL NO. 1 (Page 1 of 2)
Title Making a special appropriation to the Alaska Permanent Fund
Requested by House Finance Committee Date 2/4/81

II. FISCAL DETAIL
Agency Affected Dept. of Revenue/Ak. Permanent Fund Corp.
Program Category Affected Revenue Collection and Management
BRU, Program, or Subprogram(s) Affected Treasury Management
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		27.5	30.3	33.3	36.6	40.3
200 TRAVEL						
300 CONTRACTUAL		50.0	55.0	60.5	66.6	73.3
400 COMMODITIES						
500 EQUIPMENT		2.5				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	80.0	85.3	93.8	103.2	113.6

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	80.0	85.3	93.3	103.2	113.6
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

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

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

This bill appropriates $1.8 billion to the Alaska Permanent Fund. This would be accomplished as quickly as possible starting July 1, 1981 in line with prudent cash management and cash flow requirements necessary to finance other state government operations. Payments would be made in several installments.

Above costs include a Loan Closer II to maintain related investment files and documentation because of increased activity in this area; contractual expenditures are for increased safekeeping fees related to marketable securities because of large fund balance increase; equipment is related to new position and additional working file storage.

Anselm C. Staack

IV. DATE February 17, 1981 PREPARED BY Anselm C. Staack, Treasury Comptroller
AGENCY Dept. of Revenue/Treasury Division
PHONE 465-2351

Original: Legislative Finance

1	POSITION TITLE: Loan Closer II			RANGE/STEP: 12A	BARG. UNIT: G	LOCATION: Juneau	GOV. / APPROV. / DI
2	TYPE OF POSITION: PFT	STAFF MONTHS: 12	RP No.: HB 1	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG.

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
4	PERSONAL SERVICES: SALARY 1,761 x 12		21,132	
5	BENEFITS 21,132 x .1533		3,240	
6	FICA SBP @ .0613		1,295	
7	HEALTH INS. Mo. Fix. 12 x 150		1,800	
8	TOTAL PERSONAL SERVICES	01		27,467
9	TRAVEL	02		
10	CONTRACTUAL	03		
11	COMMODITIES	04		
12	EQUIPMENT	05		2,500
13	OTHER			
14	TOTAL COST			29,967

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	29,967
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION	XX	

FOR R&M USE ONLY

4A KEY NUMBER: COMMO NO.:

JUSTIFICATION:

To implement HB 1 because Fund will be expanding its investments in loans and mortgages. Additional $1.8 billion greatly expands the ability of Fund in this area.

Responsible for making sure that all necessary and required documentation is included in each investment package in order to assure proper title for the Fund's investment. Assure that all subsequent documentation recieved after purchase is directed to the proper file, follow-up on late or non receipt of necessary legal documents.

Equipment cost includes additional filing cabinets necessary to maintain proper control of increased amount of investment folders.

AGENCY Department of Revenue PROGRAM Revenue Collection and Management

BRU Treasury Management

COMPONENT

13 REQUEST FOR NEW POSITION

FY 82

REVISED DATE 2/17/81

HB

36

STATE OF ALASKA
THE LEGISLATURE

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M February 27, 1981

SUBJECT: Application of Rule 38(e) to CSHB 36 (Judiciary)

TO: Representative Donald E. Clocksin
Vice Chairman
House Judiciary Committee

FROM: John B. Chenoweth
Legislative Counsel

The responsibility for adopting and revising rules for the state's courts is committed by the state constitution to the Alaska Supreme Court:

> RULE-MAKING POWER. The supreme court shall make and promulgate rules governing the administration of all courts. It shall make and promulgate rules governing practice and procedure in civil and criminal cases in all courts. . . .

Article IV, section 15. The rules adopted by the Supreme Court may be altered by the legislature "by two-thirds vote of the members elected to each house." Article IV, section 15.

The constitutional requirement, as it affects the legislature's review and adoption of legislation, is incorporated as part of the Uniform Rules of the Legislature. By Rule 38(e)

> If a bill or portion of a bill contains matter changing a supreme court rule governing practice and procedure in civil or criminal cases the bill must contain a section expressly citing the rule and noting what change is being proposed. The section containing the change in a court rule must be approved by an affirmative vote of two-thirds of the membership to which the house

> is entitled. If the section effecting a change in the court rule fails to receive the required two-thirds vote the section is void and without effect and is deleted from the bill. The fact that a bill contains a section which changes a court rule shall also be noted in the title of the bill.

HB 36 and CSHB 36 (Judiciary) revise and extend the conditional privilege relating to giving of testimony and delivery of evidence by reporters and others generally engaged in the work of the press.

You have asked whether amendments contained in CSHB 36 (Judiciary) are subject to the provisions of Rule 38(e) with respect to both the two-thirds vote and the title requirements.

In my opinion, 1/ the requirements of Uniform Rule 38(e) apply to the committee substitute. I have redrafted the committee substitute as presented by the House Judiciary Committee to conform to the conclusion expressed in this memorandum.

1/ There is no unanimity in this division as to whether my conclusion is correct. Two of the four people that I asked to review this opinion in draft said they believed that I was correct, one said that he would have probably come out the other way (i.e., Rule 501 permits the legislature to add one or more privileges without separate notice and a two-thirds vote) and the fourth, disagreeing with all that has been said, suggests that the definition of privileges is "substantive" and wholly within the authority of the legislature to determine by law.

Additional research was undertaken by an extern assigned to assist in the work of this division. Her memorandum turned up little acse law, but evidence of the debate on the privileges not to testify or present evidence are procedural or substantive:

> "In an article by Alfred Clapp, "The Privilege Against Self-Incrimination", 10 Rutgers L.R., 541, substantive

*

Under authority of the constitutional provision earlier cited, the Alaska Supreme Court, by Order No. 364, effective August 1, 1979, adopted Rules of Evidence applicable "in all proceedings of the courts of the State of Alaska". The material collected in Rules 501 - 512 of the Rules of Evidence establishes certain privileges not to testify or produce evidence, defines the extent of the privileges established (whether by law or by rule), and otherwise describes the relationship between the privileges created and the conduct of discovery or trial. Rule 501 recognizes that the privileges which are covered by the Rules of Evidence may derive from several sources, including legislative enactment:

> "PRIVILEGES RECOGNIZED ONLY AS PROVIDED. Except as otherwise provided by the Constitution of the United States or of this state, by enactments of the Alaska Legislature, or by these or other rules promulgated by the Alaska Supreme Court, no person, organization, or entity has a privilege to:

1/ con't.

law was described as "defining the rights and duties which give rise to a cause of action or to a defense to an action". Procedural law was described as "adjectival", "it provides the litigant with the means or methods by which these rights, duties, and defenses are enforced through the courts." He concluded that rules of evidence are part of the "adjectival machinery" because they are "but regulations fixing appropriate methods . . . for the ascertainment of facts at trial."

> Any right resting on such a regulation -- as, for example, the right of a witness or party to a privilege or the right of a party to exclude hearsay -- palpably does not give rise to a cause of action. It merely operates the machinery of enforcement."

[10 Rutgers L.R. 541]

(1) refuse to be a witness; or

(2) refuse to disclose any matter; or

(3) refuse to produce any object or writing; or

(4) prevent another from being a witness or disclosing any matter or producing any object or writing."

In commentary to Rule 501 of the Alaska Rules of Evidence, a distinction between legislatively-drawn privileges and those created by Court Rule is noted:

> This rule codifies the existing law that privileges are not recognized in the absence of statutes or rules specifically providing for them. No attempt is made in these rules to incorporate the constitutional provisions which relate to the admission and exclusion of evidence, whether denominated as privileges or not. Similarly, privileges created by specific statutes generally are not within the scope of these rules. E.g., AS 09.24.150 - 220 (public officials, reporters); AS 24.55.260 (ombudsman).

The distinction is maintained in the commentary to Rule 502:

> "In light of Rule 501, Rule 502 is redundant in its reference to the State of Alaska. Rule 501 establishes that privileges can be created by these rules or by enactments of the Alaska legislature. It is therefore clear that even without Rule 502 any privilege provided for by statute would be recognized. Despite the redundancy, Rule 502 serves two purposes not served by Rule 501 in connection with Alaska law. First, it serves to remind the legislature that these rules will not generally provide a privilege in circumstances where the government is requiring a person, organization, or entity to supply information. If a privilege is to be forthcoming, it must be legislatively created. . . .
>
> * * *
>
> "It should be plain that the existence and scope of required records, laws and privileges are dependent upon legislative action. The legislature can eliminate

> any privilege that would exist under this rule." (Emphasis added)

While both the Rule and its commentary recognize that the legislature may establish privileges relating to admission or exclusion of evidence, the constitution bars the legislature from "making" rules governing practice and procedure in the civil and criminal courts of the state, vesting this power in the Supreme Court. Channel Flying, Inc. v. Bernhardt, 451 P.2d 570 (1969):

> Respondents also contend that AS 22.20.022 [relating to the disqualification of a trial judge] is invalid as violating the rule-making power of this court. The Alaska Constitution vests in the supreme court the authority to "make and promulgate rules governing practice and procedure in civil and criminal cases in all courts." The legislature has no power to make rules, but only to change them by two-thirds vote [citing Article IV, section 15, Alaska Constitution]. The question here is whether the disqualification statute constitutes a rule governing practice and procedure in the courts which the legislature had no constitutional authority to make. The answer to that question depends on whether the subject matter of the statute is substantive or procedural. If it is substantive in nature it is a matter within legislative prerogative; if it is procedural, it falls within the ambit of this court's rule-making power. (Emphasis added)

451 P.2d 570, 575 - 576. See also Thomas v. State, 566 P.2d 630 (1977).

Since it is certain from these earlier decisions that the legislature cannot "make" new rules without violating Article IV, section 15, an act of the legislature which adds or extends a privilege, as authorized by the Rules of Evidence, cannot be an "addition" to those rules.

Whether characterized as a rule "created" by law or as an amendment to the privileges recognized by the Rules of Evidence, that which the legislature does by law to add to the number of circumstances in which a privilege against

giving testimony or providing evidence shall be recognized may, as a matter of constitutional law, only be characterized as an amendment or change 2/ of a rule of court relating to civil or criminal practice or procedure, requiring concurrence of two-thirds of the membership of each house. 3/

JBC:ljb

Enclosure

2/ See also Leege v. Martin, 379 P.2d 447 (1963):

> Appellees [challenging a statute recognizing forfeiture of a commercial fishing license] contend that in this situation, when there is no specific rule in a particular procedural area, the legislature has no authority to act; since its constitutional power to change "These rules" is limited to promulgated, existent rules upon which a change may be wrought. On the other hand, the state argues that the rules promulgated by this court must be considered in their totality; that it is the body of those rules as an entity which the legislature is empowered to change; that an addition to the body of rules is no less a "change", within the meaning of the constitution, than a deletion or amendment of a specific, existing rule; and that the legislature therefore does have the power to enact a procedural statute in an area not covered specifically by a rule of this court.

379 P.2d 447, 449.

3/ Without regard to the requirements of the two-thirds vote and separate notice in the bill title, the legislature may act, of course, on matters of substance (as distinguished from procedural concerns wherein the legisalture's power to act is limited). Channel Flying, Inc. v. Bernhardt, 451 P.2d 570, 575 (1969); Thomas v. State, 566 P.2d 630, 637 (1977). There is substantial literature examining without resolving

the question of whether rules of evidence are procedural or substantive. See, for example, "The Coordination of Legislative Bill drafting and Statutory Revision with Judicial Rule-Making in Alaska", Legislative Affairs Agency staff memoranda (July 1, 1960):

> "[T]here is general agreement that most rules of evidence are matters of procedure. Most agree, however, that the rule of evidence should be treated as a unit and be considered as being totally substantive or procedural. Levin and Amsterdam propose that all rules of evidence be the primary responsibility of the court with the opportunity for change by legislative review. This, of course, is the clear advantage of the provision in the Alaska constitution over those of New Jersey and Michigan. Permitting rules of evidence to be considered as procedural in Alaska only permits the court initially to promulgate the rules which are always subject to review by the legislature and change by a two-thirds vote. In the most comprehensive review of the problem if the court's power to promulgate rules of evidence, the Institute of Judicial Administration indicates that in several states which have court rule-making power similar to Alaska, evidentiary rules have been made. . . . [T]he federal courts and at least 12 state courts have promulgated certain rules of evidence on the basis of their power to make rules of court practice and procedure. It would seem that the arguments that were made at the Alaska Constitutional Convention for placing the rule-making power in the court applies to rules of evidence also. The courts are immediately concerned and familiar with the subject matter and could maintain a close and constant watch over the rules of evidence. The courts should have the initial responsibility for delays and injustices in the processing of litigation, which is composed in part of the presentation of evidence. It is therefore suggested that rules of evidence be considered matters of procedure with the initial responsibility in the court subject to legislative change."

Staff memorandum, July 1, 1960, p. 39 - 41.

Historically, the legislative process regarded additions or extensions of privilege occurring before August, 1979, as

amendments to the Code of Civil Procedure, requiring approval by two-thirds vote of the members of each house. See sec. 3, Chapter 32, SLA 1975 (adding the privilege of the ombudsman not to testify).

In promulgating the new Rule 501 of the Rules of Evidence, there is no reason to believe that the Court "changed its mind" and decided that the constitutional provision giving the Supreme Court the authority to "promulgate" rules and the legislature the power to "change" them with a two-thirds vote should be undermined by a reference in Rule 501 to privileges created by enactments of the Alaska Legislature. Certainly, as had been the practice in the past, the Court recognized that the legislature could make changes in the body of the rules by enacting legislation in accordance with the constitutional provision and Rule 38(e) of the Uniform Rules of the Legislature.

The additional commentary provided by Professor Saltzburg is not dispositive:

> "When I drafted and the Advisory Committee approved Rule 501 and the Commentary, I believe that we all had in mind avoiding conflicts between the legislature and the courts. One obvious way of doing this was to incorporate statutory privileges into Rule 501, which we did. And the first sentence of the Commentary accompanying Rule 501 makes clear, I think, that we foresaw that the legislature might enact new privilege statutes.
>
> "No one can say with assurance that privileges are more substantive or more procedural. To the extent that they affect out of court behavior they are substantive. To the extent that they control the evidence that courts receive they are procedural. I think that the position that we took in the drafting of Rule 501 was a conscious recognition that privileges were sufficiently procedural so that courts could promulgate rules covering them when they wished and sufficiently substantive that the legislature could enact statutes dealing with them when it wished.
>
> "Since privileges can be viewed as sufficiently substantive to be the proper subjects of ordinary

> legislative action, and since we intended to recognize this in Rule 501, I believe that a privilege rule can be enacted or modified by a majority vote of the legislature. . . ." (Emphasis added)

Letter of Stephen A. Saltzburg to Holli Ploog, February 18, 1981.

Mr. Saltzburg's letter merely underscores the opposite points of the debate. His suggestion that evidentiary matters have both procedural and substantive characteristics confirms my view that the addition of a rule not to testify or provide evidence to the general body of privileges is a matter of practice or procedure and that legislative activity on the subject may only be interpreted as an alteration requiring a two-thirds vote.

As a matter of legislative drafting, debate may now be foreclosed by the Manual of Legislative Drafting. The authority of the Manual derives from the constitution and from a uniform rule of the legislature. By Article II, section 14 of the constitution, "[t]he legislature shall establish the procedure for enactment of bills into law". The legislature has specified that the procedure for handling bills during their consideration by the legislature shall be as set out in AS 24.30 and the uniform rules. AS 24.30.010. Rule 10 directs that the legislative drafting manual prepared and adopted by the Legislative Council "is to be followed in the preparation . . . of all legislative documents and records". The manual itself suggests that matters of "evidence" relate to a rule of practice and procedure, citing the 1960 staff memorandum:

> The basic problem facing the draftsman is whether a matter to be included in a bill is a matter of "administration" or "practice and procedure" or a matter of substance. Rules of practice and procedure are usually considered to include such matters as forms of action, how an action is commenced, the manner of notice, pleading and motion practice, joinder of causes, parties, pre-trial practice and discovery, calendars, the conduct of the trial, stay of proceedings, the procedures by which a judgment is enforced, post-trial proceedings such as motions for new trial, the assessment of costs, the time of appeal, venue, evidence, and procedure involved in special

> proceedings such as adoption and probate. The limitation of actions, burden of proof, presumption, creation of courts, and matters of jurisdiction are, on the other hand, considered matters of substance. (Emphasis added)

1981 Legislative Drafting Manual, p. 20.

(3) "reporter" means a person regularly engaged in the business of collecting or writing news for publication, or presentation to the public, through a news organization; it includes persons who were reporters at the time of the communication, though not at the time of the claim of privilege;

(4) "news organization" means

(A) an individual, partnership, corporation or other association regularly engaged in the business of

(i) publishing a newspaper or other periodical which reports news events, is issued at regular intervals and has a general circulation;

(ii) providing newsreels or other motion picture news for public showing; or

(iii) broadcasting news to the public by wire, radio, television or facsimile,

(B) a press association or other association in individuals, partnerships, corporations, or other associations described in (4)(A)-(i), (ii), or (iii) of this section engaged in gathering news and disseminating it to its members for publication. (§ 1 ch 115 1967)

Editor's note.—Section 2, ch. 115, SLA 1967, provides: "This bill changes Rule 43(h) of the Supreme Court Rules [of Civil Procedure] by adding to the privileges there listed, the conditional privilege for public officers and reporters as to sources of information."

Chapter 30. Judgments.

Article

1. Judgments (§§ 09.30.010—09.30.070)
2. Uniform Foreign Money-Judgments Recognition Act (§§ 09.30.100—09.30.180)
3. Uniform Enforcement of Foreign Judgments Act (§§ 09.30.200—09.30.270)

Section
10. Recording copy of judgment as lien
20. Priority of lien of judgment
30. Judgment where summons not served on all defendants
40. Judgments against boroughs and cities
50. Confession of judgment
60. Property liable on confession judgments
70. Interest on judgments

Article 1. Judgments.

Sec. 09.30.010. Recording copy of judgment as lien. A certified copy of the judgment or decree of a court of this state or a court of record of the United States upon which execution may issue, the enforcement of which has not been stayed, may be recorded with the recorder of a recording district. From the recording, the judgment or decree becomes a lien upon the real property of the defendant which is in the recording district, which is not exempt from execution, and which is owned by him at the time or acquired by him afterward but before the lien expires. The lien con-

UNIVERSITY OF VIRGINIA
CHARLOTTESVILLE-VIRGINIA-22901
SCHOOL OF LAW

February 18, 1981

Ms. Holli Ploog
Staff Counsel
State Capitol
Room 110
Juneau, Alaska 99811

Dear Ms. Ploog:

Pursuant to our telephone conversation of this morning, I am writing to you to indicate my view of the intent of Alaska Rule 501 as it relates to legislative action to establish or modify evidentiary privileges.

When I drafted and the Advisory Committee approved Rule 501 and the Commentary, I believe that we all had in mind avoiding conflicts between the legislature and the courts. One obvious way of doing this was to incorporate statutory privileges into Rule 501, which we did. And the first sentence of the Commentary accompanying Rule 501 makes clear, I think, that we foresaw that the legislature might enact new privilege statutes.

No one can say with assurance that privileges are more substantive or more procedural. To the extent that they affect out of court behavior they are substantive. To the extent that they control the evidence that courts receive they are procedural. I think that the position that we took in the drafting of Rule 501 was a conscious recognition that privileges were sufficiently procedural so that courts could promulgate rules covering them when they wished and sufficiently substantive that the legislature could enact statutes dealing with them when it wished.

Since privileges can be viewed as sufficiently substantive to be the proper subjects of ordinary legislative action, and since we intended to recognize this in Rule 501, I believe that a privilege rule can be enacted or modified by a majority vote of the legislature. With respect to the newsreporter privilege in particular, a statute would not be in conflict with any court rule. Thus, there would be no occasion for anyone to have to decide whether a two-thirds vote of the legislature would be necessary to make its rule stick as against a court rule.

If the Alaska Supreme Court were to adopt its own newsreporter privilege law and if there were a conflict between it and the legislature's rule, the Alaska Supreme Court might conclude that the privilege is more procedural than substantive and thus require a two-thirds vote of the legislature to make its rule stick. Unless and until this situation arises, a majority vote in support of a statute that is not in conflict with a court rule would seem to suffice.

To be extra-safe, you might insert into the statute some preliminary language suggesting that the statute is intended to foster newsgathering and protect the privacy of the editorial process, which are substantive concerns.

I hope that this opinion is of some help to you.

Sincerely,

Stephen A. Saltzburg
Professor of Law

Alaska State Legislature

House of Representatives

Committee on Judiciary

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

DATE: March 11, 1981

TO: The Honorable Jim Duncan, Speaker
House of Representatives

FROM: Rep. Fred Brown, Chairman
House Judiciary Committee

LETTER OF INTENT
CSHB 36 (Judiciary)

The Committee on Judiciary has had under consideration HB 36, "An Act extending the conditional privilege of reporters as to sources of information", and has provided you with a committee report recommending that it be replaced with our committee substitute for that bill, and that committee substitute do pass.

Additionally, we wanted to point out certain matters involving the nature of the privilege addressed by the bill.

The bill addresses the substantive law which defines when a privilege does or does not exist on the part of a journalist or a public official.

The bill does not address the procedure under which that privilege is invoked in the court, except to restate existing law on that subject because of the requirements of good legislative drafting.

This is an important point. During the committee's deliberations, some members of the committee were concerned as to whether there should be a separate section relating to a change in a Rule of Court.

However, in examing Rule 501 of the Rules of Evidence of the State of Alaska, and in consulting with attorneys on the subject, the committee has concluded that the Legislature can rightly stake claim to jurisdiction over all of the substantive law of privilege, even though it does relate to court proceedings.

Professor Stephen A. Saltzburg, Professor of Law at the University of Virginia, who was reporter to our Supreme Court's

Advisory Committee on the rules of evidence, is of the same opinion. In a letter from Mr. Saltzburg to legislative staff, he notes:

> When I drafted and the Advisory Committee approved Rule 501 and the Commentary, I believe that we all had in mind avoiding conflicts between the Legislature and the courts. One obvious way of doing this was to incorporate statutory privileges into Rule 501, which we did. The first sentence of the Commentary accompanying Rule 501 makes clear, I think, that we foresaw that the legislature might enact new privilege statutes.

Rule 501 states in its entirety:

> Except as otherwise provided by the Constitution of the United States or of this State, by enactments of the Alaska Legislature, or by these or other rules promulgated by the Alaska Supreme Court, no person, organization, or entity has a privilege to:
>
> (1) refuse to be witness; or
> (2) refuse to disclose any matter; or
> (3) refuse to produce any object or writing; or
> (4) prevent another from being a witness or disclosing any matter or producing any object or writing.

The language to which Prof. Saltzburg referred to in the Commentary, states that:

> This rule codifies the existing law that privileges are not recognized in the absence of statutes or rules specifically providing for them. No attempt is made in these rules to incorporate the constitutional provisions which relate to the admission and exclusion of evidence, whether denominated as privileges or not. Similarly, privileges created by specific statutes generally are not within the scope of these rules. [emphasis supplied] E.g., AS 09.25.150-220 (Public officials, reporters); AS 24.55.260 (Ombudsman).

Admittedly, the issue is not an absolutely clearcut one. Staff counsel from the Legislative Affairs Agency's Legal Services Division were evenly divided as to whether a rules change would be required, even in light of Prof. Saltzburg's letter and the commentary language.

However, it appears clear to the members of the committee (which includes laymen and lawyers) that if we specifically acknowledge that we are intentionally legislating in this area, as a matter of substantive law, and are not merely inadvertantly overlooking the question of the rules change, the courts will uphold our action.

To some extent the Legislature is charged as well as is the Judiciary with interpreting the Constitution. In this area we strongly believe that the definition of the privilege, and substantive matters relating to who should have the privilege, are all matters of substantive law which should be reachable by the Legislature without the burden of a two-thirds vote. How the courts procedurally apply the privilege in any particular case is entirely within the parlance of the Supreme Court's rule-making power, as long as the implementatation by the courts give full respect to the privilege as a matter of substance.

Therefore the Judiciary Committee has concluded that no rule change is necessary to adopt the provisions of committee substitute for HB 36.

Respectfully submitted,

Rep. Fred Brown, Chairman
Committee on Judiciary

Letter of Intent REF

HB - 36

House Judiciary

- Letter of Intent

NOT RULES

CHANGE

laska Newspaper Association
c/o Box 710, Fairbanks, AK 99707

MEMBERS
ATWOOD
FANNING
ART
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ON

February 9, 1981

Rep. Fred Brown, chairman
Judiciary Committee
House of Representatives
Pouch V
Juneau, AK 99811

Re: HB36 extension of privilege

Dear Fred:

We support the basic thrust of this legislation as we understand it: to extend the conditional privilege now enjoyed by reporters to still and TV news photographers.

In performance of their duties, news reporters and photographers must move freely throughout a community. This means coming into contact with sources from various economic and social strata including, occasionally, criminals and others on the fringe of society. In a less dramatic vein, it also means coming into contact with otherwise law-abiding citizens who have grievances against established government authorities, or are suspicious of them.

Without the right to claim a privilege of withholding information or raw, unpublished and unbroadcast film, reporters and photographers would run the risk of being used against their will as tools of law enforcement. Reporters and photographers forced into these unwilling roles could face curtailment of their ability to move freely through a community if their sources viewed them as agents of police.

In Section 2, may I suggest a second look at language that permits a judge to deny privilege merely by finding that withholding testimony or evidence would be "contrary to the public interest."

Certainly, it is reasonable to assume a privilege claimed under the First Amendment would be scrutinized critically if it conflicted with the Sixth Amendment's right to a fair trial. However, an assertion of "public interest" in this case seems unnecessarily broad and ill-defined.

Thank you for the opportunity to testify.

Sincerely,

Kent Sturgis

Kent Sturgis
Chairman, legislative committee

Original sponsors: Brown and Rogers

Offered: 3/12/81
Referred: Rules

IN THE HOUSE BY THE JUDICIARY COMMITTEE

CS FOR HOUSE BILL NO. 36 (Judiciary)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the privilege not to disclose sources of information; and providing for an effective date."

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

* Section 1. AS 09.25.150 is repealed and reenacted to read:

Sec. 09.25.150. CLAIMING OF PRIVILEGE BY PUBLIC OFFICIAL OR REPORTER. Except as provided in AS 09.25.160 - 09.25.220,

(1) a public official may not be compelled to disclose the source of information obtained by him while acting in the course of his duties as a public official; and

(2) a reporter may not be compelled to disclose the source of information obtained by him, nor may he be required to produce photographs, photographic negatives, audio or video tapes, notes, or any other documentation, used in the preparation of a news story while acting in the course of his duties

* Sec. 2. AS 09.25.160(a) is amended to read:

(a) When a public official or reporter claims the privilege in a cause being heard before the supreme court or a superior court of this state, a person who has the right to question him in that proceeding, or the court on its own motion, may challenge the claim of privilege. The court shall make or cause to be made whatever inquiry the court thinks necessary to a determination of the issue. The inquiry may be made immediately [INSTANTER] by way of questions put to the witness claiming the privilege and a decision then rendered, or the court may require the presence of other witnesses or documentary showing or may order a special hearing for the determination of the issue of privilege.

* Sec. 3. AS 09.25.160(b) is amended to read:

(b) The court may deny the privilege and may order the public official or the reporter to testify, or may order a reporter to produce photographs, photographic negatives, or audio or video tapes, notes etc. imposing whatever limits upon the testimony and upon the right of cross-examination of the witness as may be in the public interest or in the interest of a fair trial or a fair hearing, if it finds the withholding of the testimony would

[(1)] result in a miscarriage of justice or the denial of a fair trial or a fair hearing to those who challenge the privilege [; OR

(2) BE CONTRARY TO THE PUBLIC INTEREST].

* Sec. 4. AS 09.25.170(b) is amended to read:

(b) If, in a hearing, a public official or a reporter should refuse to divulge the source of his information, or a reporter should refuse to produce photographs, photographic negatives, or audio or video tapes, notes etc. the agency, [BODY,] person, official, or party seeking the information may apply to the superior court for an order divesting the official or reporter of the privilege. When the issue is raised before the supreme or a superior court, the application must be made to that court.

In (c) delete [or the protection of the public interest]

Vic, this deletion is done to be consistent w/ the change in Sec. 3

* Sec. 5. AS 09.25.190 is amended to read:

Sec. 09.25.190. EXTENT OF PRIVILEGE. When a public official or reporter claims the privilege conferred by AS 09.25.150 - 09.25.220, and the public official or reporter has not been divested of the privilege by order of the supreme or superior court, the public official, the reporter or [NEITHER HE NOR] the news organization with which he was associated may not thereafter be permitted to plead or prove the sources of information withheld, and a reporter may not be required to produce photographs, photographic negatives, or audio or video tapes, notes etc.

unless the informant consents in writing or in open court.

* Sec. 7. AS 09.25.220(4)(A)(ii) is amended to read:

(ii) providing newsreels, audio or video tapes, or other motion picture news for public showing; or

* Sec. 8. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Sec. 6. AS 09.25.220(3) is amended to read:

"reporter" means a person regularly engaged in the business of collecting or writing news for publication, or presentation to the public, through a news organization, it includes

A) persons who were reporters at the time of the communication, though not at the time of the claim of privilege;

B) photographers and technicians who handle cameras, photographic or audio equipment; and

C) editors and publishers of news organizations.

Jack Lawrence

HB

53

January 12, 1981

Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a bill clarifying the means of calculating credits under the point system for driving offenses by providing for one credit for each 12-month period (instead of each "year") of violation-free driving. The bill also limits the number of credits to a total of five.

Sincerely,

S/JSH

Jay S. Hammond
Governor

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HOUSE BILL NO. 53
Title "An Act relating to the point system for driving offenses."
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Department of Public Safety
Program Category Affected Public Protection - Life & Property Protection
BRU, Program, or Subprogram(s) Affected Driver/Vehicle Services - Driver Services
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80 (81)	FY 81 (82)	FY 82 (83)	FY 83 (84)	FY 84 (85)	FY 85 (86)
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL	0	0	0	0		

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The proposed bill would have no significant fiscal impact on the affected BRU/component. The law, as amended, would eliminate storage of driver records beyond five years as opposed to the existing law which provides for indefinite maintenance of driver records due to the method of calculation of driving offenses points. The net tangible effect would be that less microfilm storage and less computer storage would be required.

IV. DATE 12/12/80 PREPARED BY Marcia Lynn McKenzie, Budget Analyst
AGENCY Department of Public Safety
PHONE 465-1349

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

33-001 (Rev. 12/79)

HB

63

January 12, 1981

Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill which clarifies and makes specific the statutes under which the Alaska Police Standards Council operates. Among other things, it eliminates the requirement of submitting an annual report to the legislature because, now that Executive Order No. 45 transferred the council to the Department of Public Safety, the council's activity will be included in the Department of Public Safety's report. The bill also clarifies the jurisdiction of the council, by redefining "police officer" for purposes of the council's authority.

Sincerely,

Jay S. Hammond
Governor

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB HOUSE BILL NO. 63
Title "An Act relating to the Alaska Police Standards Council"
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Department of Public Safety
Program Category Affected Administration of Justice
BRU, Program, or Subprogram(s) Affected Alaska Police Standards Council
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

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

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

The proposed Legislation will have no fiscal impact upon the concerned BRU, as it deals primarily with clarification of existing statutes.

IV. DATE January 6, 1981 PREPARED BY Marcia Lynn McKenzie, Budget Analyst
AGENCY Department of Public Safety
PHONE 465-4350

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

33-001 (Rev. 12/80

HB

91

January 19, 1981

Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to domestic violence, sexual assault, and adult crisis intervention programs. Though $1.8 million dollars were appropriated from the general fund by the legislature last session for these programs, legislation establishing responsibilities in the area has yet to be enacted. This bill authorizes the Department of Health and Social Services to monitor domestic violence, sexual assault, and adult crisis intervention programs, to adopt regulations to protect persons using those services, and to award grants to local community programs.

Sincerely,

S/SH

Jay S. Hammond
Governor

LETTER OF INTENT

It is the intent of the legislature that the Department of Health and Social Services and the Department of Public Safety should cooperate and coordinate to the fullest extent to implement the provisions of HB 91 in order to insure the ongoing functions of programs to be funded in fiscal year 1982. It is the intent of the legislature that funding for services to clients for domestic violence and sexual assault shall not be interrupted during the transfer of program responsibility from the Department of Health and Social Services to the Department of Public Safety.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSHB 91 (Fin) (Page 1 of 2)
Title ~~Domestic violence, sexual assault, crisis intervention~~
Requested by ~~Finance committee~~ Date ~~5/7/81~~

II. FISCAL DETAIL
Agency Affected Public Safety
Program Category Affected Administration of Justice
BRU, Program, or Subprogram(s) Affected Council on Domestic Violence (Commissioner's office)
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES		106.4				
200	TRAVEL		20.0				
300	CONTRACTUAL		115.0				
400	COMMODITIES		10.0				
500	EQUIPMENT		6.0				
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		257.4				

FUNDING (Thousands of Dollars)

GENERAL FUND		257.4				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		3				
PART TIME						
TEMPORARY		1				

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

100 PERSONAL SERVICES:
1 Project Coordinator, Range 18 — 41,020
1 Research Analyst, Range 16 — 35,835
1 Clerk-Typist, Range 7 — 21,915
98,770

Administration & Support BRU (DPS)
1 Admin Support, Range 10 (4 mos) — 7,592

106,362

200 TRAVEL:
Council members 10,000
Staff 10,000
~~20,000~~

300 CONTRACTUAL
Phone, copying, postage, printing, rent — 15,000
Media communication — 100,000

IV. DATE 5/7/81 PREPARED BY Emil R. Cate
AGENCY
PHONE

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

33-001 (Rev. 12/80)

400 SUPPLIES	Books, film library	7,500
	Office & duplication	2,500
		10,000
500 EQUIPMENT	New position equip	6,000

MEMORANDUM State of Alaska

RECEIVED
Office of the
Commissioner

TO: Hon. Helen D. Beirne
Commissioner
Department of Health & Social Services

DATE: April 23, 1981

FILE NO: J-66-698-81

TELEPHONE NO: 465-3600

FROM: WILSON L. CONDON
ATTORNEY GENERAL

SUBJECT: Proposed Council on Domestic Violence and Sexual Assault

By:
Rodger W. Peguss
Assistant Attorney General

You have asked whether establishment of a proposed Council on Domestic Violence and Sexual Assault poses any legal problems.

In the form proposed by the draft bill for an Act relating to domestic violence and sexual assault, the proposal violates the state constitution in two ways. */

The first constitutional infirmity in the proposed bill is that it unduly impairs the appointment authority of the chief executive, transferring it, as it were, to a special interest group under proposed AS 18.66.030(3). The proposed council's job is to carry out the law, and that function is vested by the constitution in the governor. To perform that function, he appoints subordinates to assist him. While reasonable qualifications may unquestionably be prescribed by law for those appointments, the power of selection cannot be shared except as the constitution itself provides. Bradner v. Hammond, 553 P.2d 1 (Alaska 1976).

Accordingly, in order to conform with the dictates of the state constitution, the requirement in proposed AS 18.66.030(3) that appointments be from a list should be changed to a requirement for consultation with the Network of Domestic Violence and Sexual Assault. (We are concerned that the network may lack a formal, corporate status, thereby making even consultation haphazard.)

The second constitutional infirmity is that the bill gives the council tenure and also the authority to super-

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*/ There are other existing and proposed councils on ad hoc subjects which share one or both of these constitutional defects, for example, CSHB 198 (Fin), establishing a seafood market council.

vise and direct a unit of state government in carrying out a significant part of the law which, under the constitution, is expressly a function and responsibility of the governor. We are not dealing here with a regulatory or quasi-judicial council, the members of which under the constitution need not serve at the chief executive's pleasure. Humphrey's Executor v. United States 295 U.S. 602 (1935); Buckley v. Valeo, 424 U.S. 1, 140-141 (1976)(dicta). We are dealing rather with persons who are being placed in charge of carrying on the duties of an executive department of the government, and such officers must be responsible to the chief executive. Myers v. United States, 272 U.S. 52 (1926); cf., Alaska State Operated School System v. Mueller, 536 P.2d 99 (Alaska 1975), Walker v. Alaska State Mtg. Ass'n, 416 P.2d 245 (Alaska 1966).

Accordingly, in order further to conform the bill with the dictates of the state constitution, the last sentence of proposed AS 18.66.040 should be amended to delete after the word "members," the words "shall be limited to no" and insert "serve at the pleasure of the governor and may not serve" instead.

There are other, technical changes which should be made. For example, the Attorney General, rather than the Chief Prosecuter, should be named to retain the parallelism. The Attorney General would have the option of naming a designee. It makes no sense to appoint a subcabinet, non-statutory officer to a statutory council.

Finally, experience teaches that the establishment of a line division on domestic violence and sexual assault in whichever department should handle the subject (with an advisory council of concerned and involved citizens) will have much more effect than the establishment of a separate council which will not be part and parcel of either department's operations. That is a practical matter rather than a legal one, and we do not insist on a change, but we strongly recommend one.

RWP/pjg

cc: Hon. W.R. Nix, Commissioner
Department of Public Safety

Hon. Donald Clocksin
House of Representatives

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SCS for CSHB 91 (SA)
Title Domestic violence, sexual assault, crisis intervention
Requested by _____ Date 5/19/81

II. FISCAL DETAIL
Agency Affected Public Safety
Program Category Affected Administration of Justice
BRU, Program, or Subprogram(s) Affected Council on Domestic Violence (Commissioner's office)
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES	127.6					
200	TRAVEL	20.0					
300	CONTRACTUAL	115.0					
400	COMMODITIES	10.0					
500	EQUIPMENT	6.0					
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL	278.6					

FUNDING (Thousands of Dollars)

GENERAL FUND	278.6					
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	3					
PART TIME						
TEMPORARY	1					

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

100 PERSONAL SERVICES:
1 Executive Director, Range 23 — 56,699
1 Grant Administrator — 38,272
1 Secretary 1, Range 10 — 25,034
120,015

Administration and Support BRU (DPS)
1 Admin Support, Range 10 (4 mos) — 7,592

200 TRAVEL: Council members 10,000; Staff 10,000 — 20,000

300 CONTRACTUAL: Phone, copying, postage, printing, rent 15,000; Media communication 100,000

IV. DATE 5/19/81 PREPARED BY Vic Fischer
AGENCY _____
PHONE _____

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

33-001 (Rev. 12/80)

400 SUPPLIES	Books, film library	7,500
	Office and duplication	2,500
		10,000
500 EQUIPMENT	New position equipm't	6,000

Cook

Original sponsor: Rules/Governor

+ HESS FINANCE

IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE

SENATE CS FOR CS FOR HOUSE BILL NO. 91 (State Affairs)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to domestic violence, sexual assault, and crisis intervention and prevention programs."

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

* Section 1. AS 18 is amended by adding a new chapter to read:

CHAPTER 66. COUNCIL ON DOMESTIC VIOLENCE AND SEXUAL ASSAULT.

PURPOSE

Sec. 18.66.010. COUNCIL ON DOMESTIC VIOLENCE AND SEXUAL ASSAULT; in the Department of Public Safety. There is established the Council on Domestic Violence and Sexual Assault. The Purpose of Council is planning & to provide for coordination of services to victims, families, and perpetrators crisis intervention and prevention programs ~~and programs which provide services to victims of domestic violence or sexual assault or their families or to perpetrators of domestic violence and sexual assault.~~ and to provide for

Sec. 18.66.020. MEMBERSHIP, TERMS, VACANCIES, AND DISQUALIFICATION. (a) The council consists of

(1) three persons appointed by the governor after consultation with the Network on Domestic Violence and Sexual Assault, a nonprofit corporation; the Network on Domestic Violence and Sexual Assault shall submit a list to the governor of persons recommended for appointment;

(2) the commissioner of public safety or the designee of the commissioner of public safety; and

(3) the commissioner of health and social services or the designee of the commissioner of health and social services

(4) the commissioner of education or the designee of the commissioner of education;

(5) the attorney general or the designee of the attorney general.

(b) The term of office of a member appointed under (a)(1) of this section is two years. A member appointed under (a)(1) of this section serves at the pleasure of the governor and may not serve more than two consecutive terms. A vacancy on the council shall be filled for the unexpired term by appointment by the governor after consultation with the Network on Domestic Violence.

(c) A person who receives compensation from or is an employee of a domestic violence, sexual assault, or crisis intervention or prevention program may not be appointed to the council.

Sec. 18.66.030. COMPENSATION AND EXPENSES. The members of the council receive no salary but are entitled to transportation expenses and per diem in accordance with AS 39.20.180.

Sec. 18.66.040. MEETINGS AND QUORUM. The council shall meet at least four times a year. At least one meeting each year shall include a statewide public teleconference hearing. The time and place of a meeting shall be set by the presiding officer or by three members who submit a written request for a meeting to the presiding officer. Four members of the council constitute a quorum.

Sec. 18.66.050. DUTIES OF THE COUNCIL. (a) The council shall

(1) hire an executive director and necessary staff;

(2) elect one of its members as presiding officer;

(3) in consultation with authorities in the field, develop, implement, maintain, and monitor domestic violence, sexual assault, and crisis intervention and prevention programs, including educational programs, films, and school curricula on the cause, prevention, and treatment of domestic violence and sexual assault;

(4) coordinate services provided by the Department of Law,

the Department of Education, the Department of Public Safety, the Department of Health and Social Services, and other state agencies and community groups dealing with domestic violence, sexual assault, and crisis intervention and prevention, and provide technical assistance as requested by those state agencies and community groups;

(5) develop and implement a standardized data collection system on domestic violence, sexual assault, and crisis intervention and prevention;

(6) conduct public hearings and studies on issues relating to violence, including domestic violence and sexual assault, and on issues relating to the role of crisis intervention and prevention;

(7) receive and dispense state and federal money and award grants and contracts to qualified local community entities for domestic violence, sexual assault, and crisis intervention and prevention programs with money appropriated under this chapter;

(8) oversee and audit domestic violence, sexual assault, and crisis intervention and prevention programs which receive money under this chapter;

(9) provide fiscal and technical assistance to plan, organize, implement and administer domestic violence, sexual assault, and crisis intervention and prevention programs;

(10) make an annual report to the governor and the legislature on the activities of the council, plans of the council for new services and programs, and concerns of the council, including recommendations for legislation necessary to carry out the purposes of this chapter;

(11) adopt regulations in accordance with the Administrative Procedure Act (AS 44.62) to carry out the purposes of this chapter and to protect the health, safety, well-being, and privacy of persons

receiving services financed with grants or contracts under this chapter.

Sec. 18.66.060. QUALIFICATIONS. A local community entity is qualified to receive a grant or contract under this chapter if it agrees to provide services approved by the council to victims of domestic violence or sexual assault or their families or to perpetrators of domestic violence or sexual assault without regard to ability to pay.

Sec. 18.66.900. DEFINITIONS. In this chapter:

(1) "council" means the Council on Domestic Violence and Sexual Assault;

(2) "crisis intervention and prevention program" means a community program that provides information, education, counseling, and referral services to individuals experiencing personal crisis related to domestic violence or sexual assault and to individuals in personal or professional transition, excluding correctional half-way houses, outpatient mental health programs, and drug or alcohol rehabilitation programs;

(3) "domestic violence" means a crime specified in AS 11.41 when the victim is a spouse or a former spouse of the defendant, a member of the social unit comprised of those living together in the same dwelling as the defendant, or a person related within the second degree by blood or marriage to the defendant;

(4) "domestic violence program" means a program that provides services to the victims of domestic violence, their families, or perpetrators of domestic violence;

(5) "local community entity" means a city or borough or other political subdivision of the state, a nonprofit organization, or a combination of these;

(6) "sexual assault" means a crime specified in AS 11.41.-410 - 11.41.450 or AS 11.51.130(a)(4);

(7) "sexual assault program" means a program that provides services to the victims of sexual assault, their families, or perpetrators of sexual assault.

* Sec. 2. AS 44.66.010(a) is amended by adding a new paragraph to read:

(10) Council on Domestic Violence and Sexual Assault -- June 30, 1985.

* Sec. 3. Of the first members appointed to the Council on Domestic Violence and Sexual Assault under AS 18.66.020(a) added in sec. 1 of this Act

(1) one member shall be appointed to serve a term of one year;

(2) two members shall be appointed to serve a term of two years.

* Sec 4. Disclosure provision.

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

POSITION PAPER/Department of Health & Social Services

POSITION PAPER
ON
CS FOR HOUSE BILL NO. 91 (Finance) am

"An Act relating to domestic violence, sexual assault and crisis intervention and prevention programs."

CS for House Bill No. 91 (Finance) am would transfer the Domestic Violence programs presently funded by the Department of Health and Social Services to a Council on Domestic Violence and Sexual Assault placed, for budgetary purposes, under the Department of Public Safety. The Council would act as an interdepartmental planning and coordinating agency of the Departments of Health and Social Services, Public Safety and Law.

The Council would consist of five voting members appointed by the Governor; three of those persons would be appointed from a list provided by the Network on Domestic Violence and Sexual Assault, two persons from the general public and representatives of the Departments of Health and Social Services and Public Safety; the Department of Law would be a non-voting member.

The Council would be empowered to: hire an executive director and staff, establish program standards, develop and implement a standardized data system, conduct studies on issues relating to domestic violence, develop a resource library of community education as well as a curriculum for use in public schools, award grants to programs, receive state and federal funds, and monitor programs.

The Department of Health and Social Services has some concerns about this Bill:

1) The Attorney General's Office has noted concerns regarding certain provisions of this proposed legislation and has prepared the attached memorandum on this topic.

2) While we recognize the importance of coordination and involvement of the criminal justice systems as well as other systems and agencies in addressing the problem of domestic violence and sexual assault, this Department is concerned with moving domestic violence programs from a human service treatment agency into a police model which has a primary focus on safety, and not treatment. We perceive a possible conflict of purpose to have the arresting agency and the treatment agency in the same organizational structure. There are differing philosophies in the domestic violence arena with regard to compulsory prosecution of the perpetrator and how that affects treatment of all members of the family unit.

3) We question the long range benefit of placing a social service function in a traditionally public safety oriented department. Research by the Center for Women Policy Studies in the summer of 1980 finds that of the 27 states that have services to violent families, 25 states place the lead responsibility in a human service agency. Of the remaining two, Minnesota places it in the Commission of the Department of Corrections; Ohio has joint responsibility shared by the Attorney General's Office and the Department of Economic and Community Development, Division of Criminal Justice Services.

POSITION PAPER/Department of Health & Social Services

4) The Council of State Governments in its publication 1980 Suggested State Legislation places the council on domestic violence problems in a department of health and social services.

5) Since the intention of the Bill is to authorize the support of programs which are presently receiving state funding, there appear to be several inconsistencies in some of the language: the title of the Act relates to domestic violence, sexual assault and crisis intervention and prevention programs. The following changes should be made in order to be consistent:

a) Page 1, Line 10 Chapter 66. COUNCIL ON DOMESTIC VIOLENCE, [AND] SEXUAL ASSAULT, CRISIS INTERVENTION AND PREVENTION.

b) Page 1, Line 11 and Line 12: The same changes as above.

c) Page 4, Lines 20-22 provide services approved by the council to victims of domestic violence or sexual assault, their families, or perpetrators of domestic violence or sexual assault or their families or to perpetrators of domestic violence or sexual assault without regard to ability to pay[.] and provide services approved by the council to individuals experiencing personal or professional transition; and

6) In order to make consistent the granting, standard setting and auditing provisions of this bill, we would recommend that AS 18.66.050 (a) (7) be modified to insure that the Council establishes standards and awards grants only for programs funded by the Council under this Chapter. This would eliminate confusion at the local level when a program might receive a grant from one agency, but yet be liable to meet standards established by both the granting agency and the Council. For example, a sexual assault program such as the Center for Children and Parents board might receive a grant from our Department. As a condition of receiving these monies, our Department would require the Center's board to meet certain standards. If this legislation were passed as written, the Center's board could be required also to meet the standards set by the Council. We do not believe that this is the intent, but rather the Council was indeed planned to be directly responsible only for those programs that receive funds from it. We would therefore recommend that the following change be made:

Page 3, Lines 9-11, Amend AS 18.66.050 (7) to read:

(7) award grants and contracts to qualified local community entities for domestic violence, sexual assault, and crisis intervention and prevention programs[;] with monies appropriated under this chapter;

7) Since the Bill as written would not be effective, if passed, until 90 days after the Governor's response, rather than July 1, 1981, the interim period will be a crucial time, possibly involving recommendations on the funding level of grants, new program acceptability, and the establishment of new systems, such a transition may place programs and their clients at risk. If this Bill becomes law, the Department of Health and Social Services will work cooperatively with the Department of Public Safety so that in the interest of clients and the state, services will not be interrupted.

POSITION PAPER/Department of Health & Social Services

The Department of Health and Social Services is pleased with the emphasis in the proposed legislation on the coordination aspects; certainly it is increasingly apparent that domestic violence issues involve several departments. The Department is also pleased that, if passed, legislative appropriations for support of the many programs presently being funded will be in authorized by statute as requested by the legislature last session.

The Department does prefer that the programs remain as the responsibility of our Division of Adult and Aging Services, since both prevention and treatment are provided through programs in our Department.

Recommendations: The Department of Health and Social Services recommends the establishment of a strong advisory council instead of an administrative council. Such an advisory council would have the power to recommend employment of staff, review and recommend regulations, review grant applications and recommend funding, etc. The actual administration would be under the authority of the department. This would relieve the Council of day to day administrative responsibilities so their efforts could go into long range planning and recommended policy development.

Recommended by: Elizabeth Muktarian
Elizabeth Muktarian, Director
Division of Adult and
Aging Services

Date: 5/12/81

Approved by: Helen D. Beirne
Helen D. Beirne, Commissioner
Department of Health and
Social Services

Date: 5/14/81

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CS For House Bill No. 91 (Finance) (am)
Title "An Act relating to domestic violence, sexual assault, and crisis intervention and
Requested by prevention programs." Date May 5, 1981

II. FISCAL DETAIL
Agency Affected Department of Health and Social Services
Program Category Affected Division of Adult and Aging Services
BRU, Program, or Subprogram(s) Affected Adult Services
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		(47.9)				
200 TRAVEL		(6.8)				
300 CONTRACTUAL		(1.7)				
400 COMMODITIES		(.4)				
500 EQUIPMENT						
600 LAND & STRUCTURES		(1988.8)				
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	(2045.6)	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	(2045.6)				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	-0-	(1)				
PART TIME						
TEMPORARY						

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

Department of Health and Social Services FY'82 requested funds would be transferred to the Department of Public Safety.

IV. DATE 5-12-81 PREPARED BY Dorothy Walt
AGENCY Division of Adult and Aging Services
PHONE 465-3250

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named) M&B Approval [signature] Date 5/12/81

33-001 (Rev. 12/80)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CS For House Bill No. 91 (Finance) (am)
Title "An Act relating to domestic violence, sexual assault, and crisis intervention and
Requested by prevention programs." Date May 5, 1981

II. FISCAL DETAIL
Agency Affected Department of Public Safety
Program Category Affected
BRU, Program, or Subprogram(s) Affected Council on Domestic Violence
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		47.9				
200 TRAVEL		6.8				
300 CONTRACTUAL		1.7				
400 COMMODITIES		.4				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		1988.8				
TOTAL	-0-	2045.6				

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	2045.6				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	-0-	1				
PART TIME						
TEMPORARY						

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

Department of Health and Social Services FY'82 requested funds would be transferred to the Department of Public Safety in a new BRU.

IV. DATE 5-12-81 PREPARED BY Dorothy Walt
AGENCY Division of Adult and Aging Services
PHONE 465-3250

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named) OMB Approval [signature] Date 5/13/81

33-001 (Rev. 12/80)

DEPARTMENT OF HEALTH & SOCIAL SERVICES
DIVISION OF ADULT & AGING SERVICES

2/81
BWMc
Updated 3/17/81
Updated 3/19/81

PROGRAM	FY 81 FCC BEFORE GOV.'S ACTION	FY 81 CONTRACT	LEAA FY 81	TOTAL FY 81	FY 82 GOV. BUDGET	FY 82 LETTERS OF INTENT (PRELIM. REQUESTS)	FY 82 GRANT REQUESTS	FY 82 FCC	FY 82 GRANTS
SHELTERS									
AWAIC (Anch.)	$386,100	343,000	33,936	376,936		601,000	603,846 (incl. Men)		
AWARE (Juneau)	250,500	225,500	7,300	232,800		405,819	436,154		
WIC-CA (Frbks.)	350,000	300,580	8,711	309,291		354,446	384,483		
TUNDRA WOMEN (Bethel)	199,300	167,000	7,459	174,459		340,695	340,697		
BERING SEA (Nome)	154,900	138,000	4,865	142,865		377,100	377,100		
WISH (Ketchikan)	112,500	110,000	17,347	127,347		357,346	393,080		
KOTZEBUE WOMEN (9 mos.)	62,800	44,990	Ø	44,990		193,916	193,916		
ARTIC WOMEN (Barrow)	Ø	Ø	Ø	Ø		14,328	141.377		
BRISTOL BAY (Dillingham) Men's resid/ treatment)	Ø	Ø	Ø	Ø		250,000	749,897		
AL/PRIBILOF ASSOC.	25,000	22,000	Ø	22,000		125,000	59,272		
Sub-Total	1,541,100	1,351,070	79,618	1,430,688	1,459,155	3,019,650	3,679.822		
SAFE HOMES / WRC									
KENAI/ CRISIS/ WRC	79,100	66,000	14,718	80,718		161,715	161,735		
KODIAK/CRISIS/WRC	60,000	50,000	7,792	57,792		173,357	180,694		
SITKA/ CRISIS/ WRC	20,000	20,000	Ø	20,000		76,951	76,761		
ADV./ VIOL./VICTIMS (Valdez)	Ø	Ø	Ø	Ø		100,000	76,813		

DEPARTMENT OF HEALTH & SOCIAL SERVICES
DIVISION OF ADULT & AGING SERVICES

2/81
BWMc

PROGRAM	FY 81 FCC BEFORE GOV'S ACTION	FY 81 CONTRACT	LEAA FY 81	TOTAL FY 81	FY 82 GOV. BUDGET	FY 82 LETTERS OF INTENT Prelim. Requests	FY 82 GRANT REQUESTS	FY 82 FCC	FY 82 GRANTS
Safe Homes - Cont.									
VALLEY WOMEN'S RESOURCE (Palmer)	Ø	Ø	Ø	Ø		69,736	111,297		
SO. PENINSULA WOMEN (Homer)	Ø	Ø	Ø	Ø		55,500	81,257		
Sub - Total	159,100	136,000	22,510	158,510	146,880	637,259	688,557		
MALE BATTERERS									
MEN EMERGING NOW (Juneau / 10 mos.) (Other Male Programs incl. : AWAIC, Sitka, Barrow, Kotz., Kodiak, Bering Sea & WIC-CA	60,000	42,340	Ø	42,340		139,596	141,096		
SEXUAL ASSAULT / RAPE									
STANDING TOGETHER AGAINST RAPE (STAR)	89,400	72,500	Ø	72,500		274,450	261,360		
All other non/Anch. Shelters /Safe Homes work with Rape & Incest Victims.									

PROGRAM	FY 81 FCC BEFORE GOV'S ACTION	FY 81 CONTRACT	LEAA FY 81	TOTAL FY 81	FY 82 GOV. BUDGET	FY 82 LETTERS OF INTENT Prelim. Requests	FY 82 GRANT REQUESTS	FY 82 FCC	FY 82 GRANTS
WOMEN'S RESOURCE CENTERS (Adult Crisis Intervent:) (Displaced Homemaker)									
* ALASKA WOMEN'S RESOURCE (Anch.)	190,000	159,000	Ø	159,000		343,340	342,783		
* JUNEAU WOMEN'S RESOURCE	85,000	45,000	Ø	45,000		140,778	142,918		
WOMEN'S RESOURCE CENTER (Seldovia)	Ø	Ø	Ø	Ø		20,000	20,000		
Sub - Total	275,000	204,000	Ø	204,000	220,320	504,118	505,701		
MISCELLANEOUS									
COOK INLET NATIVE ASSOC.	Ø	Ø	Ø	Ø		189,000	189,000		
TANANA CHIEFS	Ø	Ø	Ø	Ø		110,000	97,800		
AL. INST./HUMAN DEVELOP.	Ø	Ø	Ø	Ø		150,000	Ø		
UNIV./ALASKA/FRBKS.	Ø	Ø	Ø	Ø		17,500	Ø		
ALASKA HOSPITAL	Ø	Ø	Ø	Ø		?	Ø		
NW EDUC. ARTS & THERAPY (Juneau) 9 mos.	41,800	35,530	Ø	35,530		75,000	74,827		
Sub - Total	41,800	35,530	Ø	35,530	38,372	541,500	361,627		
GRAND TOTALS	2,166,400	1,841,440	102,128	1,943,568	1,988,754	5,116,573	5,638,163		

* - Members of the Alaska Network on Domestic Violence

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

HB

137

STATE OF ALASKA
DEPARTMENT OF REVENUE
OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH S
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

March 15, 1982

The Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Room 423 - Capitol Building
Juneau, Alaska

Dear Senator Fischer:

Re: CS for House Bill No. 137 (Finance) (efd failed)

CS for House Bill No. 137 (Finance) (efd failed), an Act repealing the tax credit for political contributions, upon first reading in the Senate on March 5, 1982 was referred to the Senate State Affairs and Finance Committees.

For the consideration of the Senate State Affairs Committee, I am enclosing copies of Fiscal Notes prepared by Mr. Robert R. Kessel, Director, Audit Division and Mr. Vincent Wright, Chief, Research Section of the Department of Revenue concerning the Committee Substitute.

Sincerely,

R. D. Stevenson
Special Assistant

Enclosures

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

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Robert R. Kessel, Director
Audit Division
Department of Revenue

Vincent Wright, Chief
Research Section
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

(FINANCE)

I. REQUEST
Bill/Resolution No. CS for HB 137 (efd failed)
Title An Act repealing the tax credit for political contributions
Requested by Finance Committee Date 3-12-82

II. FISCAL DETAIL
Agency Affected Department of Revenue
Program Category Affected Revenue Collection and Management
BRU, Program, Or Subprogram(s) Affected Audit Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars) None

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL						

FUNDING (Thousands of Dollars) None

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

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

See attached memo to R. D. Stevenson dated March 12, 1982.

Robert R. Kessel

IV. DATE March 12, 1982 PREPARED BY Robert R. Kessel
AGENCY Audit Division
Original: Legislative Finance PHONE 465-2320
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

MEMORANDUM

State of Alaska
Department of Revenue

TO: R. D. Stevenson
Special Assistant

DATE: March 12, 1982

FILE NO:

TELEPHONE NO:

FROM: Robert R. Kessel
Director, Audit Division

SUBJECT: CSHB 137 (efd failed)

This bill is a third modification of HB 137 which was originally introduced on February 10, 1981.

HB 137 originally repealed AS 43.20.013 retroactive to January 1, 1981. The bill would have repealed the tax credits for political contributions and household and dependent care services.

CSHB 137, State Affairs, offered January 20, 1982, changed the effective date to April 15, 1982.

CSHB 137, Finance, offered February 5, 1982, had two modifications from the State Affairs version:

a) Repeal of the household and dependent care services was no longer part of the bill;

b) The effective date was changed to January 1, 1983.

The current version has been passed on by the Finance Committee with no effective date. Therefore, the bill will become law 90 days after the governor approves (probably early summer).

Since the bill could become law in the middle of the year, determining the exact date of the political contribution might be difficult. Individuals would possibly attempt to ante-date mid-summer contributions.

Consideration should be given to repealing the tax credit for household and dependent care services thereby eliminating all income tax credits for individuals.

Since the effective date of the bill might be mid-summer and since there is a three year period in which to claim the refund, there would be no fiscal impact for FY 83 and limited impact thereafter.

RRK/gb

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSHB 137 (Finance)(efd failed)
Title An Act repealing the tax credit for political contributions.
Requested by (Finance) (efd failed) Date 03/10/82

II. FISCAL DETAIL
Agency Affected
Program Category Affected
BRU, Program, Or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL						

FUNDING (~~Thousands~~ Millions of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						
Savings to the State		.875	1.014			
(Political credits)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The aforementioned figures indicate the savings to the State as a result of repeal of AS 43.20.013(a). The date of repeal is assumed to take effect in July of 1982 resulting in less than a 100 percent savings to the State commencing in FY 83. The savings to the State would be 100 percent beginning in FY 84.

IV. DATE 03/10/82 PREPARED BY Vincent Wright
AGENCY Revenue
PHONE 465-2173

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

HB

140

Mariann Shafer
Longevity Bonus Program

December 4, 1979

Rod Betit, Director
Division of Public Assistance

This is to confirm the information give you this date concerning those public assistance programs which count the Alaska Longevity Bonus as available income, and those which do not. By program, the situation is as follows:

Program	ALB Counted	ALB Not Counted	Legal Basis If ALB Not Counted
(1) Old Age Assistance (OAA)		X	Public Law 94-202
(2) Aid to the Blind (ABL)		X	Public Law 94-202
(3) Aid to the Disabled (APD)		X	Public Law 94-202
(4) Energy Assistance	~~(undetermined at this time)~~		
(5) Food Stamp Program	X		N/A
(6) Aid to Families with Dependent Children (AFDC)	X		N/A
(7) General Relief	X		N/A
(8) General Relief Medical	X		N/A
(9) Medicaid for OAA, APD and and ABL clients		X(a)	Public Law 94-202
(10) Medicaid for AFDC clients	X		N/A

(a) Note: The ABL is counted in determining the amount a person must contribute towards their monthly nursing home costs, but the ALB does not affect the person's eligibility for nursing home coverage.

A copy of Public Law 94-202 is attached for your information.

RB:as
Attachment
cc: Helen D. Bellrne
Cathy Lloyd
Judie Walker
Gordon Landes

FISCAL NOTE

S/HB 140

I. REQUEST
Bill/Resolution No. H.B. 140
Title An act increasing the Longevity Bonus
Requested by Jerry Shilz Date

II. FISCAL DETAIL
Agency Affected Administration
Program Category Affected Social and Economic Assistance for the Aged
BRU, Program, or Subprogram(s) Affected Longevity Bonus Program
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	-0-	5,356.8	5,724.0	6,091.2	6,458.4	6,825.6
TOTAL	-0-	5,356.8	5,724.0	6,091.2	6,458.4	6,825.6

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	5,356.8	5,724.0	6,091.2	6,458.4	6,825.6
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Over the past five year period, the Longevity Bonus Program has shown an almost uniform rate of increase in persons eligible for the bonus, averaging 51 persons per month.

During the month of January, 1981, there were 8,316 persons eligible for the bonus. Projecting an average increase of 51 per month, this would bring the January, 1982, number of eligible persons to 8,928.

Since January is midway in our fiscal year, the January number can be used for the fiscal year average in this constantly increasing program.

H.B. 140 would increase the Longevity Bonus from $200 per month to $250 per month. Assuming that the rate of increase will remain constant, as it has for the past 5 years, and assuming an effective date of July 1, 1981, for

IV. DATE 2/20/81 PREPARED BY George Jo Michael Michael JC
AGENCY Administration
PHONE 465-4401

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
Representative Duncan Keith Specking

33-001 (Rev. 12/80)

H.B. 140, the increase would affect needed funding as follows:

FY	No. Eligible		Amount of Increase		Months		Total Increase
1982	8,928	X	$50	X	12	=	$5,356,800
1983	9,540	X	50	X	12	=	5,724,000
1984	10,152	X	50	X	12	=	6,091,200
1985	10,764	X	50	X	12	=	6,458,400
1986	11,376	X	50	X	12	=	6,825,600

Introduced: 2/11/81
Referred: Finance

SSA

BY DUNCAN, ADAMS, BUCHHOLDT, CHUCKWUK, CLOCKSIN, COTTEN, FULLER, GARDINER, GRUSSENDORF, HALFORD, HAYES, MALONE, MEEKINS, MILLER, MONTGOMERY, MOSS, PHILLIPS AND ZHAROFF

IN THE HOUSE

HOUSE BILL NO. 140

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act increasing the longevity bonus."

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

* Section 1. AS 47.45.010(a) is amended to read:

(a) A person who is 65 years of age or over, who was domiciled in the territory on or before January 3, 1959 and who has maintained a continuous domicile in the territory or state for 25 years may apply to the commissioner of administration for qualification to receive a monthly bonus of $250 [$200].

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C
JUNEAU, ALASKA 99811
465-2200

April 28, 1981

Honorable Bill Ray
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Ray:

This is in response to your request of Deputy Commissioner Fred Muller for the impact of a Longevity Bonus increase, from $200 to $250 per month, on those residents of nursing homes receiving the bonus. Approximately 135 to 150 people in nursing homes or one out of every three are receiving the Longevity Bonus.

In discussions with Rod Betit, Director of the Division of Public Assistance, we learned that prior to May 1, 1981, the State allowed nursing home residents receiving the bonus to retain the entire amount. In addition, a portion of other income received used for maintaining a home outside of the nursing facility could be excluded from total income for program eligibility purposes.

The Health Care Financing Administration of Region X recently found that the State was out of compliance with federal regulations by not reducing a recipient's nursing home charges by the amount of the Longevity Bonus. Since the federal government matches the cost of providing nursing home care with the State on a dollar for dollar basis, the inclusion of the Longevity Bonus will result in a monthly reduction of $100 to $125 per month per eligible recipient in federal outlays.

In summary, for nursing home residents, it doesn't make any difference if the Longevity Bonus is $200 or $250 per month. If the resident is receiving State and federal assistance, then the entire amount of the bonus (less $35 per month for personal needs) will be used to defray the costs.

02-89LH

Please let me know if there is any additional information we can obtain for you.

Respectfully,

W. R. Hudson
Commissioner

WRH/mjc
cc: Keith Specking
Frederick B. Muller
Rod Betit, Director
Public Assistance

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K – STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

April 28, 1981

Honorable Bill Ray
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: HB 140, increasing the longevity bonus
Our file: J-77-169-81

Dear Senator Ray:

This responds to your request that we review this bill for possible adverse impacts.

The increase in the bonus will affect some persons on food stamps, grandparents who receive aid for dependent children, and recipients of other federal aid. However, none will suffer a net loss.

The most serious potential problem involves persons receiving medicaid for nursing home care. Until now, the longevity bonus has not been counted in determining their income for eligibility purposes. However, the federal statutory exception for the bonus apparently does not include medicaid nursing home care, and beginning May 1, the bonus will be counted.

There are 435 persons in Alaska in nursing homes who receive medicaid. About one-third of them receive the longevity bonus. To the extent that the bonus pushes them over the income limit, they must pay it over to the nursing home. They will not, as first feared, lose their eligibility. Accordingly, the increase will not harm them.

In sum, increasing the bonus should not result in a loss or any harm to anyone.

Sincerely yours,

WILSON L. CONDON
ATTORNEY GENERAL

By: Rodger W. Pegues
Assistant Attorney General

03-C5LH

RWP/pjg

(3) "department" means the Department of Health and Social Services. (§ 1 ch 136 SLA 1970; am § 2 ch 210 SLA 1970; am § 55 ch 71 SLA 1972)

Legislative history report. — For report on ch. 71, SLA 1972 (HCSSB 383 am H), see 1972 House Journal. p. 898.

Chapter 45. Alaska Longevity Bonus.

Section		Section	
10.	Persons who may qualify for longevity bonus	110.	Custody of funds
20.	Continuous eligibility procedures	120.	Exemption from taxation and process
30.	Absence from the state	130.	Death or cessation of residency
40.	Disqualification	140.	Penalty for false statements
50.	Department hearing	150.	Definitions
60.	Legal remedy	160.	Applicability of Administrative Procedure Act
70.	Unqualified persons	170.	Purpose
80.	Accrual of bonuses		
90.	Alaska longevity bonus fund		
100.	Powers and duties of the administrator		

Editor's note. — Section 2, ch. 205, SLA 1972, provides: "AS 01.10.030 does not apply to this Act. If any provision of this Act, or the application of a provision of this Act to any person or circumstance is held invalid, this entire Act shall be considered invalid."

Legislative history report. — For report on ch. 205, SLA 1972 (FCCS HCS CSSB 211), see 1972 House Journal, p. 751.

Sec. 47.45.010. Persons who may qualify for longevity bonus. (a) A person who is 65 years of age or over, who was domiciled in the territory on or before January 3, 1959 and who has maintained a continuous domicile in the territory or state for 25 years may apply to the commissioner of administration for qualification to receive a monthly bonus of $150.

(b) When the commissioner of administration determines that an applicant qualifies under this chapter he shall immediately begin payment of the bonus.

(c) A person who otherwise qualifies to receive a bonus provided for in this chapter may continue to do so only as long as he continuously retains a domicile in the state. (§ 1 ch 205 SLA 1972; am § 1 ch 33 SLA 1976; am § 1 ch 89 SLA 1978)

Effect of amendments. — The 1976 amendment increased the monthly bonus in subsection (a) from $100.00 to $125.00.

The 1978 amendment increased the monthly bonus in subsection (a) from $125.00 to $150.00.

Legislative history report. — For report on ch. 33, SLA 1976 (SB 476 am), see 1976 Senate Journal, p. 160.

Sec. 47.45.020. Continuous eligibility procedures. After qualification, monthly applications for bonuses may be made in person to any office of the Department of Administration. Mailed monthly applications shall also be considered by the Department of Administration. In-person or mailed applications shall be made on forms provided by the Department of Administration and shall conform to the conditions as provided by regulation. The commissioner may make exceptions for those residents who are isolated in rural areas and cannot mail a monthly application; however, they shall mail an application at least once every six months. (§ 1 ch 205 SLA 1972)

Sec. 47.45.030. Absence from the state. A recipient shall notify the commissioner of administration when he expects to be absent from the state if the absence is for a continuous period that exceeds 30 days. After that notification, the recipient shall no longer receive bonuses from the Department of Administration after his last regularly approved monthly application. Upon his return to the state he may again make application for a bonus. Whenever the absence is for a continuous period that exceeds 180 days the recipient shall be disqualified from receiving bonuses for the next 12 calendar months after his return to the state. However, when the commissioner of administration determines a period of absence is beyond the control of the recipient, he may not be disqualified, if he still otherwise qualifies upon his return to the state. Continual absences from the state, even though reported, and failure to notify the commissioner of an expected absence may be grounds for disqualification. (§ 1 ch 205 SLA 1972)

Sec. 47.45.040. Disqualification. Disqualification under this chapter shall rest solely with the commissioner of administration and shall be outlined in the regulations promulgated under AS 47.45.100(1). (§ 1 ch 205 SLA 1972)

Sec. 47.45.050. Department hearing. The Department of Administration may hold a departmental hearing upon the request of an applicant or recipient who has been disqualified. Previous to this hearing the department shall by certified mail notify an applicant or recipient in plain and comprehensive language the exact reason for his disqualification. Form letters using only referral to state statutes or department regulations, or otherwise vague in detail, shall not be considered compliance by the department with this section. (§ 1 ch 205 SLA 1972)

Sec. 47.45.060. Legal remedy. Legal remedy from disqualification may be sought by an applicant or recipient in any court of competent jurisdiction in the state. The burden of proof shall rest solely upon the applicant or recipient and any costs related to a disqualification verdict determined against the applicant or recipient may be recoverable by the attorney general from that person, or from any agency representing that person supported in whole, or in part, with state appropriations. (§ 1 ch 205 SLA 1972)

Sec. 47.45.070. Unqualified persons. An unqualified person is one who

(1) does not meet the age or residence requirements as provided for under this chapter;

(2) meets the age and residence requirements of this chapter but is confined in a state or federal mental health institution or facility and is certified by the state as unable to manage his own affairs; however, if that person, at the time of his commitment, provided the principal support of a spouse, the commissioner of administration may determine to pay the confined person's bonus to his spouse until the spouse is qualified for a bonus;

(3) is otherwise qualified but confined in a penal or correctional institution or facility; upon completion of sentence or upon the conferral of a pardon, parole or probation, the person may make application; confinement outside the state shall be considered as residence in the state if a person was convicted and sentenced from a court in Alaska; revocation of parole or probation shall be cause for immediate disqualification until release from confinement is again effected;

(4) leaves the state of his own volition and remains absent from the state for a continuous period of more than 180 days. (§ 1 ch 205 SLA 1972)

Sec. 47.45.080. Accrual of bonuses. No recipient may, for any reason, receive an accrual of bonuses in excess of two monthly payments. No interest may be paid on accrued bonuses. Upon the death of a recipient the commissioner of administration shall pay to the beneficiary of the recipient any accrued bonuses not to exceed two monthly payments. (§ 1 ch 205 SLA 1972)

Sec. 47.45.090. Alaska longevity bonus fund. (a) There is the Alaska longevity bonus fund created for the purpose of paying the monthly bonuses provided for in this chapter. The fund consists of all money made available by appropriations of the state legislature, and from other appropriated funds, all contributions from whatever source, and income and interest derived from the investment of money.

(b) The commissioner of administration is the administrator of the fund. (§ 1 ch 205 SLA 1972)

Sec. 47.45.100. Powers and duties of the administrator. The commissioner of administration shall

(1) promulgate regulations necessary to carry out the provisions of this chapter;

(2) make expenditures from the fund necessary to administer this chapter;

(3) establish and maintain an adequate system of accounts for the fund;

(4) publish annually a report showing the financial condition of the fund. (§ 1 ch 205 SLA 1972)

Sec. 47.45.110. Custody of funds. The commissioner of revenue is the treasurer of the system and has powers and duties for this purpose including but not limited to the following:

(1) to act as official custodian of the cash and securities belonging to the fund;

(2) to receive all items of cash belonging to the fund. (§ 1 ch 205 SLA 1972)

Sec. 47.45.120. Exemption from taxation and process. Bonuses received under this chapter are exempt from all state and political subdivision taxes except sales and use taxes and are not subject to execution, attachment, garnishment or other process. No bonus received under this chapter may be exempt from a federal tax requirement. (§ 1 ch 205 SLA 1972)

Sec. 47.45.130. Death or cessation of residency. The commissioner of administration shall establish procedures to stop a bonus when a recipient under this chapter no longer qualifies. When a recipient dies or discontinues his residency in the state his qualification for a bonus shall stop at the time of his last approved monthly application. (§ 1 ch 205 SLA 1972)

Sec. 47.45.140. Penalty for false statements. A person who wilfully or knowingly makes a false statement, or falsifies or permits to be falsified any record required by this chapter, is guilty of a misdemeanor and, upon conviction, is punishable by a fine of not more than $500, or by imprisonment for not more than six months, or by both, forfeits all rights under this chapter, and shall make adequate restitution for any bonuses illegally received. (§ 1 ch 205 SLA 1972)

Sec. 47.45.150. Definitions. In this chapter

(1) "bonus" means a monthly Alaska longevity bonus payment made to a person or his beneficiary who qualifies under this chapter;

(2) "domicile" means the place with which a person has a settled connection for determination of his civil status or other legal purposes because it is actually or legally his permanent and principal home. (§ 1 ch 205 SLA 1972)

Sec. 47.45.160. Applicability of Administrative Procedure Act. The Administrative Procedure Act (AS 44.62) does not apply to this chapter. (§ 1 ch 205 SLA 1972)

Sec. 47.45.170. Purpose. The sole purpose of this chapter is to offer and provide all law-abiding Alaskans capable of managing their own affairs who have maintained a domicile in the state for at least 25 years and have reached a retirement age of 65, an incentive to continue uninterrupted residency in the state. Under no circumstances shall this chapter be considered a form, type, or manner, of public relief. Bonuses made under this chapter are not predicated on need even though they

may appear to provide supplemental income to some qualified persons who would otherwise be forced to become responsibilities of the state. The legislature further finds and states that this legislation recognizes the economic hardships suffered by many elderly Alaskans, Alaskans who through their tenacity and perseverance molded Alaska as we know it through skillful application of their talents. These pioneers are the same Alaskans, who in the prime of their life were in effect treated as second-class citizens by the federal government and who paid much of their hard-earned income to a government in which they did not have the right to participate through the power of the ballot. The legislature also is aware of the fact that many of these pioneers have been forced to live out their retirement years in areas far away from the land they loved and nurtured and thereby also suffering, in many cases, the loss of familial relationship with their own kin, an experience that is sad and frustrating to them as well as depriving new generations of Alaskans of the benefits of their wisdom and experience. This legislation hopefully will provide our pioneers with the economic means to remain in and continue to serve their state and to enjoy the opportunity of aiding the new Alaskan in making this state truly "The Great Land." (§ 1 ch 205 SLA 1972)

Chapter 50. Office of Child Advocacy.

Section		Section	
10.	Office of Child Advocacy	40.	Powers and duties of board and director
20.	Board of directors for the Office of Child Advocacy	50.	Departments to assist Office of Child Advocacy
30.	Compensation and expenses		

Editor's note. — For legislative findings, see § 1, ch. 189, SLA 1972, in the 1972 Temporary and Special Acts.

Sec. 47.50.010. Office of Child Advocacy. There is created in the Office of the Governor the Office of Child Advocacy to act as a coordinating body for services for children from prenatal to age 18. The Office of Child Advocacy is administered by a director appointed by the board of directors with the approval of the governor. Staff may be employed in accordance with appropriate budgets. (§ 2 ch 189 SLA 1972)

Sec. 47.50.020. Board of directors for the Office of Child Advocacy. There is created a board of directors for the Office of Child Advocacy. The board consists of the Alaska State Council on the Coordination of Community Child Care plus four members not more than 18 years of age appointed by the governor for a term of two years each, or until the youthful member attains the age of 19 years. (§ 2 ch 189 SLA 1972)

Sec. 47.45.010. Persons who may qualify for longevity bonus. (a) A person who is 65 years of age or over, who was domiciled in the territory on or before January 3, 1959 and who has maintained a continuous domicile in the territory or state for 25 years may apply to the commissioner of administration for qualification to receive a monthly bonus of $200.
(am § 1 ch 147 SLA 1980)

Effect of amendments.
The 1980 amendment, effective July 1, 1980, substituted "$200" for "$150" at the end of subsection (a).

As the rest of the section was not affected by the amendment, it is not set out.

Chapter 65. Service Programs for Older Alaskans.

Section		Section	
10.	Older Alaskans service programs account	30.	Pilot project grants
20.	Grants for community service programs	40.	Required contribution by sponsor
		50.	Administrative requirements
		60.	Definitions

Effective date of chapter. — Section 2, ch. 152, SLA 1980, makes this chapter effective July 2, 1980.

Legislative history report. For conflicting views on the status of HB 611 am S see memorandum of legislative counsel at page 1723, 1980 Senate Journal and the opinion of the Attorney General at 1980 Senate Journal page 1764 and 1980 House Journal page 2221.

Sec. 47.65.010. Older Alaskans service programs account. The older Alaskans service programs account is established in the Department of Administration. An amount to carry out the provisions of this chapter may be appropriated annually by the legislature to the account. The amount appropriated to the account shall be fully distributed by the office on aging to sponsors of older Alaskans service programs in accordance with the provisions of this chapter. (§ 1 ch 152 SLA 1980)

Sec. 47.65.020. Grants for community service programs. Not less than 60 percent of the amount appropriated by the legislature to the account established in AS 47.65.010 shall be allocated annually by the office on aging as community program grants to sponsors of older Alaskans service programs. Payments shall be made on the basis of applications submitted to the office on aging by sponsors of community programs. (§ 1 ch 152 SLA 1980)

Sec. 47.65.030. Pilot project grants. (a) The balance of the amount appropriated to the account established in AS 47.65.010 not allocated under AS 47.65.020 shall be allocated annually by the office

HB

154

3/16/15

2nd CS for HB 154 (Rules)

SB 183
- sensible to combine
Sherri - include dentist w p.h.
Holmes - not a business relationship but a relationship of necessity
- unfairly aid a client/
- disclosure

→ Theta Pittman
initial impetus
$5000
non-dep kids — college student
Amend line
① Sec. 1 —
state candidates — use April 15
② deadline
③ municipal offic

VF — catagories?

MC — art - broad catagory - household effect

SH - difficulty of laying out method

TS - problem w/ threshold
not an accurate reflection -
who cares? - left

— fair market value on date
you filled out the report

VF - asset ~~of~~ or liability of $500
confusing

DE — $5000 threshold ↑ from $100
SH - obvious exchg of $

VF
law only makes sense if combined
w/ good ethics law

VF
Provisions of House bill - tighter
then necessary

any other asset of liability valued
at over $005

retail business don't

son who files a groundless complaint to pay reasonable costs and attorney fees incurred by the person charged with the violation. The commission shall meet no less often than every three months. Provides Act effective July 1, 1981.

Introduced February 13 and referred to State Affairs.

Financial Disclosure

HOUSE BILL NO. 154, by the Rules Committee. Expands on list of information to be included in conflict of interest statement filed by a public official or candidate for elective office. Adds to list found in AS 39.50.030(b):

--name of person known by the official or candidate to have been a lobbyist during the preceding calendar year who purchased goods or services in excess of $100 from a sole proprietorship owned by the official or candidate or in excess of $1,000 from a partner of the public official or candidate.

--name of a person from whom he received during the preceding year: (A) a gift of cash; (B) a single gift of cash having a reasonable value in excess of $100; (C) gifts other than cash having an aggregate reasonable value in excess of $250.

--name of a person known by the official or candidate to have been a lobbyist during the preceding year who is (A) a partner, officer, or director of a corporation in which the official or candidate is a partner, officer, director, or employee, with a description of the legislative matters which were the object of the activity of the lobbyist; or (B) a spouse, child, mother or father, brother or sister of the official or candidate.

Also adds to the same section:

--new subsection (d) which states that a campaign contribution which the public official or candidate has reported under AS 15.13 does not need to be reported under financial disclosure requirements of AS 39.50.030.

--new subsection (e) which states that a gift from a spouse, child, mother or father, brother or sister does not need to be reported under the section.

Act effective July 1, 1981.

Introduced February 13 and referred to State Affairs.

Legislative Committee Procedure

HOUSE BILL NO. 155, by the Rules Committee. Adds new chapter to AS 24 which establishes procedures for conducting legislative committee meetings. Among the procedures called for in the bill are:

--mandatory preparation of minutes of each committee meeting.

--a record of votes adopting amendments in committee.

--requirement that all meetings be taped or otherwise recorded

Financial Disclosure

HOUSE BILL NO. 154, (see page 232). Reported back to the House on March 23 by State Affairs with the committee recommending it be replaced with SUBSTITUTE(SA) (same title) and that it do pass. To Rules.

SUBSTITUTE(SA) also requires public official or candidate to report the name of any lobbyist who purchased goods or services in excess of $100 from a partnership in which the public official or candidate is a partner, or from a corporation over 50% of the stock of which is owned by the public official or candidate. Adds requirement that public official or candidate report the name of a contractor or vendor who does business with the state, or an employee of the state who is a partner, officer, or director of a corporation in which the public official or candidate is a partner, officer, director, or employee.

Legislative Committee Procedure

HOUSE BILL NO. 155, (see page 232). Reported back to the House on March 23 by State Affairs with the committee recommending it be replaced with SUBSTITUTE(SA)(same title) and that it do pass. To Rules.

SUBSTITUTE(SA) deletes requirement that the committee minutes contain a summary of the testimony of each witness appearing before the committee, requiring instead that the minutes contain a brief statement of the position of the witness on the subject before the committee. Specifically requires the committee to record its meetings "electronically." Deletes requirement that a log of the recording be published as a supplement to the minutes. Deletes requirement in original bill that testimony at committee meetings be taken under oath or affirmation. Remainder identical to original bill.

Legislative Contracts

HOUSE BILL NO. 156, (see page 233). Reported back to the House on March 23 by State Affairs with the committee recommending it be replaced with SUBSTITUTE(SA)(same title) and that it do pass. To Rules.

SUBSTITUTE(SA) makes provisions relating to legislative contracts applicable to all contracts over $5,000 ($10,000 in original bill). Adds: "A legislative agency or committee may not negotiate a contract or contracts with a person that exceed $5,000 in a 12-month period." Requires that Legislative Council, by a majority vote, approve any exemptions to requirement for requests for proposals. Adds that a request for proposals need not be extended if the contract is for services provided to the office of the ombudsman for an investigation. Adds: "Unless the contract is for services exempt . . . a contract for (1) the Legislative Affairs Agency shall be approved by the Legislative Council; (2) the legislative finance division or the legislative audit division shall be approved by the Legislative Budget and Audit Committee. Adds requirement that a legislative contract contain the amount of the contract stated on its first page. Requires a copy of the contract to be filed with the ombudsman. Adds new section to AS 24.55 to read: "The ombudsman shall adopt by regulations procedures consistent with AS 24.23 to be followed by the office of the ombudsman in contracting for services."

Sale of Fireworks (insur. req.)

HOUSE BILL NO. 158, (see page 234). Reported back to the House on March 24 by Judiciary with the committee recommending it be replaced the SUBSTITUTE(JUD) (same title) and that it do pass. Not concur-

Appropriation (state trust funds) — HOUSE BILL NO. 152, (see page 230). On March 30, the Speaker waived the HE&SS referral and added an additional referral to the Judiciary Committee. To Judiciary, then Finance.

Financial Disclosure — COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 154 (SA), (see pages 232;606). April 1, the bill was before the House in second reading and the State Affairs Committee SUBSTITUTE was adopted. A series of amendments offered separately by Reps: Cuddy, Martin, and Phillips was returned, along with the bill, to the Rules Committee for further deliberation. To Rules with amendments pending.

Appropriation (special) (Iditarod School) — HOUSE BILL NO. 188, (see pages 298;321;362). April 31, at the request of Rep. Meekins, the bill was taken from Rules and referred to Finance.

Appropriation (Litter Recycling & Reduction) — HOUSE BILL NO. 380, (see page 581). April 2, at the request of the Resources Committee Co-Chairman, the Resources referral was waived and the bill was sent to Finance.

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On March 30, the Speaker in a memo to the members of the House, stated that he was appointing a Special Committee on Telecommunications to serve as a "resource and support committee for the Committees on Labor and Commerce, Judiciary, and Finance." The committee will not receive bill referrals, and legislation in the telecommunications area will be referred to one or a combination of more than one of those three committees. The members are:

Rep. Hurlbert, Chairman
Rep. Brown, Vice Chairman
Rep. Adams
Rep. Martin
Rep. Phillips

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This report is a simple compilation of information and is not, nor is it intended to present a legal interpretation.

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This report includes all bills and resolutions introduced and all action taken in the Alaska House and Senate from March 30 through April 5, 1981

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State Health Insurance — COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 41 (FIN) (E.D. FAILED), (see pages 144;239;313;664;745;802;847). Received in the Senate on April 30 and referred to Health, Education & Social Services, then to Finance.

Raw Fish (purchase) — COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 124 (RES), (see pages 186;847). Received in the Senate on May 1 and referred to Judiciary and Labor & Commerce.

Financial Disclosure — 2ND COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 154 (RULES), (see pages 232; 606;674;847). Received in the Senate on April 30 and referred to State Affairs and Finance.

Legislative Contracts — COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 156 (RLS)(AMENDED), (see pages 233;606;848). Received in the House on April 30 and referred to Judiciary and Finance.

Appropriation (special) (resurfacing Haul Road) — HOUSE BILL NO. 177 (AMENDED), (see pages 287;666;796;849). Received in the Senate on April 29 and referred to Transportation and Finance.

Agric. Action Council (grain term. & elevators) — COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 216 (FIN)(E.D. FAILED), (see pages 350;747;802). Received in the Senate on April 27 and referred to Resources and Finance.

Bd. of Parole (continuing) — COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 510 (HESS)(AMENDED), (see pages 745;800;803). Received in the Senate on April 27 and referred to Health, Education & Social Services.

Fisheries Rehab. & Enhancement (broodstocks) — COMMITTEE SUBSTITUTE FOR HOUSE CONCURRENT RESOLUTION NO. 16 (RES), (see pages 662;800;849). Received in the Senate on May 1 and referred to Resources and Finance.

COMMITTEE REPORTS (Senate)

Alcoholic Beverages (misc. amend.) — SENATE BILL NO. 65, (see pages 35;570). Reported back to the Senate on May 1 by Judiciary with a majority of the committee recommending it be replaced with SUBSTITUTE(JUD)(new title) and that it do pass. To Rules.

SUBSTITUTE(JUD) adds new Sections 4 - 9 which amend provisions relating to local option elections regarding the sale of alcoholic beverages in a community. Statutes (AS 04.11.490 - 500) currently provide that: "AS of midnight December 31 of the year in which the results of the election are certified licenses which may not be renewed are void. The results of an election held under this section are not a ground for the suspension of a license during the year for which the license was issued or renewed." Bill would amend this to read: "Licenses which may not be

CSHB 34(HESS), (cont'd)

The bill may be taken up again on May 7 for reconsideration.

State Health Insurance

COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 41 (Finance)(effective date failed), (see pages 144;239;313;664;745; 802). On April 27 Rep. Randolph brought up his reconsideration on CSSSHB 41(Fin)(e.d.fld) (see page 802, original vote). An amendment by Rep. Martin was offered but the motion to return to second reading for the purpose of a specific amendment failed, and the bill was then held in third reading until April 29. On April 29 the bill was again before the House and several motions to return to second reading to amend the bill failed, and motions to adjourn also failed. The bill then passed on reconsideration, 22-14-4. Nays: Abood, Anderson, Bettisworth, Bylsma, Carney, Fanning, Halford, Haugen, Hayes, Montgomery, O'Connell, Phillips, Randolph and Sutcliffe. The effective date clauses failed to be adopted, lacking the necessary 27 votes.

Raw Fish (purchase)

COMMITTEE SUBSTITUTE FOR HOUSE BI. NO. 124 (Resources), (see pages 186). Reported back to the House on April 28 by Resources recommending replace with a SUBSTITUTE (Res) and that it do pass. To Rules. The substitute authorizes the Commissioner of Labor to adopt regulations to carry out the provisions of AS 16.10.270 - 16.10.296 (Purchase of Fish). Adds a new subsection relating to filing evidence of compliance (AS 16.10.292) which states: "(b) The commissioner may, after investigation, grant a waiver from the bonding requirement of AS 16.10.290 - 16.10.296 for those operations that do not purchase fish or hire employees." Amends AS 16.10 (Fisheries and Fishing Regulations) by adding a new section relating to penalties which provides a person who is required to obtain the bond required to purchase fish and fails to obtain that bond is guilty of a class A misdemeanor. States that each day a violation occurs constitutes a separate offense. Deletes all other provisions contained in original bill. Provides for effective dates.

On April 30 the Resources substitute was adopted and the bill then passed the House, 36-0-4. Not voting: Barnes, Malone, Martin and Metcalfe. The effective date clauses were adopted.

Financial Disclosure

2nd COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 154 (Rules), (see pages 232;606;674). On April 27 the bill was reported back to the House by the Rules Committee recommending it be replaced with a 2nd SUBSTITUTE (Rules) and that it do pass. Not concurring: Phillips has no recommendation. The substitute makes technical changes and adds language stating a public official or candidate must disclose the name of a person from whom he received a gift of cash "in excess of $100." Also states a gift from a grandparent or grandchild does not need to be reported. Adds new section amending AS 39.50.030(a) (Conflict of Interest. Contents of statement) to read: "(a) Each statement shall be an accurate representation of the financial affairs fo the public official or candidate and shall contain the [SAME] information [FOR EACH MEMBER OF HIS FAMILY, AS] specified in (b) of this section [,] to the extent that it is ascertainable by the public official or candidate. An asset or liability under $500, household goods, and personal effects need not be identified." (bracketed language deleted). Adds new section 4 to the bill which states: "Information that is required to be reported under the

2dCSHB 154 (Rls), (cont'd)

amendments to AS 39.50.030 enacted in this Act need not be reported in a statement due under AS 39.50 on or before December 31, 1982."

Changes effective date to January 1, 1982 (State Affairs substitute was July 1, 1981).

On April 28 the bill was before the House and Speaker Duncan stated that the pending amendments (see page 674) were incorporated in the proposed 2d committee substitute by the Rules Committee. The substitute was then adopted and the bill passed the House, 22-15-3. Nays: Abood, Beirne, Bettisworth, Bylsma, Cuddy, Fanning, Halford, Hayes, Hurlbert, Martin, Montgomery, O'Connell, Phillips, Randolph and Sutcliffe. Not voting: Barnes, Haugen and Metcalfe. Rep. Hurlbert changed his vote from "yea" to "nay". The effective date clause was adopted. Rep. Randolph gave notice of reconsideration, but it was not taken up and the bill was transmitted to the Senate for its consideration.

Legislative Contracts

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 156 (Rules)(Amended), (see pages 233;606). Reported back to the House on April 27 by Rules recommending replace with a SUBSTITUTE (Rules) and that it do pass. Not concurring: Phillips recommends do pass "if amended". The Rules substitute makes changes regarding the legislative contract procedure, providing the chapter applies to contracts for services to be provided to a legislative agency or committee unless "(1) the total amount of a contract or contracts awarded to a person in a 12 month period does not exceed $5,000;. . ." (SA substitute provided "(1) the contract amount does not exceed $5,000;. . ."). Adds subsection (5) which states: "the service is to be provided by an agency or department of the state government or by a municipality." Deletes subsection (b) which stated: "A legislative agency or committee may not negotiate a contract or contracts with a person that exceed $5,000 in a 12-month period." Deletes provision of section dealing with requests for proposals which stated: "A request for proposals need not be extended if (1) the contract amount does not exceed $5,000;. . .". Adds language providing "A request for proposals need not be extended if (2) the services required are professional services which may, by law or regulation, be performed only by a person licensed to perform the service;"

On April 28 the bill was before the House and the Rules substitute was adopted. Amendment 3 by Randolph was adopted, adding language relating to the application of legislative contract procedure: "This chapter applies to contracts for services to be provided to a legislative agency or committee unless (3) the contract is for construction, repair, or maintenance of a structure and does not exceed $5,000; . . .". Amendment 7 by Randolph was adopted, deleting section relating to requests for proposals which stated: "A request for proposals need not be extended if (2) the services required are professional services which may, by law or regulation, be performed only by a person licensed to perform the service;". Amendment 10 by Malone was adopted, adding a new section to read: "Sec. 24.23.035. EVALUATION. (a) If a contract is awarded by a legislative committee, the committee or the project director must provide a written evaluation of the services provided under the contract before final payment may be made. The evaluation is open for public inspection."

STATE OF ALASKA
THE LEGISLATURE

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

March 18, 1982

SUBJECT: Financial disclosure
(SCS CSHB 154 (SA))

TO: Senator Vic Fischer
Chairman, Senate State
Affairs Committee

FROM: Richard A. Bradley
Legislative Counsel

The committee substitute for HB 154 requested has been delivered.

The bill was reviewed quickly and prepared for delivery at a time when we were not able to give the bill a better review; because of this situation, I believe that some comments on the bill that has been delivered to you are appropriate.

(1) I believe that the deletion of the phrase "at the time the municipal officer becomes a candidate" on page 2, line 7 of the bill introduces an element of uncertainty into the bill; as a general rule, if an individual is required to do something on the pain of sanction, the time at which the event must occur is significant and should be stated in the law.

(2) The phrase "a spouse" added to paragraph (8) on page 4, line 18 of the bill is unmodified unlike the similar phrase at, for example, page 4 line 8. As such, it is impossible to determine with certainty whose spouse is involved.

(3) Finally, AS 39.50.030(b)(9) is incomplete. Note that there is essentially no pattern to the requirements for disclosure in sec. 30(b); if there were, the pattern might be available to supply the ommissions in (9). The assets of "mother and father" are required to be disclosed under sec. 30(8) but not otherwise. In some cases assets of

"nondependent child(ren) who is living with the public official or candidate" are required to be disclosed [e.g., sec. 30(7)]; more usually it is not. In some cases the assets of a professional corporation in which the public official or candidate is associated are required to be disclosed; does "any other asset or liability" of a professional corporation involved need to be reported?

I regret that these questions were not called to your attention earlier.

RAB:ljb

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

MEMORANDUM

State of Alaska

MAIL STOP:

DATE: February 28, 1982

FILE NO:

TELEPHONE NO: 276-4176

SUBJECT: Revisions to 2d CSHB 154(Rls)

TO: Ms. Nancy Groszek
Senate State Affairs

FROM: Theda Pittman
APOC
610 C St., Suite 211
Anchorage, AK 99501

Attached are the results of my most recent effort with APOC Chairperson Shari T. Holmes to make some sense out of the Commission's recommendations on revisions to AS 39.50, Conflict of Interest.

Vic Please review!

02-001B(Rev.4/80)

Original sponsor: Rules Committee

Offered: 4/27/81
Referred: Rules

IN THE HOUSE BY THE RULES COMMITTEE

2d CS FOR HOUSE BILL NO. 154 (Rules)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to financial disclosure; and providing for an effective date."

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

* Section 1. AS 39.50.030(a) is amended to read:

(a) Each statement shall be an accurate representation of the financial affairs of the public official or candidate and shall contain the [SAME] information [FOR EACH MEMBER OF HIS FAMILY, AS] specified in (b) of this section [,] to the extent that it is ascertainable by the public official or candidate. An asset or liability under $500, household goods, and personal effects need not be identified.

* Sec. 2. AS 39.50.030(b) is amended by adding new paragraphs to read:

(9) the name of a person known by the public official or candidate to have been a lobbyist during the preceding calendar year who entered into a contract to purchase goods or services

(A) in excess of $100 from a

(i) sole proprietorship owned by the public official or candidate;

(ii) partnership in which the public official or candidate is a general partner;

(B) in excess of $1,000 from a person who is a general partner of a firm of which the public official or candidate is a general partner; or

(C) in excess of $100 from a corporation over 50 percent of the stock of which is owned by the public official or candidate;

(10) the name of a person from whom the public official or candidate received during the preceding calendar year

(A) a gift of cash in excess of $100;

(B) a single gift other than cash having a reasonable value in excess of $100;

(C) gifts other than cash having an aggregate reasonable value in excess of $250;

(11) the name of a person known by the public official or candidate to have been a lobbyist, or a contractor or vendor who does business with the state, or an employee of the state during the preceding calendar year who is

(A) a general partner, officer, or director of a corporation in which the public official or candidate is a general partner, officer, director, or employee, with a description of the legislative or administrative matters which were the object of the activity of the lobbyist, the contractor or vendor who does business with the state, or employee of the state; or

(B) a spouse, child, mother or father, brother or sister of the public official or candidate.

* Sec. 3. AS 39.50.030 is amended by adding new subsections to read:

(d) A campaign contribution reported by a public official or candidate under AS 15.13 does not need to be reported under this section.

(e) A gift from a spouse, child, mother or father, brother or sister, grandparent, or grandchild does not need to be reported under this section.

SAVE

* Sec. 4. Information that is required to be reported under the amendments to AS 39.50.030 enacted in this Act need not be reported in a statement due under AS 39.50 on or before December 31, 1982.

Introduced: 2/16/82
Referred: State Affairs and Judiciary

IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE

HOUSE BILL NO. 852

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the filing of conflict of interest statements by public officials and candidates."

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

* Section 1. AS 39.50.020(a) is amended to read:

(a) A judicial officer, commissioner, chairman or member of a state commission or board specified in AS 39.50.200(b), person hired or appointed as head or deputy head of, or director of a division within, a department in the executive branch, person appointed as assistant to the governor, and a municipal officer, shall file a statement giving his income sources and business interests, under oath and on penalty of perjury, within 30 days after he takes office as a public official. An individual who files a declaration of candidacy or a nominating petition or who becomes a candidate by any other means for state elective office between January 1 and April 15 shall file the statement no later than April 15. A candidate [CANDIDATES] for state elective office who files after April 15 shall file the [SUCH A] statement at the time of filing a declaration of candidacy or within 30 days of the filing of a [ANY] nominating petition, or within 30 days of becoming a candidate by any other means. If an individual files or becomes a candidate for state elective office during a calendar year other than the year in which the election is held, he shall file an updated statement on or before April 15 of each succeeding year in which he remains a candidate. Candidates for elective municipal office shall file the [SUCH A] statement at the time of filing a nominating petition, declaration of candidacy,

or other required filing for the elective municipal office. A public official who has a current statement on file with the commission who files for state elective office is not required to file a statement at the time he becomes a candidate, but a municipal officer who files for state elective office shall file a copy of the statement that he has filed for municipal office with the commission. Refusal or failure to file within the time prescribed shall require that the candidate's filing fees, if any, and filing for office be refused or that his previously accepted filing fee be returned and his name removed from the filing records. A statement shall also be filed by public officials no later than April 15 [OR 15 DAYS AFTER THE PERSON FILES HIS FEDERAL INCOME TAX RETURN] in each following year [, WHICHEVER SHALL COME FIRST]. Persons who are [, ON OR AFTER DECEMBER 11, 1974, WERE] members of boards or commissions not named in AS 39.50.200(b) are not required to file financial statements.

* Sec. 2. AS 39.50.030 is repealed and reenacted to read:

Sec. 39.50.030. CONTENTS OF STATEMENTS. (a) Each statement shall be an accurate representation of the financial affairs of the public official or candidate and shall contain the information specified in this section concerning each member of his family to the extent that it is ascertainable by the public official or candidate. An asset or liability reasonably valued by the public official or candidate at $5,000 or less and household goods and personal effects need not be identified. ~~An asset or liability reasonably valued by the public official or candidate at an amount in excess of $5,000 shall be reported as follows:~~

~~(1) category I: assets or liabilities with a reasonable value between $5,001 and $10,000;~~

~~(2) category II: assets or liabilities with a reasonable~~

value between $10,001 and $25,000;

(3) category III: assets or liabilities with a reasonable value between $25,001 and $50,000;

(4) category IV: assets or liabilities with a reasonable value in excess of $50,000.

(b) Each statement filed by a public official or candidate under this chapter shall include each source of income over $5,000, including capital gains, whether or not taxable, received by the public official or candidate or the spouse or dependent child of the public official or candidate during the preceding calendar year.

(c) Each statement filed by the public official or candidate under this chapter shall include the name and address of each business in which the public official or candidate or the spouse or dependent child of the public official or candidate was a stockholder, owner, officer, director, partner, proprietor, or employee during the preceding calendar year.

(d) Each statement of a public official or candidate shall include the category and the nature and description of an asset or liability listed in (e) of this section that was owned during the preceding calendar year by the public official or candidate or by the spouse or dependent child of a public official or candidate and that is reasonably valued by the public official or candidate at more than $5,000.

(e) As used in this section, an asset or liability means

(1) an interest in a business;

(2) an interest in real property, including an option to buy;

(3) a trust or fiduciary relationship;

(4) a loan or a guarantee for a loan;

(5) a credit relationship;

(6) a contract and offer to contract with the state or an

*Section . AS 39.50.030(b) is amended to read:

(b) Each statement filed by a public official or candidate under this chapter shall include:

(1) the source of all income over $5,000 [$100], including capital gains, whether or not taxable, received by him or his spouse or dependent child of his [OR NONDEPENDENT CHILD OF HIS WHO IS LIVING WITH HIM,] during the preceding calendar year;

(2) the identity, by name and address, of each business in which he or his spouse or dependent child of his [OR NONDEPENDENT CHILD OF HIS WHO IS LIVING WITH HIM] was a stockholder, owner, officer, director, partner, proprietor, or employee during the preceding calendar year;

(3) the identity and nature of each interest owned by him or his spouse or dependent child of his [OR NONDEPENDENT CHILD OF HIS WHO IS LIVING WITH HIM,] in any business during the preceding calendar year;

(4) the identity and nature of each interest in real property, including an option to buy, owned by him or his spouse or dependent child of his [OR NONDEPENDENT CHILD OF HIS WHO IS LIVING WITH HIM,] at any time during the preceding calendar year;

(5) the identity of each trust or other fiduciary relation in which he or his spouse or dependent child of his [OR NONDEPENDENT CHILD OF HIS WHO IS LIVING WITH HIM,] held a beneficial interest during the preceding calendar year, a description and identification of the property contained in each trust or relation, and the nature and extent of the beneficial interest in it;

(6) any loan or loan guarantee made to him or his spouse or dependent child of his [OR NONDEPENDENT CHILD OF HIS WHO IS LIVING WITH HIM,] and the identity of the maker of the loan or loan guarantor and the

identity of each creditor to whom he or his spouse or dependent child of his [OR NONDEPENDENT CHILD OF HIS WHO IS LIVING WITH HIM] owed over $5,000 [$500] or more;

(7) a list of all contracts and offers to contract with the state, or an instrumentality of the state, during the preceding calendar year, held, bid or offered by him, his spouse, dependent child of his or nondependent child of his who is living with him, his mother or father or or a partnership or professional corporation of which he is a member, or a corporation in which he or his spouse or his children, or a combination of them, hold a controlling interest; and

(8) a list of all mineral, timber, oil, or any other natural resource lease held, or lease offer made, during the preceding calendar by him, his spouse, a dependent child of his or nondependent child of his who is living with him, his mother or father or a partnership or professional corporation of which he is a member, or a corporation in which he or his spouse or his children, or a combination of them, hold a controlling interest.

~~instrumentality of the state and each mineral, timber, oil, or other~~ natural resource lease owned or lease offer made by

(A) a public official or candidate;

(B) the spouse or dependent child of the public official or candidate;

(C) a partnership or professional corporation of which the public official or candidate is a member;

(D) a corporation in which the public official or candidate or the spouse or dependent child or a combination of them held ~~a controlling interest during the preceding calendar year.~~

* Sec. 3. AS 39.50.200(a)(6) is amended to read:

(6) "municipal officer" includes a borough or city mayor, borough assemblyman, city councilman, school board member, elected utility board member, city or borough manager, charter commission member, members of a city or borough planning or zoning commission within a home rule or general law city or borough, including but not limited to a unified municipality under AS 29.68;

* Sec. 4. AS 39.50.200(a) is amended by adding a new paragraph to read:

(10) "elective municipal office" means the office of borough or city mayor, borough assemblyman, city councilman, school board member, elected utility board member, city or borough manager, charter commission member, city or borough planning or zoning commission member within a home rule or general law city or borough, including but not limited to a unified municipality under AS 29.68.

* Sec. 5. Sections 1, 2 and 3 of this Act take effect January 1, 1983.

* Sec. 6. Section ~~5~~ 4 of this Act takes effect July 1, 1982.

Introduced: 2/16/82
Referred: State Affairs and Judiciary

fair market value at time of filing report

IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE

HOUSE BILL NO. 852

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the filing of conflict of interest statements by public officials and candidates."

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

* Section 1. AS 39.50.020(a) is amended to read:

(a) A judicial officer, commissioner, chairman or member of a state commission or board specified in AS 39.50.200(b), person hired or appointed as head or deputy head of, or director of a division within, a department in the executive branch, person appointed as assistant to the governor, and a municipal officer, shall file a statement giving his income sources and business interests, under oath and on penalty of perjury, within 30 days after he takes office as a public official. An individual who files a declaration of candidacy or a nominating petition or who becomes a candidate by any other means for state elective office between January 1 and April 15 shall file the statement no later than April 15. A candidate [CANDIDATES] for state elective office who files after April 15 shall file the [SUCH A] statement at the time of filing a declaration of candidacy or within 30 days of the filing of a [ANY] nominating petition, or within 30 days of becoming a candidate by any other means. If an individual files or becomes a candidate for state elective office during a calendar year other than the year in which the election is held, he shall file an updated statement on or before April 15 of each succeeding year in which he remains a candidate. Candidates for elective municipal office shall file the [SUCH A] statement at the time of filing a nominating petition, declaration of candidacy,

or other required filing for the elective municipal office. A public official who has a current statement on file with the commission who files for state elective office is not required to file a statement at the time he becomes a candidate, but a municipal officer who files for state elective office shall file a copy of the statement that he has filed for municipal office with the commission. Refusal or failure to file within the time prescribed shall require that the candidate's filing fees, if any, and filing for office be refused or that his previously accepted filing fee be returned and his name removed from the filing records. A statement shall also be filed by public officials no later than April 15 [OR 15 DAYS AFTER THE PERSON FILES HIS FEDERAL INCOME TAX RETURN] in each following year [, WHICHEVER SHALL COME FIRST]. Persons who are [, ON OR AFTER DECEMBER 11, 1974, WERE] members of boards or commissions not named in AS 39.50.200(b) are not required to file financial statements.

* Sec. 2. AS 39.50.030 is repealed and reenacted to read:

Sec. 39.50.030. CONTENTS OF STATEMENTS. (a) Each statement shall be an accurate representation of the financial affairs of the public official or candidate and shall contain the information specified in this section concerning each member of his family to the extent that it is ascertainable by the public official or candidate. An asset or liability reasonably valued by the public official or candidate at $5,000 or less and household goods and personal effects need not be identified. An asset or liability reasonably valued by the public official or candidate at an amount in excess of $5,000 shall be reported as follows:

(1) category I: assets or liabilities with a reasonable value between $5,001 and $10,000;

(2) category II: assets or liabilities with a reasonable

value between $10,001 and $25,000;

(3) category III: assets or liabilities with a reasonable value between $25,001 and $50,000;

(4) category IV: assets or liabilities with a reasonable value in excess of $50,000.

(b) Each statement filed by a public official or candidate under this chapter shall include each source of income over $5,000, including capital gains, whether or not taxable, received by the public official or candidate or the spouse or dependent child of the public official or candidate during the preceding calendar year.

(c) Each statement filed by the public official or candidate under this chapter shall include the name and address of each business in which the public official or candidate or the spouse or dependent child of the public official or candidate was a stockholder, owner, officer, director, partner, proprietor, or employee during the preceding calendar year.

(d) Each statement of a public official or candidate shall include the category and the nature and description of an asset or liability listed in (e) of this section that was owned during the preceding calendar year by the public official or candiate or by the spouse or dependent child of a public official or candidate and that is reasonably valued by the public official or candidate at more than $5,000.

(e) As used in this section, an asset or liability means

(1) an interest in a business;

(2) an interest in real property, including an option to buy;

(3) a trust or fiduciary relationship;

(4) a loan or a guarantee for a loan;

(5) a credit relationship;

(6) a contract and offer to contract with the state or an

instrumentality of the state and each mineral, timber, oil, or other natural resource lease owned or lease offer made by

(A) a public official or candidate;

(B) the spouse or dependent child of the public official or candidate;

(C) a partnership or professional corporation of which the public official or candidate is a member;

(D) a corporation in which the public official or candidate or the spouse or dependent child or a combination of them held a controlling interest during the preceding calendar year.

* Sec. 3. AS 39.50.200(a)(6) is amended to read:

(6) "municipal officer" includes a borough or city mayor, borough assemblyman, city councilman, school board member, elected utility board member, city or borough manager, <u>charter commission member,</u> members of a city or borough planning or zoning commission within a home rule or general law city or borough, including but not limited to a unified municipality under AS 29.68;

* Sec. 4. AS 39.50.200(a) is amended by adding a new paragraph to read:

(10) "elective municipal office" means the office of borough or city mayor, borough assemblyman, city councilman, school board member, elected utility board member, city or borough manager, charter commission member, city or borough planning or zoning commission member within a home rule or general law city or borough, including but not limited to a unified municipality under AS 29.68.

* Sec. 5. Sections 1 and 2 of this Act take effect January 1, 1983.

* Sec. 6. Sections 3 and 4 of this Act take effect July 1, 1982.

[illegible] for House and Senate State Affairs and Rick Bradley

BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE - SECOND SESSION
A BILL

[illegible] entitled: "An Act relating to the filing of conflict of interest statements by public officials and candidates."

[illegible] THE LEGISLATURE OF THE STATE OF ALASKA:

[illegible] AS 39.50.020(a) is amended to read:

(a) A judicial officer, commissioner, chairman or member of a state commission or board specified in AS 39.50.200(9), person hired or appointed as head or deputy head of, or director of a division within, a department in the executive branch, person appointed as assistant to the governor, and a municipal officer, shall file a statement giving his income sources and business interests, under oath and on penalty of perjury, within 30 days after he takes office as a public official. An individual who files a declaration of candidacy or a nominating petition or who becomes a candidate by any other means for state elective office between January 1 and April 15 shall file the statement no later than April 15. A candidate [CANDIDATES] for state elective office who files after April 15 shall file the [SUCH A] statement at the time of filing a declaration of candidacy or within 30 days of the filing of a [ANY] nominating petition, or within 30 days of becoming a candidate by any other means. If an individual files or becomes a candidate for state elective office during a calendar year other than the year in which he seeks nomination or election, he shall file an updated statement on or before April 15 of each succeeding year he remains a candidate. Candidates for elective municipal office shall file the [SUCH A] statement at the time of filing a nominating petition, declaration of candidacy, or other required filing for the elective municipal office. A public official

who has a current statement on file with the commission who files for municipal elective office is not required to file a statement at the time he becomes a candidate, but a municipal officer who files for state elective office shall file a copy of the statement which he has filed for municipal office with the commission. Refusal or failure to file within the time prescribed shall require that the candidate's filing fees, if any, and filing for office he refused or that his previously accepted filing fee be returned and his name removed from the filing records. A statement shall also be filed by public officials no later than April 15 [OR 15 DAYS AFTER THE PERSON FILES HIS FEDERAL INCOME TAX RETURN] in each following year IF, WHICHEVER SHALL COME FIRST. PERSONS WHO, ON OR AFTER DECEMBER 11, 1974, WERE MEMBERS OF BOARDS OR COMMISSIONS NOT NAMED IN AS 39.50.200(9) ARE NOT REQUIRED TO FILE FINANCIAL STATEMENTS].

see HB154

"Section 2. AS 39.50.030(a) is amended to read:

Sec. 39.50.030. CONTENTS OF STATEMENTS. (A) Each statement shall be an accurate representation of the financial affairs of the public official or candidate and shall contain the same information for each member of his family, as specified in (b) of this section, to the extent that it is ascertainable by the public official or candidate. An asset or liability of $5,000 or less [under $500], household goods, and personal effects need not be identified. Assets and liabilities over $5,000 shall be reported in categories as follows: $5,001 - $10,000; $10,001 - $25,000; $25,001 - $50,000; or more than $50,000.

"Section 3. AS 39.50.030(b) is amended to read:

(b) Each statement filed by a public official or candidate under this chapter shall include:

(1) the source of all income over $5,000 [$100], including capital gains, whether or not taxable, received by him or his spouse or dependent child of his [OR NONDEPENDENT CHILD OF HIS WHO IS LIVING WITH HIM,] during the preceding calendar year;

(2) the identity, by name and address, of each business in which he or his spouse or dependent child of his [OR NONDEPENDENT CHILD OF HIS WHO IS LIVING WITH HIM] was a stockholder, owner, officer, director, partner, proprietor, or employee during the preceding calendar year;

(3) the identity and nature of each interest owned by him or his spouse or dependent child of his [OR NONDEPENDENT CHILD OF HIS WHO IS LIVING WITH HIM,] in any business during the preceding calendar year;

(4) the identity and nature of each interest in real property, including an option to buy, owned by him or his spouse or dependent child of his [OR NONDEPENDENT CHILD OF HIS WHO IS LIVING WITH HIM,] at any time during the preceding calendar year;

(5) the identity of each trust or other fiduciary relation in which he or his spouse or dependent child of his [OR NONDEPENDENT CHILD OF HIS WHO IS LIVING WITH HIM,] held a beneficial interest during the preceding calendar year, a description and identification of the property contained in each trust or relation and the nature and extent of the beneficial interest in it;

(6) any loan or loan guarantee made to him or his spouse or dependent child of his [OR NONDEPENDENT CHILD OF HIS WHO IS LIVING WITH HIM,] and the identity of the maker of the loan or loan guarantor and the identity of each creditor to whom he or his spouse or dependent child of his [OR NONDEPENDENT CHILD OF HIS WHO IS LIVING WITH HIM] owed over $5,000 [$500] or more;

(7) a list of all contracts and offers to contract with the state, or an instrumentality of the state, during the preceding calendar year, held, bid or offered by him, his spouse, dependent child of his or nondependent child of his who is living with him, his mother or father or or a partnership or professional corporation of which he is a member, or a

corporation in which he or his spouse or his children, or a combination of them, hold a controlling interest; and

(8) a list of all mineral, timber, oil, or any other natural resource lease held, or lease offer made, during the preceding calendar by him, his spouse, a dependent child of his or nondependent child of his who is living with him, his mother or father or a partnership or professional corporation of which he is a member, or a corporation in which he or his spouse or his children, or a combination of them, hold a controlling interest.

*Section 4. AS 39.50.200(6) is amended to read:

(6) "municipal officer" includes a borough or city mayor, borough assemblyman, city councilman, school board member, elected utility board member, city or borough manager, charter commission member, members of a city or borough planning or zoning commission within a home rule or general law city or borough, including but not limited to a unified municipality under AS 29.68;

*Section 5. AS 39.50.200 is amended by adding a new paragraph to read:

(11) "elective municipal office" means the office of borough or city mayor, borough assemblyman, city councilman, school board member, elected utility board member, city or borough manager, charter commission member, city or borough planning or zoning commission member within a home rule or general law city or borough, including but not limited to a unified municipality under AS 29.68.

*Section 6. Sections 1, and 2 and of this Act take effect on January 1, 1983.

*Section 7. Sections 4 and 5 of this Act takes effect on July 1, 1982.

2-9-82

NANCY RE APOC

call Sally Smith 4930/4941

ATTACHED FROM THEDA LOOKS OK

MY THOUGHT IS TO MAKE A CS FOR HB 154.

154 GOES FROM SA TO FINANCE.

NEED TO REVIEW 154 WITH WHOEVER WAS BEHIND IT IN OLD HOUSE. PLS FIND OUT WHO, IF YOU CAN.... I WOULD LIKE TO CHECK OUT DOLLAR FIGURES, IN THEIR VERSIONS; THEY SEEM SMALL. I DON'T WANT TO STUMBLE OVER THEM IN SENATE. ONE THE OTHER HAND, AS WILL WANT TO NEGOTIATE THIS,BEFORE WE LET IT OUT, WITH DENKWORTH AND WITH RICK HALFORD OR SOMEONE IN HOUSE, MIGHT KEEP 154 VERSION IN, FOR TIME BEEING AT LEAST....

OK: PLS ASK BRADLEY TO MELD 154 AND APOC VERSIONS AND PROVIDE TO US. CAN WAIT TIL HE IS PAST PERSONAL BILL DEADLINE.
HOW SOON DOES THEDA, APOC, NEED THIS, IN TIME FOR NEXT ELECTION CAMPAIGN?????

(NO NEED TO WORRY ABOUT METCALFE. LET HIM INTRODUCE, BE PROUD OF IT, AND DON'T TELL HIM YET WHAT WE ARE DOING.)

Introduce in H

TO: Juneau Info FOR: (1) Rep. Metcalfe. Chm. (H) State Aff. PHONE: _____

(2) Sen. Fischer, Chm, Sen. State Affairs

FROM: Theda Pittman (3) Dick Bradley (Div. of Legal Serv.) PHONE: _____

APOC

ADDITIONAL INSTRUCTIONS: _____

DATE/TIME SENT: 2/8/82 5:00 PLEASE ACK. RECEIPT: XX

DISPOSAL OF ORIGINAL: XX THROW AWAY

_____ HOLD FOR PICK UP

NUMBER OF PAGES: 4 (NOT COUNTING COVER SHEET)

BY: Carol

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

HB

155

League of Women Voters of Alaska

STATEMENT TO THE SENATE STATE AFFAIRS COMMITTEE ON CSHB 155 am

April 28, 1981

I am Paula Ziegler, a member of the state board of the League of Women Vcters of Alaska; I have the Legislative Process and Procedures portfolio on that board.

The Alaska League, based on our Legislative Process and Procedures position, established in 1979, favors CSHB 155 am in its entirety.

We do have a question concerning the language used at the bottom of page 2 regarding notice provisions. On line 27, the word, "meeting" is used. On line 28, the phrase, "public hearing" is used. Would these be construed to mean the same thing? In our interpretation, "meeting" includes hearings, but the reverse might not necessarily be the case. This is perhaps a small point, but we wanted to point it out to you if you hadn't already noticed it. The League would prefer that the word, "meeting" be used in both instances.

One last point. In the House, some members appeared to feel that in order to have the kind of minutes this bill requires, expert court reporter-type secretaries would have to be hired. Based on nine years of personal experience taking com ee minutes in the Senate, I do not believe this would be at all necessary. Simply hiring people with shorthand or proven note-taking skills would be sufficient to get the consistent, standardized record-keeping we are talking about in this bill.

Original sponsor: Rules Committee

Introduced: 3/23/81
Referred: Rules

PROPOSED SENATE STATE AFFAIRS COMMITTEE SUBSTITUTE 5/11/81

IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 155 (State Affairs) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to legislative committee procedures; and providing for an effective date."

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

* Section 1. AS 24 is amended by adding a new chapter to read:

CHAPTER 27. LEGISLATIVE COMMITTEE PROCEDURE.

Sec. 24.27.010. COMMITTEE PROCEDURE. (a) Each committee of the legislature shall prepare minutes of each meeting of the committee on a standard form prescribed by the legislative council. Committee minutes that reflect action on legislation are part of the legislative history of the legislation. Preparation of the minutes of a committee meeting is the responsibility of the chairman of the committee. The minutes of a committee meeting shall include

(1) a statement of the members present at the committee meeting; ~~including a list of the members present at the opening of the meeting, the arrival of a member during a meeting, and the time of the arrival~~;

(2) a list of the name and, if applicable, the affiliation of each witness appearing before the committee;

(3) a brief statement of the position of the witness on the subject before the committee;

~~(4) proposed amendments presented by a witness appearing before the committee; and~~

(4) each amendment ~~to a bill~~ formally considered by the committee, the name of the member moving adoption of the amendment, and the ~~roll~~ action

taken the
~~call vote~~ on adoption of ~~each~~ proposed amendment.

If requested by a committee member,

(b) the vote on adoption of each amendment considered by the committee shall be by roll call vote and the "yeas" and "nays" shall be recorded in the minutes.

(c) Each committee shall record its meetings electronically under a method prescribed by the legislative council. The recording shall be in a manner which allows for preparation of a verbatim transcript of the meeting. A log of the recording adequate to locate specific testimony shall be maintained by the committee.

(d) Each committee shall file all minutes and all written material submitted to the committee in the manner prescribed by the legislative council. ~~All minutes shall be entered and made available as a data base on the legislative computer system.~~ All written material submitted to the committee shall indicate the name of the person submitting the material and the date of its submission. Committee minutes, tapes and other materials of research value shall be delivered by the committee (at the end of each legislature) to the legislative reference library for appropriate disposition.

(e) The chairman of a committee shall maintain a chronological file of minutes which is readily accessible to committee members and the public. Minutes may be corrected or amended by majority vote of the committee, ~~regardless of the time which has elapsed since~~ before the end of the legislature during which the action reflected in the minutes had occurred.

(f) In this section "committee" includes a standing, special or interim committee of the legislature or of a house of the legislature.

(g) Each committee, except for the Rules Committee for the purpose of the daily calendar, shall ~~make public~~ give public notice of its meeting ~~schedule~~ agenda at least five days prior to public hearings and other meetings on legislation, except that the agenda may be amended on shorter notice by majority vote of the

Hearings and other action may be continued without requiring further five day public notice. Public notice is given by providing a copy of the meeting agenda to the Secretary of the Senate or the Chief Clerk of the House, who shall post a copy and provide copies to the Legislative Information Office and the press room.

committee.

* Sec. 2. AS 24.20.060 is amended by adding a new paragraph to read:

(9) to prepare the forms and rules required by AS 24.25.060 and AS 24.27.010.

* Sec. 3. The legislative council shall prepare the forms and rules required by AS 24.27 enacted in sec. 1 of this Act before the Second Session of the Twelfth Legislature convenes.

* Sec. 4. Section 1 of this Act takes effect January 11, 1982.

* Sec. 5. Sections 2 and 3 of this Act take effect immediately in accordance with AS 01.10.070(c).

HB

344

Original sponsors: Anderson, Adams, Grussendorf, et al

Offered: 1/29/82
Referred: Rules

Funding Information

General Fund	$2,718,200
Other Funds	-0-
	$2,718,200

IN THE HOUSE BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 344 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Department of Public Safety for a computerized fingerprint system; and providing for an effective date."

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

* Section 1. The sum of $2,718,200 is appropriated from the general fund to the Department of Public Safety for a computerized fingerprint identification system.

* Sec. 2. The appropriation made by this Act is for a capital project and is subject to AS 37.25.020.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-070(c).

4.2 Million - Original Request

- Ties all of AK together -
Now - Fingerprints are manually filed -
Central Computer w/ AK State Troopers in
Auch - Substations - Auch/FBKS/Jun

State of California
Department of Justice
George Deukmejian
(PRONOUNCED DUKE-MAY-GIN)
Attorney General

P.O. BOX 13417
SACRAMENTO, CA 95813

March 23, 1982

Printrak, Inc.
2121 So. Manchester Ave.
Anaheim, CA 92801

To Whom It May Concern:

The California Department of Justice, Automated Latent Print System (ALPS) was installed in November, 1979, tested during December, 1979, and went on-line on January 1, 1980. Initially, ALPS h[illegible] data base of [illegible]proxi-mately 75,000 subjects. The current data base [illegible]pproximat[illegible] subjects. DOJ's Automated Latent Print System p[illegible]des cold-search (no suspect) service for the State of [illegible] two service levels currently being utilized by counties were selected as "core" counties. agency in one of the ten core-counties may su[illegible] crime f[illegible]which there are "good" quality latent prints available and no suspects developed for an ALPS search. A non core-county may submit only homicides, rapes (sex offenses) or cases relating to "organized crime" data base for searches.

Because of the high degree of system success (283 cold-search "hits"), ALPS has witnessed a significant case load increase. The rate of case submissions has increased by 219.2% since the first quarter of 1980. Unfortunately, resources to process the case load increases have not been made available because of the State's fiscal condition. The net result is a significant backlog (approximately 1,000 cases) and extended turnaround time on cases (1-2 weeks on person crimes, 2-3 months on property crimes). Additionally, during the latter part of 1981, and early 1982, a series of system malfunctions occured that precluded normal system operation levels. Although the system was repaired and has been functioning properly, the lack of sufficient personnel resources has prevented ALPS from reducing the case backlog accrued during the system's downtime.

The Department of Justice has initiated a reallocation of resources that will reduce ALPS case load levels substantially during 1982. Additional improvements in case turnaround and reduced ALPS backlogs will occur in 1983.

Kirby Vickery

KIRBY VICKERY, Program Manager
Automated Latent Print System (ALPS)

KV:dy

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSHB 344 (Finance)
Title Special Appropriations for a computerized fingerprint system.
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Department of Public Safety
Program Category Affected Administration of Justice
BRU, Program, Or Subprogram(s) Affected Laboratory Services
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES			105.3	115.8	127.4	140.1
200 TRAVEL		20.6	21.2	2.2	2.4	2.7
300 CONTRACTUAL		38.2	480.4	103.5	103.9	104.3
400 COMMODITIES		5.3	4.5	9.3	10.2	11.2
500 EQUIPMENT						
AND & STRUCTURES						
NTS, CLAIMS, ETC.						
TOTAL		64.1	611.4	230.8	243.9	258.3

FUNDING (Thousands of Dollars)

GENERAL FUND		64.1	611.4	230.8	243.9	258.3
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME			2	2	2	2
PART TIME						
TEMPORARY						

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

The proposed legislation would create the Automated Fingerprint Identification Network which would utilize a Rockwell 250 S Printak Central System in AST Headquarters with a Read/Edit Sub-system in the Anchorage Police Department.

In acquiring this tested, proved and highly reliable system, law enforcement agencies can automatically search their already existing extensive fingerprint files to locate matches and print out identities of respondents. Search time would be reduced and match rate increased by at least 15%

The initial cost of $2,718,200 as provided by this bill would provide all cost of the equipment and its installation through the end of FY'83 (see attached schedule "Capital Project Cost Estimate"). The FY'83 - FY'87 cost noted above is the expected operating cost for these years including the cost for two non-commissioned positions.

IV. DATE February 26, 1982 PREPARED BY Francis C. Allan
AGENCY Department of Public Safety
PHONE 269-5691

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

CODE		DESCRIPTION		FY'83	FY'84
100		Personal Services			
	111	Reg. Comp. (2x19AGGU)			74.9
	121	Overtime (180 hrs. x 26.19)			5.2
	121	Shift Differential (19AX3:75)			1.4
			Sub-total		81.5
	VAR.	Benefits (17.67%)			14.4
	184	FICA (6.65%)			5.4
	185	Group Medical (1800x2)			4.0
			100 TOTALS		105.3
200		Travel and Moving			
	211	In-State Travel		2.4	
	212	In-State Per Diem		3.2	
	223	Out-of-State Travel		5.0	6.8
	224	Out-of-State Per Diem		5.3	14.4
	291	Transportation		2.5	
	292	Technician Per Diem		2.2	
			200 TOTALS	20.6	21.2
300		Contractual Services			
	311	Phone		.7	5.1
	314	Postage			.4
	326	Subscription & Information			.2
	349	Main. Contract & File Conver.		22.3	424.7
	*389	Training		3.6	50.0
	394	Conference Registration		.3	
	397	Freight		11.3	
			300 TOTALS	38.2	480.4
400		Supplies and Materials			
	425	Janitorial Supplies		.9	.9
	481	Stationary & Supplies		4.4	
	483	Computer Commodities			3.6
			400 TOTALS.	5.3	4.5
		PROJECT TOTALS		64.1	611.4

*Contractor training of state employee to maintain the system.

FCAAST
22682

AUTOMATED FINGERPRINT IDENTIFICATION NETWORK
CAPITAL PROJECT COST ESTIMATE

250S Central System - unit cost including air shipment	$1,700.0
Subsystems - 3 units - (APD, Fairbanks & Juneau)	372.0
Installation cost	200.0
Site preparation	177.4
Spare parts inventory	207.3
Fingerprint file conversion	61.5
CAPITAL PROJECT TOTAL	$2,718.2

FCAAST
22682

Original sponsors: Anderson, Adams, Grussendorf, et al

Offered: 1/29/82
Referred: Rules

Funding Information

General Fund	$2,718,200
Other Funds	-0-
	$2,718,200

IN THE HOUSE BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 344 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Department of Public Safety for a computerized fingerprint system; and providing for an effective date."

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

* Section 1. The sum of $2,718,200 is appropriated from the general fund to the Department of Public Safety for a computerized fingerprint identification system.

* Sec. 2. The appropriation made by this Act is for a capital project and is subject to AS 37.25.020.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-070(c).

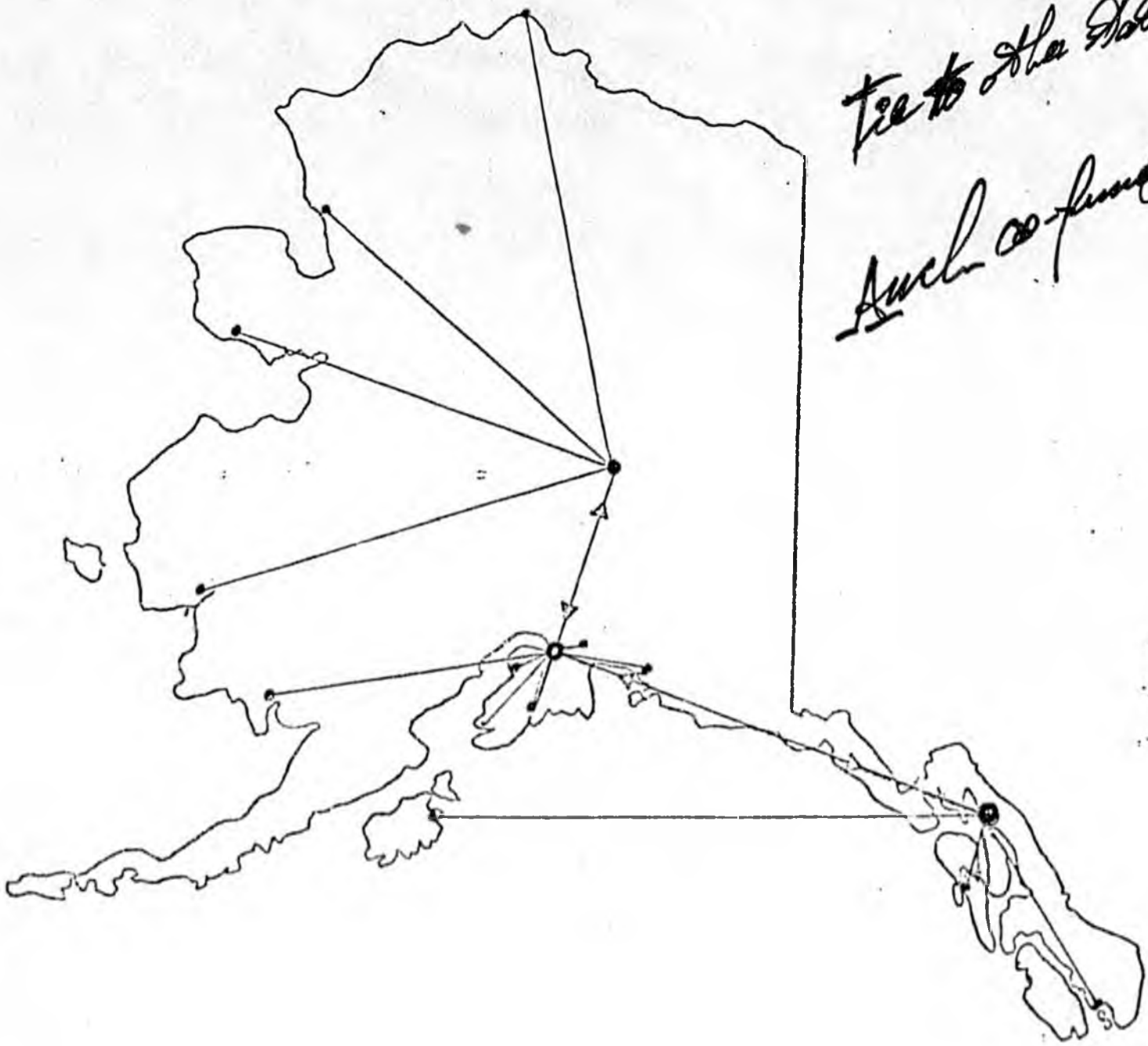
$1,700,000 in budget

Sen Rodey has similar bill
We both spoke to Anchorage Policeman
Rodey is not going any place
because of cost.
I recommend we go with present
Senate Budget entry.
I don't believe we are ready for
it, but should get equipment
& stimulate better fingerprints. I
have heard that a larger percentage
of prints will not be worth
while in the AFINA.

4-20-87
Bradley

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

AUTOMATED FINGERPRINT IDENTIFICATION NETWORK OF ALASKA



Tie to other States

Auch co-fund

WE HAVE A PROBLEM...

Law enforcement agencies in Alaska are like all law enforcement agencies everywhere, large and small. Our prime concern with every crime is: "Who committed this crime?"

Most - around 60% in fact - of the crimes committed in the State are perpetrated by "recidivists". That is, they are committed by people who tend to be arrested and re-arrested repeatedly as the years go by. Thus, when a crime takes place, our expereienced investigators may sometimes have a good mental list of suspects.

If Alaska police investigators were like the detectives in paperbacks, movies, and TV shows, they would solve every crime they encounter - by an unerring combination of ESP, James Bondian scientific gadgetry, and a set of unbelievably fortunate coincidences. In real life, however, detectives' lives are not so smooth.

Increasingly, police are forced, by such Supreme Court rulings as the Miranda and Escobedo decisions, to rely on physical evidence. Most real-life cases are cleared as a result of on-the-scene identifications by victims or witnesses, with the remainder being cleared through administrative investigatory methods such as fingerprinting.

Every time an arrest takes place in Alaska the alleged lawbreaker's fingerprints are rolled onto a 10-print file card. Altogether, the State files in 1980 contained a total of around 110,000 ten-print cards, also Anchorage had on filed more than 90,000 such cards. Thus, the city and State police departments had on file a total of 200,000 ten-print cards (or 2,000,000 individual prints) of known offenders. In addition the combined agencies have on file more than 25,000 individual, unidentified "latent" prints "lifted" at the scenes of crime.

When a police officer is able to find a good latent at a crime scene, it is possible in many cases to pull from file the cards of all those on his mental list of likely suspects and, try by manual handling and simple visual examination of the prints, to achieve a "hit" - that is, a match between the latent and a file print - in only a few hours. In 1979, around 3% of all the latents picked up by law enforcement officers in Alaska were identified by means of such manual processing.

Latent prints are found at just about 50% of all crime scenes, but, on the average, only a very small portion of the evidence is matched against a known print and results in a clearance. Even so, the matching of latents with known prints represents the majority of clearances that we make through administrative investigatory methods.

Why aren't more of the latents matched and more crimes cleared thereby? The answer lies in the time it takes to match a single unknown print against files containing literally millions of prints. To look for a match, by manual methods, among the more than 2 million fingerprints in the combined files would require a total number of hours and dollars obviously beyond the limits of practicality. It is not too surprising that, unless the police investigator has a pretty good idea of where to look before he starts, he usually simply doesn't start the time-consuming search,

Our problem in Alaska - is to find a way to search for matches with latents, through hundreds of thousands, even millions, of prints, in a practical amount of time, and at a practical expenditure of the dollars to pay for that time - is not our problem alone. It is still the problem of almost every law enforcement agency throughout the world. Its solution has the potential to dramatically increase crime clearance rates ... to slash law enforcement costs and, eventually, to act as a powerful deterrent to the commission of crimes.

A SOLUTION TO THE PROBLEM...

Our solution will save us hundreds of manhours and thousands of operational expense dollars - while upping our "hit" rate by more than 30% annually.

By acquiring an automated system - a tested, proven, highly reliable system that's faster, more efficient, and less costly to operate. The system would automatically search our extensive files in only minutes ... automatically find the most likely matches ... automatically print out identities of respondents, listed in descending order of their match probabilities.

By a conservative estimate, our search time will be reduced and our hit rate will be improved to at least 10 to 15%.

But ... reduced search times and more hits are not the only benefits of the automated system.

The automatic search techniques of this new system will also tend to eliminate the part that investigators play in the analysis of fingerprint evidence, since their input is no longer necessary to create lists of suspects. This will free investigators for their prime purpose - investigation. As a corollary, it will cut the amount of investigator costs involved in the fingerprint process.

SELECTION OF AUTOMATED EQUIPMENT

Fingerprints are universally recognized as the most positive means of identification in existence. In the first place, no two fingerprints in the entire world are alike. Furthermore, the "minutiae" within any given fingerprint remain unchanged throughout an individual's lifetime.

In 1980, Alaska law enforcemnt agencies were obtaining "latents" at approximately 50% of all crime scenes. The combined files of the Alaska State Troopers and Anchorage Police Department held a total of 25,000 unidentified latent prints, and more than 2 million identified, rolled prints.

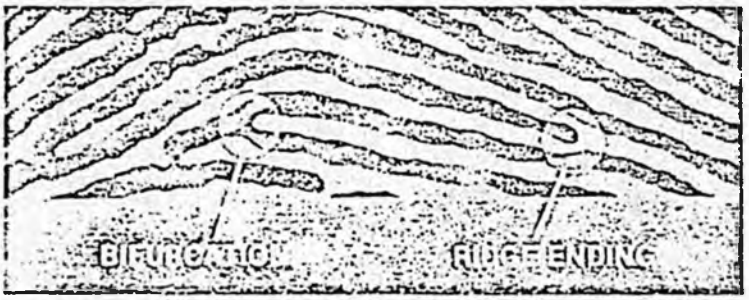
And yet - in spite of the extensive fingerprint file resources, the ability to lift latents at least half the time, and the unquestioned ability of fingerprints to positively identify, Alaska State Troopers and Anchorage Police Department were unable to put fingerprints effectively to work to solve crimes and to cut crime-clearance costs. With existing manual fingerprint processing, it simply takes too long. To find a match for a single latent, with no other clues to the criminal's identity than the print itself, it is more difficult than finding the proverbial haystack needle - and certainly a lot more expensive!

The crying need is for a way to search the files and obtain a match rapidly. It is increasingly evident that the only way to achieve the necessary search speeds would be by means of some sort of computerized system - in other words, through automation of the existing search-and-match process.

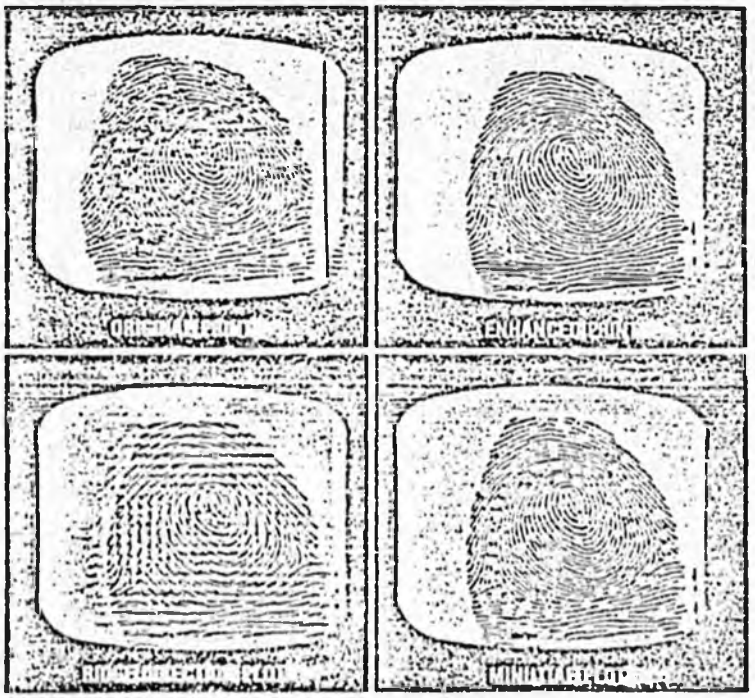
HOW DOES IT WORK?

The approach taken by the automated fingerprint identification equipment to fingerprint identification is based on the use of minutiae data consisting of the location and orientation of fingerprint ridges at points of termination (ridge endings) or branching into two ridges (bifurcation). Patterns of such minutiae uniquely characterize individual fingerprints and are the universal means whereby fingerprint experts are able to positively identify specific persons.

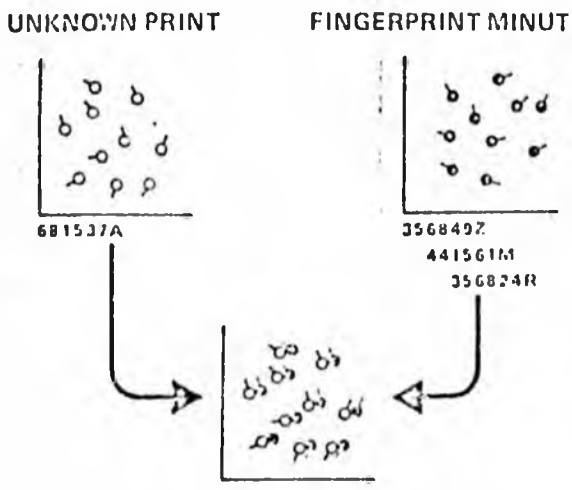
THE PRINTRAK 250S SYSTEM'S "MINUTIAE"-BASED APPROACH OFFERS ACCURACY ... SPEED ... AND ECONOMICAL TRANSMISSIBILITY OF DATA.



FINGERPRINT READING



FINGERPRINT MATCHING



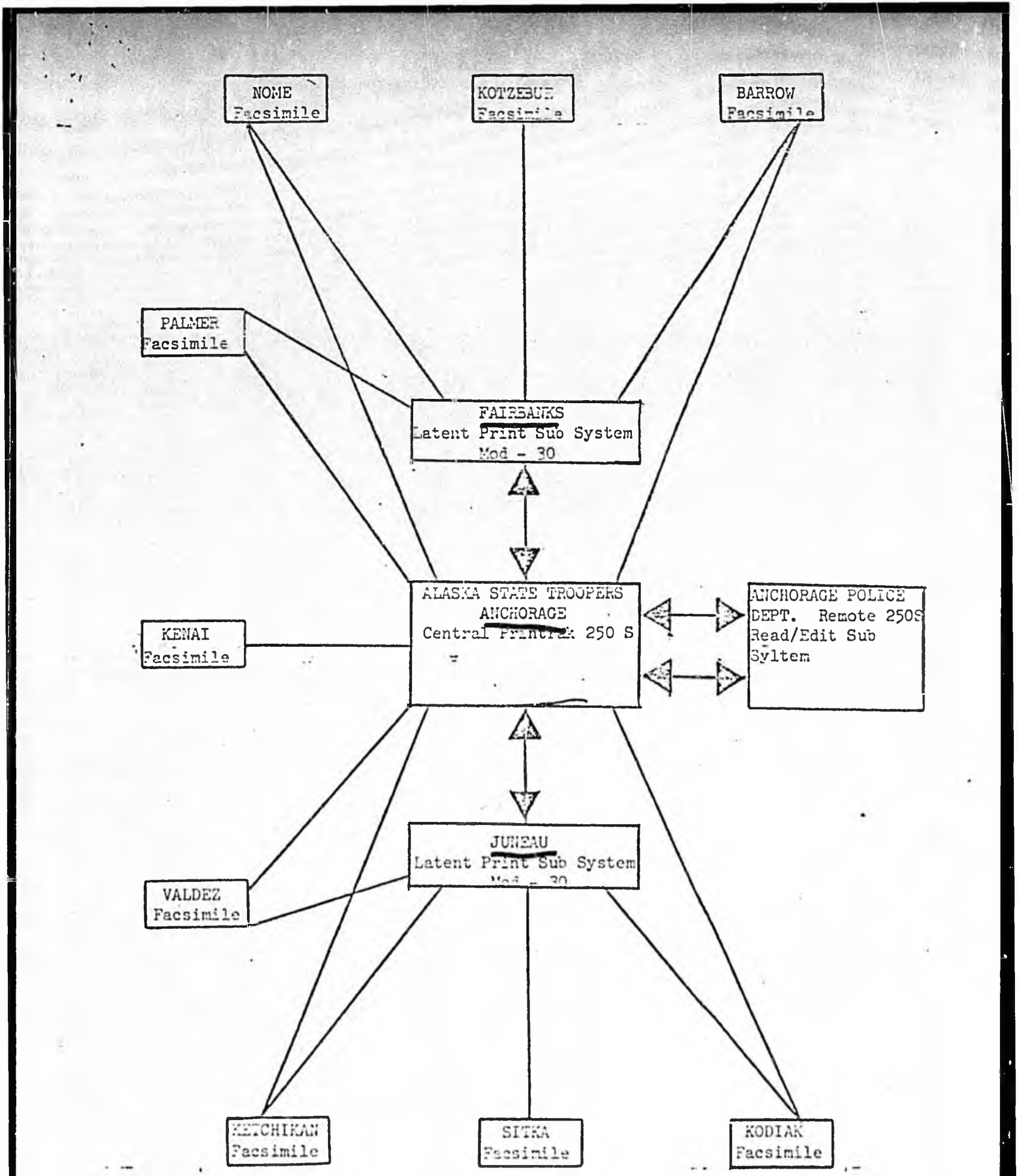
The equipment reads directly from card or paper input, which means there is no need for costly and time-consuming photographic processing of input information. The data which is stored for each fingerprint, and which is subsequently used for matching, are digital, binary-encoded descriptors, and is amenable to high-speed computer processing. In addition, sophisticated algorithms and dedicated processors make possible an extremely high processing speed which, in turn, makes the system highly cost-effective.

The minutia-based approach for automatically processing and matching fingerprints offers many significant advantages over other approaches. Foremost among these advantages is the discriminability of minutia-based systems which permits them to select with high accuracy one person, or a very few candidates from a very large file. All other current approaches must identify a large number of candidates in order to provide any reasonable assurance that the individual of interest is among them.

Because the automated system uses digitally encoded data and only 2500 bits of information are needed to uniquely describe a fingerprint, the system provides a means for transmitting fingerprint data both rapidly and inexpensively over ordinary telephone lines.

Another valuable feature of the system is its ability to maintain its own file of fingeprints for subsequent comparison with unknown prints. Conversion from card or paper format to digital records for permanent storage in system files is performed at the rate of up to sixty 10-print sets per hour. Once established, the file can be developed and updated on a continual basis.

Not least among the system's features are its compatibility with the minutia based system hardware/software of a rapidly growing number of users throughout the U.S.A. and abroad ... including the Federal Bureau of Investigation, a number of major U.S. cities, and the Royal Canadian Mounted Police. It is possible to tie these units together at selected times for cross-jurisdictional searches, if such are necessary.


NOME
Facsimile
KOTZEBUE
Facsimile
BARROW
Facsimile
PALMER
Facsimile
FAIRBANKS
Latent Print Sub System
Mod - 30
ALASKA STATE TROOPERS
ANCHORAGE
Central Printrak 250 S
ANCHORAGE POLICE
DEPT. Remote 250S
Read/Edit Sub
Syltem
KENAI
Facsimile
JUNEAU
Latent Print Sub System
VALDEZ
Facsimile
KETCHIKAN
Facsimile
SITKA
Facsimile
KODIAK
Facsimile

THE ALASKA SYSTEM....

At present Alaska has two departments that have fingerprint files and the personnel to maintain them. The Anchorage Police Department and the Alaska State Troopers in Juneau and Anchorage, have Certified Fingerprint Examiners to maintain their fingerprint and latent print files. With possible expansion in mind and the number of trained fingerprint personnel, Anchorage, Juneau and Fairbanks are the most effective areas to place processing equipment.

The Rockwell 250S Printrak "Central" System would operate from the Alaska State Troopers Headquarters in Anchorage. All fingerprint cards taken by police departments and jails throughout Alaska would be entered.

Anchorage Police having the second largest files and trained personnel to maintain these files, would have a Rockwell Printrak 250S Read/Edit Subsystem. This would give A.P.D. the same ability as A.S.T. to enter it's files and search it's latent cases using the data storage at A.S.T. Head- quarters.

In Fairbanks and Juneau there should be a Rockwell Printrak Model 30 Remote Latent Subsystem in addition to the Anchorage Systems.

Making a truly Statewide Network that would bring every community in the State minutes away from fingerprints identifications a network of facsimile machines throughout Alaska. Using commercial phone lines, or micro-wave communications fingerprint cards and latents can be sent from anywhere in the State to the latent system or subsystem in a matter of minutes. Communities like Sitka, Ketchikan, Valdez, Seward, Kodiak, Kenai, Nome, Kotzebue, Point Barrow and Palmer could be getting responses on their latents as well as those communities with main system components. Also, portable units can be obtained that would permit investigators to go to a crime scene any where in the State and be able to send latent information to be searched in the Central files.

OVERALL DESCRIPTION OF HARDWARE/SOFTWARE

Hardware

Three types of subsystems:

Read/Edit Subsystem; is made up of a Print Processor, a Read/Edit Operator Console, and a Printer. The subsystem is used to automatically examine fingerprints, extract their minutiae, enter descriptor data, initiate search requests, and obtain search requests. One Read/Edit Subsystem is located in the "Central" facility, A.S.T. Anchorage, and another at the Anchorage Police Department facility would be connected to the Search-and-Match Subsystem at A.S.T. Anchorage via voice-frequency telephone lines. The Read/Edit Subsystem is capable of processing both rolled prints and latents. This subsystem can enhance the quality of the prints using the Processor's computer.

Latent Subsystem; which includes a Latent Terminal and a Printer, gives the user automated assistance in entering descriptor data via keyboard, in encoding locations of minutiae in latent fingerprints, and in receiving results of file searches. A Latent Subsystem would be located at Juneau and Fairbanks facility and would be connected to the Central Search-and-Match Subsystem via a voice-frequency telephone line or microwave communications.

Search-and-Match Subsystem; consists of a Search-and-Match Processor, Data Storage, and a Line Printer. There is only one Search-and-Match Subsystem in the entire network. Located in the Central facility, the Subsystem controls overall system operation, maintains the files, performs search-and-match functions, and reports results of searches to system operators at the various terminals.

REMOTE PRINTRAK 250S READ/EDIT SUBSYSTEM



ANCHORAGE POLICE DEPT.

"CENTRAL" PRINTRAK 250S SYSTEM

PRINT PROCESSOR

SEARCH PROCESSOR

READ/EDIT CONSOLE

PRINTER

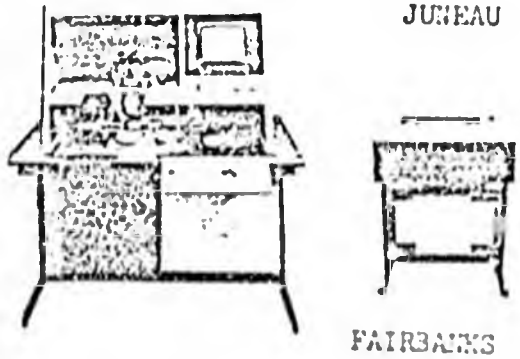
DATA STORAGE



ALASKA STATE TROOPERS ANCHORAGE

REMOTE LATENT SUBSYSTEM

JUNEAU



FAIRBANKS

Software

Automated operation is achieved via its software, that contains all the necessary programs for controlling and coordinating the systems's processes. The software is human-operated-oriented and makes extensive use of display messages, in ordinary English language, to "cue" (i.e., "prompt") the operator with questions which help him in following the proper operational procedures at all times. Thus, no complicated code needs to be learned, and operators need no software experience in order to operate the system.

The software programs, as executed by computers in the Print Processor and Search-and-Match Processor (see drawing), provide an orderly sequential control of all data flows between the hardware equipments, including those to the operator interfaces.

THE SEVEN "MODULES" ... WHAT EACH DOES AND HOW IT DOES IT

Read/Edit Operator Console

The Read/Edit Operator Console serves as the "interface" between the Automated Fingerprint ID System and the human operator. The console contains a keyboard, a TV-type CRT (cathode-ray tube) display and video mixer, a card indexer, a video scanner, a cursor control, and console electronics.

Upon receipt of a latent print or a 10-print card, the operator selects the desired mode of operation and interactively enters data through the keyboard in response to "cues" displayed to him on the display. Ten-print cards are placed on the card indexer platform, and the video images of the prints are transmitted to the Print Processor, which returns to the automatically encoded locations and orientations of the minutiae for each print, overlaid on a magnified image of the print on the display screen.

The console provides the operator with the capability to edit the displayed image by adding or removing minutiae. Encoding of poor-quality prints may be performed manually, if desired, by means of the console controls.

Printer

Each Read/Edit and Latent Console operator is provided with a Printer unit to print out the lists of respondents and other data required in operation of the system.

Line Printer

The Line Printer is a 300-line-per-minute, dot matrix printer/plotter, capable of printing alpha-numeric text. Its function is to print out, when so commanded by the System Files Supervisor, records from the Data Storage disks and other file-related data, e.g., minutiae patterns.

Data Storage

Data Storage contains the records of all data that have previously been encoded. In addition to the encoded minutiae for each fingerprint on file, these records include personal descriptors (e.g., suspect's sex, date of birth, etc), identification numbers and classification data for each print.

Records in Data Storage are grouped by single-finger classification, by finger number, and by descriptors. This data organization decreases the number of separate accesses to the file, and thus reduces the time required for any given latent search. An index provides file location information to individual finger records, and also provides the means whereby card searches can be performed. Employing four movable-head, direct-access disk units, Data Storage has an on-line storage capacity of

350,000 persons (3,500,000 prints). In addition, 25% of one of the four disks is available for storage of latents. Total capacity of Data Storage can be increased by the addition of more disk sets.

A particularly notable feature is the fact that unidentified latents can be stored on disks on-line, and subsequently can be compared against all new 10-fingerprint cards entered into the system. Thus, it is only a matter of time until hits can be obtained for almost all crime "repeaters".

Print Processor

The Print Processor works with the Read/Edit Operator Console in the Read/Edit Subsystem. Its functions are to receive video fingerprint images from the scanner in the Read/Edit Operator console, to process the images, and to locate minutiae. The Print Processor also accumulates a file of minutiae records on disk for later transfer via telephone line to the Search-and-Match Processor as a search inquiry or for distribution to the Central Data Storage fingerprint files. The Print Processor includes video storage, an image processor, a minicomputer, a disk memory, and a multiplexer, all contained in a single, upright cabinet.

Search-and-Match Processor

The Search-and-Match Processor is used in conjuction with the system's Data Storage and a Line Printer to form the Search-and-Match Subsystem. The Search-and-Match Processor consists of a minicomputer (PDP 11/34), a magnetic tape unit, an operating disk set, a computer console, a high-speed minutiae matcher, a multiplexer for communicating with the Read/Edit and Latent Subsystems, and a disk controller for communicating with the Read/Edit and Latent Subsystems, and a disk controller for communicating with Data Storage.

The Search-and-Match Processor uses a general-purpose minicomputer to perform all data processing not specifically assigned to special-purpose subsystems. It handles all transfers of data among major system elements, and coordinates and controls all system operations. Among it's functions are: placing data in Data Storage files, retrieving data from Data Storage files, sorting minutiae records by descriptor data, feeding sets of minutiae to the high-speed minutiae matcher, sorting match-score data into the sequence of descending match-score values for presentation of search results in compliance with the selected decision rule, sending and receiving data and commands over the telephone line interconnections to and from remotely located Read/Edit and Latent Subsystems, handling data transfers, and performing diagnostic tests on itself and on other system components.

Latent Terminal

The Latent Terminal handles latent prints only. Encoding of the prints is performed by the operator manually, rather than automatically as with the Read/Edit Subsystem. The encoding is accomplished by means of controls on the Latent Terminal console which permit the operator to locate, relocate, and erase minutiae that appear on the console's TV-type CRT display screen.

In addition to providing all of the functions necessary for encoding a latent fingerprint, the Latent Terminal also permits the operator to have an automatic search made of Central Data Storage from a remote location. The Terminal's self-contained, high-resolution TV camera scans each fingerprint presented to it, and then shows the operator an enlarged image of

the print on the console display. Brightness and contrast controls may be adjusted to provide an enhanced TV image of the latent print. The operator sends both descriptor data and commands to the Search-and-Match Processor from the Latent Terminal by means of the Terminal console's typewriter-type keyboard. The Search-and-Match Processor, in turn, can write text on the Latent Terminal's display screen - including data formats, input keystrokes, status messages, and search results.

COST

The Rockwell 250S Printrak system was developed with only one purpose; FINGERPRINT IDENTIFICATION! Because the equipment is custom made, the cost is high. Each machine is made to specifications of fingerprint identification as required by the Department.

Rockwell 250S Central System With extra Latent Terminal		$1,700,000.00
Rockwell 250S Remote Read/Edit Subsystem		$ 696,000.00
Two Rockwell 250S Latent Subsystems	#1	$ 126,000.00
	#2	$ 122,000.00
17 Facsimile Machines		$ 320,000.00
Conversion of Fingerprint Files		$ 200,000.00
Maintenance: Facsimile (per year)		$ 40,000.00
250S (82-83) 9 months		$ 282,825.00
Installation Cost		$ 200,000.00
Miscellaneous Cost (electric, travel, supplies etc.)		$ 300,000.00

This system could be operational by 1983. The facsimile machines could be operational before 1983 and could be used for transmission of fingerprint evidence, photos, mugshots, and reports long before the Rockwell system is operational.

This system should be considered a State system similar to the Alaska Justice Informatin System (AJIS) in that a central area of responsibility is needed to control the effectuality of the system. This system should be financially maintained by the State as a State system. Even though the Anchorage Police have a subsystem at their Department their files are being made availabe to the rest of the State by the entry of their files

into the "Central" system. This responsibility of future maintenance by the State would ensure that all areas of the State benefit equally from the Automated Fingerprint Identification Network of Alaska.

AUTOMATED FINGERPRINT IDENTIFICATION NETWORK OF ALASKA

COST ANALYSIS

250S Central System	unit cost including air shipment		$ 1,700,000.00
	Maintenance Fiscal (82-83) 9 mos.		$ 204,300.00
250S Subsystem (A.P.D.)	unit cost including air shipment		$ 696,000.00
	Maintenance Fiscal (82-83) 9 mos.		$ 35,480.00
250S Latent Sybsystem	Juneau and Fairbanks	Unit #1	$ 126,000.00
		Unit #2	$ 122,000.00
	Maintenance Fiscal (82-83) 9 mos.	Unit #1	$ 20,880.00
		Unit #2	$ 18,435.00
Facsimile Bush Systems	unit cost @ 11,137 x 13		$ 144,781.00
	Maintenance Fiscal (82-83) 12 mos. @ $1,480 x 13		$ 19,240.00
Facsimile Main Units	Anchorage P.D., Anchorage AST Fairbanks & Juneau AST @ 32,112 x 4		$ 128,448.00
	Maintenance Fiscal (82-83) 12 mos. $5,300 x 4		$ 21,200.00

Installation cost 250S and Facsimile	$ 200,000.00
Conversion of Fingerprint Files	$ 200,000.00
250S System Cost Total	$ 2,840,000.00
Facsimile System Cost Total	$ 320,000.00
Maintenance Fiscal (82-83)	$ 338,900.00
Miscellaneous Cost	$ 300,000.00
TOTAL	$ 4,282,900.00
Maintenance Fiscal (83-84)	$ 412,340.00
Miscellaneous Cost (83-84)	$ 100,000.00

If A. S. T. or D. P. S. personnel trained on the maintenance of the Rockwell system and the facsimile system, a savings of $300,000.00 could be saved a year.

Training	$ 50,000.00
Maintenance fiscal (83-84)	100,000.00
Miscellaneous Cost (83-84)	100,000.00

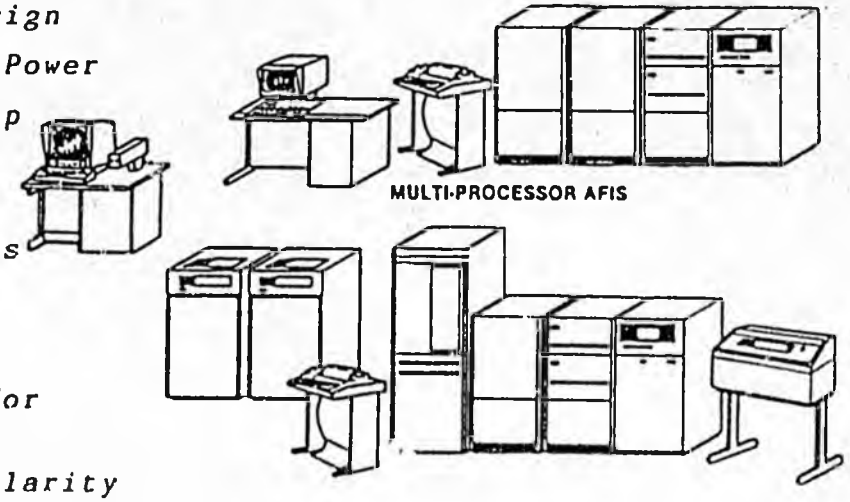
PLEASE NOTE: THE PRECEDING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT.

On December 9, 1981, Thomas De La Rue & Company Ltd., a wholly owned subsidiary of the De La Rue Company p.l.c. of London, England, acquired Rockwell International's computerized auto mated fingerprint identification Printrak equipment product line, including all tangible and intangible assets.

Rockwell International had incorporated no product improvements in recent years; De La Rue has made the below listed changes and improvements to the product since its acquisition.

A Second-Generation Automatic Fingerprint Identification System, featuring:

- *State-of-the Art Design*
- *25% More Processing Power*
- *Low Cost-of-Ownership*
- *Improved Accuracy/ Repeatability*
- *Increased Match Rates*
- *Card Reading Rate Increased 100%*
- *New Ten-Print Mode for Large Bureaus*
- *Improved System Modularity*



The System 300 is a second generation Automatic Fingerprint Identification System manufactured by De La Rue Printrak, Inc. in Anaheim, California. The new level of performance and operational flexibility achieved by the System 300 is directly attributable to extensive experience gained with the Printrak 250 and Printrak 250S AFIS equipment currently in use in North and South America. Like its predecessor, the Printrak System 300 is a completely self-contained automatic fingerprint identification system which automatically files, classifies and identifies both 10-print and latent fingerprints. While similar to its predecessor in function, the System 300 Automatic Fingerprint Identification is a completely revised mechanization employing state-of-the-art hardware to achieve improved system accuracy, major increases in processing rates and low cost-of-ownership. The high level of operational flexibility provided in the Printrak 250 systems has been expanded with new input terminals, new operational modes, and new user utility programs.

Following is a brief description of significant features of the System 300 Automatic Fingerprint Identification System.

State-of-the-Art Design

The System 300 is a completely revised mechanization of the successful 250S system. Approximately 80% of the 250S system has been upgraded with new state-of-the-art hardware. Major changes include:

- new fourth generation computer system with increased processing power.
- a new fingerprint reader subsystem using new graphics electronics, new image storage circuitry and a solid state digital scanner. An all new operator interface has been designed with new cursor and mode changing controls.
- a new high-speed hardware matcher (employing the advanced R40 matching algorithm) has been incorporated into the System 300.
- a new high-speed microcomputer-based associate processor has been added to improve the card reading rate.
- new tape drive and disk peripherals.

Increased Processing Power

The System 300 AFIS incorporates an all new fourth generation PDP-11 computer system as the central processing element. This computer, with new high speed central processor, combined with a large 8K byte high speed cache memory, provides a 25% to 30% increase in processing power over previous Printrak systems. In addition, the ability to access up to one million bytes of main memory (four times the Printrak 250S memory), provides ample memory space for future expansion and accommodates many different network configurations.

In addition to a completely new central processor, a high-speed microcomputer-based associate processor has been added, as an option, to the input subsystem. This 16-bit microprocessor, which provides computing performance equaling or exceeding the most powerful minicomputer, performs post processing of raw minutia data during card reading. This unit, operating at 4 million instructions per second, off-loads the main computer and provides a 100% increase in card reading rate over previous 250S systems.

Improved Accuracy/Repeatability

The System 300 incorporates a completely new R40-based hardware matcher unit. This new, high-speed, high-accuracy matcher enables all search prints to be processed through the matcher resulting in improved accuracy over previous Printrak systems. In actual field use on the Printrak 250S system, a software version of this R40 matching algorithm has demonstrated exceptional accuracy and selectivity in searching latent prints. First place "hits" have been obtained with as few as six minutia encoded from the latent print when matched against one million file prints.

Repeatability of the System 300 is improved by the incorporation of an all solid-state fingerprint scanner. This scanner provides a highly repeatable gray level fingerprint image during the card reading. This consistent image results in improved minutia detection repeatability.

New Input Reader Terminal

The System 300 AFIS incorporates a completely new input reader terminal constructed of state-of-the-art components. The analog TV scanner used in previous 250S systems, has been replaced with an all solid-state scanner capable of very high resolution imaging with little or no adjustments. Drift and sizing adjustments previously required have been virtually eliminated.

The image collection and graphics electronics used in the System 300 input terminal is completely new. This unit provides a 300% speed increase in graphics writing, local hardware calibration circuitry for optimization of the fingerprint image prior to processing by the print processor and new video mixing circuitry for improved display readability.

The input terminal has been completely repackaged to enhance maintainability and minimize operator fatigue.

Improved System Modularity

The Sytem 300 is a complete stand-alone fingerprint system. However, the high degree of modularity, compatibility between all of the product line hardware and software, and the ability of the various subsystems within a network to communicate by commercial telephone lines, allows the System 300 to be quickly and economically expanded into wide coverage ID "networks". The increase in processing power of the System 300, combined with four times the main processor memory, new operational modes and several new remote terminal products, enables the System 300 to be configured into a broad variety of network combinations to meet the requirement of law enforcement agencies of cities, counties, states and even nations.

Low Cost of Ownership

A design requirement in the development of the new System 300 AFIS was low cost-of-ownership. Maintenance and reliability data gained from over four years of field experience with the Printrak 250S was used to develop a low cost-of-ownership design. New reliability and maintainability features incorporated in the System 300 include:

- New data base diagnostics and maintenance software
- Simplified Reader Terminal with a solid state camera, thus eliminating calibration and alignment problems
- Fourth generation computer system using state-of-the-art hardware
- Error correcting MOS memory
- Completely redundant system disk drives
- Remote diagnostics options
- Visual indication of power supply malfunction
- New microprocessor controlled magnetic tape system with self contained diagnostics
- New system disk drives featuring embedded closed-loop servo positioning system which eliminates cartridge alignment and interchangeability problems

The Printrak System 300 is the most advanced computerized automated fingerprint identification system available. This is directly attributable to the many years of operational field experience on the Printrak 250 and 250S systems.

TO WHOM IT MAY CONCERN

The Montgomery and Prince George's Counties, Maryland Regional Automated Fingerprint Identification System Report

March 23, 1982

Submitted and Endorsed
by

Sergeant Paul H. Smith
Project Director
Department of Police
Montgomery County, Maryland

Henry A. Jones
Project Director
Department of Police
Prince George's County, Maryland

Brief History

The automated computerized fingerprint identification system equipment was delivered and installed the last week of March in 1979. This was accomplished by Montgomery and Prince George's Counties, Maryland, working together on a joint project, supported by both State and Local funds, augmented by a grant from the Governor's Commission on Law Enforcement and the Administration of Justice. The project has been titled the Regional Automated Fingerprint Identification System (R.A.F.I.S.).

Prior to equipment installation, 40,000 fingerprint cards had been sent to Rockwell International located in Anaheim, California, for the conversion of the fingerprint information into the R.A.F.I.S. data base. Selected information (county identification number, sex, race, year of birth, year of activity, geographical area and file category) was merged by the means of a descriptor tape, created by the respective counties, with the fingerprint information captured by Rockwell. This portion of the data base was delivered with the equipment.

Operational Progress

After installation and employee training, our first priority was to convert the remainder of our existing fingerprint cards into the automated data base. During that period of time, 28,158 records were added to the existing data base. Over 75% of the time spent by personnel working with the system was consumed by this process.

Searching latent evidence through the automated system, during 1979, was limited. Latent searching on the automated data base before completion, would have duplicated automated and manual searching on all cases not identified.

At the end of 1981, our data base consisted of 91,149 ten-print records and 2,340 unsolved latent prints. Presently, daily operations include the searching of all incoming latent prints of sufficient quality and new ten-print cards, as well as, updating recidivist records. There are very few old latent cases being searched through the system because of work load and manpower constraints.

R.A.F.I.S. Results

Listed are the total R.A.F.I.S. statistics accomplished by Montgomery and Prince George's Counties for the first three years of operations. There has been no attempt to inflate the statistics and accurate records have been maintained on the source of all statistical information provided. This information is also used by us as a managerial tool to improve the efficiency of our entire process.

Records have been maintained as the number of latent hits, as well as, the number of latent case hits. This procedure has been adopted because we often record more than one latent hit on an individual case and we do not want the statistics to be misleading.

Total Statistics for Montgomery and Prince George's Counties:

1979

Latent Cases Received	3,506
# of Hits (latent)	63
# of Cases (latent)	51
# of Alias (10-print)	183
# of Same Name (different I.D.#'s)	322
Total 10 Print Hits	505

1980

Latent Cases Received	6,732
# of Hits (latent)	215
# of Cases (latent)	178
# of Alias (10-print)	323
# of Same Name (different I.D.#'s)	862
Total 10 Print Hits	1,185

1981

Latent Cases Received	6,760
# of Hits (latent)	224
# of Cases (latent)	181
# of Alias (10-print)	544
# of Same Name (different I.D.#'s)	1,309
Total 10-Print Hits	1,853

1979 - 1980 - 1981

Latent Cases Received	16,998
# of Hits (latent)	502
# of Cases (latent)	410
# of Alias (10-print)	1,050
# of Same Name (different I.D.#'s)	2,493
Total 10 Print Hits	3,543

Latent Searching Evaluation

The value of latent evidence has been greatly enhanced during the existence of our program. This is clearly indicated by our statistics because the number of latent cases received have almost doubled between 1979 and 1981.

A more complete and proficient crime scene search is being accomplished because the investigators have been convinced that the R.A.F.I.S. personnel can be of assistance in the closure and prosecution of criminal cases.

The morale of the latent examiners has improved. They do not have a sub-servant attitude; but, they feel like they are part of a team with much to contribute.

At the end of 1979 an evaluation was done on all the R.A.F.I.S. hits. It was determined that for every hit made by R.A.F.I.S. the investigators following the case up, would actually close an additional three cases, plus arrest one other accomplice. It was interesting to note that the California Department of Justice has reported basically the same findings.

The searching of latent prints by automation is directed towards the apprehension of the career criminal. Hits are not possible if a person only commits one crime and is never arrested because he would not be in our data base; however, detection of the habitual offender is certainly a possibility.

Ten-Print Searching Evaluation

The accuracy of searching a fingerprint card through the existing data base can only be described as excellent. The accuracy of the Printrak System far exceeds any current manual method of searching. Presently, it is estimated that the ten-print accuracy exceeds 99.9%.

The Printrak System accuracy is accomplished because fingerprint cards of poorer quality and impressions not totally recorded can be easily searched. Actually, the only thing needed is the center of the pattern area and system speed allows searching the fingerprint minutiae through the entire data base.

Conclusion

The Printrak System has been proven to be successful in an actual field environment. Numerous cases have been closed with the aid of R.A.F.I.S., which in the past, would have remained open indefinitely.

Its value to the user will hinge upon the exploration of potential, proper utilization and the amount of effort each respective agency directs toward the project.

82-03-22

TO WHOM IT MAY CONCERN:

The R.C.M. Police took delivery of a Printrak 250 system on 78-12-13. This system's ten print searching procedures were changed recently with classification descriptors providing respondents for minutia match on thumbs only. The ten print operation scans four fingers - filling thumbs only (index when thumbs are missing) for eventual comparison purposes.

Ten print operation:

Files converted	1.6 M. (82-03-21)
Conversion rate	350 cards per hour.

Latent operation:

Files in data base	131,000
Conversion rate	210 cards per hour
Total prints searched to date	14,660
Average daily search at present	60

Criminal Idents: 1980 - 132
1981 - 200
1982 - 56 (as of 82-03-21)

The R.C.M.P. is currently testing accuracy of recent software modifications that allowed manual classification info to select respondents for minutia match. Printrak accuracy is 98%, however, more errors (misses) do occur and are as a result of the manual classification input and poor data on file. Efforts are currently being made to ensure accurate classification, however, some data on file simply cannot be improved.

The Printrak 250 system could not accurately classify the poor quality fingerprints on file and those received daily. Therefore, it was necessary to abandon the automated classifier relying instead on manual classification. The system has, however, significantly reduced search time, improved accuracy, and eliminated the need to view the majority of respondents generated from search procedures. The R.C.M.P. will have more information available on 10 print searching in the fall of 82.

B.W. King, Insp.,
O. i/c Fingerprint Bureau,
R.C.M. Police.

City of Miami

KENNETH I. HARMS
Chief of Police

March 25, 1982

Mr. Earl Schouweiler
PRINTRAK INC.
2121 S. Manchester Ave.
Anaheim, Cal., 92801

Dear Mr. Schouweiler

In response to your telephone inquiry on March 23, 1982, Sgt. Charles Nassberg has furnished the following information regarding our PRINTRAK 250S Sytem.

1. Installation December 2-7, 1980, operational after initial training on or about December 20, 1980.

2. First Ident made on December 12, 1980, during training.

3. Current Data Base = 117,750 (65,000 Civilian, 52,700 Criminal).

4. Number of Latent Cases where idents made, by crime type.

Homicide	16
Abduction	1
I.S.B.	6
Robbery	31
Agg. Assault	2
Burglary	212
Auto Theft	2
B&E of Auto	9
other	1
Total	280

Among the hits above, thirty-five (35) were made from the unsolved latent file and at least twenty-two (22) additional cases were idented as a result of identifying the offenders

in the above cases.

It may also interest you to know that in February 1982, three arrests were made on separate cold case homicides (2 to 4 year old cases) where the identity of the offender was made known by PRINTRAK 250S inquiry.

As for ten-print entries, we are confident enough in PRINTRAK's ability to perform with a higher degree of accuracy than with our previous manual method that we are contemplating abandoning our manual ten-print file.

I hope these facts may be of some assistance to you.

Sincerely,

Major E B Putman

Major Emory B. Putman
(for) Kenneth I. Harms
Chief of Police

KIH:ww:EBP

CITY OF SAINT PAUL
DEPARTMENT OF POLICE

WM. W. McCUTCHEON, CHIEF OF POLICE
101 East Tenth Street
Saint Paul, Minnesota 55101
612-291-1111

GEORGE LATIMER
MAYOR

March 26, 1982

Printrak, Inc.
2121 South Manchester Ave.
Anaheim, California 92801

To whom it may concern:

RE: Printrak, Inc.
250 S System

The St. Paul Police Department is the central site for the Minnesota Automated Fingerprint Identification System. This system is a regionally shared endeavor amongst the St. Paul and Minneapolis Police Departments, plus the Minnesota Bureau of Criminal Apprehension.

St. Paul and Minneapolis each have a 250 S Read/Edit terminal. Minneapolis has an additional Model 20 latent fingerprint terminal and Minnesota Bureau of Criminal Apprehension has a Model 20 latent terminal. Minneapolis and the Minnesota Bureau are connected to the St. Paul central system by dedicated telephone lines.

Our system was up and running in February, 1979. In the first year St. Paul entered many latent fingerprint lifts which were on file from current crimes as well as crimes from previous years. The first year St. Paul scored 100 identifications of persons previously unknown to us despite the efforts of investigators at the time of each particular incident.

By extracting the minutiae thru the Read/Edit terminals we have a data base capacity equivalent to 360,000 cards on-line. We can also retain additional data off-line such as persons over 65 years of age, or persons not believed to be active criminals at the present time. Currently we have on-line 326,000 cards in our data base.

The fingerprint card search accuracy is 98+% and the latent fingerprint hit rate is 10 to 15% as opposed to 1 to 3% using the previous manual search. We do not take elimination fingerprints at crime scenes. If we did, we would have a latent fingerprint hit rate probability of 40 to 50%.

Needless to say, on some of the latent fingerprint hits, we have experienced multiple clearances, especially in burglaries and auto thefts committed by juveniles. 50% of our burglary hits are juveniles as well as the majority of the auto thefts.

We are presently requesting our state legislature for funding to add an additional Read/Edit terminal to the Minnesota Bureau of Apprehension and a Model 30 latent fingerprint terminal to St. Paul. We are also requesting an additional disk-drive plus some softwear changes to make these additions compatible to the system.

We are very satisfied with the performance of this system, especially as we look back to a few years ago when we depended on the hit and miss manual Search and Identify method which was unproductive and expensive in man-hours which resulted in few case clearances.

Sincerely,

Gerald A. Hanggi Sr.

Lt. Gerald A. Hanggi, Sr.
Director, Crime Laboratory
St. Paul Police Department
101 E. 10th St.
St. Paul, Minnesota 55101

GAH:dl

HOUSTON POLICE DEPARTMENT

AUTOMATED FINGERPRINT SYSTEM

The following information is intended to record the progress of the Houston Police Department's Automated Fingerprint System.

As a matter of background information, the Automated Fingerprint System (AFS) installed in Room 430 C of the Police Communications Building is the Rockwell International Printrak 250 S. The system was delivered in July, 1979 and became operational in October 1979. It is basically a computerized minutia-based fingerprint identification system capable of storing approximately 375,000 criminal fingerprint records, (3,750,000 individual fingerprint impressions) along with descriptor data as well as 12,000 unidentified latent fingerprints.

Our Printrak 250S is one of only five (5) such systems operating in the United States at present. Funded by a L.E.A.A. grant, it was the third system to be installed and was designed to meet the needs of our Department and area law enforcement agencies.

Rapid identification of a suspect in a criminal offense is now possible should he or she by chance leave a portion of a single fingerprint impression at the scene of a crime. Heretofore, identification of such a fingerprint was possible only if the investigation of the crime developed the name of a person who might have a fingerprint card on file. Many exhaustive hours were spent by investigators and many suspects eliminated before a positive fingerprint identification could be made in the majority of cases. The AFS has developed a suspect in as little as one (1) minute which resulted in a positive identification and subsequest arrest. The rapid identification of prints from the crime scene saves investigative time, and leads to a quick apprehension of the suspect often while he is still in possession of the fruits of his criminal act and, most important, before he can repeat his crime.

Today we have complete fingerprint records of more than 340,000 persons who have previously been arrested for some criminal offense. A person arrested and jailed can now be fingerprinted, his prints entered into the system and positive identification effected in moments should he have a prior record. The system is designed to search and match the ten-finger print card as well as a single fingerprint.

During 1980, operational procedures were established, personnel trained, and system reliability established. Fingerprint records of the Fort Bend County Sheriff's Department were added to the data base and plans are now being formulated to gather records of known offenders from other area law enforcement agencies in an effort to enhance the probability of identifying the criminal that moves from area to area to commit his criminal acts. Interest in our system has come not only from out immediate area but also from visitors from across the State and various states

as well as some foreign countries. Forty-five (45) agencies requested a latent fingerprint searche in the past two (2) years with over fifteen (15) cases identified.

During the year 1980, the following accomplishments were attained:

1. 16,262 Ten-print records wer added to the system

2. 871 Individuals jailed were identified as having prior records using a different name.

3. 52 Suspects were identified by fingerprints developed at the scene of a crime.

The crimes included:

Murder	1
Rape	2
Robbery	2
Auto Theft	7
Forgery	6
Felony Escape	1
Narcotic Law Violation	1
Burglary and Fel Theft	32

During the year 1981, the following accomplishments were attained:

1. 18,576 Ten-print records were added to the System

2. 1,011 Individuals jailed were identified as having prior records using a different name.

3. 89 Suspects were identified by fingerprints developed at the scene of a crime

The crimes included:

Murder	5
Rape	2
Robbery	2
Auto Theft	10

Forgery	1
Felony Escape	1
Narcotic Law Violation	1
Burglary and Felony Theft	64
Others	3

In the summer of 1982 we created a "senior citizen" data base therefore, removing all persons sixty (60) years and older from the operational data base and placing them on an off line disk pack. This procedure created additional space on the operational data base.

It should be noted that in many of the latent cases identified through use of the AFS, the arrest of the suspect resulted in the clearance of several other cases. One of the felony theft arrests resulted in the suspect confessing to more that twenty-four (24) similar crimes in four (4) counties.

With the addition of the AFS to the Identification Division we have been successful at identifying several unknown deceased persons that would have remained unknown because one or more fingers of the deceased were missing.

It is my opinion that implementation of the AFS has proven itself as another tool in combating crime and clearing cases.

Peggy James

Peggy James
Fingerprint Classifier II
Identification Division
Automated Fingerprint System
Houston Police Department
Houston, Texas 77002
(713) 222 5505

On July 9, 1981, a Massey Business College teacher was abducted from a walkway to the front of the college. She was later found beneath her car on a lonely southeast Houston road dead - death attributed to a fractured skull, a broken neck, and a crushed chest. She had been sexually abused and run over by her own vehicle. There were no witnesses to this brutal murder, so the physical evidence gathered at the crime scene became the only clues to solve the case. The victim's vehicle was dusted and paper items retrieved from the vehicle. These paper items were chemically treated with ninhydrin and, subsequently, the prints were developed and entered into the Automated Fingerprint System. Search and match time on the identified prints was one hour and twenty-three minutes. The System matched over 500,000 single prints in this time period and placed the charged suspect number one on the respondent list of suspects. Within 13 hours, the suspect was arrested. After a full confession, the subject was charged with Capital Murder.

Homicide detectives have praised the Automated Fingerprint System to the highest degree, stating all leads had been exhausted and that their only hope for solving this case was the single fingerprint search through the Automated Fingerprint System.

A side note to this case is that the subject charged with this crime had been out of Texas Department of Corrections for approximately 6 weeks.

Physical evidence in all cases is extremely important, and single print searches using a computerized fingerprint system are now a reality. The System is being used by police departments or state bureaus in 5 states in the United States, and each site has proven the capabilities far beyond initial expectations. Law enforcement agencies need to support the technology developed to date and demand that, if indeed, the public wants crime controlled, monies, whether they be federal, state, of local, must be found and allocated to projects such as this if the technology is to

survive.

We here in the Identification Division of the Houston Police Department are proud of our accomplishments and are determined to see that the technology not only survives, but also flourishes. We need your interest and support to see that crimes of the caliber just reported are ended.

Peggy James

Peggy James
Fingerprint Classifier II
Identification Division
Automated Fingerprint System
Houston Police Department
Houston, Texas 77002
(713) 222 5505

MSG 82-00021484 PRTY 1 04/16/82 12:10:44 ORIG: LA01 IN= 0002 OUT= 0070
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TARGET: LJH2 SUBJ: POM PAGE 0003

TO: SENATOR FISCHER

FROM: KAREN SMITH, 8550 BLACKBERRY APT 2, ANCH. 99502 248-3999 HM

I SUPPORT THE COMPUTERIZED FINGERPRINT SYSTEM. SB 688

MAFIN

MINNESOTA AUTOMATED FINGERPRINT IDENTIFICATION NETWORK



MODERN FORENSIC TECHNOLOGY'S ANSWER FOR RAPID, ACCURATE, ECONOMICAL FINGERPRINT IDENTIFICATION ... IMPROVED CRIME CLEARANCE RATES ... SLASHED CLEARANCE COSTS

INTRODUCTION TO MINNESOTA AUTOMATED FINGERPRINT IDENTIFICATION NETWORK

This booklet offers a description of the Minnesota Automated Fingerprint Identification Network (MAFIN) which has been acquired by St. Paul, Minneapolis, and the State of Minnesota Bureau of Criminal Apprehension (BCA) to increase speed and accuracy of police fingerprint identification processing ... to increase the number of identifications made through fingerprint matching ... to dramatically raise the crime clearance rate ... and to significantly reduce crime clearance costs in the Twin Cities and, potentially, throughout the entire State of Minnesota.

The booklet has been prepared for two purposes: First, to make MAFIN's operation, benefits, and objectives clear to users and supporters. And, second, to acquaint Minnesota jurisdictions outside the Twin Cities with the automated network, to the extent that such jurisdictions may consider the feasibility of revising their own fingerprint systems as necessary to become a part of the ID system "network" of which the Twin Cities and BCA represent the initial components.

CONTENTS

	Page
Introduction to Minnesota Automated Fingerprint Identification Network	1
We Had a Problem	4
We Solved the Problem	6
How Did We Select Our Automated Equipment — and How Did We Fund It?	8
Cost-Effectiveness Analysis	11
What Is MAFIN — and How Does It Work?	12
Overall Description of MAFIN Hardware/Software	14
The Seven "Modules" ... What Each Does and How It Does It	16
Four Operational Modes Give MAFIN Complete Functional Capability	20
For the Future	24
And Sooner Than One Thinks	25
Key People in Achieving and Applying the Automated Network	26

WE HAD A PROBLEM ...

Police agencies in St. Paul and Minneapolis, Minnesota, are like all law enforcement agencies everywhere, large and small. Our prime concern with every crime is: *"Who committed this crime?"*

Most — around 60%, in fact — of the crimes committed in the Twin Cities are perpetrated by "recidivists." That is, they are committed by people who tend to be arrested and re-arrested repeatedly as the years go by. Thus, when a crime takes place, our experienced investigators may sometimes have a good mental list of suspects.

If Twin Cities police investigators were like the detectives in paperbacks, movies, and TV shows, they would solve every crime they encounter — by an unerring combination of ESP, James Bondian scientific gadgetry, and a set of unbelievably fortunate coincidences. In real life, however, detectives' lives are not so smooth.

Increasingly, police are forced, by such Supreme Court rulings as the Miranda and Escobedo decisions, to rely on physical evidence. Most real-life cases are cleared as a result of on-the-scene identifications by victims or witnesses, with the remainder being cleared through administrative investigatory methods such as fingerprinting.

Every time an arrest takes place in St. Paul or Minneapolis, the alleged lawbreaker's fingerprints are rolled onto a 10-print file card. Altogether, the Twin Cities' files in 1976 contained a total of around 250,000 ten-print cards, and the State of Minnesota's Bureau of Criminal Apprehension (BCA), also in St. Paul, had on file more than 90,000 such cards. Thus, the Twin Cities police departments and the BCA had on file a total of 340,000 ten-print cards (or 3,400,000 individual prints) of known offenders. In addition, the Twin Cities had a combined file total of more than 25,000 individual, unidentified "latent" prints "lifted" at the scene of crimes.

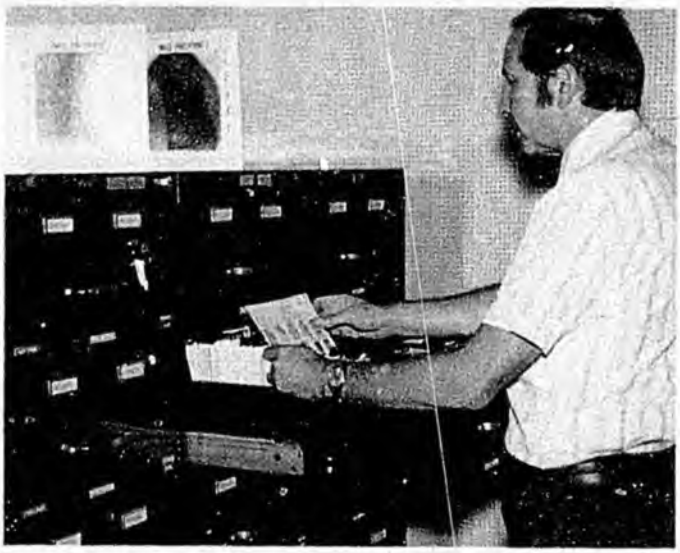
When a police officer is able to find a good latent at a crime scene, it is possible in many cases to pull from file the cards of all those on his mental list of likely suspects and, by manual handling and simple visual examination of the prints, to achieve a "hit" — that is, a match between the latent and a file print — in only a few hours. In 1975, around 3½% of all the latents picked up by Twin Cities officers were identified by means of such manual processing.

Latent prints are found at just about 50% of all crime scenes, but, on the average, only a very small portion of the evidence is matched against a known print and results in a clearance. Even so, the matching of latents with known prints represents the majority of clearances that we make through administrative investigatory methods.

Why aren't more of the latents matched and more crimes cleared thereby? The answer lies in the time it takes to match a single unknown print against files containing literally millions of prints. To look for a match, by manual methods, among the more than 3 million fingerprints in the Twin Cities/BCA files would require a total number of hours and dollars obviously beyond the limits of practicality. It is not too surprising that, unless the police investigator has a pretty good idea of where to look before he starts, he usually simply *doesn't start* the time-consuming search.

Our problem in Minnesota — namely, to find a way to search for matches with latents, through hundreds of thousands, even millions, of prints, in a practical amount of time, and at a practical expenditure of the dollars to pay for that time — was not our problem alone. It is still the problem of almost every law enforcement agency throughout the world. Its solution has the potential to dramatically increase crime clearance rates ... to slash law enforcement costs ... and, eventually, to act as a powerful deterrent to the commission of crimes.

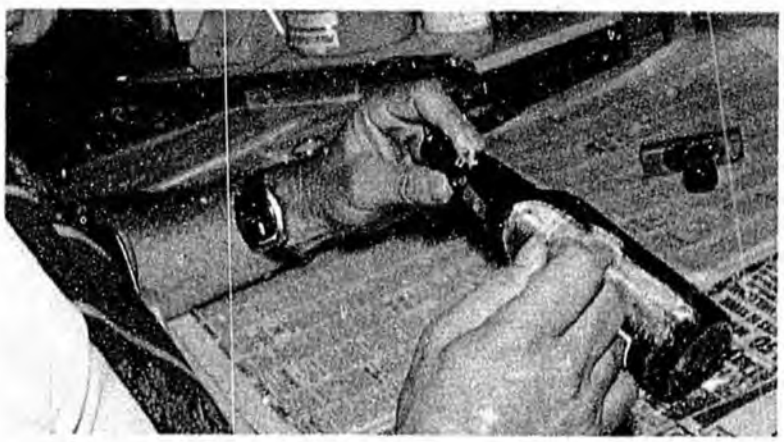










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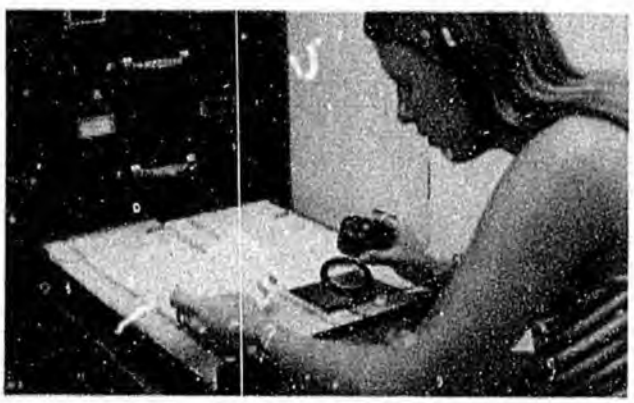
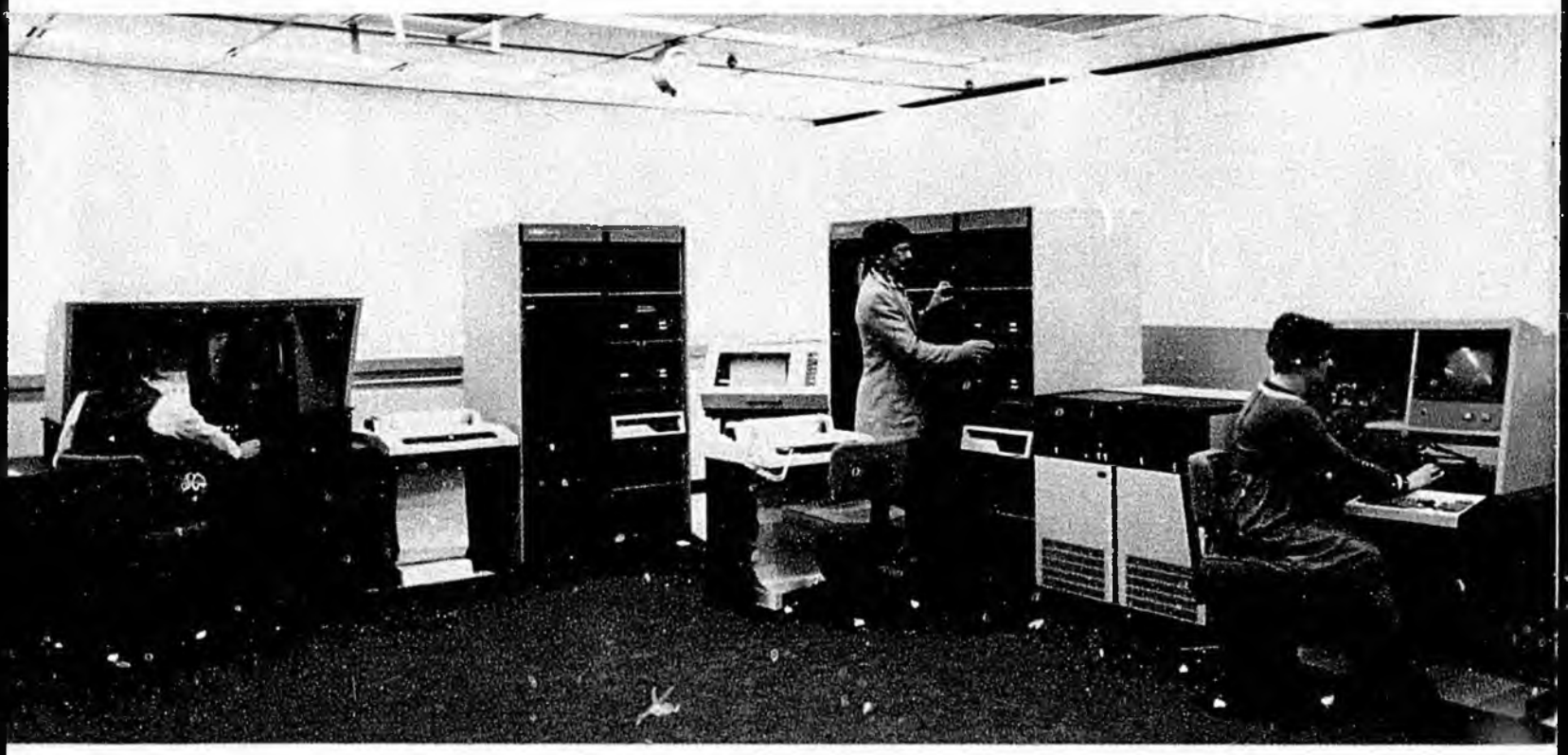




WE SOLVED THE PROBLEM ...

And Our Solution Will Save us Hundreds of Manhours and Thousands of Operational Expense Dollars — While Upping Our "Hit" Rate by More than 30% Annually

We've gotten ourselves an *automated* system — a tested, proven, highly reliable system that's faster, more efficient, and less costly to operate. The system *automatically* searches our extensive files in only minutes ... *automatically* finds the most likely matches ... *automatically* prints out identities of respondents, listed in descending order of their match probabilities.

By a conservative estimate, our search time will be reduced and our hit rate will be improved to at least the extent indicated at right.

	"Hit" Rate per 1000 Latents Processed	Number of Technician Manhours per "Hit"
With the Old Manual Method:	69	35
With Our Automated System:	90	10

But ... reduced search times and more hits are not the only benefits of our automated system.

The automatic search techniques of the new system will also tend to *eliminate the part that investigators play in the analysis of fingerprint evidence,* since their input is no longer necessary to create lists of suspects. *This frees investigators for their prime purpose — investigation. As a corollary, it cuts the amount of investigator costs involved in the fingerprint process.*

Minutia-Based Approach Offers Advantages of Discriminability, Speed and Transmissibility

The approach taken by the Minnesota automated fingerprint identification equipment to fingerprint identification is based on the use of minutiae data consisting of the location and orientation of fingerprint ridges at points of termination (ridge endings) or branching into two ridges (bifurcation). Patterns of such minutiae uniquely characterize individual fingerprints and are the universal means whereby fingerprint experts are able to positvely identify specific persons.

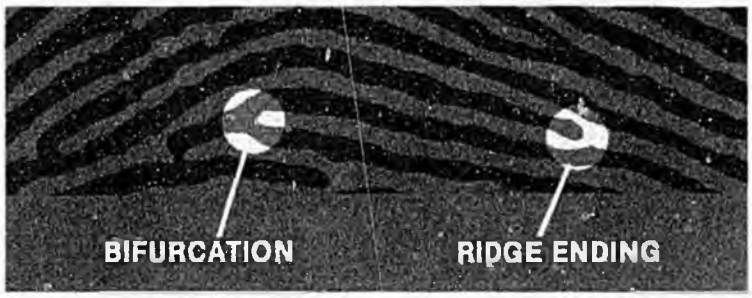
The Minnesota equipment reads directly from card or paper input, which means there is no need for costly and time-consuming photographic processing of input information. The data which are stored for each fingerprint, and which are subsequently used for matching, are digital, binary-encoded descriptors, and are thus amenable to high-speed computer processing. In addition, sophisticated algorithms and dedicated processors make possible an extremely high processing speed which, in turn, makes the system highly cost-effective.

The minutia-based approach for automatically processing and matching fingerprints offers many significant advantages over other approaches. Foremost among these advantages is the discriminability of minutia-based systems which permits them to select with high accuracy one person, or a very few candidates, from a very large file. All other current approaches must identify a large number of candidates in order to provide any reasonable assurance that the individual of interest is among them.

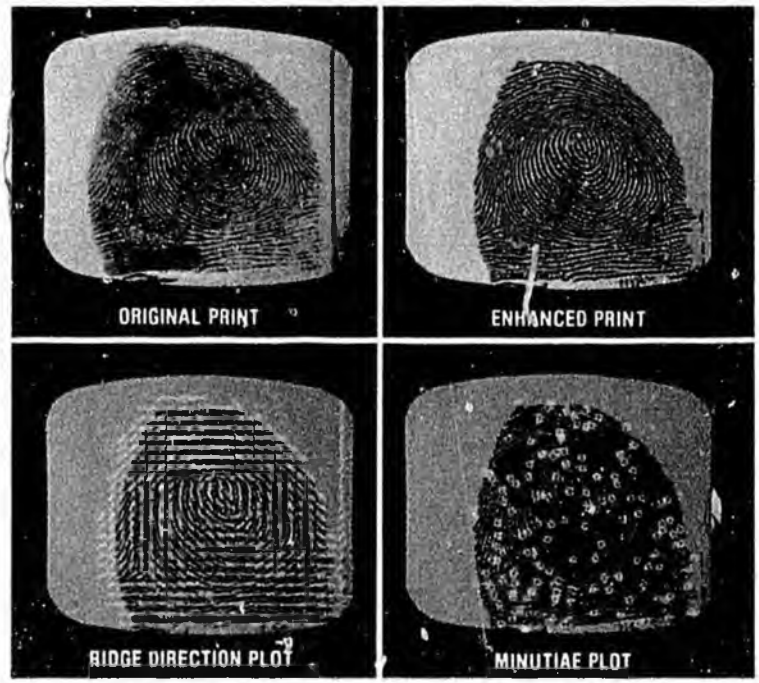
Because the automated Minnesota system uses digitally encoded data and only 2500 bits of information are needed to uniquely describe a fingerprint, the system provides a means for transmitting fingerprint data both rapidly and inexpensively over ordinary telephone lines.

Another valuable feature of the Minnesota system is its ability to maintain its own file of fingerprints for subsequent comparison with unknown prints. Conversion from card or paper format to digital records for permanent storage in system files is performed at the rate of up to sixty 10-print sets per hour. Once established, the file can be developed and updated on a continual basis.

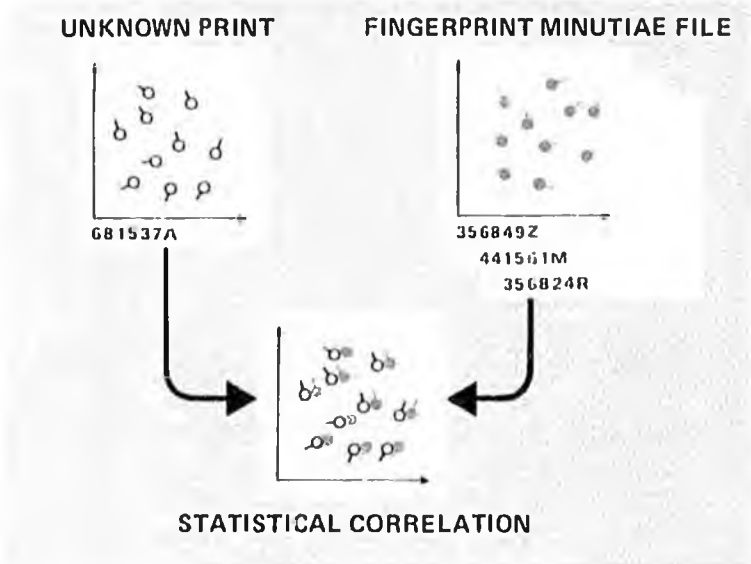
Not least among the Minnesota system's features are its compatibility with the minutia-based system hardware/software of a rapidly growing number of users throughout the U.S.A. and abroad ... including the Federal Bureau of Investigation, a number of major U.S. cities, and the Royal Canadian Mounted Police. It is possible to tie these units together at selected times for cross-jurisdictional searches, if such are necessary.

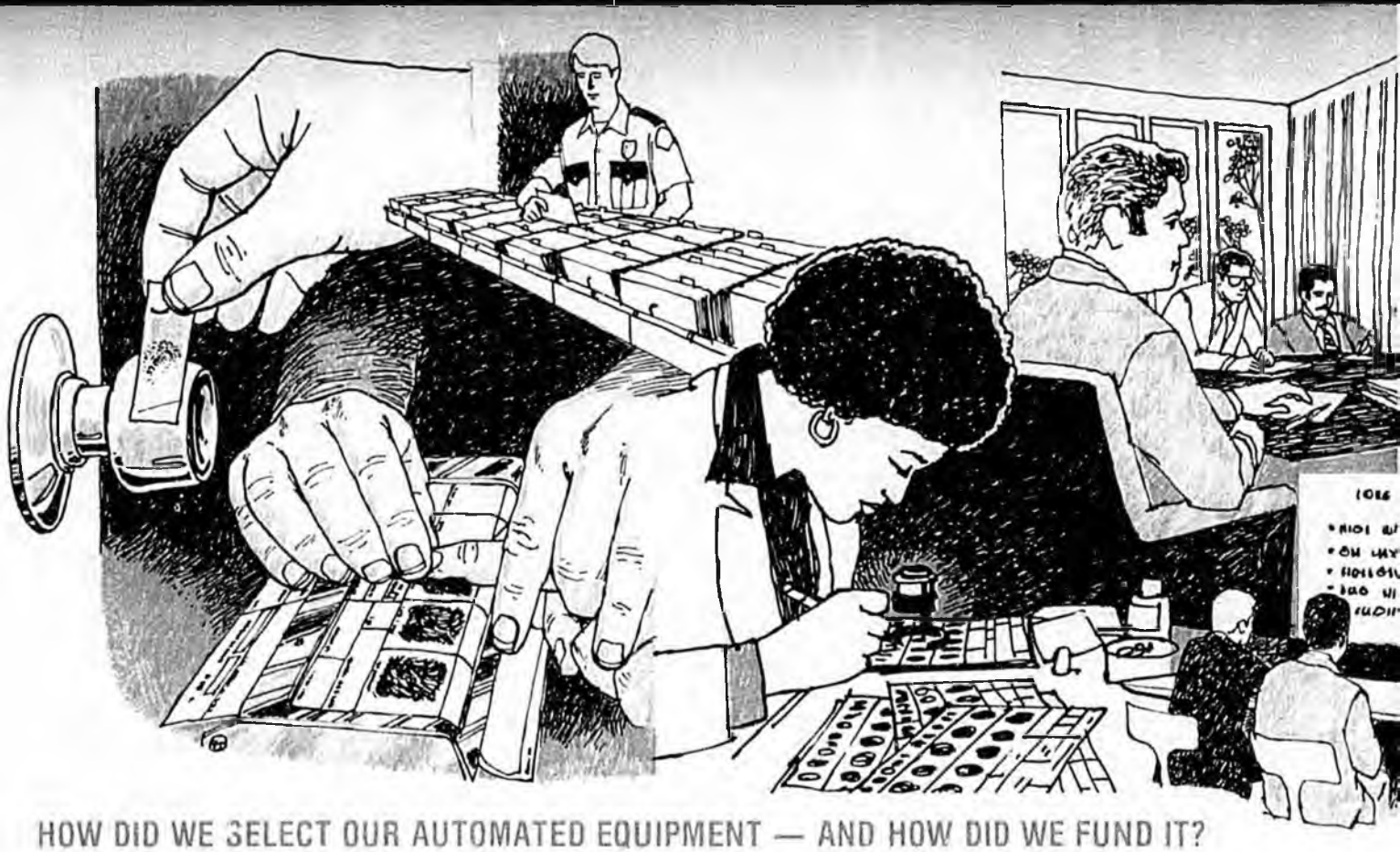


FINGERPRINT READING



FINGERPRINT MATCHING





HOW DID WE SELECT OUR AUTOMATED EQUIPMENT — AND HOW DID WE FUND IT?

Fingerprints are universally recognized as the most positive means of identification in existence. In the first place, no two fingerprints in the entire world are alike. Furthermore, the "minutiae" within any given fingerprint remain unchanged throughout an individual's lifetime.

In 1976, Minneapolis/St. Paul Police Departments were obtaining "latents" at approximately 50% of all crime scenes. The combined files of the two cities and BCA held a total of 52,000 unidentified latent prints, and more than 3 million identified, rolled prints.

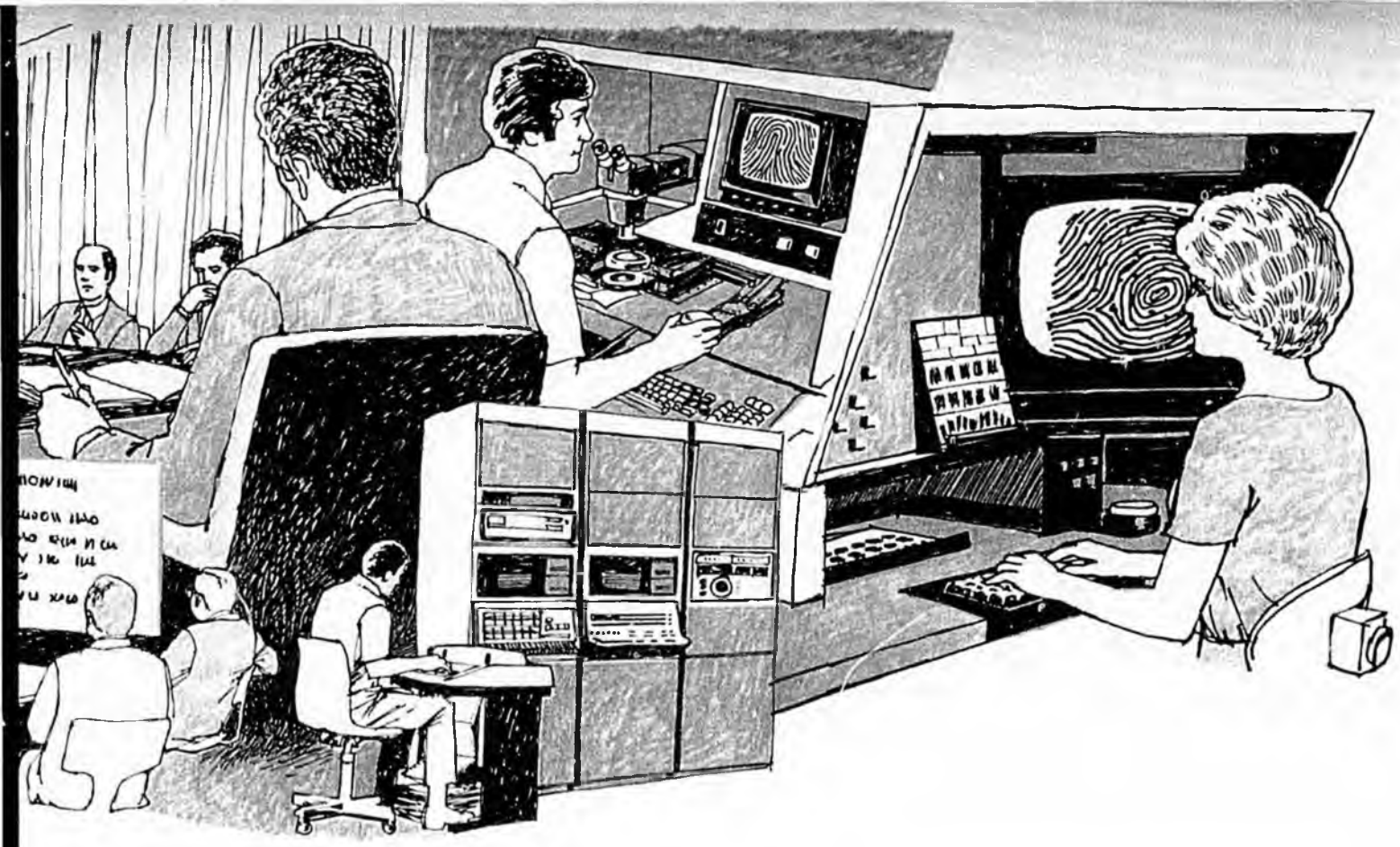
And yet — in spite of their extensive fingerprint file resources, the ability to lift latents at least half the time, and the unquestioned ability of fingerprints to positively tie down identification, St. Paul, Minneapolis, and the BCA were unable to put fingerprints effectively to work to solve crimes and to cut crime-clearance costs. *With existing manual fingerprint processing, it simply took too long.* To find a match for a single latent, with no other clues to the criminal's identity than the print itself, was almost more difficult than finding the proverbial haystack needle — and certainly a lot more expensive!

The crying need was for a way to search the files and obtain a match *rapidly.* It became increasingly evident that the only way to achieve the necessary search speeds would be by means of some sort of *computerized* system — in other words, through *automation* of the existing search-and-match process.

Money Doesn't Grow On Trees

The metropolitan Police Department of any large city in the United States has three main purposes: to solve crimes, to prevent crimes, and to protect the public from criminals. It is supported in these activities by the voting citizens within its jurisdiction.

Although the public demands crime solution, crime prevention, and citizen protection on the part of the police, it also quite reasonably demands that these services be performed as *economically* as possible. Thus, when considering their need for an automated fingerprint ID system, St. Paul, Minneapolis, and the BCA realized that the system which they selected must not only be *functionally* the best system attainable ... it must also be *cost-effective to purchase, to operate, and to maintain.* And, above all, it must be within the budgetary limits of the three law enforcement agencies.



From the Beginning ... A Carefully Considered Course of Action

An analysis of fingerprint evidence submittal rates in both St. Paul and Minneapolis over a five-year period (1971-75) showed that the submission of latent evidence was increasing at an annual rate of about 10%.

Armed with this information and the realization of today's growing dependence on physical evidence, the two metropolitan departments and the BCA pooled their efforts to undertake an extensive analysis of available automated latent fingerprint identification systems.

The joint effort was sponsored by the Governor's Commission on Crime Prevention and Control. Timothy Ruggles, then a member of the Commission and now a consultant to the Minneapolis Police Department, headed the team. Other team members included Dr. Steve Coleman of the Commission ... Lt. Gerald Hanggi, Sgt. Joseph K. Corcoran and Sgt. Donald Hanson of the St. Paul Police Department ... Lt. Richard Cich and Lt. Dale Berven of the Minneapolis Police Department ... and Clayton Mellem and Karen McDonald of the BCA.

The team made a thorough study of the three existing types of available automated equipment, including a holographic system, one that was microfilm-based, and two minutia-based systems. The report was submitted to the Crime Commission in January 1977.

The study team concluded that minutia-based equipment was the best suited to meet the requirements. Of the two available systems, equipment produced by Rockwell International's Identification System organization in Anaheim, California, was judged to be the superior system based on tests conducted by the study team.

The Rockwell equipment is able to read, process, and store computerized minutiae data from more than 500 new 10-finger cards per day, and will be capable of accommodating card-submittal loads in Minnesota for the foreseeable future. In addition, it can match latents against fingerprints on file at a rate of up to 250 prints per second.

At this matching speed, and provided adequate descriptors, the entire Minneapolis/St. Paul 10-finger card file of more than 3 million individual prints could be searched in a matter of minutes.*Or, in other words, the system can automatically make 150,000 comparisons in the time it takes a fingerprint technician to do one manual match!

The joint study group proposed the purchase of the equipment based on three distinct and cost-effective justifications:

- Cost savings attributable to the increased efficiency of the system in performing latent print identification tasks
- Cost savings in terms of the potential for immediate resolution of critical or extraordinary cases
- Overall improvement of case clearance rates at minimum or no increase in personnel, with a potential for further increases in clearance rate through additions to the evidence technician work force

State Block Grant funding from the Law Enforcement Assistance Administration was combined with monies from the two cities to obtain the equipment. The equipment will be combined in a regional "network" — MAFIN (Minnesota Automatic Fingerprint Identification Network) — that will serve both St. Paul and Minneapolis, along with the State Bureau of Criminal Apprehension. Additional sites throughout Minnesota can be added later.

*This assumes that the entire file is searched, i.e., no selectivity data are supplied to de-limit the quantity of prints to be searched. Usually, some data are known that will limit the search and thus decrease the search time. The latent print pattern may be known. The finger number of a range of finger numbers may be evident. Personal descriptors of various sorts may be reported. Of course, the crime and its location are certainly known. These factors are used by the system to drastically reduce the time the equipment uses to search for matchable candidates.

COST-EFFECTIVENESS ANALYSIS

An important part of the study that led to selection of the Rockwell minutia-based equipment for MAFIN was a detailed cost-effectiveness analysis. Conclusions from the analysis are summarized below.

Assuming that the automated system will function at the absolute minimum accuracy demonstrated by projecting actual test results over very large match files, we expect that, using a decision rule designed to minimize manual searches, of 5000 latents submitted per year, 315 of these will be identified by the system. Since St. Paul expects to receive approximately 5000 usable latent prints annually, we can use this figure to compare the costs of an automated system with costs of the manual search method employed in St. Paul.

It is assumed that the cost per latent of collecting latent evidence and submitting it to the Crime Laboratory does not change. It is further assumed that Investigation Division and Crime Lab expenditures for personnel do not change.

Manual System

Investigation Division costs involving latent evidence	$ 21,776
Crime Lab costs for processing latent fingerprint evidence	99,144
Patrol Division costs for collecting latent fingerprint evidence	31,316
TOTAL	$152,236

Current annual rate of hits with manual system = 301. Therefore, cost per hit using the manual system = $506.

Automated System

Investigation Division costs involving latent evidence	$ 0
Crime Lab costs (at 3370 hours per 315 hits)	31,336
Patrol Division costs for collecting latent fingerprint evidence	31,316
Amortized cost of system (assuming St. Paul pays one-half the entire costs, including maintenance, and an amortization period of 10 years)	55,500
TOTAL	$118,152

Expected rate of hits in the automated system (5000 latents x 60% recidivism rate x 70% searchable latents x 15% expected hits) = 315. Therefore, cost per hit using the automated system = $375.

IT IS PARTICULARLY IMPORTANT TO REMEMBER ... Actually, the above figures are "pessimistic," in that they do not reflect the to-be-expected increase in hits from the design improvements made to the Rockwell system subsequent to the testing done for this analysis. Overall cost-effectiveness may be twice as great as shown here.

WHAT IS MAFIN — AND HOW DOES IT WORK?

The Minnesota Automated Fingerprint Identification Network (MAFIN) presently includes "hardware" in three separate locations interconnected by voice-frequency, commercial telephone lines.

The three separate installations include the "Central" facility at St. Paul Police Department headquarters ... a remote terminal at Minneapolis Police Department headquarters ... and a remote terminal at the BCA facility in St. Paul.

The main computerized fingerprint files and automated file-searching and print-matching equipment are located in the Central facility in St. Paul. Minneapolis and St. Paul have operator console-type "Read/Edit Terminals," by means of which an operator is able to process both rolled and latent prints, to add prints to or purge prints from the files, and to instruct the automated system to conduct search-and-match processing for both latent and rolled prints. All sites contain printout equipment to provide hard-copy lists of respondents resulting from the automated search-and-match processing.

Both St. Paul and Minneapolis have the capability for conducting independent latent searches and for autonomous file control. Access to the extensive Central files is immediately available, by dedicated telephone line.

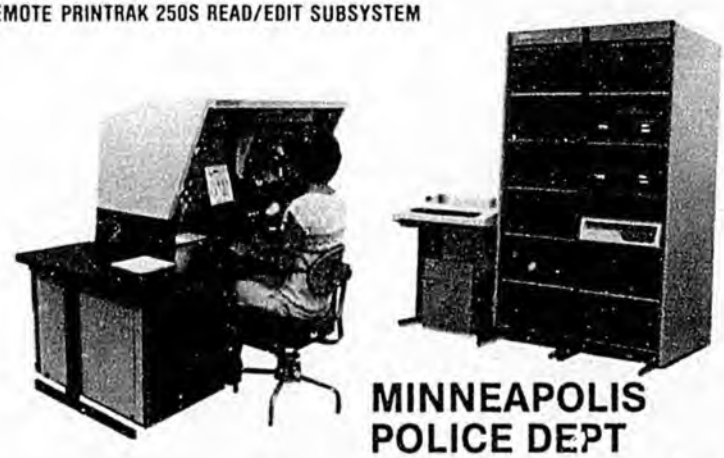
The BCA facility is equipped with a Latent Operator's Console for editing and searching latent prints only. To add new cards to the files, the BCA facility uses the services of either the St. Paul or the Minneapolis facility. Like the Minneapolis facility, the BCA terminal is telephone-connected to Central for search-and-match.

All three MAFIN facilities communicate instantly and economically by telephone line. Multiplexing permits signals from all three stations to be present on the lines simultaneously, so that operations of one station do not interrupt or interfere with those of any other.

MAFIN Features:

- *Economical interconnection of all network facilities by dedicated commercial telephone lines. Modems automatically detect any transmission errors.*
- *Multiplexing for simultaneous intercommunications among all facilities as necessary.*
- *Immediate access by all remote terminals to extensive Central files for rapid search and match processing of both rolled and latent prints.*

REMOTE PRINTRAK 250S READ/EDIT SUBSYSTEM



MINNEAPOLIS
POLICE DEPT

"CENTRAL" PRINTRAK 250S SYSTEM

PRINT
PROCESSOR

SEARCH PROCESSOR

READ/EDIT CONSOLE

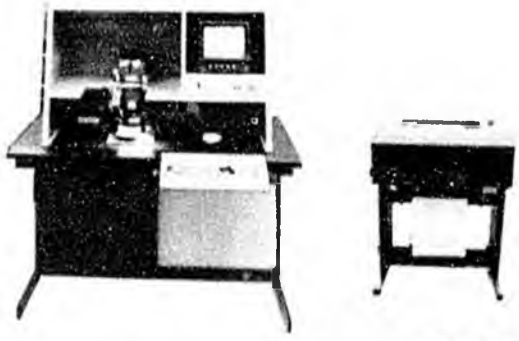
PRINTER

DATA
STORAGE



ST. PAUL POLICE DEPT.

REMOTE LATENT SUBSYSTEM



BCA

OVERALL DESCRIPTION OF MAFIN HARDWARE/SOFTWARE

Hardware

MAFIN includes three types of subsystems:

- **Read/Edit Subsystem** is made up of a Print Processor, a Read/Edit Operator Console, and a Printer. The subsystem is used to automatically examine fingerprints, extract their minutiae, enter descriptor data, initiate search requests, and obtain search requests. One Read/Edit Subsystem is located in the "Central" facility in St. Paul, and another at the Minneapolis Police Department facility is connected to the Search-and-Match Subsystem in St. Paul via voice-frequency telephone lines. The Read/Edit Subsystem is capable of processing both rolled prints and latents. This subsystem can enhance the quality of the prints using the Processor's computer.

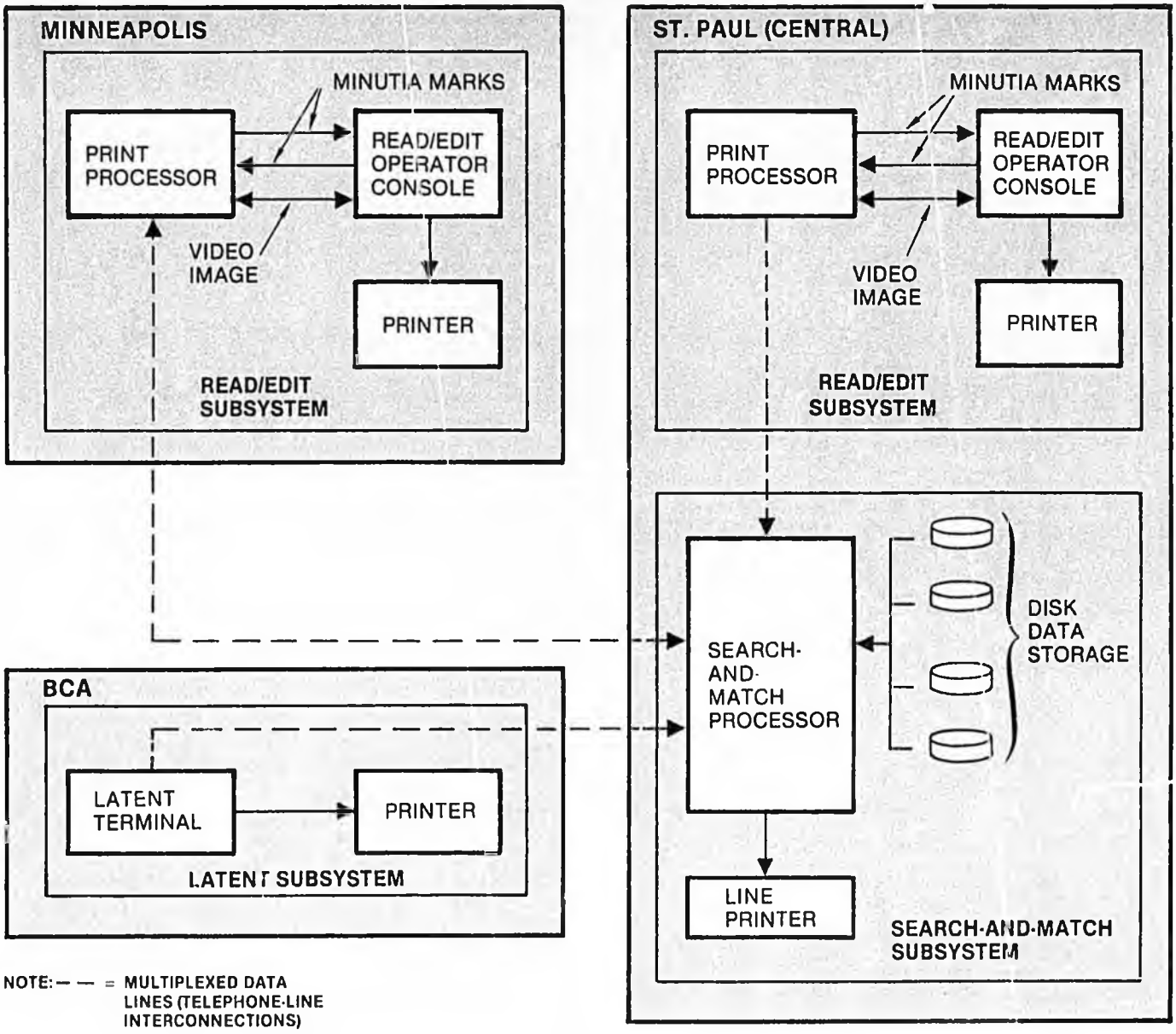
- **Latent Subsystem,** which includes a Latent Terminal and a Printer, gives the user automated assistance in entering descriptor data via keyboard, in encoding locations of minutiae in latent fingerprints, and in receiving results of file searches. A Latent Subsystem is located at the BCA facility in St. Paul and is connected to the Central Search-and-Match Subsystem via a voice-frequency telephone line.

- **Search-and-Match Subsystem** consists of a Search-and-Match Processor, Data Storage, and a Line Printer. There is only one Search-and-Match Subsystem in the entire network. Located in the Central facility, the Subsystem controls overall system operation, maintains the files, performs search-and-match functions, and reports results of searches to system operators at the various terminals.

Software

Automated operation of MAFIN is achieved via its software, that contains all the necessary programs for controlling and coordinating the system's processes. The software is human-operator-oriented and makes extensive use of display messages, in ordinary English language, to "cue" (i.e., "prompt") the operator with questions which help him in following the proper operational procedures at all times. Thus, no complicated code needs to be learned, and operators need no software experience in order to operate the system.

The software programs, as executed by computers in the Print Processor and Search-and-Match Processor (see drawing opposite), provide an orderly sequential control of all data flows between the hardware equipments, including those to the operator interfaces.



Built From Only a Few Basic Types of Hardware Modules, MAFIN is Easy and Economical to Update or Expand

As can be seen in the above block diagram, all of the subsystems in MAFIN are obtained by combining in various ways a few basic types of hardware "modules." These are: the Print Processor, the Read/Edit Operator Console, the Latent Terminal, the Search-and-Match Processor, the Printer, Line Printer, and Data Storage. All of these modules are designed and assembled by the same firm — Rockwell International — except the Printer, Line Printer, and Data Storage, which were selected for their compatibility with the rest of the system. All modules are capable of being combined to form a broad variety of system configurations. This system "modularity" lends itself to easily and economically effected system growth and functional expansion. Minneapolis and St. Paul can thus each expand their basic system by adding two more Read/Edit Operator Consoles without any modification of existing hardware or software. In the same way, BCA can add Latent Terminals up to the ability of the multiplex lines to carry their signals for interface with the Search-and-Match Subsystem at the St. Paul Police Department. Overall capacity of the main files in St. Paul can be readily expanded, simply by adding more disk drives for Data Storage.

THE SEVEN "MODULES" ... WHAT EACH DOES AND HOW IT DOES IT

Read/Edit Operator Console

The Read/Edit Operator Console serves as the "interface" between the Automated Fingerprint ID System and the human operator. The console contains a keyboard, a TV-type CRT (cathode-ray tube) display and video mixer, a card indexer, a video scanner, a cursor control, and console electronics.

Upon receipt of a latent print or a 10-print card, the operator selects the desired mode of operation and interactively enters data through the keyboard in response to "cues" displayed to him on the display. Ten-print cards are placed on the card indexer platform, and the video images of the prints are transmitted to the Print Processor, which returns the automatically encoded locations and orientations of the minutiae for each print, overlaid on a magnified image of the print on the display screen.

The console provides the operator with the capability to edit the displayed image by adding or removing minutiae. Encoding of poor-quality prints may be performed manually, if desired, by means of the console controls.

Printer

Each Read/Edit and Latent Console operator is provided with a Printer unit to print out the lists of respondents and other data required in operation of the system.

Line Printer

The Line Printer is a 300-line-per-minute, dot matrix printer/plotter, capable of printing alphanumeric text. Its function is to print out, when so commanded by the System Files Supervisor, records from the Data Storage disks and other file-related data, e.g., minutiae patterns.

Data Storage

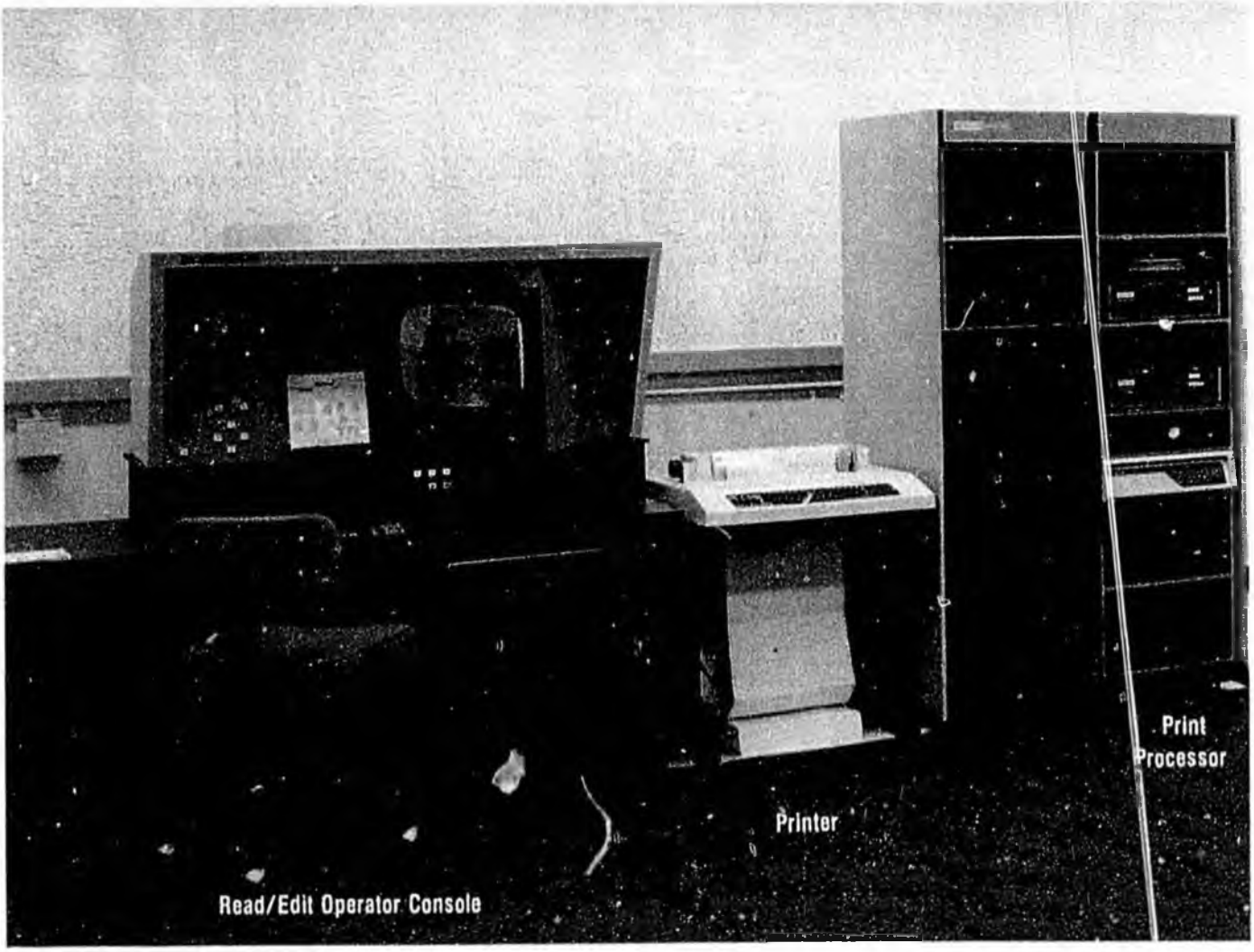
Data Storage contains the records of all data that have previously been encoded. In addition to the encoded minutiae for each fingerprint on file, these records include personal descriptors (e.g., suspect's sex, date of birth, etc), identification numbers and classification data for each print.

Records in Data Storage are grouped by single-finger classification, by finger number, and by descriptors. This data organization decreases the number of separate accesses to the file, and thus reduces the time required for any given latent search. An index provides file location information to individual finger records, and also provides the means whereby card searches can be performed. Employing four movable-head, direct-access disk units, Data Storage has an on-line storage capacity of 350,000 persons (3,500,000 prints). In addition, 25% of one of the four disks is available for storage of latents. Total capacity of Data Storage can be increased by the addition of more disk sets.

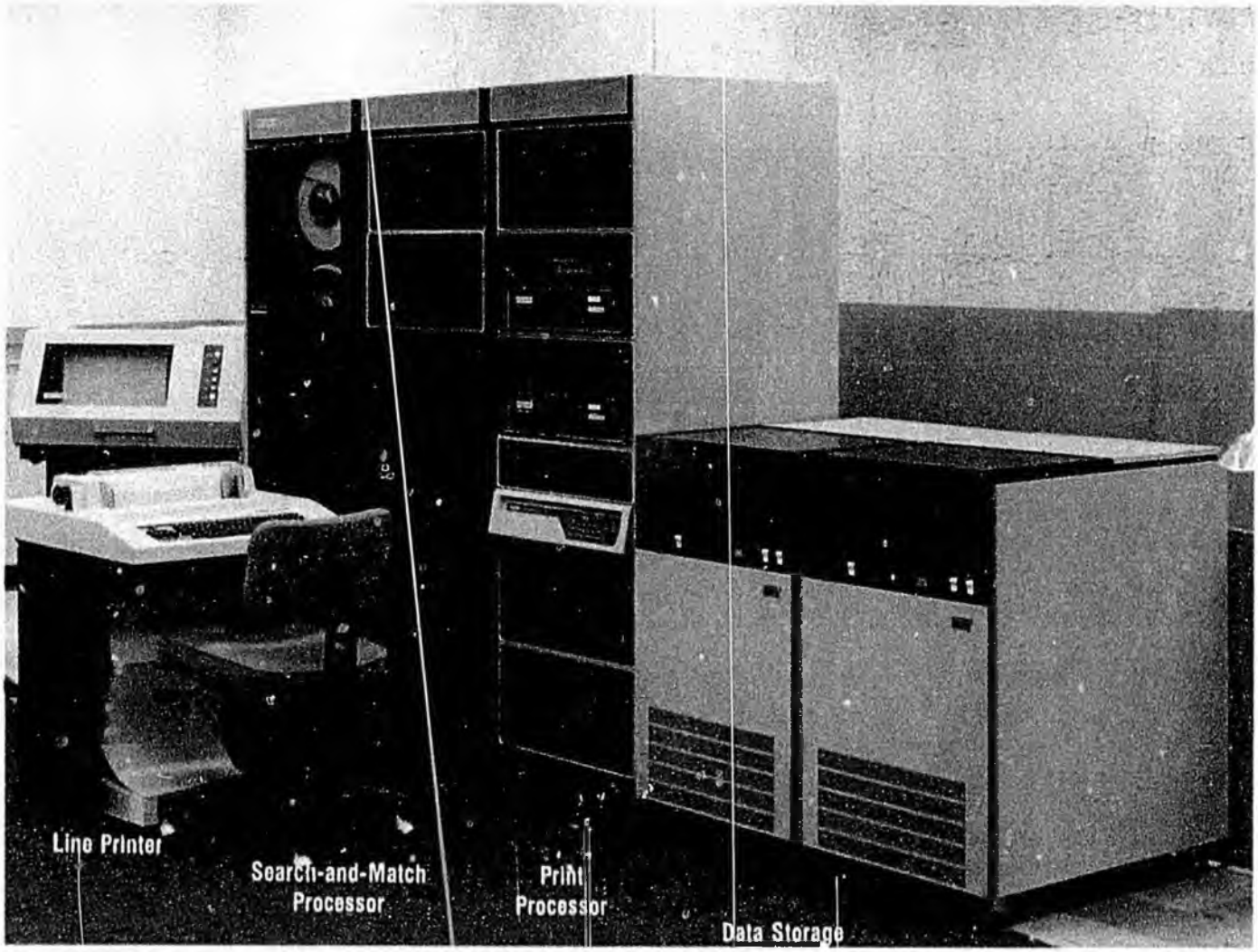
A particularly notable MAFIN feature is the fact that unidentified latents can be stored on disks on-line, and subsequently can be compared against all new 10-fingerprint cards entered into the system. *Thus, it is only a matter of time until hits can be obtained for almost all crime "repeaters."*

Print Processor

The Print Processor works with the Read/Edit Operator Console in the Read/Edit Subsystem. Its functions are to receive video fingerprint images from the scanner in the Read/Edit Operator console, to process the images, and to locate minutiae. The Print Processor also accumulates a file of minutiae records on disk for later transfer via telephone line to the Search-and-Match Processor as a search inquiry or for distribution to the Central Data Storage fingerprint files. The Print Processor includes video storage, an image processor, a minicomputer, a disk memory, and a multiplexer, all contained in a single, upright cabinet.



READ/EDIT SUBSYSTEM

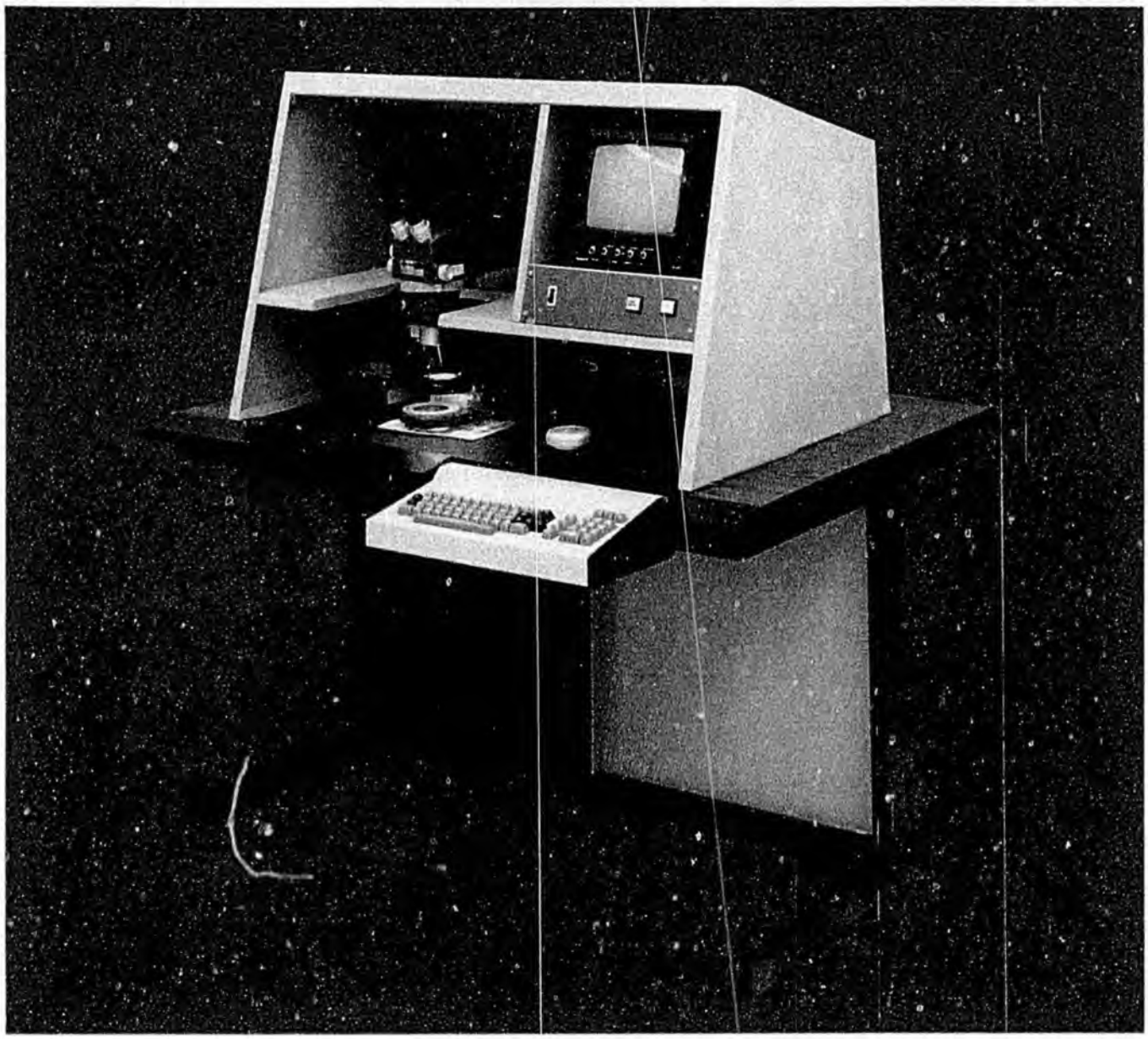


SEARCH-AND-MATCH SUBSYSTEM

Search-and-Match Processor

The Search-and Match Processor is used in conjunction with the system's Data Storage and a Line Printer to form the Search-and-Match Subsystem. The Search-and-Match Processor consists of a minicomputer (PDP 11/34), a magnetic tape unit, an operating disk set, a computer console, a high-speed minutiae matcher, a multiplexer for communicating with the Read/Edit and Latent Subsystems, and a disk controller for communicating with Data Storage.

The Search-and-Match Processor uses a general-purpose minicomputer to perform all data processing not specifically assigned to special-purpose subsystems. It handles all transfers of data among major system elements, and coordinates and controls all system operations. Among its functions are: placing data in Data Storage files, retrieving data from Data Storage files, sorting minutiae records by descriptor data, feeding sets of minutiae to the high-speed minutiae matcher, sorting match-score data into the sequence of descending match-score values for presentation of search results in compliance with the selected decision rule, sending and receiving data and commands over the telephone line interconnections to and from remotely located Read/Edit and Latent Subsystems, handling data transfers, and performing diagnostic tests on itself and on other system components.



LATENT TERMINAL

Latent Terminal

The Latent Terminal handles latent prints only. Encoding of the prints is performed by the operator manually, rather than automatically as with the Read/Edit Subsystem. The encoding is accomplished by means of controls on the Latent Terminal console which permit the operator to locate, relocate, and erase minutiae that appear on the console's TV-type CRT display screen.

In addition to providing all of the functions necessary for encoding a latent fingerprint, the Latent Terminal also permits the operator to have an automatic search made of Central Data Storage from a remote local on. The Terminal's self-contained, high-resolution TV camera scans each fingerprint presented to it, and then shows the operator an enlarged image of the print on the console display. Brightness and contrast controls may be adjusted to provide an enhanced TV image of the latent print. The operator sends both descriptor data and commands to the Search-And-Match Processor from the Latent Terminal by means of the Terminal console's typewriter-type keyboard. The Search-and-Match Processor, in turn, can write text on the Latent Terminal's display screen — including data formats, input keystrokes, sta. messages, and search results.

FOUR OPERATIONAL MODES GIVE MAFIN COMPLETE FUNCTIONAL CAPABILITY

The remote network stations in St. Paul and Minneapolis are designed to fulfill the specific requirements of those two facilities — the BCA station to encode, enter descriptors, and initiate search-and-match for latents only ... and the Minneapolis facility to carry out all of these processes automatically for both latents and 10-print sets of rolled prints.

In the Central facility, as in Minneapolis, complete functional capability is provided by four modes of operation — 10-print search, latent print search, file conversion, and file update-and-purge. Each mode is operator-selectable to process fingerprint cards or latent prints in any order desired. The four modes make it possible not only for the system to perform rapid, automatic search-and-match processing for print identification ... but also to build its own files ... and to maintain, update, and clear the files of duplications and poor-quality prints thereafter.

10-Print Search Mode

The 10-print search mode is used to locate the minutiae for each print on a fingerprint card ... to search the fingerprint file for duplicate cards ... and to add the new information to the fingerprint file.

Latent Print Search Mode

The latent print search mode permits the operator to encode minutiae on a latent print "lifted" at the scene of a crime and, then, using those minutiae together with any known "descriptors" (suspect's sex, race, modus operandi, type of crime, etc) or print classifications, to have an automatic search made of the fingerprint file for matching prints.

File Conversion Mode

In the file conversion mode, the system performs rapid, automatic minutiae encoding of fingerprints, together with storage of data generated in the fingerprint file. The file conversion mode is similar to the 10-print search mode, except that in the file conversion mode no editing of minutiae is performed. All cards requiring manual intervention are reported for subsequent processing at a time convenient to the operator. The file conversion mode is used primarily when a large number of cards must be processed to build or add to the initial fingerprint file.

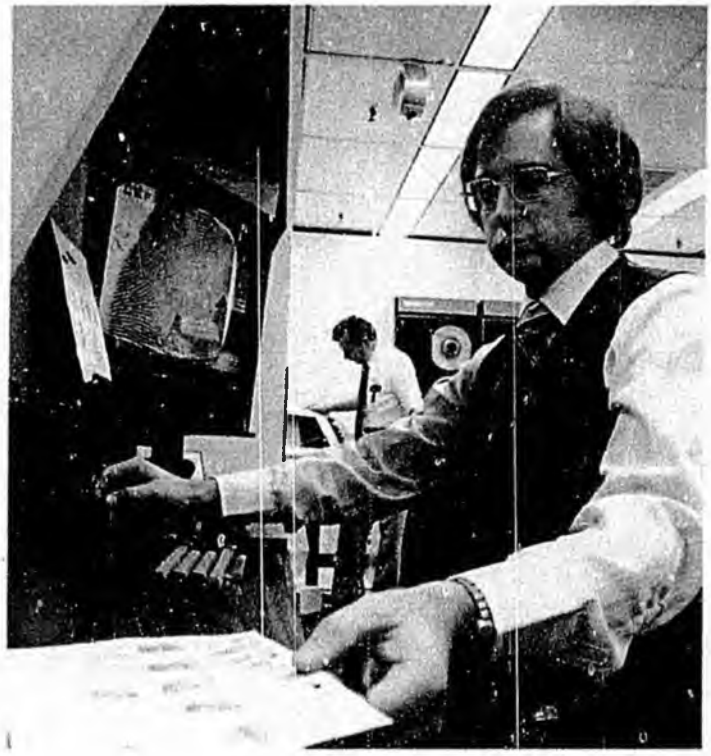
File Update-and-Purge Mode

In the file update-and-purge mode, maintenance activities are performed on the fingerprint file. Poorest-quality duplicate prints of any agency are eliminated, and obsolete information is purged from the file. During this mode, also, the file can be reorganized to avoid overcrowding, or can be restored from backup magnetic tapes if it has been inadvertently destroyed.

OPERATION OF MAFIN IS STRAIGHTFORWARD ... EASY ... AND FAST

IN THE 10-PRINT SEARCH MODE the operator uses the Read/Edit Operator Console keyboard to enter the identification and descriptor data for the fingerprint card, after which the following steps are taken for each print on the card:

- Prior to positioning the card, the operator enters the suspect's descriptors and NCIC (National Criminal Information Center) classification.
- The operator positions the print under a camera included in the system, the video image of the print is scanned, and minutiae data are extracted.
- If the print is of poor quality, due to scars, blisters, poor inking, or other such conditions, the operator may be computer-prompted by a "cue" on the display screen to assist the machine in editing the print. At that time, the minutiae are manually encoded at the operator's option.
- When the entire fingerprint card has been entered, the system conducts an automatic search of the file for similar fingerprint sets. The operator is given a listing of the ID number(s) of the matching card(s) for subsequent verification. If no match is found, the fingerprints are stored in the file.



IN THE LATENT PRINT SEARCH MODE the operator enters any known descriptors and fingerprint classifications, and then positions the latent print under the Latent Terminal's self-contained camera. If the print is of adequate quality, it can be automatically read. If print quality is not adequate, the operator manually encodes the minutiae. The fingerprint file is then automatically searched for all prints of similar classification and descriptors, and any such prints are matched against (i.e., compared with) the latent print. Prior to start of search, the operator may establish search parameters, so that he may be given the entire list of respondents, or he may elect to limit the list by selection of a "decision rule."



MAFIN Provides:

- *Ability to edit minutiae after fingerprint reading and encoding*
- *Encoding time of only 1/2 minute per card*
- *Automatic real-time display of encoded minutiae*
- *Operator-controlled cursor for minutiae designation*
- *Ability to incorporate programmable decision rules*
- *Enhancement of latent and inked fingerprints*

MAFIN'S ABILITY TO ENHANCE POOR-QUALITY LATENTS RAISES THE PROBABILITY OF "HITS"

An especially important feature of MAFIN's Print Processor is its ability to enhance poor-quality prints. By means of this virtually dramatic ability to enhance, the Print Processor gives to otherwise unidentifiable latents and badly inked rolled prints a degree of detail and contrast that permits their rapid and positive matching with prints on file.

In order for minutiae to be located and used in identifying fingerprints, the Print Processor must transform the tremendous range of quality in fingerprint records and the many shades of inking present in prints to binary equivalents for digital processing. It accomplishes this by examining, point-by-point, each print with which it is presented and determining where ridges exist (black) and where valleys occur (white). It "looks" at each point and its surrounding area within the print, examines the average value of grey levels in the area, and performs a weighted averaging calculation to decide whether the grey level of that point should be identified as black or white. During this operation information is available to determine quality of the fingerprint image at each point, and low-quality portions of the print are edited from the final data output. The end product of the process is a print with recognizable ridges and valleys, permitting minutiae to be identified and a match to be made with a known print.



POLAROID PHOTO OF
LATENT PRINT NO. 40



ENHANCED DISPLAY IMAGE OF
LATENT PRINT NO. 40

A Real-Life Example

The colored portion of the rolled print (below) on a St. Paul, Minn., Police Department 10-print file card corresponds with the latent print shown at bottom left, page 22. The prints are those of Sgt. Joseph K. Corcoran of the st. Paul Police Dept. and were made by him expressly for use in rigorous latent-matching tests conducted at Rockwell International's Anaheim, Calif., plant to demonstrate the accuracy of the Rockwell automated, minutia-based fingerprint ID search-and-match equipment. The test results record sheets are shown at right; near the bottom of the "next-to-last" sheet can be seen the entry for Test Latent Print No. 40. The No. 40 print is the one pictured on page 22. As can be seen on the test sheet, the highest match-score obtained by the Rockwell system for the file prints selected for comparison with latent No. 40 was 881. The next-highest match-score for print No. 40 was 494, separated from the 881 score by 387 points ... while the next two highest scores— 437 and 366 — were even further separated from the top score. This wide separation is highly indicative of a "hit." That a "hit" had most certainly been achieved can be readily observed by visually comparing the rolled print on the 10-print file card with the Polaroid photo and enhanced display image of the latent, as pictured on page 22. The occurrence of this and many other hits during the latent matching tests offered convincing proof of the Rockwell system's accuracy in identifying latent fingerprints.

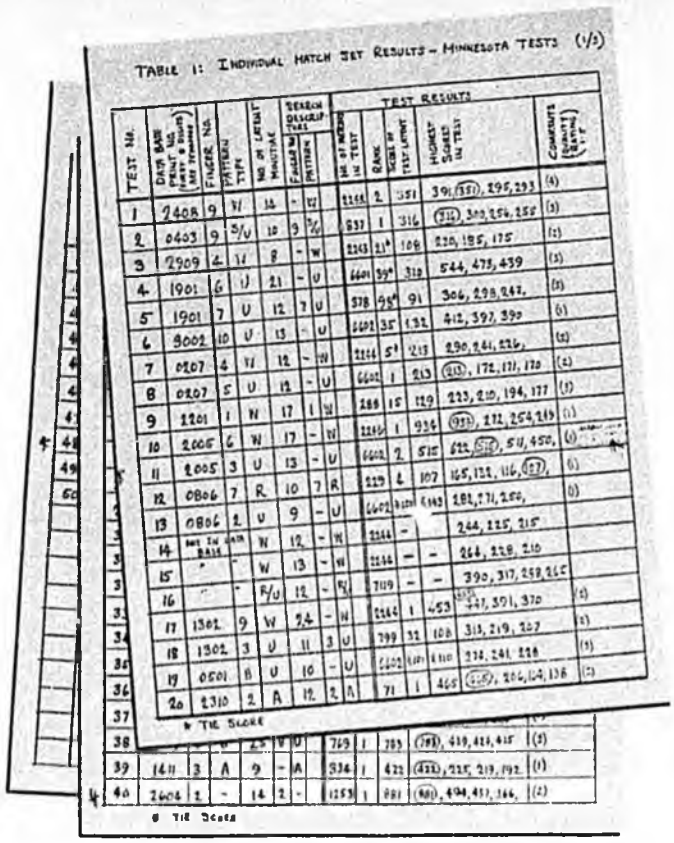


TABLE 1: INDIVIDUAL MATCH SET RESULTS – MINNESOTA TESTS (1/3)

TEST No.	DATA BASE PRINT NO. (NEXT 8 DIGITS)	FINGER No.	PATTERN TYPE	NO. OF LATENT MINUTIAE	SEARCH DESCRIPTORS: FINGER No.	SEARCH DESCRIPTORS: PATTERN	TEST RESULTS: NO. OF RECORDS IN TEST	RANK	SCORE OF TEST LATENT	HIGHEST SCORES IN TEST	COMMENTS (QUALITY RATING)
1	2408	9	W	14	-	W	2244	2	351	391, (351), 295, 293	(4)
2	0403	9	S/U	10	9	S/U	837	1	316	(316), 300, 256, 255	(3)
3	2909	4	W	8	-	W	2243	21*	108	220, 185, 175	(2)
4	1901	6	U	21	-	U	6601	39*	310	544, 473, 439	(3)
5	1901	7	U	12	7	U	378	95*	91	306, 298, 242,	(3)
6	3002	10	U	13	-	U	6602	35	132	412, 397, 390	(1)
7	0207	4	W	12	-	W	2244	5*	213	290, 241, 226,	(2)
8	0207	5	U	12	-	U	6602	1	213	(213), 172, 171, 170	(2)
9	2201	1	W	17	1	W	288	15	129	223, 210, 194, 177	(3)
10	2005	6	W	17	-	W	2246	1	934	(934), 272, 254, 249	(1)
11	2005	3	U	13	-	U	6602	2	515	622, (515), 511, 450,	(1)
12	0806	7	R	10	7	R	229	4	107	165, 132, 116, (107),	(1)
13	0806	2	U	9	-	U	6602	[illegible]	[illegible]	282, 271, 250,	(1)
14	NOT IN DATA BASE		W	12	-	W	2244	-		244, 225, 215	
15	"	-	W	13	-	W	2244	-	-	264, 228, 210	
16	"	-	R/U	12	-	R/U	7119	-	-	390, 317, 258, 265	
17	1302	9	W	24	-	W	2244	1	453	447, 391, 370	(2)
18	1302	3	U	11	3	U	799	32	108	313, 219, 207	(2)
19	0501	8	U	10	-	U	6602	[illegible]	[illegible]	274, 241, 228	(3)
20	2310	2	A	12	2	A	71	1	465	(465), 206, 164, 138	(2)
38							769	1	783	(783), 419, 424, 415	(3)
39	1411	3	A	9	-	A	834	1	422	(422), 225, 219, 192	(1)
40	2604	2	-	14	2	-	1253	1	881	(881), 494, 437, 366,	(2)

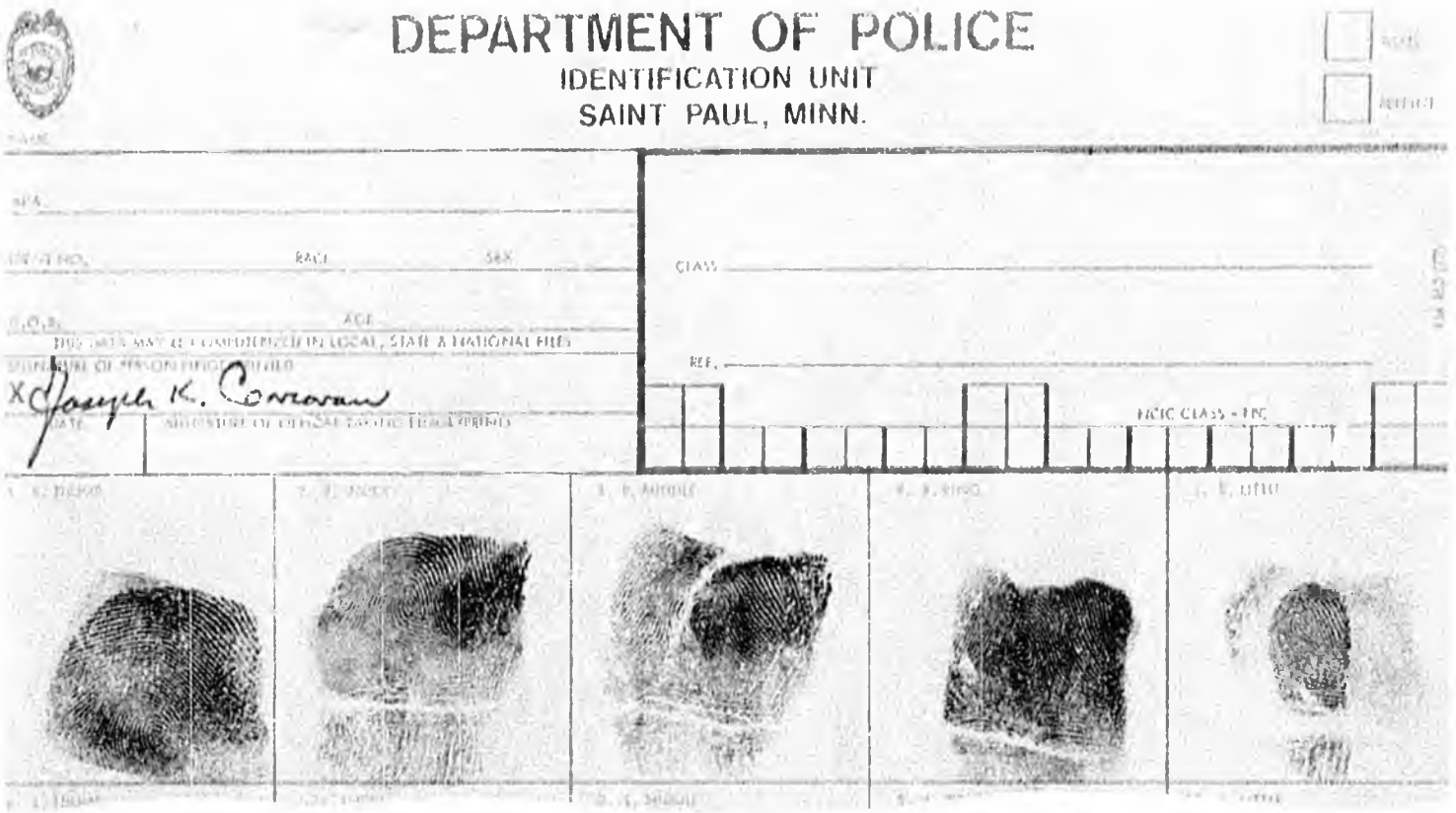
* TIE SCORE

* TIE SCORE

TEST SHEET SHOWING MATCH RESULTS FOR LATENT PRINT NO. 40

NOTE EXCELLENT SEPARATION between the 881 score of the correct match and the next-highest-probability match scores. Such wide separation is indicative of a "hit."

10-PRINT FILE CARD
(COLORED PORTION OF ROLLED PRINT CORRESPONDS TO LATENT NO. 40)





FOR THE FUTURE

The present Minnesota Automated Fingerprint Identification Network is intended primarily to fill the needs of St. Paul and Minneapolis Police Departments, working in close cooperation with the Minnesota Bureau of Criminal Apprehension within the St. Paul-Minneapolis jurisdictions.

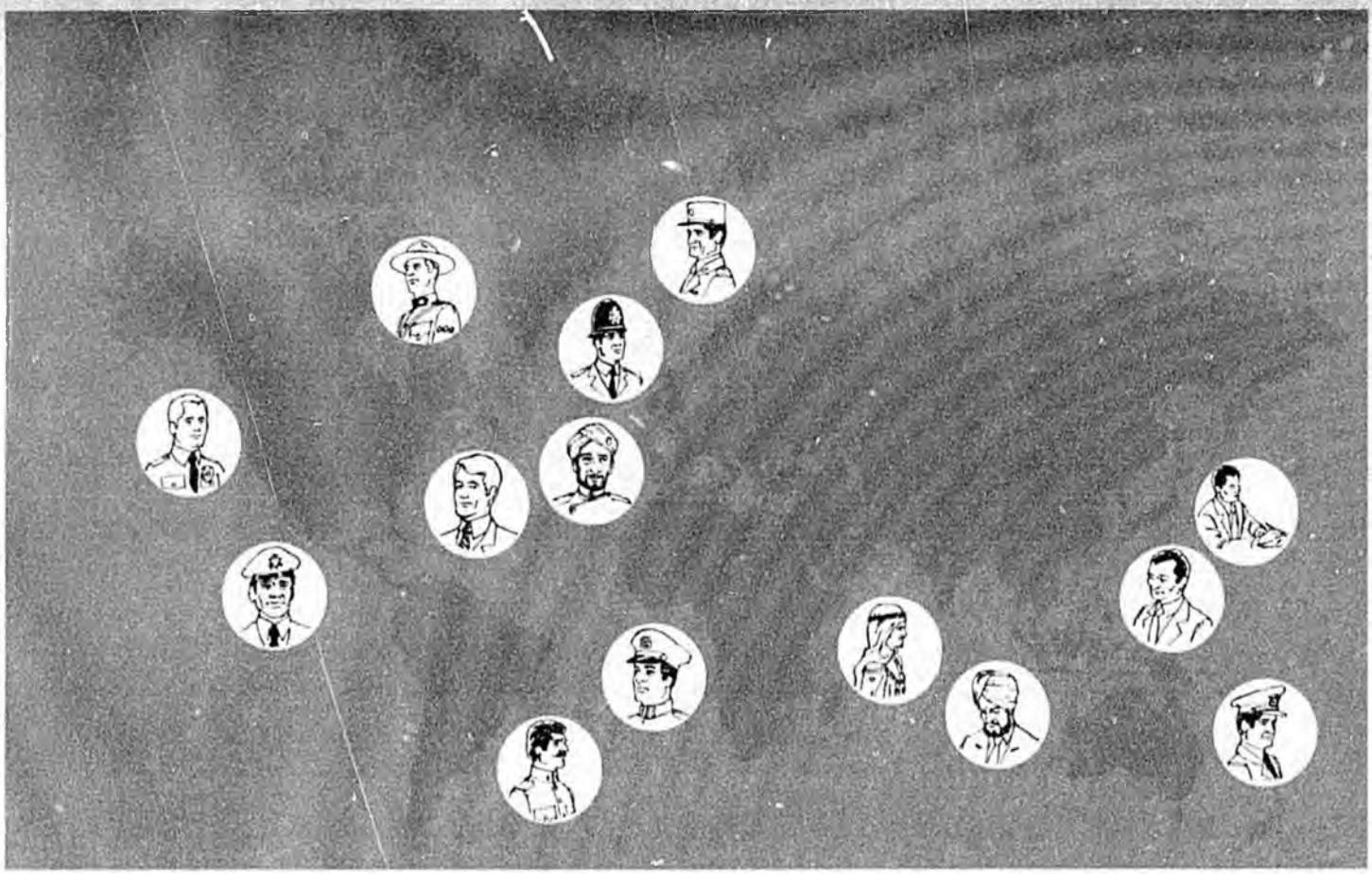
The dynamic, automated system is planned and designed, however, with an eye to the needs of the future — for *easy and economical updating* to keep pace with technological advances ... for *increased fingerprint data storage capacity* ... for *increased functional capability and versatility* ... and for *network expansion* to cover a larger geographical area.

System Updating Latent prints are being added to the St. Paul-Minneapolis files at a rate of 10%, and to the files of other Minnesota jurisdictions at a rate averaging around 8%, annually. As the files grow, so must the overall data storage capability. The only cost involved in expanding fingerprint data files beyond the original off-line capacity of the automated system is the relatively low cost of additional disk packs. Expansion of on-line storage is readily achieved through minor hardware/software changes.

Functional Expansion Every opportunity should be taken to exploit the usefulness of an important investment such as the MAFIN. The network's functions can easily be made capable of performing not only latent searches but also card-to-card ID searches. Also, card input searches can be expanded beyond the present criminal application — as, for example, to verify ID's and determine the use of aliases for civil applications. Most importantly, the system can be given dramatic versatility by the addition of new modules, both similar and different in function and capacity from those of which the system is originally composed.

Network Expansion *As MAFIN proves its multiple benefits of improved speed, slashed costs, and dramatically heightened clearance rates, it will doubtlessly become desirable to extend system "network" coverage to other cities and jurisdictions over the state of Minnesota.*

Terminals can be added as needed in various law-enforcement installations throughout the state. Up to three Read/Edit Subsystem operator consoles can be handled by each Print Processor in the system. Additional Latent Terminals can be absorbed, up to the capacity of the multiplexed telephone lines to carry their signals, with each terminal "using up" one of the available MUX lines. The addition of neither Read/Edit nor Latent Terminal subsystems within these limits requires any changes to existing system hardware and software. For addition of terminals beyond these limits, additional Search-and-Match Subsystem, Print Processor, Line Printer, and Data Storage hardware/software can be integrated into the system as required.



AND SOONER THAN ONE THINKS ...

Sooner than one may imagine, today's metropolitan and regional automated fingerprint systems may expand into national ... and, after that, even international ... identification networks.

Already in operation, in development, or in negotiation are minutia-based, automated systems for law-enforcement agencies in Minnesota ... Florida ... California ... New York ... the District of Columbia ... Canada ... and South America. The number of the users of the systems is constantly increasing.

The common minutia-based approach brings compatibility among the systems of all the various cities, states, regions, and nations — both in fingerprint records format and in fingerprint data transmission.

In the future, as the number of cities and nations employing minutia-based systems rapidly increases, globe-circling satellites will permit instantaneous radio access by any agency in the world to the central national files of this country ... or to the autonomous files of any city, region, state, or nation.

Thanks to automated, minutia-based fingerprint systems ... tied into an almost instantly-responsive, universal format, global network ... the day is rapidly approaching when no criminal in the world will be able to count on security from apprehension due to an unidentifiable latent fingerprint.

THE FARSIGHTED MEN WHO MADE THE DECISION FOR ...
AND WHO ARE HELPING ENSURE OPTIMUM USE OF ...
THE MINNESOTA AUTOMATED FINGERPRINT IDENTIFICATION NETWORK (MAFIN)



RICHARD H. ROWAN is Chief of Police, St. Paul Police Department, St. Paul, Minnesota. A 29-year veteran in the Department, he was appointed Chief in 1970 after finishing first in the selection process. He previously held ranks of Detective, Deputy Chief in charge of the Detective Division, and Deputy Chief of the Patrol Division. He is a graduate of the FBI National Academy (83rd Session), Northwestern University Institute, and the Southern Police Institute. He was graduated from the National Executive Institute in July 1977.



STEPHEN COLEMAN is a Senior Research Analyst on the staff of the Minnesota Crime Control Planning Board. He was responsible for performance analyses during evaluation and selection of MAFIN. Dr. Coleman received a BA in Mathematics in June 1963, and a PhD in Political Science in June 1972 — both from the University of Minnesota. He has authored many published books and articles related to his professional disciplines. In May 1970 he was co-recipient of the Best Paper Award of the Midwest Political Science Association. In 1971-1972 he was awarded a National Science Foundation Graduate Traineeship. Dr. Coleman was formerly employed for several years as a Mathematician and Systems Analyst.



GERALD A. HANGGI, SR., joined the St. Paul Police Department on July 6, 1948. He was promoted to Detective in August 1957, and to Lieutenant on January 11, 1973. Presently, he is the Director of the St. Paul Police Department Crime Laboratory, as well as the St. Paul Project Director for MAFIN. He is a recognized fingerprint expert, and is a member of the International Association for Identification, and the Minnesota Division of the International Association for Identification.



JOSEPH K. CORCORAN joined the St. Paul Police Department on March 2, 1964. He was promoted to Sergeant on October 3, 1970. Presently, he is assigned to the St. Paul Police Department Laboratory as a Latent Fingerprint Examiner. He is a recognized fingerprint expert, and is a member of the International Association for Identification, and the Minnesota Division of the International Association for Identification.



CARL E. JOHNSON is Chief of the Minneapolis Police Department, Minneapolis, Minnesota. A member of the Department since 1953, he brings to his position as Chief a well-rounded background which includes service in the Department's Communications, Burglary, Homicide-Robbery-Sex, Forgery-Theft-Auto, and Investigation Divisions. His 15 years of practical police experience are backed by extensive training in law enforcement, police management and supervision, police and community relations, traffic, and investigation, through numerous special courses and seminars conducted by Minnesota's Bureau of Criminal Apprehension, Northwestern University, St. Thomas College, University of Oklahoma, Michigan State University, University of Louisville (Ky.), and the University of Wisconsin.



TIMOTHY H. RUGGLES was the Police Team Leader/Planner and member of the Research Committee for the Minnesota Governor's Commission on Crime Prevention and Control. As Grants Coordinator/Consultant for the Minneapolis Police Department, he now serves as Chairman of the Department's MAFIN Coordinating Committee, and is Project director for the Minneapolis Comprehensive Career Criminal Identification Project. Mr. Ruggles holds the degrees of BA in Criminal Justice Studies from the University of Minnesota; MS in Psychology from the University of Wisconsin; and JD in Law from the William Mitchell College of Law. He was a member of the St. Paul Police Department for 5 years.



RICHARD P. CICH has been a member of the Minneapolis Police Department for 16 years, including five years in the Uniform Patrol Division and 11 years in the Identification Division. He was promoted to Lieutenant in February 1971. His practical police experience is backed by formal education and specialized training courses related to evidence, fingerprint science, and law enforcement, presented by the University of Minnesota, Long Beach (Calif.) State College, Minnesota State Crime Bureau, and Chicago (Ill.) Police Department. Lt. Cich is a recognized fingerprint expert and has served as a member of the Advisory Panel on Evidence Technician Training for the Minnesota Governor's Commission on Crime Prevention and Control. He is the Minneapolis Police Department's Project Director for MAFIN.

USERS HANDBOOK



Computerized Fingerprint
Identification Systems
Users Group

CONTENTS

	Page
Introduction	1
User Profiles:	
California Department of Justice	2
Houston Police Department	4
Minnesota Automated Fingerprint Identification System	6
Montgomery/Prince George's Counties, Maryland	10
Royal Canadian Mounted Police	12
Miami Police Department	15

COMPUTERIZED FINGERPRINT IDENTIFICATION SYSTEMS USERS GROUP

The Computerized Fingerprint Systems Identification Users Group was established to promote the free exchange of information and ideas pertaining to the use of computerized fingerprint identification systems.

Members of the Users Group represent companies or agencies who are currently utilizing Rockwell fingerprint identification systems, or who are under contract for such installation.

Meetings are held at least annually in order to share information and experiences and to identify potential new ideas.

USERS HANDBOOK

This handbook is intended to provide Users Group members and interested parties with:

- A guide to systems currently in operation, system configurations, principal contacts, and operational data.
- Vendor information relative to individuals to contact, corporate responsibility, and other vendor-related facts.

The handbook is designed to be updated as needed. Individual users are to feel free to contact members of the Group, its officers, or Rockwell International, for additional information.



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Jack Scheidegger
Program Manager, Automated Latent Print System
California Department of Justice
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Users Group Vice-Chairperson
Peggy James
Systems Manager, Automated Fingerprint System
Houston Police Department
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CALIFORNIA DEPARTMENT OF JUSTICE

PROGRAM PRINCIPALS



Kirby Vickery

Kirby Vickery, Program Manager
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Phil Soto, Program Supervisor
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Sacramento, California 95813
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PROGRAM STAFF

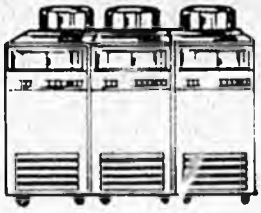


Left to right, front row: **Bill Finlay, Phil Soto, Marty Collins, Mary Stokely, Alvin Iwamura;** ***back row,*** **Donna Mambretti, Tamie Burkart, Kirby Vickery, Nancy Collins.**

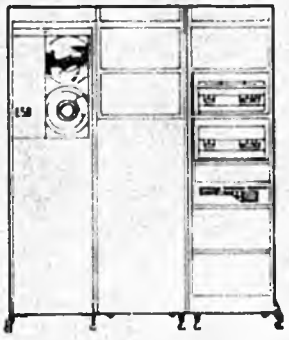
ORGANIZATIONAL DESCRIPTION

The Automated Latent Print System for California's Department of Justice is an organizational component of the Division of Law Enforcement, Bureau of Forensic Services (BFS). Included in BFS are services such as polygraph, questioned document examination, forensic photography, and a statewide criminalistic laboratory system.

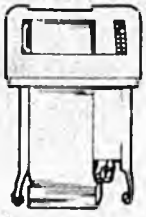
CALIFORNIA DEPARTMENT OF JUSTICE



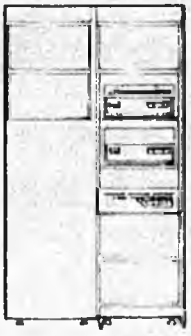
DISK DRIVES



SEARCH PROCESSOR



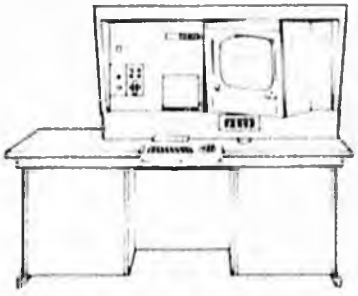
LINE PRINTER



PRINT PROCESSOR



TELEPRINTER



READ EDIT TERMINAL



TELEPRINTER



LATENT TERMMINAL (MODEL 10) WITH PRINTER

CONFIGURATION:

- Autoclassification
- Two matchers
- R-40 matcher

DATA BASE SIZE:

Approximately 122,000.

MONTHLY TEN-PRINT SEARCHES

None; D.O.J. does not utilize the 10-print mode of the system.

MONTHLY LATENT SEARCHES

Approximately 364.

HOUSTON POLICE DEPARTMENT

PROGRAM PRINCIPALS



Randy Sullivan
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Identification Division
61 Riesner - Rm 430C
Houston, TX 77002
(713) 222-3648



Peggy James
Systems Manager
Automated Fingerprint System
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Houston, TX 77002
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R. K. Harsten
Police Officer - Grant Section
Planning and Research Division
33 Artesian
Houston, TX 77002
(713) 222-5331

PROGRAM STAFF



Left to right: Robert Ballard, Latent Print Examiner; Harry Hope, Automated Fingerprint System Supervisor; Peggy James, Automated Fingerprint System Manager; Ralph Saldivar, Automated Fingerprint System Supervisor.

SYSTEM OPERATION

The Houston, Texas, Police Department has two major operational modes — 10-print and latent.

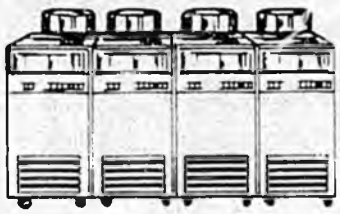
10-Print Operation

The Houston PD reads, searches, and matches 10-print cards through the system as prisoners are processed through the Identification Division to determine prior arrests. This process is accomplished on three working shifts, 24 hours a day, 365 days a year. The Department simultaneously searches a 10-print card against the 10-print file and the unsolved latent file.

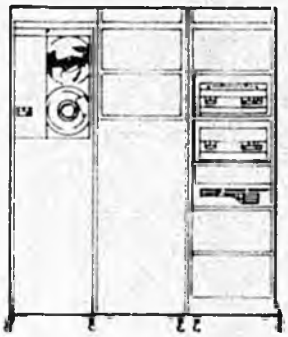
Latent Print Operation

Crime scene prints are encoded and search-matched through the system on both the Latent Terminal and the Read/Edit Terminal, using different operators for each entry. The procedure allows for differences in operator's interpretations of the latent prints. All latents are searched against the 10-print file, and many of them are also searched against the unsolved latent file.

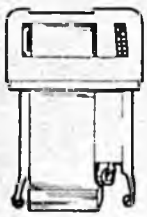
HOUSTON POLICE DEPARTMENT



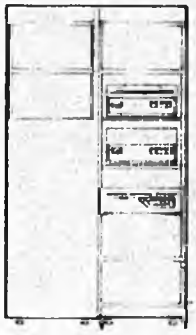
DISK DRIVES



SEARCH PROCESSOR



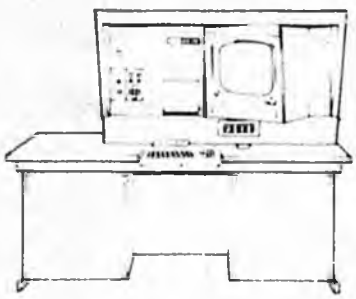
LINE PRINTER



PRINT PROCESSOR



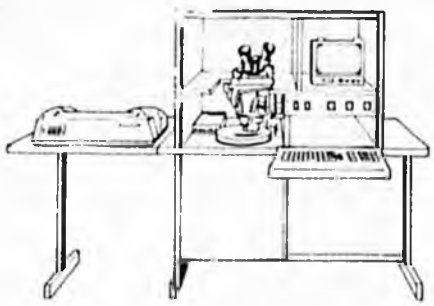
TELEPRINTER



READ EDIT TERMINAL



TELEPRINTER



LATENT TERMINAL (MODEL 20) WITH PRINTER

CONFIGURATION:

- Autoclassification
- Two matchers

SYSTEM WORK FLOW STATISTICS FOR 1980			
10-Print		**Latent Print**	
File Additions	26,623	File Additions	846
File Searches	16,775	Latent Print Hits	52
File Changes	4,143	Latent Print Dispositions	52
File Deletions	2,967	**Total Data Base Size**	
10-Print Hits	871	10-Print	330,053
10-Print Dispositions	833	Latent	1,026

MINNESOTA AUTOMATED FINGERPRINT IDENTIFICATION SYSTEM (MAFIN)

The Minnesota Automated Fingerprint Identification (MAFIN) system is jointly owned by the Minneapolis and St. Paul Police Departments. The Minnesota State Bureau of Criminal Apprehension (BCA) is a system user.

MAFIN's mainframe, consisting of a data base with four 300-megabyte disk drives and a search processor (PDP 1134 Digital Equipment computer using four matchers), is located on the first floor of the St. Paul Police Department Headquarters Building. A read/edit subsystem, which is used to enter 10-print cards and also to search latent prints, is located on the second floor of the same building. Overall responsibility for MAFIN is assigned to the St. Paul Police Department Crime Laboratory.

The Minneapolis site is equipped with a read/edit subsystem and a Model 20 latent terminal, connected to the central site by a dedicated telephone line.

A Model 20 Latent terminal, connected to the St. Paul print processor by dedicated telephone lines, is installed in the Criminal Justice Information Systems (CJIS) Section of the BCA. The CJIS Section handles intake and processing of all arrest fingerprint cards and base maintenance. BCA's Latent Print Section is responsible for all latent searches.

State funding is currently being sought to purchase a read/edit subysystem for BCA, and a Model 30 latent terminal, along with a 300-megabyte disk drive, for the St. Paul site. Additional monies are also being requested to purchase new software changes, to improve speed and operational effectiveness. (Current match rate is approximately 250 matches per second.)



MAFIN - Minneapolis Site

Lt. Richard P. Cich
Minneapolis MAFIN Project Director
Criminal History, Room 3-D, City Hall
Minneapolis, Minnesota 55415
(612) 348-2808

MAFIN - St. Paul Site



Left to right. Sgt. Joseph K. Corcoran; Lt. Gerald Hanggi, Sr. (St. Pal MAFIN Project Director); Officer Terrance Carrol; and Sgt. Donald Hanson.

All of the above can be contacted at:

St. Paul Police Department
ATTN: Crime Laboratory
101 E. 10th St.
St. Paul, Minnesota 55101
(612) 292-3606

MAFIN - BCA Site



Left to right: John Douthit, Identification Officer, Laboratory; Carolyn Robinson, Fingerprint Technician, CJIS; Dennis Hughes, Asst. Identification Officer, Laboratory; Karen McDonald, Supervisor, CJIS Operations; John D. Erskine, Superintendent, BCA; Clayton Meiiem, Assi. Director, CJIS; Kathy Holland, Fingerpring Technician, CJIS; Kenneth Bentfield, Director, CJIS.

All of the above can be contacted at:

Bureau of Criminal Apprehension
1246 University Avenue
St. Paul, Minnesota 55104

Prime contact: Karen McDonald
(612) 296-2252

SYSTEM STATISTICS

St. Paul

Data Base

Current Size	344,000 persons
Annual Growth	4,000 records/year
Projected Eventual Size	1,000,000 persons

Search Frequency

10-Print	350-400 cards/month
Latent	30-50 searches/month

Minneapolis

Data Base

Current Size	178,000 persons
Projected Growth (1981)	9,000 persons

BCA

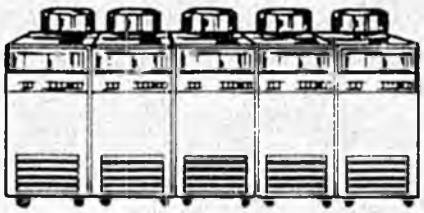
Data Base

Current Size	95,000 persons

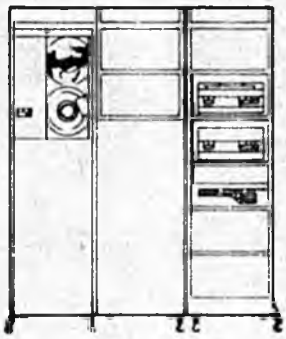
Search Frequency

10-Print	500 cards/month
Latent	7 (average)/month

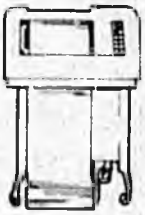
MAFIN



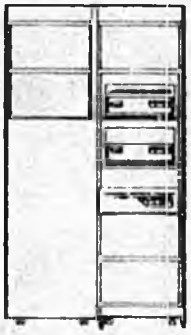
DISK DRIVES



SEARCH PROCESSOR



LINE PRINTER

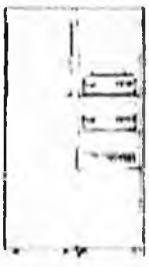


PRINT PROCESSOR

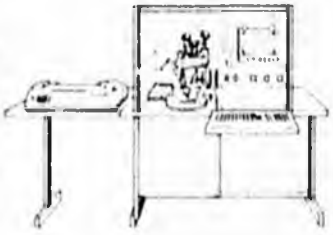


TELE-PRINTER

COMPUTER ROOM (ST. PAUL)



PRINT PROCESSOR



LATENT TERMINAL MODEL 20 (W PRINTER)

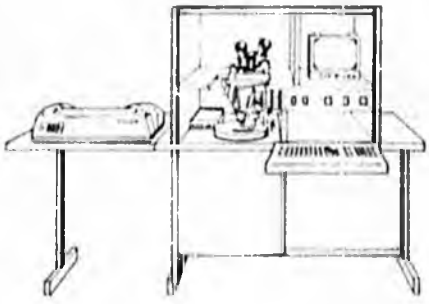


TELEPRINTER



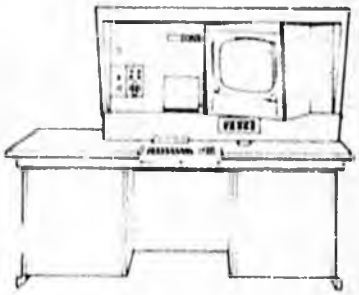
READ EDIT TERMINAL

MINNEAPOLIS



LATENT TERMINAL (MODEL 20) WITH PRINTER

BCA



READ EDIT TERMINAL



TELEPRINTER

ST. PAUL

CONFIGURATION:

- Manual classification
- Four matchers
- R-40 matcher

MONTGOMERY/PRINCE GEORGE'S COUNTIES, MARYLAND



Montgomery/Prince George's Counties, Maryland, Automated Fingerprint Identification System Principals - *Left to right; front row:* Henry A. Jones, Gloria A. Pum[illegible] Smith; back row, Barry F. Ekeberg, Marlin D. Taylor, Robin



Henry A. Jones
Project Director Prince George's County
Prince George's County Police
3415 North Forestledge Road
Forestville, Maryland 200028
301-420-0180 X224

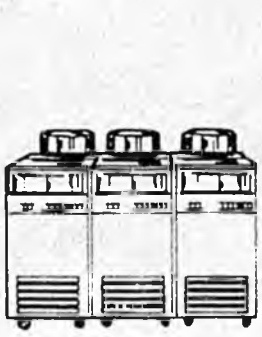


Paul H. Smith, Sr.
Project Director, Montgomery County
Montgomery County Police
Identification Division
2350 Reseach Boulevard
Rockville, Maryland 20850
301-431-3100

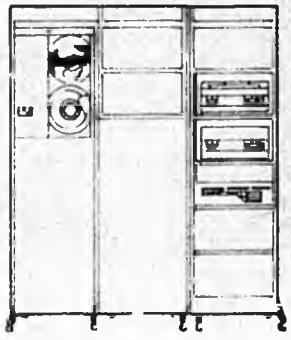
The Police Departments of Montgomery and Prince George's Counties, Maryland, are charged with law enforcement responsiblities for an area covering approximately 1,100 square miles and having a population of around 1,600,000 persons.

Of the total 2,100 personnel staffing the two counties police departments, eight individuals are assigned to fingerprint identification-related activities. The regional Automated Fingerprint Identification System office was opened on March 19, 1979, at 10,611 New Hampshire Avenue, Silver Spring, Maryland (301/431-3100). This geographical location is near the jurisdictional boundaries and the Capitol Beltway (Route 495) for easy accessibility. The automated equipment, fingerprint cards, latent files and assigned personnel from both counties are assembled in this one office to enhance efficiency.

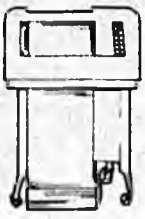
MONTGOMERY/PRINCE GEORGE'S COUNTIES, MARYLAND



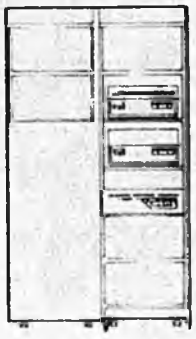
DISK DRIVE



SEARCH PROCESSOR



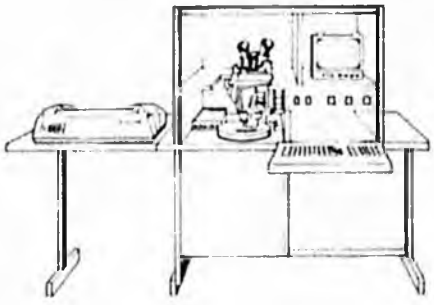
LINE PRINTER



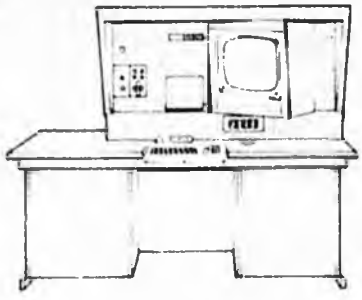
PRINT PROCESSOR



TELEPRINTER



LATENT TERMINAL (MODEL 20) WITH PRINTER



READ/EDIT TERMINAL



TELEPRINTER

CONFIGURATION:

- Autoclassification
- Three matchers
- R-40 matcher

Components for the Maryland system include: Read/Edit Subsystem (Print Processor with Classifier, Read/Edit Terminal, Keyboard Printer); Latent Subsystem (Model 20 Latent Terminal, Printer); Search and Match System (Search Processor — three R-30 Matchers, one R-40 Matcher (software), three 300-Megabyte Disk Drives; Line Printer; Keyboard Printer). As of 1980, there were approximately 80,000 ten-print records in the data base. Storage capacity allows for 250,000 ten-print records and this is the ultimate goal. Approximately 12,000 ten-print records and 2,300 latents are being searched through the system annually.

ROYAL CANADIAN MOUNTED POLICE (RCMP)



RCMP Fingerprint Bureau Staff - ***Front to right, front row:*** **Mrs. Isabel Latrellle, Inspector Bruce King, Mrs. Agathe Chabot, Mrs. Barb O'Meara; back row, Mr. Lloyd Bunbury, Mrs. Lou van der Veldern, Mr. Richard Gowan, Sgt. Ross Reed, Mr. Sid Renout, Mr. Gille Langois, Cpl. Larry Henry, Mr. Ron Widdifield, Mr. George Vallieres.**

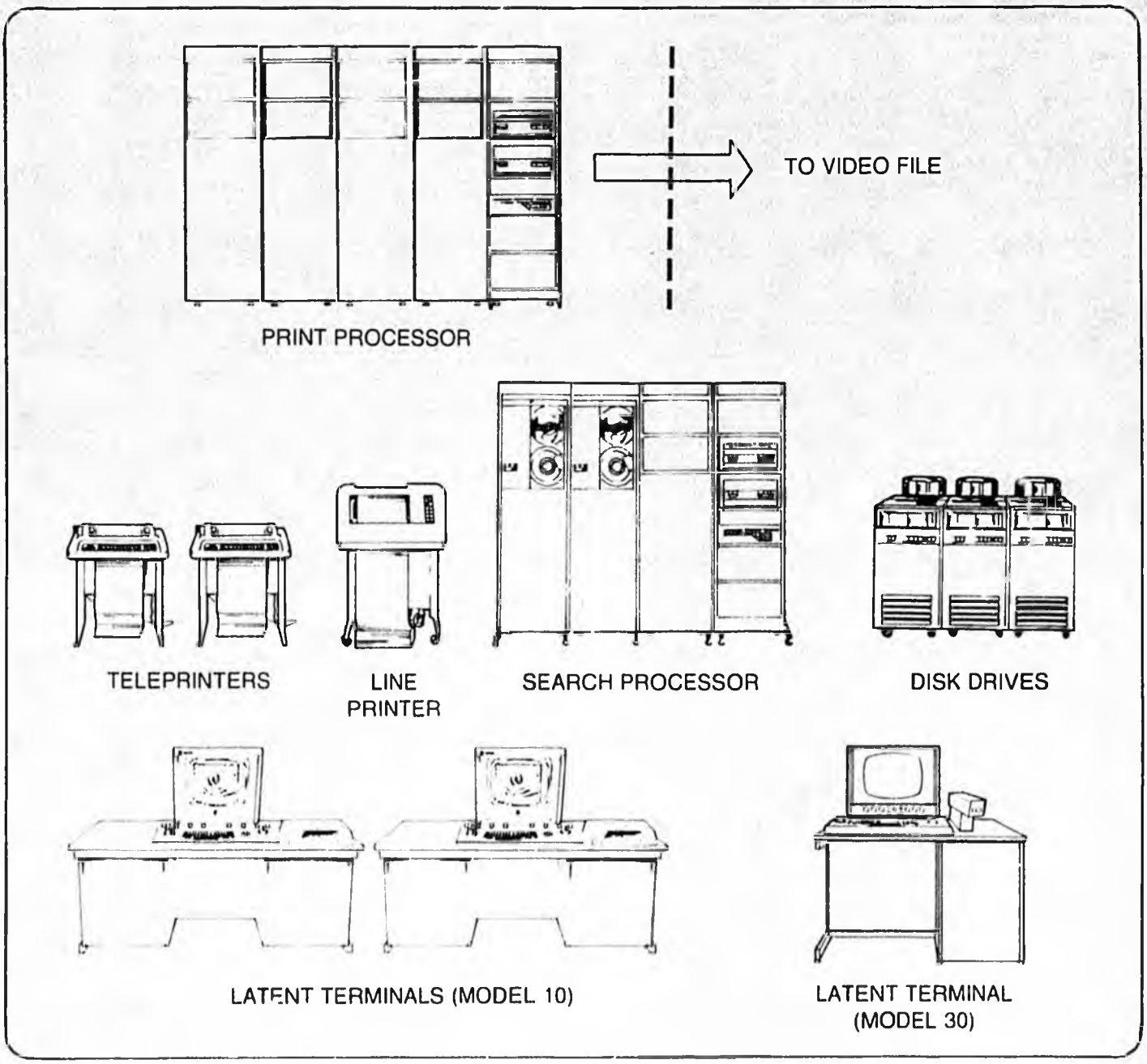
PROGRAM PRINCIPALS

All of the program principals can be reached at the following address and phone number, with individual address "ATTN" notices and telephone extension numbers to be used as noted beneath each individual's name: The Commissioner, Royal Canadian Mounted Police, P.O. Box 8885, Ottawa, Ontario, Canada, K1G 3M8; telephone (613) 993-3800.

Inspector Bruce King	Staff Sergeant Al Coker	Sergeant Ross Reed
Officer in Charge	N.C.O. I/C	N.C.O. I/C
Fingerprint Bureau	Automated Systems	Latent Fingerprint Section
ATTN: "L" Directorate	ATTN: "L" Directorate	ATTN: "L" Directorate
O.I.C. Fingerprint Bureau	Automated Systems	Latent Fingerprint Section
Telephone Ext. 156	Telephone Ext. 215	Telephone Ext. 312

RCMP has changed the conversion method for its Main Bureau file only due to the poor quality of the fingerprints on videofile and the low accuracy rate during Main Bureau search testing. Only the thumbs are scanned for minutiae, with no automatic classifying being done. When Main Bureau conversion is completed, data base addresses will be updated by dumping the addresses from videofile into the data base. A total of 250,000 records have been converted (as of early 1981) from the Main Bureau base, out of approximately 1.3 million. When Main Bureau searching commences on the scanner (1982), approximately 1400 searches are expected to be conducted daily.

Seventy-five latent searches are currently being made daily, against a latent data base of 90,000. The latent data storage base is sufficient to increase the base size to 250,000 records, with the search rate being increased to 100 per day.

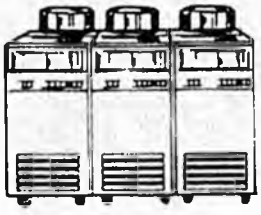


THE BASIC RCMP PRINTRAK 250 SYSTEM is a minicomputer-configured fingerprint identification system. It interfaces and operates, in conjunction with the RCMP Videofile System, to electronically scan fingerprint images from videotape, and to automatically classify the print and store the print data on disk packs for retrieval and matching during the search process. Two interconnected minicomputers provide the communication and data transfer link between a print processor console, a search processor console, two latent terminals and a data base storage system. The configuration includes four R-30 matchers and an automatic classifier.

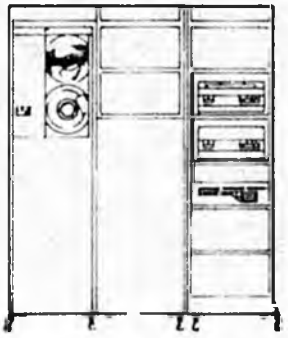
Print Processor Subsystem:

Minicomputer	Interfaces Printrak 250 System with RCMP Videofile.
Image Collector	Converts analog signals to digital images.
	Enhances digitized image.
Image Processor	Extracts ridge-flow detail
	Extracts minutiae.
	Window-edits.
Video Display Monitor	Permits viewing of image processing on a closed-circuit TV monitor.
Classifier	Single-finger classification.
	Locates print center, pattern typee, core/delta distance, references.
Minutia-Detection Processor	Filters out redundant minutiae.
Decwriter LA36	Terminal used by operator for mode initialization and termination and error message typepout.
Search Processor Console	Interfaces with print processor console and data storage systems.
	Conducts data matches.
Minutia Matchers	Compares minutiae of prints on file against those of search prints and establishes a relative score for each match.
Line Printer	Prints hard-copy data — e.g., list of search respondents.
Card Reader	Means of updating file data and entering search data.
Decwriter LA36	Terminal for mode control; reports error messages.
Magnetic Tape Section	Consists of a controller and three tape transports. Two transports are located in the search processor console, and the third in the print processor console.
Latent Terminal (Three)	Interfaces with search processor computer.
	Means for reject processing.
	Means for magnifying, displaying and encoding latent prints.
Keyboard	Means of entering commands and descriptors.
	Operator control.
TV Monitor	Means of viewing print for encoding and reject processing.
Electronic Cursor Unit	Plots minutiae.
Video Mixer	Mixes video signal with graphic display.
Data Base Storage System	Contains three disk drives for disk-pack mounting for storage of data base on disk packs.

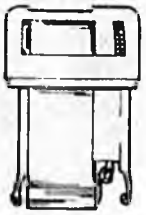
MIAMI POLICE DEPARTMENT



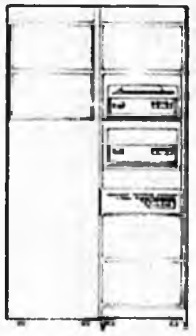
DISK DRIVES



SEARCH PROCESSOR



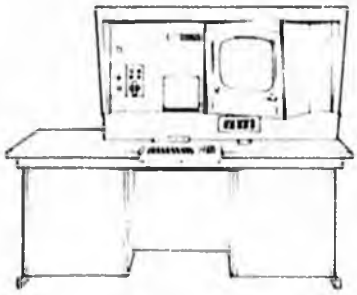
LINE PRINTER



PRINT PROCESSOR



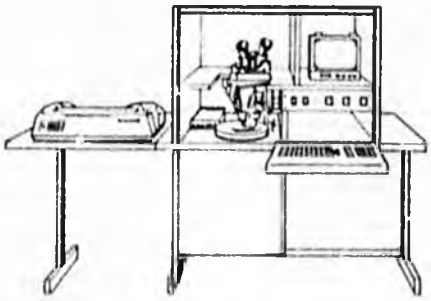
TELE-PRINTER



READ EDIT TERMINAL



TELEPRINTER



LATENT TERMINAL
(MODEL 20)
WITH PRINTER

CONFIGURATION:

- Autoclassification
- Three matchers

HB

348

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

SSA COMMITTEE HEARING 1:30 PM 5/28 SENATOR BRADLEY SSAC

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE
P.O. Box 1628, Juneau, Alaska 99802

3210
APR 16 1981

Honorable Samuel R. Cotten
Alaska State House of Representatives
Chairman, House Finance Committee
Pouch V, State Capitol
Juneau AK 99811

Dear Mr. Cotten:

The enclosed material provides background information regarding two appropriation bills which have been introduced for continued development and operation of the Alaska Avalanche Warning System. These are H.B. No. 18 and H.B. No. 348, which have been referred to your Committee.

The State of Alaska is participating in this public service which was implemented last year. The extent of next winter's operation will be largely influenced by action the State takes during this Session.

We hope that a hearing for these two bills can be scheduled at an early date. Mr. Bob Janes, Deputy Director for State and Private Forestry from my staff, should be available to answer any questions during the hearing. If possible, please advise Mr. Janes by phone, 586-7510, of the time and place as soon as it is determined.

Sincerely,

Michael A Barton
MICHAEL A. BARTON
Deputy Regional Forester

cc: Representative Mike Miller, Sponsor
Jos Mapranaph, Finance Officer,
Department of Public Safety
Members, House Finance Committee

5/27/81 NOTE:

THESE TWO BILLS PASSED THE HOUSE FLOOR MAY 26, 1981 AND WERE REFERRED TO (1) SENATE STATE AFFAIRS, AND (2) SENATE FINANCE COMMITTEES. THIS BACKGROUND MATERIAL IS THEREFORE BEING FURNISHED AT THIS TIME TO ALL MEMBERS OF THOSE TWO SENATE COMMITTEES.

R.C. Janes
R.C. Janes
U.S. Forest Service

6200-11 (1/69)

ALASKA AVALANCHE WARNING SYSTEM AND FIRE WEATHER FORECASTING SERVICE (AAWS/FWFS)

The enabling legislation for State participation in this project was enacted in the last Session of the Legislature. A copy of the Act is enclosed, AS 18, Chapter 76, Alaska Avalanche Warning System, which became effective July 1, 1980. Two supplemental Appropriation Bills for F.Y. 82 have been introduced in the First Session of the Twelfth Legislature to assist in development and operation of the program. For F.Y. 83, the regular program budgeting process will be used by the Department of Public Safety, representing all State interests for continuation of the program.

1. House Bill No. 18 ($130,000). This is for a capital investment need, development of two orographic precipitation models for use in mountain weather forecasting. The enclosed testimony of 2/12/81 before the House State Affairs Committee provides further details.

2. House Bill No. 348 ($446,000). This is primarily for operation and maintenance of the system. The following table shows direct funding needed for, and in-kind dollar value given to, the system for the period 7/1/81 - 6/30/82. Amounts shown are based on an evaluation of both tangible and intangible benefits to the cooperating agency indicated. The general concept is that all cooperators will benefit through more effective management of their individual program responsibilities. At the same time, they will be contributing to the health and welfare of Alaska residents and visitors to the State.

Following the table, a specific narrative statement of purpose and benefit is shown for each participating State cooperator. These are within the three Departments of Public Safety, Natural Resources, and Transportation and Public Facilities.

Cooperating Agency	Direct Funding Needed		Estimated In-Kind $ Value		Total Project	
	Thousand $	%	Thousand $	%	Thousand $	%
A. State						
1. DPS	$446(93)		$3	1		
2. DNR-Parks	(195)		50	17		
3. DNR-Geol Survey	(40)		5	2		
4. DNR-Forest, Land, and Water Mgt.	(20)		10	3		
5. DOT&PF	(98)		16	5		
Sub total	$446	76%	$84	28%	$530	60%
B. Federal						
6. Forest Service	70		30	10		
7. BLM	66		140*	47		
8. Weather Service			35**	11		
9. Soil Cons. Serv.			9	3		
C. Municipal						
10. City & Borough Juneau	5		3	1		
Sub total	$141	24%	$217	72%	$358	40%
Total cost	$587		$301		$888	

Note: Figures in parentheses for State agencies represent dollar benefit to the cooperator.

*Includes salary, supplies, communications and the maintenance and sorticing of the special capital improvements (equipment) needed for developing a fire weather forecast not being furnished by the National Weather Service.

** Includes salary, office supplies, office space and other services but not the cost to the National Weather Service for gathering the weather data and producing the weather forecast products needed for making weather forecasts.

1. Department of Public Safety ($93,000). This Department represents all State interests in the program and acts as the central office for the $446,000 "pass through" appropriation to the Alaska Avalanche and Fire Weather Forecast System administered by the U.S. Forest Service as outlined in the Master Agreement between all participating cooperators.

The Department will benefit primarily from an expected decrease in accidents caused by snow avalanches and fire. This should result in less impact and demand to State Troopers for emergency search and rescue missions, and a decrease in expenditures for such work. The basic objective of the combined system of avalanche warning and fire weather forecasting is to reduce loss of lives, property, and public expenditures.

2. Department of Natural Resources ($255,000). Three Divisions are cooperating in the program:

a. Division of Parks ($195,000). Thousands of Alaska residents and visitors use State Parks for winter recreation such as back country ski touring, snow-machining, and mountain climbing. These people will benefit from the service being offered by the Avalanche-Fireweather Forecasting Center by planning trips to avoid natural dangers as they develop. On the Chugach State Park alone last year, there were 153,000 winter visitor days. The increasing risks caused by increasing use results in a greater potential for an increase in accidents. The snow avalanche hazards and conditions that exist in Alaska have resulted in a high number of fatalities during the decade of the 1970's. The combination of the permanent ice and snow fields in the mountainous terrain of Alaska, with a heavy snowfall during the winter, creates the potential for yearlong avalanche danger.

During the period 1970-78 there were 109 deaths from snow avalanches in the United States. Of these, 23, or more than 20% of the total, occurred in Alaska. During the same period, the State of Colorado had 24, and Washington had 21 fatalaties. Mr. Doug Fesler, Statewide Snow Ranger, Division of Parks, has studied the Alaska incidents for that particular period and he has concluded: (1) there were 16 avalanches that caused the 23 fatalities, and he estimates that for every fatality there have been 10 other people caught in an avalanche, but survived; (2) most avalanche deaths were in January (25%), followed by February (19%) and December and May (13% each); (3) regionally in Alaska, 56% occurred in Southcentral, 25% in Interior, and 19% in Southeast; (4) most deaths were associated with recreational activities which included skiing, hiking, and climbing.

Sec. 18.76.010 (3) of Chapter 76 pertaining to the Alaska Avalanche Warning System specifies "coordinate a public awareness program on avalanche danger." To do this, the State Division of Parks has been assigned responsibility for developing and operating an effective Statewide Snow Avalanche Education Program under the direction of the Alaska Avalanche and Fireweather Forecasting System.

To assist in carrying out the program for the 1981-82 winter season, $77,600 of the State's appropriation in the AA/FWFS operating program will be transferred to the State Division of Parks. This amount is part of the $195,000 benefiting State Parks.

b. Division of Geological and Geophysical Surveys ($40,000). AS 41.08.020 and 6AAC 80.050 place prime responsibility for identifying and evaluating geological hazards in Alaska with the State Geologist. The Alaska Avalanche Warning System will help in this respect, by increasing the level of knowledge gained through additional technical personnel working on the program and by gathering basic weather and snow data in high mountain terrain. Two specific provisions of the Act relating to the warning system are (4) and (5) which affect the work of this Division. Sec. 18.76.010 (4) states "catalog a comprehensive atlas of avalanche paths and slide occurrences," and (5) states "assist local governments and state agencies in identifying hazardous avalanche zones and in developing snow avalanche zoning regulations."

c. Division of Forest, Land, and Water Management ($20,000). A combined part of the Alaska Avalanche Warning System is operation of a Statewide Fire Weather Forecasting Service during the summer. This enables a forecasting center to operate in Anchorage to handle both the avalanche and fireweather forecasts on a yearlong basis. It will result in experienced, dedicated personnel operating in this specialty field. The State Forester is participating in the program and utilizing the fireweather forecasting aspects of it.

The U.S. Bureau of Land Management has been transferring wildland fire control responsibility to the State, and by 1985 the State Forester's organization is expected to have the capability to be protecting the natural resources on 75 million acres of State and private lands against losses due to fire. Fireweather forecasting is an important management tool used for decisionmaking in fire prevention, presuppression, and suppression activity. Reliable fireweather forecasts can save not only life and property, but thousands of dollars each year in fire management practices.

3. Department of Transportation and Public Facilities ($98,000). There are approximately 180 preliminarily identified avalanche paths crossing public highways and railroads within the State. This situation presents a constant hidden danger to the limited land transportation corridors, and since there are no alternate roads to use, the public is continually exposed to these avalanche prone routes during the winter months.

The warning and forecasting service will not only help to protect the public against these dangers, it will also enable the Department to make more effective management decisions for conducting actual avalanche control operations, closing highways to public use, etc. This should result in safer and more effective results, and there should be a substantial dollar savings from managing operations that would reduce the amount of overtime needed for emergency situations.

LAWS OF ALASKA

1980

Source
HCS CSSB 201

Chapter No.
119

AN ACT

Relating to avalanche warning and control systems; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 9

Approved by the Governor: June 30, 1980
Actual Effective Date: July 1, 1980

Chapter 119

AN ACT

Relating to avalanche warning and control systems; and providing for an effective date.

* Section 1. AS 18 is amended by adding a new chapter to read:

CHAPTER 76. ALASKA AVALANCHE WARNING SYSTEM.

Sec. 18.76.010. PARTICIPATION IN STATEWIDE AVALANCHE WARNING SYSTEM. The Department of Public Safety, acting in cooperation with a municipality or with an agency of the federal government, shall participate in the development and implementation of a statewide avalanche warning system and shall represent the state in the operation of that system. The statewide system shall

(1) establish and maintain a service center and primary and supplementary field stations to gather information and data concerning ground weather conditions, snow pack, and avalanche activity;

(2) forecast snow avalanche conditions throughout the state;

(3) coordinate a public awareness program on avalanche danger;

(4) catalog a comprehensive atlas of avalanche paths and slide occurrences; and

(5) assist local governments and state agencies in identifying hazardous avalanche zones and in developing snow avalanche zoning regulations.

* Sec. 2. AS 19.05.030 is amended by adding a new paragraph to read:

(7) develop and implement an avalanche control plan to protect persons who use public highways.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Funding Information
General Fund $446,000
Other Funds -0-
$446,000

Introduced: 3/17/81
Referred: Finance

IN THE HOUSE BY MILLER

HOUSE BILL NO. 348

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Department of Public Safety for the Alaska avalanche warning system; and providing for an effective date."

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

* Section 1. The sum of $446,000 is appropriated from the general fund to the Department of Public Safety for the Alaska avalanche warning system.

* Sec. 2. The unexpended and unobligated portion of the appropriation made by this Act lapses into the general fund June 30, 1982.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-070(c).

cc: EDA, DPF

Funding Information	
General Fund	$130,000
Other Funds	-0-
	$130,000

IN THE HOUSE BY MILLER

HOUSE BILL NO. 18

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making a supplemental appropriation to the Department of Public Safety for implementation of the statewide avalanche warning system; and providing for an effective date."

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

* Section 1. The sum of $130,000 is appropriated from the general fund to the Department of Public Safety for contract services to prepare orographic precipitation models of Southeastern and Southcentral Alaska for use in the statewide avalanche warning system (AS 18.76.010).

* Sec. 2. The unexpended and unobligated portion of the appropriation made by this Act lapses into the general fund June 30, 1982.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-070(c).

MR. CHAIRMAN AND MEMBERS OF THE HOUSE FINANCE COMMITTEE:

MY NAME IS BOB JANES, AND I AM REPRESENTING THE U.S. FOREST SERVICE TODAY IN SUPPORT OF TWO APPROPRIATION BILLS FOR THE ALASKA AVALANCHE WARNING SYSTEM AND FIRE WEATHER FORECASTING SERVICE. THESE TWO BILLS ARE H.B. NO. 18 IN THE AMOUNT OF $130,000 AND H.B. NO. 348 IN THE AMOUNT OF $446,000.

HOUSE BILL NO. 18 IS FOR A CAPITAL INVESTMENT NEED. IT WOULD ENABLE PROCEEDING WITH THE PLANNED DEVELOPMENT AND OPERATION OF THE STATEWIDE SYSTEM WHICH WAS AUTHORIZED BY THE LAST SESSION OF THE LEGISLATURE AND SIGNED INTO LAW JULY 1, 1980, AS CHAPTER 76 AMENDING AS 18.

TWO COMPUTERIZED OROGRAPHIC PRECIPITATION MODELS WOULD BE DEVELOPED FOR USE IN MOUNTAIN WEATHER FORECASTING. BASICALLY, THEY WOULD DETERMINE THE EFFECTS OF TOPOGRAPHY ON WINTER PRECIPITATION FOR SPECIFIED GEOGRAPHIC AREAS. THE OBJECTIVE IS TO PROVIDE A FAST, SIMPLE, AND ACCURATE TECHNIQUE TO FORECAST THE WATER EQUIVALENT OF THE NEW SNOWFALL FOR THE MOUNTAINOUS ZONES WHERE AVALANCHES START. SINCE LOADING OF THE AVALANCHE STARTING ZONES IS THE PRIMARY TRIGGER FOR NATURAL AVALANCHES, THE SNOWFALL FORECAST WITH WATER EQUIVALENT IS VITAL TO ACCURATE FORECASTING.

ONE MODEL WILL BE FOR SOUTHCENTRAL ALASKA AND ONE WILL BE FOR SOUTHEAST ALASKA, COVERING MAJOR AREAS OF OCCUPANCY AND USE WHERE DANGEROUS AVALANCHE CONDITIONS EXIST. THE SOUTHCENTRAL MODEL WILL COVER NEARLY 90,000 SQUARE MILES ON A GRID 260 MILES BY 335 MILES STRETCHING FROM NEAR THE CANADIAN BORDER OF THE YUKON TERRITORY ON THE EAST, THEN WESTERLY TO THE KENAI

PENINSULA, AND NORTHERLY TO MT. McKINLEY NATIONAL PARK. IT ENCOMPASSES THE CITY OF ANCHORAGE, WITH OVER 200,000 POPULATION, AND SMALLER COMMUNITIES OF GLENNALLEN, VALDEZ, CORDOVA, KENAI, HOMER, AND SEWARD; FOUR MOUNTAIN RANGES ARE INVOLVED, THE CHUGACH MOUNTAINS, OR BACKYARD PLAYGROUND OF ANCHORAGE, AND THE WRANGELLS, TALKEETNA, AND KENAI RANGES.

THE SOUTHEAST MODEL WILL COVER A GRID AREA OF ABOUT 150 MILES WIDE AND 300 MILES LONG, APPROXIMATELY 45,000 SQUARE MILES. IT STRETCHES FROM NEAR THE CANADIAN BORDER OF BRITISH COLUMBIA TO THE SOUTH, AND NORTHERLY TO THE CANADIAN YUKON TERRITORY BORDER. IT CONTAINS THE MASSIVE COAST MOUNTAIN RANGE SURROUNDING THE CITY OF JUNEAU, AND SMALLER CITIES OF KETCHIKAN, WRANGELL, PETERSBURG, HAINES, AND SKAGWAY; TO THE WEST, THE CITY OF SITKA LIES WITHIN THE GRID, AND SEVERAL TLINGIT-HAIDA NATIVE VILLAGES ARE INCLUDED IN THE MOUNTAINOUS ISLANDS.

THE PRODUCT WILL NOT BE A PROTOTYPE. THE BIDDER MUST SHOW THAT SIMILAR MODELS FOR OTHER GEOGRAPHIC AREAS MUST HAVE BEEN IN SUCCESSFUL OPERATION FOR THREE OR MORE YEARS. THOSE EXAMPLES AND THEIR OUTPUTS MUST BE SUBMITTED WITH THE BID AS AN INDICATION OF PERFORMANCE, INCLUDING A COMPARISON OF MODEL FORECASTS AND ACTUAL OBSERVED VALUES FOR BOTH SHORT TERM (1-24 HOUR) FORECASTS AND FOR THE SEASONAL ACCUMULATION.

THESE TWO MODELS ARE A HIGH PRIORITY CAPITAL INVESTMENT NEED FOR THE OVERALL SYSTEM.

THE SECOND APPROPRIATION BILL, H.B. NO. 348, IS FOR OPERATION OF THE ALASKA AVALANCHE AND FIREWEATHER FORECAST SYSTEM FOR THE PERIOD JULY 1, 1981 THROUGH JUNE 30, 1982. THE STATE APPROPRIATION OF $446,000 SUPPLEMENTS $141,000 OF OTHER FEDERAL AND MUNICIPAL FUNDS, AND AMOUNTS TO 76% OF THE TOTAL $587,000 DIRECT FUNDING NEEDED FOR THE PROJECT.

THERE WILL BE AN ESTIMATED ADDITIONAL $301,000* OF CONTRIBUTED DOLLAR VALUE FROM COOPERATORS WHO FURNISH PERSONNEL, OFFICE SPACE, EQUIPMENT, SUPPLIES, ETC. FOR BOTH THE STATEWIDE AVALANCHE AND FIREWEATHER FORECAST PROGRAM. OF THIS, THE STATE'S PROPORTION IS $84,000 OR 28%. THE TOTAL ESTIMATED ANNUAL OPERATING COST IS $888,000 WHICH IS FINANCED 60% BY THE STATE AND 40% BY OTHER AGENCIES. THREE STATE DEPARTMENTS ARE INVOLVED, WITH PUBLIC SAFETY REPRESENTING THE STATE IN OPERATION OF THE SYSTEM. THE OTHER TWO DEPARTMENTS ARE NATURAL RESOURCES AND TRANSPORTATION AND PUBLIC FACILITIES, EACH WITH VESTED INTERESTS IN THE PROGRAM. WITHIN THE DEPARTMENT OF NATURAL RESOURCES, THERE ARE THREE DIVISIONS PARTICIPATING IN THE PROGRAM: (1) PARKS, (2) GEOLOGICAL AND GEOPHYSICAL SURVEYS, AND (3) FOREST, LAND, AND WATER MANAGEMENT.

THE ENCLOSED PROPOSED OPERATING BUDGET FOR THE PERIOD JULY 1, 1981 THROUGH JUNE 30, 1982, AND THE DETAILED SPREADSHEET OF COOPERATING AGENCY PARTICIPATION AND BENEFITS, SHOW FURTHER EXPLANATION OF WHAT IS INVOLVED IN THIS REQUEST.

IT IS IMPORTANT TO NOTE THAT THE AVALANCHE AND FIREWEATHER FORECASTING SYSTEM WILL BE A CONTINUING PROJECT, HAVING STARTED APRIL 1, 1980. IT IS PROGRAMMED FOR GROWTH AND DEVELOPMENT WHICH WILL PRODUCE A FULL-SCOPE INTENSIVE OPERATION BY THE WINTER OF 1985. BY THAT TIME, THE STATE MAY DESIRE TO ASSUME THE LEAD ROLE FROM THE USDA-FOREST SERVICE IN OPERATION AND ADMINISTRATION, WITH THE OTHER FEDERAL AND MUNICIPAL COOPERATORS CONTINUING THEIR SUPPORT.

ADDITIONAL NEW COOPERATORS MAY PARTICIPATE AT ANY TIME. THE LEVEL OF STATE FUNDING IS EXPECTED TO REMAIN AT ABOUT 75%, WITH AN ANNUAL OUTLAY OF APPROXIMATELY $450,000, PLUS AN APPROPRIATE INCREASE FOR INFLATION. ADDITIONAL CAPITAL EXPENSE NEEDS ARE EXPECTED TO NOT EXCEED $50,000 PER YEAR.

I APPRECIATE YOUR TIME, AND WILL BE GLAD TO ANSWER ANY QUESTIONS ABOUT THE OVERALL PROJECT.

*Does not include the cost to the National Weather Service for gathering and producing the weather products needed for a weather forecast.

Presented by Robert C. Janes, Deputy Director for State and Private Forestry, USDA Forest Service, Alaska Region, at a Hearing on _____ before the House Finance Committee.

PROPOSED BUDGET

ALASKA AVALANCHE WARNING SYSTEM & FIRE WEATHER FORECASTING SERVICE

(For Period 7/1/81 through 6/30/82)

I. PERSONNEL		Cost to Nearest $100	
		Avalanche	Fire
Program Director	150 days x $165/day	$21,500	$3,300
Meteorologist	260 " " "	25,600	17,400
Meteorologist	260 " " 140/day	19,900	16,600
Meteorologist (Fire)	116 " " 110/day	0	13,000
Met. Tech. (Hackett)	10 " " 100/day	1,000	
Met. Tech. (Fire)	116 " " 85/day	0	10,000
Met. Tech. (Fire)	116 " " 85/day	0	10,000
Met. Tech. (Valdez)	180 " " 100/day	18,000	
Met. Tech. (Valdez)	180 " " 90/day	16,200	
Met. Tech. (Juneau)	180 " " 85/day	15,300	
Met. Tech. (Juneau)	180 " " 85/day	15,300	
Met. Tech. (Anchorage)	240 " " 100/day	24,000	
Met. Tech. (Kenai) (60% AAWS; 40% CNF)	180 " " 85/day	9,200	
Clerk (AAFC)	180 " " 55/day	9,900	
	Sub total Salary	$175,900	$70,300

II. TRAVEL		
A. Per Diem and Commercial Travel		
Program Director and Meteorologists	8,000	11,700
Met. Techs. (Fire)		2,000
Met. Techs. (Valdez)	4,500	
Met. Tech. (Juneau)	4,500	

Met. Tech. (Anchorage)		5,000	
Met. Tech. (Kenai)		1,000	
Sub total Travel		$23,000	$13,700

B. Vehicle Rental

AA/FWFC GSA vehicles 15 months X $165/mo	$2,500		
20,000 miles @ 0.40/mi	7,700	5,200	$5,000
Juneau Met. Tech. vehicle (GSA)			
12 months x $188/mo	2,256		
4,000 miles @ 0.434	1,736	4,000	
Anchorage Met Tech vehicle (GSA)			
12 months x 188/mo	$2,256		
20,000 miles @ 0.434	3,680	$10,900	
Valdez Met. Tech. (State DOT&PF furnished)		0	
Kenai Met. Tech. (vehicle-Chugach NF furnished)		0	
Sub-total Vehicles		$20,100	$5,000

C. Aircraft Charter - Helicopter and Fixed-wing

Anchorage Area:	Hatcher Pass	$5,000	
	Chugach State Park	5,000	
	Kenai	5,000	15,000
Valdez Area:	(State DOT&PF furnished)		0
Juneau Area			8,000
Sub-total Aircraft			$23,000

III. SUPPLIES AND EQUIPMENT

Safety Equipment		$9,000	
Weather Equipment		16,000	
Misc. Items		5,000	$5,000
Sub-total E&S			$30,000	$5,000

IV. SERVICES

Radio Maintenance	$4,000		
Remote Instrumentation Maint.	2,000		
GOES Platform	3,500		
Telephone	8,000		
			3,000
Sub-total Services		$17,500	$3,000

V. CONTRACTING

Weather Observations -	Hatcher Pass	$12,000	
" "	Summit Lake	2,000	
" "	Mile 14 (Valdez)	2,000	
" "	Salmon Cr. Res.	2,000	
" "	3 undesig. sites	6,000	
			$24,000

VI. SNOW AVALANCHE EDUCATION PROGRAM

To be transferred to State Division of Parks:

Contractual Services			$20,000
Supplies and Equipment			5,000
Transportation	Per Diem & Comm Travel	$6,000	
	Vehicle	6,000	
			12,000
Park Ranger III (new position) (Avalanche Information Specialist)			40,600
	Sub-total		$77,600

VII. CAPITAL INVESTMENT

Bird Ridge Cabin - for use with DOT&PF avalanche control program - Seward Highway and local forecasting		
Sub-total		$25,000

VIII. SUMMARY OF COSTS

	Avalanche	Fire	Total
Operation	$391,100	$94,000	$485,100
Capital Investment	25,000	0	25,000
Contingency	18,000	6,100	24,100
General Admin. Asses. (9%)	45,100	7,700	52,800
Total Project Cost	$479,200	$107,800	$587,000

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

POSITION PAPER/Department of Health & Social Services

POSITION PAPER

HOUSE BILL NO. 348 (efd failed)

"An Act making a special appropriation to the Department of Public Safety for the Alaska avalanche warning system; and providing for an effective date."

HB No. 348 provides $446,000 to the Department of Public Safety for the Alaska avalanche warning system.

The Department of Health and Social Services believes that an avalanche warning and control system is necessary to reduce the risk of avalanche which occasionally results in serious injuries or death.

Mr. Doug Fessler of the Alaska State Parks recently completed a study of avalance fatalities which occurred between 1970 and 1979. Based on this study, the following facts were gathered:

1) There were 17 fatal avalanches involving 24 fatalities. It was estimated that for every fatality there have been 10 others who were caught in an avalanche, but survived.

2) Most avalanche deaths were in January (29%), followed by May (17%), and February and August (13% each).

3) Regionally, 33% occurred in the Interior, 54% occurred in Southcentral, and 13% occurred in Southeast.

4) Most deaths were associated with recreational activities including skiing, hiking and climbing.

The Department of Health and Social Services supports the concept of this bill.

Recommended by: David C Bruce

David Bruce, Deputy Director
Division of Public Health

Date: March 23, 1981

Approved by: Helen D. Beirne

Helen D. Beirne, Commissioner

Date: 3-26-81

Gloria Houston Way
Emergency Medical Services

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill No. 348 (efd failed)
Title "An Act making a special appropriation to the Dept. of Public Safety for avalanche..
Requested by Commissioner's Office Date 3/20/81

II. FISCAL DETAIL
Agency Affected Dept. of Health and Social Services
Program Category Affected Public Health
BRU, Program, or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER (Specify Fund Source)	0	0	0	0	0	0

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

IV. DATE 3/20/81 PREPARED BY Mark Johnson
AGENCY Dept.of Health & Social Services
PHONE 465-3027

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named) M&B Approval [signature] Date 3/25/81

33-001 (Rev. 12/80

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

RJ 4/8/81

I. REQUEST
Bill/Resolution No. HB 348
Title "An Act making special appropriation to Public Safety for the Avalanche Warning Sys
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Department of Public Safety
Program Category Affected Administration of Justice
BRU, Program, or Subprogram(s) Affected Detachments & CIB
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES			43.8	47.3	51.1	55.2
200 TRAVEL			6.5	7.0	7.6	8.2
300 CONTRACTUAL			399.0	430.9	465.4	502.6
400 COMMODITIES			2.2	2.4	2.6	2.8
500 EQUIPMENT						2.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			451.5	487.6	526.7	570.8

FUNDING (Thousands of Dollars)

GENERAL FUND			451.5	487.6	526.7	570.8
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
To implement the Alaska Avalanche Warning System, the U.S. Forest Service, as coordinator of the program, has prepared an operating budget totalling $586,750 for FY 82. The funding participants of the program are the State of Alaska, U.S. Bureau of Land Management, U.S. Forest Service and the City and Borough of Juneau. The State's share is 76% or $446,000. The subject bill appropriates the State's portion to the Department of Public Safety. The State participants are Department of Natural Resources, Department of Transportation and Public Facilities, and Department of Public Safety. The budget contains $25,000 of a "capital" nature, namely "construct a weather observation station and overnight facility at Bird Ridge." The major capital expenditure has been covered under HB 18 as a supplemental appropriation for use beginning FY 81.

- continued

IV. DATE April 8, 1981 PREPARED BY Marcia Lynn McKenzie, Budget Analyst
AGENCY Department of Public Safety
PHONE 465-4349

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

33-001 (Rev. 12/80)

For FY 82, the operating portion of the appropriation, $421.0 will be expended in two major segments, approximately $343.4 towards a cooperative contractual agreement and $77.6 for an information and education program to be run by the Department of Natural Resources, including the establishment of a Park Ranger III position (range 18). For FY 83 through FY 86, an annual inflation factor of 8% is applied to the total operating budget, with an allowance for replacement equipment in FY 86.

LIBRARY/Department of Health & Social Services

POSITION PAPER

HOUSE BILL NO. 18

"An Act making a supplemental appropriation to the Department of Public Safety for implementation of the statewide avalanche warning system, and providing for an effective date."

HB No. 18 provides $130,000 for preparation of orographic precipitation models of Southeastern and Southcentral Alaska to be used as part of the statewide avalanche warning system.

The Department does believe that an avalanche warning and control system is necessary to reduce the risk of avalanche which occasionally results in serious injuries or deaths.

The Department of Health and Social Services supports the concept of this bill.

Recommended by: David Bruce

David Bruce, Deputy Director
Division of Public Health

Date: February 2, 1981

Approved by: Helen D. Beirne

Helen D. Beirne
Commissioner

Date: 2/5/81

II. FISCAL DETAIL

Agency Affected: Department of Health & Social Services

Program Category Affected: Health/Division of Public Health

BRU, Program, or Subprogram(s) Affected: Emergency Medical Services

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

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES	0	0	0	0	0	0
200	TRAVEL	0	0	0	0	0	0
300	CONTRACTUAL	0	0	0	0	0	0
400	COMMODITIES	0	0	0	0	0	0
500	EQUIPMENT	0	0	0	0	0	0
600	LAND & STRUCTURES	0	0	0	0	0	0
700	GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
	TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER (Specify Fund Source)	0	0	0	0	0	0

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

IV. DATE 01/22/81

PREPARED BY: Mark S. Johnson

AGENCY: Emergency Medical Services/Div. Public Health

PHONE: 465-3027

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

1/22/81

33-001 (Rev. 12/79)

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 18
Title "An Act making supplemental appropriation to Public Safety for Avalanche Warning."
Requested by Mike Miller Date

II. FISCAL DETAIL
Agency Affected Department of Public Safety
Program Category Affected Administration of Justice
BRU, Program, or Subprogram(s) Affected Administration and Support
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		6.2	6.8	7.1	7.6	8.2
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		6.2	6.8	7.1	7.6	8.2

FUNDING (Thousands of Dollars)

GENERAL FUND		6.2	6.8	7.1	7.6	8.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME		1.0	1.0	1.0	1.0	1.0
TEMPORARY						

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

Monitoring and administering the contract with the U.S. Forest Service for on-going operating costs would require the part-time services of an Accounting Clerk III (approximately 3 months). An inflation factor of 7% is included for subsequent years.

Please see attached

IV. DATE Janaury 29, 1981 PREPARED BY Jos Manranath, Finance Officer
AGENCY Public Safety
PHONE 465-4349

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

33-001 (Rev. 12/80

HB

508

HB 509

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill No. 509 (Page 1 of 3)
Title "An Act relating to analysis of employment and unemployment in the state...."
Requested by Rogers, Gardiner, Meekins, Buchholdt, Duncan, Fuller, Zharoff and Grussendorf Date 5/5/81

II. FISCAL DETAIL
Agency Affected Labor
Program Category Affected Employment Stabilization
BRU, Program, or Subprogram(s) Affected Administrative Services, IMI
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		219.8	238.0	246.2	266.8	287.2
200 TRAVEL		13.2	13.0	14.0	15.1	16.3
300 CONTRACTUAL		190.9	203.1	219.3	236.1	255.7
400 COMMODITIES		6.5	6.5	7.0	7.6	8.2
500 EQUIPMENT		12.4	13.4	14.5	15.7	17.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	442.8	464.0	501.0	541.1	584.4

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	442.8	464.0	501.0	541.1	584.4
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	-0-	6.5	6.0	6.0	6.0	6.0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
1. Assumes an effective date of July 1, 1981.
2. Personal Services based on current salary schedule, with allowance of vacancy factor in FY '82.
3. Travel, Contractual Services, Commodities and Equipment are based on cost per position with the exception of Data Processing cost of $120,000 which is based on an estimate for a Time Sharing operation.
4. Assumes an annual inflation factor of 8% for all line items.
5. To meet the requirements of this legislation, funding for the following information components is requested:

REGIONAL ECONOMIC FORECAST BY INDUSTRY $230,998 (FY '82)

The large geographic size of Alaska makes it probable that some regions could have severe shortages of workers while other areas lack economic activity. For the past three years the Research and Analysis Section has developed and improved the employment data base for

IV. DATE May 9, 1981 PREPARED BY Nico Bus, Finance Officer
AGENCY Labor
PHONE 465-2720

Original: Legislative Finance

Fiscal Note for House Bill No. 509 (Page 2 of 3)
Analysis continued

six regions of the state. This permitted more accurate sub-state regional estimates of employment by industry, labor force and unemployment. Both published and nondisclosable (due to confidentiality restrictions of Alaska's Unemployment Insurance Law) data are contained in this data base.

This component would provide staff to analyze and forecast employment, labor force, and unemployment information for the six regions of the State. With computer assistance, staff would determine the trend and level of economic activity by industry and enable the operation of an industry/occupation matrix to provide occupational forecasts by industry for the six regions.

Purchases: Labor Economist III, 2 Labor Economists II's, Clerical & Data Processing Services

EXPANDED OCCUPATIONAL EMPLOYMENT STATISTICS $91,809 (FY '82)

For much of the past decade Research and Analysis has estimated and projected employment (staffing levels) by occupation. Occupational data from an employer survey is merged with the employment forecast by industry to prepare forecasts of occupational employment.

This component would provide staff to provide occupational forecasts by industry for the six regions of Alaska. Industrial detail used would be expanded to provide for more accurate estimates. For example, more detail in the mining industry, would isolate coal and hard rock mining from oil and gas extraction. This would permit more accurate forecasts of the occupations involved if those sub-industries grew at different rates.

Purchases: 1 Labor Economist II, Data Processing and Clerical Services

ANALYSIS OF UI AND ES DATA BASES $41,637 (FY '82)

In the first year of the legislation only, the agency proposes a small increment to analyze how best to utilize the Unemployment Insurance (UI) and Employment Service (ES) data bases for dynamic indicators of unemployment and employee turnover. Potentially, these two data bases could give insight into the mobility and labor force attachment of Alaska's population. Both cross sectional (one point in time) and longitudinal (between different time periods) analysis is feasible. However, some of this analysis has only been done in a few states and the uniqueness of each state's unemployment insurance data base makes it appropriate to limit the study to determining feasible methodologies in the first year.

Purchases: 0.5 Labor Economist III, Clerical and Data Processing Support

MIGRATION STUDY $78,312 (FY '82)

Any analysis of Alaska's labor force supply would be inadequate without considering the impact of migration (both immigration and outmigration). Migration flows are triggered both by push (lack of available opportunities in the area from which migration emanates) and pull (more lucrative opportunities in the area which receives the migration) factors. Interstate analysis of the factors which correlate with migration would be necessary (for example, construction employment in other western states). Modeling the migration component would give insight into the appropriate timing of large capital projects.

Fiscal Note for House Bill 509 (Page 3 of 3)
Analysis continued

Purchases: 1 Labor Ecomonist II and Clerical and Data Processing Support

These components are interrelated with each other and with other information systems within our Research and Analysis unit. Integration of this complete information system would provide an excellent framework for Alaska's policymakers to determine both the needs of their constituents and the impact of proposed solutions. The output from these components would be prepared annually to meet the continuing information needs of legislative and other governmental officials at local and state levels and for Alaska's businesses and industries both existing and those starting again or expanding in Alaska.

I. REQUEST

Bill/Resolution No. HB 508

Title An Act relating to requirements for fiscal notes and employment notes in the legislative process. Date 4/16/81

Requested by Gardiner, Rogers and others

II. FISCAL DETAIL

Agency Affected Office of the Governor, Division of Budget and Management

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Budget and Management

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

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL		150	40	43	47	51
400	COMMODITIES		5	5	6	6	7
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		155	45	49	53	58

FUNDING (Thousands of Dollars)

GENERAL FUND		155	45	49	53	58
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		0	0	0	0	0
PART TIME						
TEMPORARY						

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

1. Initial estimates of direct and indirect employment impacts for common types of capital projects will be developed under a contractual arrangement.
2. Costs of estimating impacts for unique projects (extremely large, of a one-time nature) are not included in Fiscal Detail. These projects could be most effectively analyzed by specialized studies.
3. Contractual expenses for fiscal years beyond the initial development year are for a system which would monitor actual experience for the purpose of refining and updating the standardized estimates. The amount included an 8% inflation factor.
4. Additional workload on the Division will be absorbed by existing positions.

IV. DATE 4/30/81 PREPARED BY David Tonkovich

AGENCY Budget and Management

PHONE 465-4242

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/80)

Project Title: Construction of ABC Highway
Executive Budget - Capital book reference: page 177
Date: January 15, 1982
Requested by Governor

II. FISCAL DETAIL

Agency Affected: Department of Transportation and Public Facilities
Program Category Affected: Transportation
BRU, Program or Subprograms Affected: Interior Region Transportation

	FY 82	FY 83	FY 84	FY 85
Total Expenditure	$2,000.0	$1,000.0	-0-	-0-
GENERAL FUND	2,000.0	1,000.0	-0-	-0-
~~FEDERAL FUND~~ OTHER FUNDS	-0-	-0-	-0-	-0-

III. EMPLOYMENT DETAIL

A. Hours/Full-time Equivalent

	FY 82	FY 83	FY 84	FY 85
On-site Employee Hours	22,990 hrs	10,450 hrs		
Full year equivalent jobs @ 1800 hrs/yr	12.8 FTE	5.8 FTE		
Off-site Employee Hours	12,024 hrs	5,464 hrs		
Full year equivalent jobs @ 1800 hrs/yr	6.7 FTE	3.0 FTE		

B. On-site Employment: salaries, full-year equivalent employment

Category	Avg. Annual Salary	FY 82	FY 83	FY 84	FY 85
All Occupations	$33,400	12.8	5.8		
Administrative/ Supervisory	52,470	.76	.34		
Crafts*	35,138	5.26	2.38		
Laborers, helpers	25,872	4.35	1.97		
Truck Drivers, Other	37,012	2.43	1.10		

*Crafts include these occupations: Bricklayers, Carpenters, Electricians, Iron Workers, Equipment Operators, Painters, Plasters and Lathers, Plumbers and Pipefitters, Cement finishers

JOBS PLANNING LEGISLATION: WHY?

Alaska's cyclical economy is well-known. Booms in construction and natural resource development have increased the state's employment, income, and population; all three have typically declined during the subsequent busts.

The latest rollercoaster ride - the oil pipeline boom - brought a lot of money to Alaska, but left an employment picture in some ways worse. From 1970 to 1980, population increased 33 percent, employment increased 99 percent, unemployment increased 178 percent, and the unemployment rate increased 35 percent (from 7.1 percent of the labor force, to 9.6 percent). For the year 1978 - the year after pipeline construction was completed - more than 22 percent of all state income tax returns were filed by part-year and non-residents. And in 1981 almost 10 percent of the year-round population is on food stamps.

Despite the slump of the past few years, Alaska is on an economic uptick, and appears likely to see another explosive boom in the mid-1980's. Looming large on the drawing board are many major projects such as large dams, petrochemical development, the gasline, the new capital, Beluga coal, Prudhoe Bay expansion, Beaufort Sea exploration and development, the Knik Arm crossing, bottomfish ports, and large-scale agricultural development. Not all of these projects will be built, but the activity generated by even half could produce a shock to the economy at least equal to that produced by construction of the oil pipeline. The concentration of projects will likely cause a "construction squeeze," resulting in more inflation and labor importation.

Heavy government involvement in the economy is another Alaska tradition, and much of the upcoming construction squeeze will be provided by state-financed projects. David Reaume, formerly chief economist with the Department of Commerce and Economic Development, estimates that the State's annual revenues - currently in the six billion dollar range - are roughly equal to the total personal income received by its citizens. Dams, roads, bridges, buildings - public facilities and infrastructure all around the state are slated to be major priorities for the use of the oil money.

Many of these capital improvements will be supported - at least in part - as public works projects, as methods of creating jobs for Alaskans. If they are all built at once, the State will instead be creating many jobs for people who are Californians and Texans today.

House Bills 508 and 509 aim to provide legislators with the information needed to plan the timing of State-sponsored projects so as to maximize the opportunities for employment of Alaskans.

HB 508 requires bills appropriating funds for capital improvements to include an "employment note." Similar to the fiscal note traditionally used in the legislative process to determine the cost of

an individual bill, the employment note would estimate the number of jobs to be created, and provide a breakdown by region and by category of employment.

The analysis for a bill's employment note would be conducted by the agency affected with the cooperation of the Division of Budget and Management. This is similar to the process by which fiscal notes are prepared.

Originally, the analysis will be limited to those capital improvements contained in the Governor's budget and those studied by the legislature over the interim. This limitation is desirable because the Governor's budget is assembled in a process consuming most of a year, thus allowing the administration a long lead-time in preparing its first batch of employment notes. Eventually, it may be possible to attach employment notes to bills which appear later in the legislative process, such as bills introduced by legislators during a session for action that same session. To start with, HB 508 requires employment notes on each capital project in the Governor's budget and a summary presentation of the budget's employment impact. It also provides for periodic evaluation of the accuracy of the employment estimates.

HB 509, a companion bill to HB 508, establishes a sophisticated computer modeling system of the State's employment and unemployment by region. Called the "Alaska Jobs Information Bank," the system would provide regular descriptions of Alaska's unemployed in each region, including their skills. It would also contain data on levels of employment expected from various public - and private - sector developments.

Alaska State Legislature

House of Representatives

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

MEMORANDUM

TO: Rep. Brian Rogers
John Hartle, A.A.

FROM: Cliff Groh, A.A.
to Rep. Terry Gardiner

CJG

DATE: 21/May/1981

RE: Jobs planning legislation

HB 509 is a clean bill. It's been referred to the Senate Finance Committee.

HB 508 has been referred to the Senate State Affairs and Finance Committees, where it could be improved by some specific amendments. They are as follows:

1. Limitation of scope back to capital improvements and state loan bills proposed by the governor.

Two amendments were passed on the floor expanding the application of the employment note process. These appear to pose both practical and technical problems.

(a) The floor amendment, which requires employment notes for legislators' bills as well as the governor's, will create a problem because legislators offer bills up to the minute before the session adjourns. Let's start by just looking at the employment impact of the governor's bills, because the executive branch has the time to do this properly.

(b) In addition, this amendment has the effect of including in the employment note process bills for operating expenditures, as well as bills for capital improvement projects and state loan programs. Giving Budget and Management three kinds of bills for which to prepare employment notes will overburden the agency; let's wait to see how they handle the other two. Besides, capital improvements and loan programs are the logical places to start, because they are more often looked to by the legislature as job-creating devices.

(c) The other amendment to HB 508 approved on the floor expanded the application of the employment note process to include bills which relate to "new or expanded state function or programs." The floor

debate indicated this amendment was aimed at measuring private-sector job creation through government-required regulation or "paperwork." It's difficult to see how this would be done (surveys of employers?). Moreover, this provision is objectionable for the same reasons the changes outlined in 1(a) and (b) are: it would add excessive work to the agency before it has a chance to start on the process.

To make these suggested changes to the House bill, on Page 1, lines 11-16 - strike all material and insert:

"Sec. 24.30.032. EMPLOYMENT NOTES. (a) A bill requiring the appropriation of state money for a capital improvement project or a state loan program which is presented by the governor to the legislature for introduction under AS 24.30.060 (B) shall include an employment note containing the following information about the effect of the bill on employment:"

Also, on Page 2, line 9 - strike the words "new or expanded state function or programs," and on Page 2, lines 11-12 - strike the words "new or expanded state function or programs" (The amendment discussed in (c) also inserted the "new and expanded state function or programs onto Page 1, but it was eliminated - apparently inadvertently - by the amendment inserting the language including legislator's bills.)

2. Estimating the employment impact of loans.

The concern was raised on the floor that it would be impossible to estimate the employment impact of a state loan program without knowing the recipients of the loans. To allay this concern, on Page 1, after line 25 - insert new paragraph (b) and renumber accordingly:

"(b) A bill presented by the governor which requires the appropriation of money for a state loan program shall include an employment note estimating employment by the category of purpose of loan most often made by the program."

3. Evaluating the performance of employment note preparers.

On Page 2, line 18 - add new sentence after the word "procedures.":

"After the first year employment note procedures are utilized, in each succeeding year the report shall contain comparison of the employment estimates with the employment actually experienced."

4. Clarifying the types of employment estimated.

To answer question about the types of employment which would be estimated by this process, on Page 1, line 23 - after the word "employment;" insert the words "both public and private;"

In addition, it should be noted that Budget and Management may be able to estimate both "direct and "indirect" employment, although the House bill only requires the agency to estimate "direct" employment. Note the accompanying sample employment note, which estimates for a

highway construction bill both the number of "on-site" jobs and "off-site" jobs. This covers the first-round effects of the "multiplier," but not the second-round, or "income-induced" employment. (On a construction job, the surveyor has got an on-site or direct job, the surveying equipment salesman has got an off-site or indirect job, and the bartender supported by the surveyor and salesman has got an income-induced job.)

P.S. Note that the note does not specify the region the off-site jobs are in, or whether they are in Alaska or Outside.

DATE:

SENATE STATE AFFAIRS COMMITTEE -- HEARING SIGN-IN SHEET LOCATION:

AGENDA:

NAME	AFFILIATION/POSITION	ADDRESS/PHONE	TESTIFYING ON:
Bob James	U.S Forest Service	P.O. Box 1628 Juneau, AK 99802 586-7510	HB 348 & HB 18
Dave Tonkovich	Budget & Mgmt	465-4242	HB 508
Geo. W. Rogers		1790 Evergreen, Juneau	HB 508, 509
Jerry Gardner	Legislature	FV ISIS	Tree Point, Alaska 00001
Gloria Houston Way	EMS/DHSS	Psych H-06C 465-3027	HB 348 avalanche Warning System
Rep. Randy Phillips			HJR 46

DATE:

SENATE STATE AFFAIRS COMMITTEE -- HEARING SIGN-IN SHEET LOCATION:

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Gloria Houston Way	EMS / DHSS	Pouch H-06C 465-3027	HB 348 avalanche Warning System
Rep. Randy Phillips			HJR 46

May 22, 1981

SENATE STATE AFFAIRS COMMITTEE SCHEDULE

MAY 25 ---------- MAY 26

TUESDAY May 26

NO MEETING

THURSDAY May 28
1:30 p.m.

CSHB 508(Fin)am---Hearing
Relating to requirements for fiscal notes and employment notes in the legislative process; and providing for an effective date.

BJR 46---Hearing
Relating to the reduction of the cost-of-living allowance paid to federal employees in Alaska.

HB 348 (efd failed)---Hearing
A special appropriation to the Dept. of Public Safety for the Alaska avalanche warning system.

HEARINGS WILL BE CONDUCTED IN THE BEHRENDS BUILDING, FIRST FLOOR, STATE AFFAIRS COMMITTEE ROOM. IF YOU HAVE ANY QUESTIONS PLEASE CONTACT SENATOR FISCHER'S OFFICE (465-4954). THANK YOU.

Fiscal Notes & Employee Notes

HOUSE BILL NO. 508, (see pages 742;887). Reported back to the House on May 15 by Finance recommending it be replaced with a SUBSTITUTE (Finance) and reporting it back with individual recommendations: Cotten, Freeman, Buchholdt, Malone and Rogers recommend do pass. Moss recommend do not pass unless amended. Adams, Carney and Haugen have no recommendation. To Rules.

SUBSTITUTE (FINANCE) provides a bill requiring the appropriation of state money for a capital improvement project or a state loan program (added) presented by the Governor to the legislature shall include an employment note containing information about the effect of the bill on employment. Also adds subsections which provide for a breakdown of employment which would be created, by region of the state. New subsection (b) states: "Bills presented by the governor which require the appropriation of less than $1,000,000 for capital improvement projects or state loan programs may be aggregated under a single employment note, which shall contain the information required by (a) of this section." New subsection (f) states: "By January 20 of each year the Office of the Governor, division of budget and management, shall submit a report to the governor for transmittal to the legislature on the preparation of employment notes, including recommendations for improvement in employment note procedures." Adds language relating to state loan programs to section relating to supplemental budget revisions or budget amendments by the Governor which relate to capital improvement projects (subsection (e)). Remainder of the bill the same.

Fiscal Notes & Employment Notes

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 508 (FIN)(AMENDED), (see pages 742;887;944;960). On May 19 the Finance SUBSTITUTE was adopted. The bill was returned to second reading twice and Am. No. 1 (Halford) and Am. No. 3 (Fanning) were adopted. Am. No. 3 inserts the language of the original HB 508 in Sec. 1 of the bill relating to employment notes: "Before a bill requiring the appropriation of state money, including a bill appropriating money to a state loan program, is reported from the committee of first referral, there shall be attached to the bill an employment note containing the following information about the effect of the bill on employment." Am. No. 1 would amend subsection (e) of new section relating to employment notes to read: "The requirements of this section apply to supplemental budget revisions or budget amendments by the governor which relate to capital improvement projects, new or expanded state functions or programs, or state loan programs, and to reports made by the governor covering proposed capital improvements projects, new or expanded state functions or programs, or state loan programs if the reports are to be considered by the legislature during the interim between legislative session." (Underlined material added by amendment.)

The bill then passed, 28-11-1. Nays: Abood, Anderson, Barnes, Bylsma, Cuddy, Haugen, Hayes, Martin, Metcalfe, Montgomery, O'Connell. Not voting: Beirne. Reps. Randolph and Halford changed their votes from "nay" to "yea." The effective date was adopted.

Fiscal Notes & Employment Notes

HOUSE BILL NO. 508, by Reps. Gardiner, Rogers, Meekins, Buchholdt, Duncan, Fuller and Zharoff. Adds new section to AS 24.30 which requires "Employment Notes" on bills requiring the appropriation of state money. Must be attached to the bill before it reported from the committee of first referral. Note shall contain information such as the number of jobs which would be created and in what areas, a description of the type of employment opportunities which would be created, salary levels, duration of employment, job skills required, number of jobs which would be filled by Alaskans, & job training needed to maximize employment of Alaskans. If bill has no employment impact, a statement to that effect must be attached. Note to be prepared by the department or departments affected. Governor's bills must have the note attached before the bill is introduced. Any amendment or substitute bill proposed by a committee that changes employment impact shall be explained in a revised note attached to the bill.

Bill also amends AS 37.07.020(a) to require the Governor's budget to be accompanied by a summary of the fiscal notes and employment notes for all bills proposed by the governor. Provides Act effective on July 1, 1981.

Introduced April 16 and referred to State Affairs and Finance.

Fiscal Notes & Employment Notes

HOUSE BILL NO. 508, (see page 742). Reported back to the House on May 8 by State Affairs with the committee recommending it be replaced with SUBSTITUTE(SA) and that it do pass. Abood recommended do not pass. Cuddy had no recommendation. To Finance.

SUBSTITUTE(SA) would only require preparation of Employment Notes on bills submitted by the Governor for capital projects. Deletes requirement that Note include the median salary, the duration of employment, job skills required, the number of jobs which could be filled by residents at the time the bill takes effect, and job training needed to maximize employment for Alaska residents. The Employment Note shall be prepared by the affected department(s) "in cooperation with the Office of the Governor, division of budget and management." Adds section which states that requirements apply to supplemental budget revisions or budget amendments by the Governor which relate to capital improvement projects, and to interim reports made by

Fiscal Notes & Employee Notes

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 508 (Finance)(Amended), (see pages 742;887;944;1006). Received in the Senate on May 20 and referred to State Affairs, then to Finance.

Federal Employees (reduction of COLA)

HOUSE JOINT RESOLUTION NO. 46, by Rep. Phillips. Requests the President of the United States to further amend Executive Order No. 10,000, as amended, to enable the continuation of the 25% cost-of-living-allowance for federal employees in Anchorage. Provides that copies of resolution be sent to Ronald Reagan and to the members of the Alaska delegation in Congress.

Introduced April 14 and referred to State Affairs.

Federal Employees (reduction of COLA)

HOUSE JOINT RESOLUTION NO. 46, (see page 743). Reported back to the House on May 11 by State Affairs recommending it do pass with an amendment. The State Affairs amendment requests the President to amend Executive Order No. 10,000 to enable the continuation of the 25 percent cost-of-living allowance for federal employees in "Alaska" (was "Anchorage"). To Rules.

Federal Employees (reduction in

HOUSE JOINT RESOLUTION NO. 46, (see pages 743, 946). On May 15 the resolution was before the House but was held until the May 18 calendar.

Federal Employees (reduction in C.O.L.A.)

HOUSE JOINT RESOLUTION NO. 46, (see pages 743;946;953;1008). Received in the Senate on May 20 and referred to State Affairs.

Federal Employees (reduction in COLA)

HOUSE JOINT RESOLUTION NO. 46, (see pages 743;946;953;961). On May 19 the resolution passed, 36-3-1. Nays: Cuddy, Hurlbert, Martin. Not voting: Beirne. (Note: The State Affairs amendment was not offered.)

Appropriation (special) (Avalanche Warning System)

HOUSE BILL NO. 348 (E.D. FAILED), (see page 520). Reported back to the House on May 18 by Finance with the committee members having individual recommendations. Freeman (Vice-Chmn.), Moss and Rogers recommended do pass. Adams, Haugen, Montgomery and Malone had no recommendation. Carney recommended do not pass. To Rules.

Passed the House on May 22, 25-12-3. Nays: Abood, Barnes, Beirne, Bettisworth, Bylsma, Carney, Cuddy, Fanning, Halford, Haugen, Hayes, Montgomery. Not voting: Grussendorf, Phillips, Randolph. The effective date failed, 26-11-3 (Carney switched his vote).

HOUSE BILL NO. 348, by Rep. Miller. Makes a special appropriation in the amount of $446,000 from the general fund to the Dept. of Public Safety for the Alaska avalanche warning system. Provides unexpended and unobligated portion of the appropriation lapses into the general fund 6/30/82. Provides Act takes effect immediately.

Introduced March 17 and referred to Finance.

CS HB 508

1. Page 1, lines 11-16: strike all material and insert:

"Sec. 24.30.032. EMPLOYMENT NOTES. (a) A bill requiring the appropriation of state money for a capital improvement project which is presented by the governor to the legislature for introduction under AS 24.30.060 (b) shall include an employment note containing the following information about the effect of the bill on employment:"

2. Page 2, lines 9-10 and Page 2, line 12: delete "or state loan programs,"

3. Page 2, line 9 and Page 2, lines 11-12: strike the words "new or expanded state function or programs,"

(Debate indicated this language — added in a floor amendment — was intended to measure the employment impact on the private sector of government actions. This concern could be handled by directing the Regulatory Reform staff in the Governor's office to investigate this question.)

4. Page 2, after line 13: insert new paragraph (f), and renumber accordingly:

"(f) The Office of the Governor shall consider the effect of new or expanded state programs or functions on employment in the private sector."

5. Page 1, line 23: after "employment;" insert "both public and private;"

6. Page 2, line 18: add after "procedures.":

"After the first year employment note procedures are utilized, in each succeeding year the report shall contain sample comparisons of the employment estimates with the employment actually experienced."

clean up the bill — make it more acceptible

Executive Budget - Capital book reference: page 177
Date: January 15, 1982
Requested by Governor

II. FISCAL DETAIL
Agency Affected: Department of Transportation and Public Facilities
Program Category Affected: Transportation
BRU, Program or Subprograms Affected: Interior Region Transportation

	FY 82	FY 83	FY 84	FY 85
Total Expenditure	$2,000.0	$1,000.0	-0-	-0-
GENERAL FUND	2,000.0	1,000.0	-0-	-0-
~~FEDERAL FUND~~ OTHER FUNDS	-0-	-0-	-0-	-0-

III. EMPLOYMENT DETAIL

A. Hours/Full-time Equivalent

	FY 82	FY 83	FY 84	FY 85
On-site Employee Hours	22,990 hrs	10,450 hrs		
Full year equivalent jobs @ 1800 hrs/yr	12.8 FTE	5.8 FTE		
Off-site Employee Hours	12,024 hrs	5,464 hrs		
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B. On-site Employment: salaries, full-year equivalent employment

Category	Avg. Annual Salary	FY 82	FY 83	FY 84	FY 85
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Crafts*	35,138	5.26	2.38		
Laborers, helpers	25,672	4.35	1.97		
Truck Drivers, Other	37,012	2.43	1.10		

*Crafts include these occupations: Bricklayers, Carpenters, Electricians, Iron Workers, Equipment Operators, Painters, Plasters and Lathers, Plumbers and Pipefitters, Cement finishers

Sample employment note prepared by Budget and Management (HB508)

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

M E M O R A N D U M

May 29, 1981

SUBJECT: Proposed SCS for CSHB 508

TO: Senate State Affairs Committee
Attn: Nancy Groszek, A.A.

FROM: Linn H. Asper
Legislative Counsel

I have drafted the proposed State Affairs Committee Substitute for CSHB 508 in accordance with your request of May 28th, with one exception. I have not included the language which you requested as a new subsection (f) on page 2 of the bill. It seems that this language refers to employment effects not covered by the concept of the employment note. If it is intended to refer only to bills which will have employment notes, then I think the information will be included in the employment note under the requirements of AS 24.30.032(a)(1) - (3). Please advise if this is not satisfactory.

OK ~~LHA~~

LHA:ljb

Enclosure

I. REQUEST

Bill/Resolution No. HB 508

Title An Act relating to requirements for fiscal notes and employment notes in the legislative process. Date 4/16/81

Requested by Gardiner, Rogers and others

HB 508

II. FISCAL DETAIL

Agency Affected Office of the Governor, Division of Budget and Management

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Budget and Management

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

EXPENDITURES (Thousands of Dollars)

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL		150	40	43	47	51
400	COMMODITIES		5	5	6	6	7
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		155	45	49	53	58

FUNDING (Thousands of Dollars)

GENERAL FUND		155	45	49	53	58
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		0	0	0	0	0
PART TIME						
TEMPORARY						

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

1. Initial estimates of direct and indirect employment impacts for common types of capital projects will be developed under a contractual arrangement.
2. Costs of estimating impacts for unique projects (extremely large, of a one-time nature) are not included in Fiscal Detail. These projects could be most effectively analyzed by specialized studies.
3. Contractual expenses for fiscal years beyond the initial development year are for a system which would monitor actual experience for the purpose of refining and updating the standardized estimates. The amount included an 8% inflation factor.
4. Additional workload on the Division will be absorbed by existing positions.

IV. DATE 4/30/81

PREPARED BY David Tonkovich

AGENCY Budget and Management

PHONE 465-4242

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/80)

5-28-81 Terry Gardiner Capital exp. programs Defer loan programs til later, after experience

Original sponsors: Gardiner, Rogers, Meekins, et al
Offered: 5/15/81
Referred: Rules

Dave Tomkovich Geo Rogers

IN THE HOUSE BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 508 (Finance) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to requirements for fiscal notes and employment notes in the legislative process; and providing for an effective date."

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

* Section 1. AS 24.30 is amended by adding a new section to read:

Sec. 24.30.032. EMPLOYMENT NOTES ON BILLS. (a) Before a bill requiring the appropriation of state money, including a bill appropriating money to a state loan program, is reported from the committee of first referral, there shall be attached to the bill an employment note containing the following information about the effect of the bill on employment:

(1) the number of jobs which would be created, including

(A) construction jobs;

(B) non-construction contract jobs;

(C) operating jobs, both temporary and permanent; and

(D) other direct employment;

(2) a description of the employment which would be created by categories, including salary levels for each category;

(3) a breakdown of employment, both public & private, which would be created, by region of the state.

(b) Bills presented by the governor which require the appropriation of less than $1,000,000 for capital improvement projects or state loan programs may be aggregated under a single employment note, which shall contain the information required by (a) of this section.

(c) If a bill described in (a) of this section has no effect on employment, a statement to that effect shall be attached.

(d) The employment note or statement required by this section shall be prepared by the department or departments affected by the bill in cooperation with the Office of the Governor, division of budget and management.

(e) The requirements of this section apply to supplemental budget revisions or budget amendments by the governor which relate to capital improvement projects, [new (3) or expanded ? state functions or programs, or state (2) loan programs,] and to reports made by the governor covering proposed capital improvement projects, [new or expanded ? (3) state functions or programs, or (2) state loan programs] if the reports are to be considered by the legislature during the interim between legislative sessions.

(f) By January 20 of each year the Office of the Governor, division of budget and management, shall submit a report to the governor for transmittal to the legislature on the preparation of employment notes, including recommendations for improvement in employment note procedures. After the first year ..(6)

* Sec. 2. AS 37.07.020(a) is amended to read:

(a) The governor shall prepare and submit to the legislature before the fourth legislative day a budget for the succeeding fiscal year which shall cover all estimated receipts, including all grants, loans, and money received from the federal government, and all proposed expenditures of the state government. The budget shall be accompanied by a general appropriation bill to authorize the proposed expenditures, and a bill or bills covering recommendations in the budget for new or additional revenues. The budget shall also be accompanied by a summary, categorized by region of the state, of the fiscal notes and employment notes required for bills proposed by the governor as of the date

of the budget submission.

* Sec. 3. This Act takes effect July 1, 1981.

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

JOBS PLANNING LEGISLATION INTRODUCED

Representative Brian Rogers and Representative Terry Gardiner were joined by four other House Democrats today to introduce bills designed to measure the number of private sector jobs created by legislative appropriations and state loans.

Called the "Alaska Jobs Planning Bill," the proposed legislation would provide for a sophisticated computer model of the State's predicted employment and unemployment in both the private and public sectors. It would also require all bills considered by the legislature to include an "employment note." Similar to the fiscal note traditionally used in the legislative process to determine the costs of individual bills, the employment note would estimate not only the number of jobs, but their salary levels, their duration, and the percentage likely to be held by current Alaskans.

Besides Rogers and Gardiner, the six sponsors of the two bills are Rep. Jim Duncan of Juneau, Rep. Jack Fuller of Nome, and Rep. Russ Meekins and Rep. Thelma Buchholdt, both of Anchorage. Rogers is from Fairbanks and Gardiner is from Ketchikan.

To demonstrate how the employment note would work, the sponsors released a preliminary analysis of the employment impact of some bills ~~it has~~ made priorities this session. Legislation backed by the Democrats could provide 9,955 job-years over the next four years. This means 2,489 people could work full-time for four years.

The legislation analyzed covered four major industries: hydroelectric power development, energy conservation, agriculture, and tourism. The analysis revealed significant differences in the numbers of jobs created by State spending.

A State appropriation of $701,000 in hydroelectric power development (dam building) generates one four-year-long job, while one four-year-long job in energy conservation is created by a State appropriatin of $221,000. A State appropriation of $282,000 creates one job in agriculture, while one four-year-long job in tourism is generated by a State appropriation of $18,000.

The caucus pointed out that besides the numbers of jobs created, other important questions concerned the identity of those holding the job (Alaskans or Outsiders), and the duration and type of the job. Jobs in dam-building and energy conservation for example, are temporary construction employment, while jobs in renewable industries like agriculture and tourism tend to be permanent.

The estimates are rough, and are basd on conservative interpretations of calculations made by experts and studies in the various industries. They include both direct and indirect employment.

"Some people will question the accuracy of these employment projections," said Rep. Gardiner. "The questions point up the necessity

of passing the 'Alaska Jobs Planning" legislation. We need better jobs impact planning and data to qauge the effect of State legislation."

"This bill is aimed at preventing state-fed boom-and-bust cycles," said Rep. Rogers. "This State has seen unemployment go up at the same time employment increased, because Outsiders were coming up to take jobs which could have gone to Alaskans. With all the big construction projects coming up, we'd like to avoid such problems."

In adding her support to the bills, Rep. Buchholdt said, "This job planning would improve the chances of minority groups to work on job skills training and upgrading for these jobs."

These estimates cover seven new dams and feasibility studies for 36 others.

	Full-time Equivalent Jobs
FY 1982	
Construction	
Direct	450
Feasibility Studies	
Direct	106
Construction & Feasibility Studies	
Indirect	268
	824
FY 1983	
Construction	
Direct	445
Feasibility studies	
Direct	106
Construction & Feasibility Studies	
Indirect	265
Operation & Maintenance	
Direct	7
Indirect	7
	830
FY 1984	
Construction	
Direct	283
Indirect	142
Operation & Maintenance	
Direct	14
Indirect	14
	453
FY 1985	
Construction	
Direct	181
Indirect	91
Operation & Maintenance	
Direct	28
Indirect	28
	328

This includes the urban energy audit program and the Village Energy Reconnaissance and Conservation Program (VERC). It does not include the loans provided under the urban energy audit program.

	Full-time Equivalent Jobs
FY 1982	
Urban energy audits	
Direct	78
Indirect	78
VERC	
Direct	159
Indirect	48
	363
FY 1983	
Urban energy audits	
Direct	78
Indirect	78
VERC	
Direct	466
Indirect	140
	762
FY 1984	
Urban energy audits	
Direct	78
Indirect	78
VERC	
Direct	466
Indirect	140
	762
FY 1985	
Urban energy audits	
Direct	23
Indirect	23
VERC	
Direct	466
Indirect	140
	652

AGRICULTURE JOB ESTIMATES

	Full-time Equivalent Jobs
Delta II	
On-farm	50
Off-farm	50
	100
Pt. McKenzie	
On-farm	100
Off-farm	100
	200
Small-scale	
Rural on-farm	15
Rural off-farm	2
Urban on-farm	5
Urban off-farm	2
	24

All the above are permanent jobs. In addition, construction of the grain export termimal will create 85 one-time seasonal jobs.

TOURISM JOB ESTIMATES

All figures are for full-time equivalent jobs beyond current figures of 9,252 direct and 1,850 indirect jobs.

	Low (20,000 growth per year in pleasure visitors)	Medium (40,000 growth per year in pleasure visitors)	High (60,000 growth per year in pleasure visitors)
FY 1982			
Direct	300	600	1200
Indirect	60	120	240
FY 1983			
Direct	600	1200	2400
Indirect	120	240	480
FY 1984			
Direct	900	1800	3600
Indirect	180	360	720
FY 1985			
Direct	1200	2400	4800
Indirect	240	480	960

ASSUMPTIONS AND EXPLANATIONS ON JOB ESTIMATES

Due to the limited data base available, these estimates should be regarded as tentative and approximate. Each is based on conservative interpretations of the estimates of at least two experts, including administrators in the field. These calculations were also compared to (1) national estimates of job impacts of specific industries, and (2) where available, Alaska data. All estimates are for in-state jobs.

Specific assumptions:

1. Hydro figures are for two of the five parts of SB 26: (a) specific new hydro projects, and (b) feasibility studies. The seven specific new hydro projects named in SB 26 are: Bradley Lake, Chester Lake, Port Lions, Snettisham II (Crater Lake), Swan Lake, Terror Lake, and Tyee Lake. Green Lake and Solomon Gulch are not included because they are already under construction; hence the State will pay for the projects, but will not start them. These two portions account for $277.7 million of the $512.5 million appropriated in SB 26. It also includes another $140 million needed to complete Bradley Lake and Snettisham II, which is not appropriated in the bill, plus an additional $9 million to operate and maintain completed dams. The jobs estimates do not include the three other parts of SB 26: the Anchorage-Fairbanks inter-tie; the money for unspecified hydro projects; and the contribution to the power production cost assistance fund.
2. Hydro figures assume:
   a. 3.5 construction job-years are created directly by each $1 million spent on dam construction;
   b. 6.1 year-round job-years are created directly by each $1 million spent for feasibility studies;

c. 6.1 seasonal job-years are created directly by each $1 million spent for feasibility studies;

d. 0.5 indirect job-year is created by each direct construction job-year or year-round job-year created (i.e., the multiplier is 1.5)

e. 0 indirect jobs are created by the creation of each 1.0 seasonal job-year (i.e., the multiplier is 1.0)

f. 7 direct permanent jobs in operation and maintenance are created by the completion of each hydro project;

g. 1.0 indirect permanent job is created by the creation of 1 operation and maintenance job (i.e., the multiplier is 2.0);

h. the power projects and feasibility studies are completed under the current schedule and cost estimates of the Alaska Power Authority;

i. the cost of operation and maintenance for each power project will average $1 million per year; and

j. 1 seasonal job equals 0.25 full-time job.

3. Agriculture figures cover four projects: the Delta expansion (Delta II); the grain export terminal; Pt. McKenzie; and small-scale agriculture. Funds for Delta II and the grain export terminal are scheduled to be appropriated this legislative session. Pt. McKenzie was approved during last year's legislative session, but will be developed this year. Figures for small-scale agriculture cover only those jobs which would be created by the legislation under consideration during the 1981 session.

4. Agriculture figures assume:

   a. Delta II will create 40 permanent year-round on-farm jobs, and 40 permanent seasonal on-farm jobs;

   b. 1.0 off-farm job is created by each permanent year-round on-farm job at Delta II, (i.e., the multiplier is 2.0)

   c. Pt. McKenzie will create 100 permanent year-round on-farm jobs;

   d. 1.0 permanent year-round off-farm job will be created by each permanent year-round on-farm job at Pt. McKenzie (i.e., the multiplier is 2.0)

   e. 85 one-time seasonal jobs will be created directly by the construction of the grain export terminal;

   f. 0 indirect jobs will be created by the construction of the grain export terminal (i.e., the multiplier is 1.0)

   g. 15 rural permanent year-round jobs are created directly by FY 82's small-scale agriculture;

   h. 0.1 indirect permanent year-round jobs are created by one direct rural permanent job in small-scale agriculture (i.e., the multiplier is 1.1)

   i. 5 urban permanent jobs are created by fy 82's small-scale agriculture program; and

   j. 0.3 indirect permanent year-round jobs are created by each urban permanent direct job in small-scale agriculture (i.e., the multiplier is 1.3), and

   k. 1 seasonal job equals 0.25 full-time job.

5. Energy conservation figures assume:

   a. 31,000 audits a year will be completed in the urban areas in FY 1982-84, and 9,000 audits will be completed in FY 1985;

b. 400 urban energy audits a year are equivalent to one full-time job;

c. The VERC program weatherizes every home in rural Alaska by the end of FY 85;

d. 1.0 indirect jobs are created by each direct job in urban energy audits (i.e., the multiplier is 2.0).

e. 0.3 indirect jobs are created by each direct job in VERC (i.e., the multiplier is 1.3).

6. Tourism figures assume:

a. 1.5 direct employees are created by the addition of every 100 tourists;

b. 0.2 indirect employees are created by each direct employee (i.e., the multiplier is 1.2), and

c. The low estimate is based on 20,000/year growth in pleasure visitors over the next five years; the medium estimate is based on 40,000/year growth over the next five years; and the high estimate is based on 60,000/year growth over the next five years (this last is less than the projection of the Alaska Visitors Association). . .

7. The cost-per-job estimate for agriculture is based on these levels of State spending for Delta II, Pt. McKenzie, small-scale agriculture, and the grain export facility:

FY 82	$44.2 million
FY 83	$24.0 million
FY 84	$27.0 million
FY 85	$ 2.0 million
	$97.2 million

8. The cost-per-job estimate for tourism is based on the low range of visitors, and these levels of additional State spending for external tourism promotion and advertising:

FY 82	$ 2.5 million
FY 83	$ 3.5 million
FY 84	$ 4.5 million
FY 85	$ 5.5 million
	$16.0 million

9. The cost-per-job estimate for energy conservation is based on these levels of State spending on the urban energy audit program and the Village Energy Reconnaissance and Conservation (VERC) program:

FY 82	
Urban	$ 12 million
VERC	$ 15 million
FY 83	
Urban	$ 12 million
VERC	$ 28.6 million
FY 84	
Urban	$ 12 million
VERC	$ 28.6 million
FY 85	
Urban	$ 3.5 million
VERC	$ 28.6 million
	$140.3 million

10. The composite estimates for FY 82- FY 85 are:

Industry	Job-years	Years (divided by)	4 Year-long Jobs
Hydro	2435	4	= 609
Energy conser.	2539	4	= 635
Agriculture	1381	4	= 345
Tourism	3600	4	= 900
	9955	4	= 2489

Industry	State spending	4 year-long full-time jobs (divided by)	State Spending per 4-year-long job
Hydro	$426.7 million	609	= $ 701,000
Energy Conser.	140.3 million	635	= $ 221,000
Agriculture	97.2 million	345	= $ 282,000
Tourism	16.0 million	900	= $ 18,000
			$1,222,000

Average State spending per 4-year-long job for these four industries=

$$\frac{\$1,222,000}{4} = \$305,500$$

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

HB

635

12-L6LH

STATE OF ALASKA

DEPARTMENT OF PUBLIC SAFETY

DIVISION OF ADMINISTRATIVE SERVICES

JAY S. HAMMOND, GOVERNOR

POUCH N – JUNEAU 99811

May 6, 1982 465-4322

POSITION PAPER - CSHB 635 (TRSP)

The Department of Public Safety is opposed to CSHB 635 (TRSP).

This bill, if enacted, would establish a "special interest" group allowing one group of citizens to move over-sized vehicles on State roadways while others cannot. Additionally, by not establishing any size limitations on these vehicles and allowing these vehicles to travel 30 miles without any authorization, could create potential hindrances to other traffic which would normally be controlled by permit.

William R. Nix
Commissioner

by Sydnam

To: Vic

From: Bob

Re: CS HB 635 Husbandry

Date: 5/3/82

CS HB 635, an Act relating to the operation of implements of husbandry upon the Highway, by Fanning deals with permiting for operation of farm equipment on state highways.

Secs. 1 & 2 remove the permit requirement for operation of a "implement of husbandry" on a state highway system.

Sec. 3 says; 1) the DOTPF may require a permit if the vehicle exceeds a certain size (to be determined by regulation) and the vehicle is to be moved more than 30 miles,

2) The owner or operator of an oversize vehicle must display flags or signs, and

3) DOTPF must post appropriate signs along the highways where farm vehicles may be on the road.

Rep. Fanning's office says the permit is an inconvenience, and is not necessary. If a farmer simply wants to cross a highway, he must obtain a permit.

A House Research Agency memo (done for Rep. Fanning) says permits are not required in Idaho, providing there are warning devices on the vehicle, it travels during daylight hours, and doesn't go more than 30 MPH.



Same for Iowa, North Dakota, and Minnesota except Minnesota speed is 50 MPH and can operate at night if they have proper lights.

Oregon requires a permit.

DOTPF does not support the bill and states in the fiscal analysis, "Removing the requirement for pilot cars on any move less than 30 miles would in some cases cause a serious hazard to the traveling public and subject the state to liabilities."

DOTPF states further; "under this bill, an operator of an implement of husbandry could, without pilot cars, move a vehicle down the road which entirely blocked the traveling surface..."

On the question of liabilies, Ed Hein of Legal Services does not think the bill would subject the state to any liability. Rather, the implication is that the state is not responsible for the operation of agricultural vehicles, if the permiting requirement is done away with.

DOTPF says they may be wrong about the question of liability, but still maintains the bill could cause some safety problems.

DOTPF's fiscal note is $35,000. This money would be used to install warning sign alongs 500 miles of roadway.

The Dept. of Public Safety also opposes the bill. They maintain it creates a safety hazard. DPS also says it may cause additional liability for the state.

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

March 23, 1982

MEMORANDUM

TO: Representative Ken Fanning

FROM: Jonathan Sherwood
Research Staff

RE: Research Request 82-88
HB 635 Farm Implement Bill

One of the provisions of the Transportation Committee Substitute for House Bill 635 would permit the operation of implements of husbandry that exceed the State's restriction of vehicle size to travel on the highway for distances of less than thirty miles without obtaining a permit. Gail Thibodeau of your staff requested that we determine what policies other states have regarding the operation of farm implements on highways, and she also requested that we provide information concerning any liability that states might incur as a result of allowing farm implements to travel on the highways. We have contacted highway officials in Idaho, Iowa, Minnesota, North Dakota, and Oregon and obtained information on these states' policies regarding this matter.

All of the states we contacted allow implements of husbandry to travel on the highway without permits in some or most instances. None of the states requires a pilot car for oversized vehicles, and no state posts signs along the highway warning of the possible use of the highway by oversized implements of husbandry. In addition, none of the officials contacted in the five states were aware of any instances where the state had been held liable for accidents resulting from the use of highways by oversized farm implements.

In Idaho, implements of husbandry are allowed to travel on the highway in daylight hours without a permit, provided that a red flag is displayed on the left front of the implement and the orange warning triangle indicating a slow moving vehicle on the back of the implement. Implements of husbandry are not permitted to operate on the highways at speeds greater than 30 miles per hour. Ray Lawer, of the Idaho Highway Permit Section of the Idaho Department of Transportation, was not aware of any instances where Idaho was held liable for accidents involving implements of husbandry on the highway.

Iowa does not require a permit for implements of husbandry to travel on the highway. Implements may not travel at speeds above 30 miles

per hour and must display an orange slow-moving vehicle triangle. Only daylight operation is permitted on state highways.

In Minnesota, implements of husbandry can travel on the highway for distances of up to 50 miles without a permit, provided they display an orange slow-moving vehicle triangle. Implements are also permitted to operate at night if they have proper lights for night operation. According to Gene Ofstead, legislative liason for the Department of Transportation in Minnesota, the state has never had any problems with liability as a result of accidents involving farm implements on the highway, although such accidents are fairly common.

In North Dakota, farm implements may travel on the highway during daylight hours and must display the orange slow-moving vehicle triangle. No permit or pilot vehicle is required. In North Dakota, the state has sovereign immunity, and therefore cannot be held liable for accidents involving farm implements.

Oregon is the only state we contacted that has separate regulations for the movement of farm implements on the Interstate. In Oregon, a permit is required for an implement of husbandry to travel on the Interstate, but permits are not required for other highways unless the implement exceeds the State's vehicle weight limits. Implements of husbandry are required to display the slow-moving vehicle triangle. Farm implements are not required to have pilot vehicles; however, according to Carla Owens, Asst. Permit Supervisor with the Oregon Department of Transportation, many farmers use pilot vehicles anyway.

If you have any questions, or if we can be of further assistance, please do not hesitate to contact us.

JS

HB 635

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill No. 635
Title "An Act relating to the operation of implements of husbandry..."
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Department of Public Safety
Program Category Affected Administration of Justice
BRU, Program, Or Subprogram(s) Affected Bureau of Vehicle Enforcement
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

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

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

No fiscal impact is anticipated.

IV. DATE January 20, 1982 PREPARED BY Francis C. Allan, AST
AGENCY Department of Public Safety
PHONE 269-5691

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

33-001 (Rev. 12/81)

HB 635

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSHB 635 Re operation of implements of husbandry
Title upon the highway.
Requested by House Transportation Date 3/17/82

II. FISCAL DETAIL
Agency Affected Department of Transportation & Public Facilities
Program Category Affected
BRU, Program, Or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL		35.0				

FUNDING (Thousands of Dollars)

GENERAL FUND		35.0				
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)
An estimate of 500 miles of roadway requiring signing was used, with a sign being required each 10 miles, one each side of the road.

500 miles ÷ 10 x 2 = 100 signs - estimated cost installed per sign = $350
Total cost = $35,000

The desire to remove the need for a separate permit for each move, especially when they are in same area each time is understood. Removing the requirement for pilot cars on any move of less than 30 miles would in some cases cause a serious hazard to the traveling public and subject the state to liabilities. Under this bill, an operator of an implement of husbandry could, without pilot cars, move a vehicle down the road which entirely blocked the traveling surface as well as the shoulders. A vehicle traveling in the opposite direction could round a corner and find the entire roadway blocked.

This fiscal note does not attempt to estimate any costs involved with these risks.

IV. DATE 3/19/82 PREPARED BY Ron Lind
AGENCY DOTPF
PHONE 465-3900

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

HB

651

5/6/81

CSHB 651

AK Marine Hwy Authority

Comm. Ward - opposes - too amend. bills not good

1. Authority in general -
"Port of Seattle" - different then
↳ has authority to tax
Authority in AK has no authority to tax
- using revenue bonds for own capitol - taken out

2. Independent authority has no independance

3 current budget under $60 million only generates $30 million

3. Would still require appropriations

4. Would do exactly same thing as currently exists but would need more people

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

STATE OF ALASKA

IAY S. HAMMOND, GOVERNOR

(907) 465-3900

PARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

DEPUTY COMMISSIONER – ADMINISTRATION

POUCH Z
JUNEAU, ALASKA 99811

February 22, 1982

Honorable Bette M. Cato, Chairman
House Transportation Committee
State Capitol
Pouch V
Juneau, Alaska 99811

Dear Representative Cato:

Your assistant requested that we answer the question "would an authority as proposed in House Bill 651, be eligible to receive federal highway construction funds as a pass through from the designated State agency"? The simple answer is "we assume that they would be eligible to receive pass through funding." The authority would need to have an organization and financial system which met all of the requirements of the federal program.

Since there is not a category of federal funding set aside for marine construction, the use of funds for their purpose reduces the amounts available for other projects. We do not believe it would be in the State of Alaska's best interest to require the authority to meet all of the federal requirements. In the projected future, there should be a sufficient level of state funds available to provide State project funds if the legislature and the governor agree.

Sincerely,

Ron Lind

Ron B. Lind
Deputy Commissioner

Bill Analysis by Rep. Bette Cato's office

HB 651

"An Act relating to ferries and ferry terminals and establishing the Alaska Marine Highway Authority"

Sec. 1 Purpose : The purpose of this act is to establish an authority for the operation, management, and planning and construction of facilities for the marine highway system that is independent of state government. The authority shall be the exclusive state agency directly associated with the operation, management, planning and construction of facilities for the marine highway system.

Sec. 2 Adds a new chapter 70 to title 19; AS 19.70.010, ALASKA MARINE HIGHWAY AUTHORITY.
This section creates the Marine Highway Authority as a public corporation of the state. The corporation is an instrumentality of the state in the Department of Transportation and Public Facilities but has a legal existence independent of and separate from the state and continues until its existence is terminated by law.

Sec. 19.70.020. DIRECTORS Directors, consists of seven directors, the commissioner of DOT/PF, ex-officio, (non-voting), and six directors appointed by the governor with the following qualifications; a representative of commercial carriers, representative of the maritime industry, a representative of the tourism industry, and three members of the public representing regions, Region 1, southeast Alaska, Kodiak, Region 2, and Region 3, southcentral (Prince William Sound).

Most language in this section is boilerplate "board" language pertaining to qualifications, conflict of interest... Directors serve without compensation, but are entitled to travel and per diem expenses.

Sec. 19.70.030 OFFICERS AND QUORUM The directors elect a chairman from their number. The directors shall elect a secretary that need not be one of the directors. Four directors constitute a quorum. Majority motions or action may be taken.

Sec. 19.70.040 STAFF The authority may employ staff, may contract for services in exercising it's powers.

Sec. 19.70.050 POWERS OF THE AUTHORITY Sets out powers and obligations of the authority.

Sec. 19.70.060 authorizes the name for the system; "ALASKA MARINE HIGHWAY SYSTEM."

Sec. 19.70.070 COMPREHENSIVE LONG RANGE PLAN, mandates a comprehensive long range plan for the marine highway system that shall be updated at least every five years.

Sec. 19.70.080 ACQUISITION OF LAND AND EASEMENTS, sets out procedures that the authority utilizes to acquire property.

Sec. 19.70.090 AUTHORITY TO PURCHASE PROPERTY FOR THE PURPOSE OF EXCHANGE allows the authority to purchase property for exchange.

Sec. 19.70.100 VACATING OF LAND OR RIGHTS IN LAND, This section allows the authority to vacate land or use rights by filing a deed in the appropriate recording district.. Upon vacating, title reverts to persons, heirs, successors, or assigns in whom it was vested at the time of the taking. The authority may transfer land tot he Department of Natural Resources for disposal, proceeds of which go to the General Fund.

Sec. 19.70.110. ANNUAL REPORT. By March 1 of each year, the authority shall submit to the governor and the legislature a comprehensive report describing the operations, income, and expenditures for the preceding calendar year.

ords shall be checked
hese records at any

ND APPROPRIATIONS The authority is funded by
slature through the governor by the Executive Budget Act (AS
37.07) Money is directly appropriated and may be spent as authorized.

Sec. 19.70.140 PUBLIC RECORDS;OPEN MEETINGS. Subject the authority to open meetings and public records.

Sec. 19.70.150 NAMING OF VESSEL OR FACILITY sets guidelines for naming

Sec. 19.70.160 DEFINITIONS should be self explanatory.

Sec. 3 AS 19.60.010 and following sections of the bill are amended to read "authority" instead of "Department" giving the authority jurisdiction in law where the department had been specified.

No other substantive changes have been made in this bill

TESTIMONY ON CS HB 648, CS HB 649, CS HB 651, CS HB 652 and CS HB 654

My name is Walter B. Parker. I am a resident of Anchorage, Alaska residing at 3724 Campbell Airstrip Road. I have been active in Alaskan transportation operations and planning since 1946.

CS HB 651

I support the concept of the Marine Highway Authority and believe it could work well with a restructured DOT. I believe the Authority could have financing options available that would be more difficult to achieve as a regular state agency.

If the legislature elects to establish this Authority I would urge to allow for a reasonable break in period. It will not be possible for the Authority to impress itself overnight on the old operation and the real gains make take five years or longer to achieve.

In passing, it would seem that board members of the Authority should receive the same compensation as other major state boards.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSHB 651 - Establishing the Alaska Marine
Title Highway Authority
Requested by House Transportation Date 3/26/82

II. FISCAL DETAIL
Agency Affected Department of Transportation & Public Facilities
Program Category Affected Transportation
BRU, Program, Or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		925.4				
200 TRAVEL		92.3				
300 CONTRACTUAL		708.8				
400 COMMODITIES		107.3				
500 EQUIPMENT		621.5				
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL		2455.3	1342.9	1437.7	1539.2	1877.9

FUNDING (Thousands of Dollars)

GENERAL FUND		2230.3	1094.6	1169.0	1255.0	1573.7
FEDERAL FUNDS						
OTHER (Specify Source) CIP		(225.0)	(248.3)	(268.7)	(284.2)	(304.2)

POSITIONS

FULL TIME		22	22	22	22	22
PART TIME						
TEMPORARY						

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

This fiscal note shows the net expected cost to the State under the attached assumptions. Costs for FY 84 reflect the deletion of one time items and addition of inflation at 7%.

The assumptions used in this fiscal note do not have the authority utilizing its full powers for separation and therefore have reduced the costs. If additional authority is desired, the costs would increase.

Before accurate costs can be determined for this bill, a substantial amount of time should be devoted to determining the requirements for separation of duties from the State system as well as estimating the amount of autonomy the authority would desire.

IV. DATE 3/31/82 PREPARED BY Ron Lind
AGENCY DOT/PF
PHONE 465-3900

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSHB 651 - Establishing the Alaska Marine Highway Authority
Title
Requested by: House Transportation Date 3/26/82

II. FISCAL DETAIL
Agency Affected Department of Transportation & Public Facilities
Program Category Affected Marine Transportation
BRU, Program, Or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		2086.5	2232.6			
200 TRAVEL		92.3	99.6			
300 CONTRACTUAL		787.4	260.7			
400 COMMODITIES		110.0	64.2			
500 EQUIPMENT		621.5	15.0			
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL		3697.7	2672.1	2859.9	3060.9	3506.2

FUNDING (Thousands of Dollars)

GENERAL FUND		3697.7	2672.1	2859.9	3060.9	3506.2
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME		56.0	56.0	56.0	56.0	56.0
PART TIME						
TEMPORARY						

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

Additions required to the Marine Transportation budget.

See attachments.

IV. DATE 3/31/82 PREPARED BY Ron Lind
AGENCY DOT/PF
PHONE 465-3900

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

I. REQUEST
Bill/Resolution No. CSHB 651/651 - Establishing the Alaska Marine Highway Authority
Title
Requested by House Transportation Committee Date 3/26/82

II. FISCAL DETAIL
Agency Affected Department of Transportation and Public Facilities
Program Category Affected Transportation
ERU, Program, Or Subprogram(s) Affected various-See Analysis
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		<1161.1>				
200 TRAVEL		0				
300 CONTRACTUAL		<72.4>				
400 COMMODITIES		<2.7>				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL		<1242.2>	<1329.2>	<1422.2>	<1521.7>	<1623.3>

FUNDING (Thousands of Dollars)

GENERAL FUND		<1017.2>	<1030.9>	<1156.5>	<1237.5>	<1324.1>
FEDERAL FUNDS						
OTHER (Specify Source)		<225.0>	<248.3>	<268.7>	<284.2>	<304.2>

POSITIONS

FULL TIME		<34>	<34>	<34>	<34>	<34>
PART TIME						
TEMPORARY						

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

Identifies costs and positions dedicated to Marine Transportation under current systems. (See attached).

IV. DATE 3/31/82 PREPARED BY Ron Lind
AGENCY DOT/PF
PHONE 465-3900

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

	Personal Services	Travel	Contractual	Commodities	Equipment	Total	General Fund	Other	PFT	Man Mos
S.E. Design and Construction	275.0	-	-	-	-	275.0	50.0	225.0	5	60
Info. Systems	40.0	-	67.4	-	-	107.4	107.4	-	1	12
Support Services	796.1	-	10.0	2.5	-	808.6	808.6	-	26.5	318
S.E. Region	50.0	-	1.0	.2	-	51.2	51.2	-	1.5	18
	1161.1	ø	78.4	2.7	ø	1242.2	1017.2	225.0	34.0	408

CSHB 65

7

III. ANALYSIS

There are administrative and organizational topics not specifically addressed in either House Bill No. 651, "An Act relating to ferry and ferry terminals and establishing the Alaska Marine Highway Authority", or House Bill No. 661, "An Act establishing the Alaska Marine Highway Authority". Since the proposed legislation is similar in each of these bills, we are making the following assumptions in preparation of fiscal notes for each bill.

1. There is no offsetting credit taken for the expenditure of earned revenue to support the cost of operation of "Alaska Marine Highway Authority". In actuality, the initial cost would be the same if funding came from a direct appropriation for the full cost of operations from the legislature with earned revenue returned to the General Fund, or if earned revenue was expended with an appropriation to support the shortfall.
2. It is assumed the "Alaska Marine Highway Authority's" Payroll, Personnel, and Accounting systems would feed into the existing State systems to insure checks and balances, and would eliminate the necessity of creating a duplicate system.
3. We have assumed that initial start-up costs will be fully funded by the Legislature.
4. It is assumed the "Authority's" funding would be at the Division level and allocated to operating components as set out in its budget.
5. We have assumed a General Fund Subsidy for the difference between the total operating cost and the expected revenue for each fiscal year. We have further assumed that the total amount authorized would be available at the beginning of each fiscal year to allow the "Authority" to plan operations for each year.

6. The same inflation factor would apply to the "Authority's" budget request as followed by State agencies. We have assumed it to be seven percent (7%) for the fiscal note.

7. Initially the "Authority" would continue direct involvement with the State in the following:

   A. Occupancy of a State owned office building.

   B. Continued support from the State mail system.

   C. Access to the State equipment fleet.

   D. Access to the Statewide purchasing contract (i.e., fuel).

   E. Continued use of "shared" communications lines through Department of Administration, Division of Communications.

   F. Continued insurance, bonding, etc., as now supplied through Department of Administration, Division of Risk Management.

   G. Legal service from the Attorney Generals' office.

8. We have assumed that Department of Transportation and Public Faciliti transferred employees would bring their own equipment and that equipment for the proposed thirty (30) new hire employees would be $76.5.

9. We have assumed the "Authority" would require its own computer services for reservations, cost accounting, dispatching vessels crews, and payroll input; and that one time costs would be $545.0 for hardware and $250.0 for software.

10. Assuming expansion, the first year shows one time start-up funds for Contractual $543.6; (Software $250.0; Legal Services $200.0; Additional Space Rental $93.6); and $50.0 Commodities (primarily office supplies).

    Summary - 200 - 500 Accounts: Of $1623.0 shown for the first year, $1145.6 is a first time start-up cost. Yearly maintenance of all 200 through 500 Accounts would be around $475.0 per year.

CS/SB 51

11. Of the $2036.5 increase in Personal Services, $1172.4 is assumed to be positions already within the Department of Transportation and Public Facilities performing similar services in Finance, Supply, Payroll, Design and Construction, and Personnel for the Division of Marine Highway Systems. The actual increase then would be $914.1 for Personal Services to fund eight (8) upgraded positions and twenty-four (24) new positions.

MHS EXISTING	DOT TRANSFERS	NEW POSITIONS	TOTAL POSITIONS
PFT 36	PFT 32	PFT 24	PFT 92
PPT 4			PPT 4

This is a total of ninety-two (92) Permanent Full Time and four (4) Permanent Part Time Administrative positions, with a total of thirty-one (31) Supervisors (Range 18 and above) and sixty-five (65) support position to operate and supervise nine vessels (725 employees) and twenty-six Shore Facilities (twenty-eight (28) Permanent and twenty-three (23) Permanent Part Time employees). No increase has been made in Vessel or Shore Facili Personnel.

Approximately $225,000 of CIP funded positions are proposed to be general funded because they would be considered more operational.

C SHB65

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

To: Vic

From: Bob

Re: CSHB 651 and CSHB 654, Rough Notes --- Subject to Change

Date: 5/4/81

CSHB 651 by Cato (House Transportation) creates the "Alaska Marine Transportation Authority". The authority would be a public corporation of the state.

The "Authority" would consist of 8 directors. Seven of these would be appointed by the Govenor, subject to confirmation by the Legislature. The 8th director would be the Commissioner of DOTPF, and would be a non voting ex oficio member.

Not including ARCC, there are six government corporations in Alaska, the Municipal Bond Bank Authority, ASHA, AHFC, AIDA CFAB and the APA. All of these public corporations were originally created for specific purposes related to financing.

A recent report done for the Legislative Budget and Audit Committee by the Institute of Public Administration entitled Alaska's Public Corporations a Framework for Assessement, January 1982, says the new debt to be issued by Alaska's six public coprporations during 1982 will exceed $1.0 billion.

This is more than the total general obligation (voter approved) debt of the entire state issued since statehood. The G.O debt as of 6/30/80 was $1.1 billion.

Technically, bonds or debt incurred by a public corporation are not guaranteed by the state. The debt is, for the most part, revenue bonds. But, to quote the LBA report,

> "Nevertheless, history has proven that should the repayment of any of these bonds run into difficulty, it is indeed the state government that would be held responsible by the bond market."

The Authority created under CSHB 651 will not, and in fact cannot incur debt. However, that is one of the primary reasons to create an authority. The other is to make it autonomous or insulate it from the normal bureacracy.

CSHB 651 accomplishes only the second point. The bill seperates the Divsion of Marine Highways from the DOTPF, but does not give it the normal power of an Authority.

Rep. Cato's office maintains that the Divsion of Marine Transportation is not responsive to the publics needs, and that it needs to be seperated from DOTPF. However, an Authority is more insulated from the public than a Division, and certainly more immune to public pressure. Going back to the LBA report it states,

"...important development decisions (especially distribution and pricing of transporation, energy, housing and industrial capitalization) could become seperated from legitimate political institutions based on voter support."

In other words, an Authority may become less responsive to public pressure than the Divsion of Marine Highways.

Although the Marine Highway Authority does not have the power to sell bonds it does have considerable power in other regards. One power of particular interest is contained in AS 19.70.050 (9) which allows the Authority to establish rates and tariffs.

Right now the Division of Marine Transportation operates under a generally agreed upon rule that the Legislature will subsidize about 50% of the operating costs through general fund appropriations. The rest of the funds come from program receipts. Under CSHB 651 the directors of the authority can unilaterally change this policy, although the Authority is subject to the Executive Budget Act.

To conclude, the Authority created under CSHB 651 does not have the power to incur debt, which is normally one reason to create an authority. Also, it may actually exacerbate the problem of public accountability, by insulating the Authority from the normal political process.

Regarding CSHB 654, as mentioned, the Commissioner of DOTPF would be an ex oficio Director of the Authority. Under provisions of CSHB 654, a companion bill by the sponsor, the Commisioner of DOTPF would not be appointed by the Goveno_, but rather by a "Board of Transportation.

The members of the Board of Transportation would be appointed by the Govenor subject to approval by the Legislature. They in turn would choose the Commissioner. The Commisioner would not have to be approved by the Legislature.

Hence, under CSHB 651 you would have an 8 member Authority making decisions relating to Marine Highways with one member, the Commissioner appointed by a seven member board which oversees the Department. And, the Board under AS 44.42.021(b)(11) of CSHB 654 must,

"supervise and maintain all state ... vessels"

DOTPF maintains that CSHB 654 will create another layer of bureacracy, and when combined with CSHB 651 it becomes confusing and there is an overlap of responsiblity.

BOB---- GOOD. A MAJOR PROBLEM WITH AUTHORITIES IS THAT THEY ARE NOT RESPONSIVE TO PUBLIC!

LEG BUDGET&AUDIT DID A REPORT EARLY IN YEAR ON PUBLIC CORPORATE BODIES. PLS CHECK AND SEE WHAT WOULD BE RELEVANT HERE... ALSO PLS INQUIRE ZIEGLER AND ELIASON WHETHER THEY HAVE ANY STRONG INTEREST IN THIS IDEA. VIC 5-3 EVE

To: Vic

From: Bob

Re: CSHB 651

Date: 5/3/82

CSHB 651 by Cato creates the "Alaska Marine Highway Authority".

There are basically two reasons to create an Authority, 1) to allow a degree of autonomy from the normal bureaucracy, and 2) provide a favorable means of financing major construction projects.

CSHB 651 accomplishes only point 1. The bill makes the now Division of Marine Transportation a seperate legal entity, seperate and apart from the DOTPF.

Normally, an Authority would have the power to sell revenue bonds. Revenue bonds are secured by the viability of the project itself. However, program receipts currently cover only half of the Divsion's operating expenses (not debt service). This would not be enough income to secure a revenue bond.

Hence, unless the Legislature wants to give this Authority considerably more latitude in financing options, the power to sell revenue bonds is superfluous. Nobody would buy them.

Cato's office supports this bill for vague reasons, saying the Division of Marine Transportation is unresponsive to the public. I'm not exactly clear how an Authority would solve this problem.

DOTPF says the "net" first year cost of this legislation would be $2,455,300. This includes some non-recurring start-up expenses. So, the cost for F.Y. 84 would fall to $1,342,900.

DOTPF says they have assumed that the Authority would eventually be completely autonomous. I believe the implication is that this means there is some duplicative administrative costs.

The authority would require 22 new positions, and would get 34 positions transfered from the Divsion of Marine Transportation. That Division currently has 651 full-time employees.

DOTPF does not support the bill.

Walt Parker supports the concept of a Marine Highway Authority, and believes it could work well with a "restructured DOT". He was not clear about exactly how DOTPF should be restructured, or if Cato's bills are what he has in mind.

One final note: Authorities are normally created when there is a lost of construction that needs to be done fast. Like the Power Authority (dams) and the Housing Authority (houses).

Does anyone envision a lot of new capital construction associated with the ferry system? I believe most of its duties are more operation and maintenance than new construction.

HB

654

List of Equipment

Beacon- C B radio and Wide-Load sign

Safety

Chains
Fire extinguisher
Flares
Artic Gear
Sleeping Bag
Should have pick-up
for North Haul Road
1/2 or 3/4 top (optinal) 4/4

Extra Parts for Vehicle

Fan Belt
Alternater Belt
Spark Plug
Head Lights
Air Filter
Oil
Heat
2 Spare Tires
Tools
Jack
Extra Fuel
Extra Food and Water
Jumper Cables
Fuses

This should be standard equipment in the pilot cars at all times.

Sincerely:

Geraldine Chisum

Geraldine Chisum
Cherokee Pilot Car Service

Florence McKenzie

Florence McKenzie
5th Wheel Pilot Car Service

Pilot Car Rights and Public Safety Regulations

Section 1

1. To obtain rights as a pilot car company, must have proof of at least (seven years) of driving experince south and north of Fairbanks.

2. For public safety on th Alaska State highways a pilot car driver shall pass a written test on piloting a over-sized or over-length load.

3. Shall be at least 19 years of age, with a good driving record.

4. Proof of full insurance coverage on pilot vehicle and the insurance company be advised that the vehicle is being used as a pilot car.

5. Should have a Alaska business license.

Section 11

1. Equipment that should be carried at all times, and the driver know how to use the safety equipment and do minor repaires on own vehicle.

Delivered by
Asst Sgt at Arms
1:40 pm 5-3-82

Cherokee Pilot Car Service
S.R.A. Box 462
Willow, AK 99688
May 2, 1982

Senator Vic Fischer
Pouch V.
Juneau, AK 99811

Dear Mr. Fischer:

We started working last fall with Senator Kerttula trying to get some safety regulations for pilot cars.

After reviewing the status of other states, Senator Kerttula advised us to get in contact with you concerning this problem. In the last year there have been several accidents involving our over-sized loads on our public high ways.

On June 1st the haul road will be opened to the public again, with road conditions and the increase in heavy hauling. The state has passed a regulation that pilot cars go to Prudho Bay with all over-sized loads.

The trucking firms are using any one with the cheapist rate no matter if they are qualified or not.

The pilot cars should be a saftey factor, but without proper regulations and training most of them are a hazard.

As it stands the only regulations are a flashing beacon and a wide load sign, so we are sending what we feel should be part of the requirments of any "Pilot Car Service."

We would appreciate your help in this matter with this bill #135 going on the floor Monday, May 3. 1982. We feel that the pilot cars should not be included in with the owner-operators.

At this time we are in negotiations with union local 959 to try and get us off the same contract with the line drivers or (owner-operators). We need our own regulations not a take off of the truckers.

Sincerely:

Geraldine Chisum
Cherokee Pilot Car Service

Florence McKenzie
5th Wheel Pilot Car Service

To: Vic

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CREATING BOARD AT THE HEAD OF
THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

HB 654

This proposed bill would create a DOT Board. This bill, if passed, might be the only method possible to make the DOT function efficiently. Currently the directions to the DOT come from the Governor, the Adminstration, the Legislature, the four Deputy Commissioners at the DOT Headquarters, and the several Directors within each region.

The workers, the few that are left, receive these various directions which are usually conflicting and at odds with one another, and the predictable result is that production and morale are extremely low.

Almost all of the other States have gone to a Board of Commissioners due to the very same problems that are currently confronting the State of Alaska DOT. Other States have found that an unsalaried Board of Commissioners is the sole body that filters the directions from the Adminstration, the Legislature, and other interested agencies, and gives a unified single direction to the DOT organization. This has generally resulted in a stable long-range program without constantly juggling priorities.

You may consider requiring the appointment of members to represent both major political parties equally with one independent member, so that all major political factions would be represented regardless of who occupies the Governor's mansion.

The current DOT is not and has not functioned effectively since its inception in 1977. Since that time, there is $50,000,000 in Federal Highway funds that should have been spent to upgrade the existing transportation system in the State. Instead, the money is on the Federal Aid books and it will soon be lost to the State. Even if the money is obligated by some miracle in the near future, inflation will have eroded its potential to repair and reconstruct the thousands of miles of highways that are disintegrating due to lack of maintenence and reconstruction.

This bill (12-1989) and House Bill 12-1993 appear to conflict since they are both creating Commissions that have authority to plan for and implement transportation systems. 12-1993 has authority just for the Marine Highway System whereas 12-1989 is intended to have overall authority for all transportation modes. Generally, when you have overlapping authorities, you end up with infighting to gain greater control and the end result is lower efficiency due to the transportation planning going in too many directions. The Marine Highway is tied directly to the Land Highway System and the authority for both modes should remain under one Board of Commissioners.

Sec. 6. AS 44.42.050 (d) should be revised to include a 10% contingency to cover project overruns in design and construction. All too frequently several major and badly needed projects are delayed because there are insufficient or no funds set up to cover these overruns. It should be noted that most overruns are not the result of mistakes, but they are usually caused by additions to the projects demanded by State and Federal agencies or as a result of requests made at public hearings.

Sec. 8. AS 44.42.055 (b) (1) The budgets requested by the Commission should be prepared by the Department Heads in the lower echelons who are responsible for project development. Too often during the last few years, the budgets have been made out by the new Directors who have recently been brought into the DOT who really have no conception of the needs of their departments. Great sums of money are being expended by the DOT, but in many cases, the funds are being misspent. Funds for outside travel, especially to the Planning Section, are being allocated, where in fact, the funds could be spent to increase productivity in the Department by purchasing desk computers, and some of the latest state of the art survey and drafting equipment.

(2) The Board of Commissioners would be more receptive to Municipal demands than the current isolated and insulated Commissioner and Deputy Commissioners. For instance, the City of Valdez has repeatedly requested the minor expenditure of DOT funds for the extension of the bike path from the Airport Road intersection along the Richardson Highway to the new recreational complex at Mile 1.5. There have been five automobile fatalities and one bike fatality in this area during the last five years. The City has been told that there are higher priorities than this bike path. The people closest to the transportation problems usually have the best solutions to those problems. The duties of the Board of Commissioners, as outlined in this bill, would require the Board to listen to public input from the municipalities and from other public and private organizations.

1. BY STATUTE, WHAT ROADS AND HIGHWAYS DOES THE STATE HAVE RESPONSIBILITY TO CONSTRUCTION AND MAINTAIN?

ARIZONA	The State of Arizona constructs, improves, repairs, and maintains portions of the State routes which have been designated and accepted as State highways by the Arizona Transportation Board (28-1861). City streets which link State highways, or carry State highway traffic through a municipality may be designated as State highways (28-1866). A county board of supervisors may petition the Transportation board to take over and designate a State route located within the county as a State highway (28-1863). The Board cannot include a route in the State system until there are funds for its improvement in the budget of the Department of Transportation (28-1863).
COLORADO	Colorado's State highway system consists of federal-aid primary roads, federal-aid secondary road, the interstate system and its extensions into urban areas, and other roads designated as part of the State system by the State Highway Commission (43-2-101). (Roads specially designated as part of the system by the Commission may not exceed 5% of the mileage of the other three systems.) A board of county commissioners may petition the State Highway Commission to accept any section of county road as part of the State system. After determining that the county road is of such construction and in such state of repair as will make it proper to accept it as a State highway, the Commission in its discretion may designate it as part of the State system (43-1-207). The State Department of Highways must construct and maintain all roads comprising the State highway system (43-2-102).

1. BY STATUTE, WHAT ROADS AND HIGHWAYS DOES THE STATE HAVE RESPONSIBILITY TO CONSTRUCTION AND MAINTAIN?

HAWAII	By statute, the State of Hawaii must maintain the State highway system and all roads on which federal aid funds have been spent (17 Sect. 264-31, Sect. 264-43). The State's Director of Transportation determines which roads will be included in the State highway system, and may include any public highway used primarily for through traffic and not for access to any specific property (17 Sect. 264-42). The director may designate a county highway as part of the State system. In this event, ownership of the county highway transfers to the State without compensation (17 Sect. 264-2).
IOWA	Iowa does not have a state system per se. Instead, the State, through the Department of Transportation, has jurisdiction over the construction and maintenance of "primary roads", which are defined as those roads classified as "freeway-expressway, arterial and arterial connector" (Chapter 306.2, 306.4). The State also has jurisdiction over roads and streets wholly within the boundaries of State lands operated as parks, institutions, and so forth (306.1). Concurrent jurisdiction is shared by the State and counties in which secondary roads enter and exit from State lands at separate points (306.4). The State freeway-expressway system is limited by statute to 2,660 miles, while the arterial system may not exceed 3,500 miles (306.1). No limit is placed on the arterial connector system, the other major component of the State-governed road network.

	1. BY STATUTE, WHAT ROADS AND HIGHWAYS DOES THE STATE HAVE RESPONSIBILITY TO CONSTRUCT AND MAINTAIN?
MONTANA	The State of Montana maintains those highways which have been designated as State highways, the federal-aid interstate system the federal-aid primary system and its extensions, the federal-aid secondary system and its extensions, and other public highways included in the State maintenance system by the Montana Highway Commission (32-2407.1). Additionally, the State Highway Department has responsibility for maintenance of all public highways which it maintained on July 1, 1976 (32-2407.2). Montana enters into cooperative agreements with the National Park Service and the federal highway administration regarding maintenance of National Park approach roads (32-2601). The Highway Commission may designate highways which are not located entirely within Montana as part of the State's federal-aid system. The State would assume responsibility for constructing and maintaining these roads. Highways included in this provision must be located outside of Montana because of natural geographical or physical conditions which make the construction of the highway within the State impossible, and may not be part of another state's highway system (32-2408).
OREGON	The Oregon Transportation Commission may "select, establish, designate, construct, maintain, operate, and improve" the State highway system. The State system consists of both primary and secondary highways. The State Division of Highways determines which county roads will be included in the system, by law, selecting routes which will promote the completion of a connecting network of intercounty roads (366-290). County roads designated as part of the State system are maintained and repaired by the State (366.290). The Department of Transportation is responsible for portions of State highways located within municipalities, and is required by statute to construct, maintain, and improve other city streets which a) form a link in the State highway system or join two State highways, or b) have been designated as streets or roads over which State highway traffic is routed (373.030). The Department may eliminate any portion of a highway from the State system. However, the State must continue maintaining the road if it is still in use.

	1. BY STATUTE, WHAT ROADS AND HIGHWAYS DOES THE STATE HAVE RESPONSIBILITY TO CONSTRUCT AND MAINTAIN?
WASHINGTON	The State of Washington constructs and maintains the State highway system which consists of roads and highways specified as part of the system by the Legislature (e.g., RCS 45.17.005,010). State highways are not distinguished as primary or secondary routes. Streets within incorporated cities may be included as part of the State Highway system (RCW 47.27.010). The State operates and controls all traffic control devices on such streets which have been assignated as part of the State highway system in cities and towns having a population of 15,000 or less (RCW 47.24.020). Larger communities may operate and control their own traffic signals, subject to the approval of the State Highway Commission. Similarly, municipal regulations pertaining to speed and parking on such streets must be approved by the State Highway Commission (RCW 47.24.020). The Legislature makes a specific appropriation for maintenance of the State highway system, after a thorough review of maintenance program plans at the legislative committee level (RCW 47.05.040). Briefing material used in legislative deliberations on the State highway maintenance appropriation for 1979-1981 is attached.
WYOMING	Wyoming's State highway commissioner designates which public highways will be State highways (Sect. 24-2-109). The cost of constructing and maintaining these highways is borne by the State (Sect. 24-1-118). The State also pays for State highways located within National Forests (Sect. 24-2-108). The Commissioner may designate any county highway as part of the State system, and assume responsibility for maintenance and construction (Sect. 24-2-109). The commissioners of each county in Wyoming determine what roads, existing or not yet established, will be county roads (Sect. 24-1-101). The expense of constructing and maintaining county highways is paid by the county (Sect. 24-1-102). The State participates in several other road programs at the county and municipal levels. 93% of the expense of constructing roads under the State-county roads program is assumed by the State. Counties pay the remaining 7% of construction costs and assume all responsibility for maintenance after a road has been completed (Sect. 24-2-110). The farm to market road program which includes mine to market roads, rural free delivery roads, public school bus roads and other rural roads connecting important highways, or leading rail shipping points or local settlements is also jointly financed by State and county funds. Again, the State pays 93% of all construction costs and the county provides 7% and performs all maintenance (Sect.24-4-102). (Continued)

(Continued)

1. BY STATUTE, WHAT ROADS AND HIGHWAYS DOES THE STATE HAVE RESPONSIBILITY TO CONSTRUCTION AND MAINTAIN?

WYOMING

Counties may also propose the establishment of "industrial roads", but must have the cash money available to pay 50% of the construction costs before initiating the project (Sect. 24-5-102). The State pays the remaining 50% of industrial road project costs.

The State may enter into cooperative agreements with incorporated municipalites for the construction of city streets which directly connect established State highways. The State pays the entire expense of such construction projects, and the cost of necessary repairs. The municipality, if it has a population of fifteen hundred or more, is responsible for cleaning these streets and snow removal (Sect. 24-2-111).

The State directly controls and supervises all construction projects in which State money is spent (Sect. 24-2-108).

	2. IS THERE A STATUTORY PROVISION REQUIRING/ENABLING LOCAL GOVERNMENTS TO ASSUME RESPONSIBILITY FOR CONSTRUCTION AND MAINTENANCE OF THESE ROADS?
ARIZONA	There seems to be no provision in the Arizona statutes enabling local governments to assume responsibility for State highways within their jurisdiction. Local authorities may alter the maximum speed limits on State highways and urban extensions of State system, however, changes must be approved by the director of the Department of Transportation (28-703(D)).
COLORADO	The State Department of Highways may enter into a contract with a city or incorporated town for the maintenance or construction of urban extensions of the State highway system, where it appears that the city or town has adequate facilities to do such construction or maintenance (43-2-103). The Highway Department may make similar arrangements with counties (43-2-104). Municipalities may regulate and enforce all traffic on city streets which are part of the State highway system, although the Department of Highways must approve all regulations before they are effective (43-2-135(g)). The Department installs and operates traffic control signals, signs, and traffic control devices on State highways in cities having a population of five thousand or less. Larger cities may maintain and operate such signals, signs, and devices at their own expense. However, no local authority may erect signs or traffic control signals so as to stop traffic on any State highway without written permission from the Department of Highways (43-2-135(1)). Cities and counties may assume responsibility for any portions of the State highway system which have been removed from the State system by the Highway Commission (43-2-106).

	2. IS THERE A STATUTORY PROVISION REQUIRING/ENABLING LOCAL GOVERNMENTS TO ASSUME RESPONSIBILITY FOR CONSTRUCTION AND MAINTENANCE OF THESE ROADS?
HAWAII	The State may contract with a county legislative body to have the county maintain portions of the State highway system located within its jurisdiction (17 Sect. 264-44). The reverse is also true; a county may contract with the Department of Transportation for State maintenance of portions of the county highways designated as part of the federal primary or secondary highway system (17 Sect. 265-2). Counties are required by law to accept, maintain, and repair privately constructed highway improvements (17 Sect. 265-6).
IOWA	The transfer of responsiblity for all roads within the State is governed by "functional classification boards" on the county and State level. The county boards classify each segment of the public roads in accordance with classification definitions established by code. Roads may be reclassified as needs and conditions change. Jurisdiction and responsibility over the roads are based on these classifications. The State board hears appeals of decisions made by the county boards and renders final decisions. Iowa recently completed a total reclassification of all roads in the State, which resulted in an increase in the road mileage for which counties and cities are responsible and a corresponding decrease in the State road mileage responsibility.

2. IS THERE A STATUTORY PROVISION REQUIRING/ENABLING LOCAL GOVERNMENTS TO ASSUME RESPONSIBILITY FOR CONSTRUCTION AND MAINTENANCE OF THESE ROADS?

MONTANA	Montana statute 32-1627 states that the Department of Highways shall pay the entire cost of constructing and maintaining State highways within incorporated municipalities. However, the municipalities must pay one half of the State's share of the cost of curbs and gutters along these streets. According to Montana law, "The Department of (of Highways) may enter into an agreement with a local government body to maintain portions of public highways within its boundaries..." (32-2407.3). This statute is ambiguous. It may or may not enable local governments to assume responsibility for construction and maintenance of roads situated within their jurisdiction.
OREGON	In several instances, local governments can assume responsibility for portions of the State highway system. The State may enter into cooperative agreements with counties and municipalities regarding construction, maintenance and repair work on State highways within their jurisdicions (366.770). The Department of Transportation may also eliminate a road from the State's secondary highway system, transferring responsibility for it to the county in which it is located (366.290(3)).

	2. IS THERE A STATUTORY PROVISION REQUIRING/ENABLING LOCAL GOVERNMENTS TO ASSUME RESPONSIBILITY FOR CONSTRUCTION AND MAINTENANCE OF THESE ROADS?
WASHINGTON	There is no provision in the Washington statutes enabling a local government to assume responsibility for a portion of the State highway system located within its jurisdiction unless that portion is no longer needed as part of the State system (RCW 36.75.090, 47.24.010). The State and county governments may enter into cooperative agreements with one another "where a necessity appears therefor or where economy in public highway improvement and maintenance will be best served" (RCW 36.75.030). It appears as if the State can enter into similar agreements with municipal governments (RCW 47.24.020). If a county or municipality agrees to maintain a road and does not do so to the satisfaction of the State, the State may perform the job and deduct the cost from the county's/ municipality's share of funding the next year (RCW 36.75.250,47.24.020).
WYOMING	The Wyoming Highway Commission may remove any portion of a State highway from the State highway system and relinquish it to county or city control (Sect. 24-3-126). There are no other provisions for local control, construction or maintenance of the State highway system.

3. WHAT IS THE REVENUE SHARING FORMULA FOR HIGHWAY CONSTRUCTION AND MAINTENANCE?

ARIZONA

Arizona levies several vehicle license and highway user taxes which are apportioned among municipalities, counties, and the State. The vehicle license tax which is collected by each county is distributed as follows:

1) 20% to the State treasurer to be placed in the State general fund;
2) 25% to the general fund of the county;
3) 25% to the State treasurer to be placed in the State general fund to aid in school financial assistance;
4) 25% to the incorporated municipalites of the county, allocated to each one in proportion to its population;
5) 5% to the county general fund to cover administrative costs of the vehicle license tax program (28-1591).

Moneys received from the license tax upon motor vehicle carriers engaged in interstate commerce are allocated according to the following formula:

1) 25% goes to the general fund of the State;
2) 25% is apportioned among the State's counties. The amount each county receives is based on the total mileage of State and federal highways in the State;
3) 25% is given to common and high school districts, with special reference to the needs of one and two room and accommodation schools;
4) 25% is distributed among cities and towns proportionate to the total mileage of State and Federal highways within each one (28-1592).

Highway user revenues, the largest pool of transportation funds, are allocated as follows:

1) 11% to the Arizona highway patrol;
2) 57% to the State highway fund;
3) 15% to the counties to be further distributed to each individual county based on the proportion that the sale of motor vehicle fuel and the estimated consumption of use fuel in each county bears to the statewide totals;
4) 17% to the incorporated cities. One-half of this money is apportioned to each city on the basis of its population. The remaining one-half is distributed first on the basis of the county origin of sales of motor vehicle fuels within the State, and further allocated among the cities and towns within each county in the proportion that the population of each city or town bears to the total population of all cities and towns in the county (28-1598).

(Continued)

3. WHAT IS THE REVENUE SHARING FORMULA FOR HIGHWAY CONSTRUCTION AND MAINTENANCE?

COLORADO

The Colorado highway users tax fund is apportioned as follows:

1) The highway crossing protection fund receives $20,000 each month to promote public safety and pay costs of installing and improving safety signals at railroad and street railway crossings (43-4-205);
2) The Colorado State Patrol receives an amount specified by the Colorado General Assembly;
3) 65% of the balance of the fund is paid into the State highway fund (43-4-206);
4) Counties receive 26% of the balance of the fund. 80% of this money is allocated among individual counties in proportion to the mileage of public highways, excepting mileage of State highways, in each one. 20% is allocated to the counties in proportion to their motor vehicle registration (43-4-207).
5) Municipalites are entitled to 9% of the balance of the highway users tax fund. 80% of this money is distributed to individual cities in proportion to their motor vehicle registration. The remaining 20% is allocated among cities on the basis of the mileage of streets in each one (43-4-208).

3. WHAT IS THE REVENUE SHARING FORMULA FOR HIGHWAY CONSTRUCTION AND MAINTENANCE?

HAWAII	Local governments in Hawaii do not receive highway moneys by means of a revenue sharing formula. The counties of Hawaii are allowed to collect miscellaneous highway and vehicle "user" fees, and are also permitted by statute to levy a county fuel tax on each gallon of liquid fuel sold for use within the county. The amount of the tax is set by each county council (14 Sect. 243).
IOWA	Funds for construction and maintenance are allocated to the counties and cities from the road use tax fund. The fund is composed of motor vehicle registration fees, motor fuel taxes, use taxes, and other moneys. Allocations from the road use tax fund are made on the following basis after first deducting entitlements for several special purpose funds: (1) 45% to the primary road fund (State); (2) 28% to the secondary road fund of the counties; (3) 9% to the county farm-to-market road fund; (4) 18% to the street construction fund of the cities. Sixty percent of the county allocation is distributed to each county based on the need of each county in relation to the total needs of the entiry county road system; 40% is based on the area of each county relative to the total area of the State. The needs of the counties were determined until 1979 by a periodically convened special highway study committee, and are now assessed by the Department of Transportation. The distribution of funds to cities is based on population of each city in relation to the total population of all cities in the State.

3. WHAT IS THE REVENUE SHARING FORMULA FOR HIGHWAY CONSTRUCTION AND MAINTENANCE?

MONTANA

Montana annually allocates $6,500,000 of gas tax revenues among eleven "financial" districts" each of which contains several counties (32-2603). The financial districts receive money for portions of the federal-aid highway system, the federal-aid secondary system, and the federal-aid interstate system located within their boundaries. Each district receives an amount for federal-aid primary highways based on the ratio between the incomplete mileage (figure includes all mileage which doesn't meet State standards) in the district and the total incomplete mileage in the State (32-2606). The proportion of funding each district receives for federal-aid secondary highways is computed on the following basis:

(a) 1/4 in the ratio of land area in each district to the total land area in the State.
(b) 1/4 in the ratio of the rural population in each district to the total rural population in the State.
(c) 1/4 in the ratio of the rural road mileage in each district to the total rural road mileage in the State.
(d) 1/4 in the ratio of the value of rural lands in each district to the total value of rural land in the State.

The money appropriated to each district is further apportioned to each county in the district on the same basis (32-2607). The amount given to each district for federal-aid interstate highways is based on the ratio between the estimated cost of constructing the system in each district and the estimated cost of constructing the entire system within the State (32-2609). The department may give a limited amount of additional money to a district for any of the systems. However, the succeeding fiscal year, the district's allocation will be reduced by a like sum (32-2610).

The Department of Highways annually makes funds available to each county and city over 5,000 for matching federal-aid off-system road and urban highway grants. Counties receive this money on the same basis that they receive funding for federalaid secondary highways (32-2607.1). The allocation to cities is based on the ratio of urban population in the city to total urban population in all cities over 5,000 in the State (32-2611).

3. WHAT IS THE REVENUE SHARING FORMULA FOR HIGHWAY CONSTRUCTION AND MAINTENANCE?

OREGON

20% of all monies credited to the Oregon highway fund must be appropriated among the State's counties (366.525). In any year, individual counties receive an amount which is based on the ratio of the number of vehicles and trailers in the county, to the total number of vehicles and trailers in the State (366.530). Cities are entitled to 12% of the money credited to the State highway fund. Each city receives a share proportionate to the size of its population (366.800(5)).

Counties and "road districts" (counties may be divided into road districts by popular initiative) may levy several different taxes to pay local road construction, maintenance, and repair costs (371; 373.240). In some cases, counties must allocate revenues from taxes among the road districts according to a formula specified by statute (368.710).

3. WHAT IS THE REVENUE SHARING FORMULA FOR HIGHWAY CONSTRUCTION AND MAINTENANCE?

WASHINGTON	Local governments receive statutorily dedicated highway funds and administrative assistance through the State Aid Division of the Washington State Department of Transportation. Proceeds from the State fuel tax, vehicle ownership and licensing fees, and fines accrue to a "motor vehicle fund" (RCW 46.68.020, 030, 050; 82.36.020) which is distributed among city, county and State highway and road programs according to the following statutory formula: 11.53% to cities and towns, 22.78% to counties, and 52.21% to the State (RCW 46.68.100). Money is allocated to individual cities and counties according to another formula specified by statute (RCW 46.68.110; 46.68.115; 46.68.120). Another 7.12% of the motor vehicle fund goes into an urgan arterial trust account which finances bond programs and limited "pay as you go" construction of local arterials (RCW 46.68.100). 6.95% of the State's portion of the motor vehicle fund is dedicated to construction and improvement of State highways in urban areas (RCW 46.68.150).
WYOMING	10% of Wyoming's gasoline license tax revenues are reserved solely for payment of the State's share of the county-state road construction program. This money must be allocated among the counties based 50% on the ratio which the rural population of the county bears to the total rural population of the State, and 50% on the ratio which the area of the county bears to the area of the State (Sect. 24-2-110). 75% of the amount of any bond issue issued by the State for State highway construction must be apportioned to each county in the proportion which the assessed valuation of the county bears to the total assessment of the State (Sect. 24-1-119).

4. WHAT CRITERIA DO THE STATUTES CONTAIN REGARDING THE ALLOCATION OF STATE HIGHWAY CONSTRUCTION AND MAINTENANCE FUNDS?

.F.IZONA	Arizona has a Transportation Priority Planning Committee which recommends statewide highway construction project priorities to the State Transportation Board. The committee prepares and annually updates a long range statewide transportation facilities construction program which prioritizes construction projects to be undertaken in each of the five ensuing fiscal years. The estimated cost of the program for each year must be approximately equal to the revenues estimated to be available for highway construction during that year. The committee must devise a rating formula to use when deciding project priorities, taking into account the following criteria: (a) sufficiency rating, (b) user benefits, (c) economic factors, (d) continuity of improvement, (e) social factors, (f) land use, (g) aesthetic and environmental factors, (h) conservation factors, (i) safety factors, (j) life expectancy, (k) recreational factors, (l) availability of State and federal funds, (m) any other relevant criteria developed by the committee (28-111). Additionally, Arizona law provides that the Department of Transportation must spend money from the State highway fund first for construction of highways which are joint federal-state projects, and second, for taking over and constructing other State highways. Reconstruction or replacement of existing highways damaged or destroyed by acts of God or other sudden or unexpected causes must be the priority use of the Department's maintenance moneys. Damaged federal-state roads must be repaired before reconstruction of other State highways is undertaken (28-1822).
.ORADO	The State Highway Commission must determine priorities for construction on the State highway system before May 30 of the year preceding the year during which construction is to be undertaken (43-2-136(a)). In establishing priorities, the State Highway Commission must make use of a highway "sufficiency rating" system which takes into consideration traffic volume, composition of traffic, width of roadbed, pavement type, and other construction factors which are necessary in order to adequately compare existing highway facilities with the known desirable standards for highways (43-2-136). Counties and cities must annually submit to the Highway Commission priorities for the construction of roads, streets, and highways within their jurisdiction. Counties and cities may use a highway sufficiency rating method similar to that employed by the State Department of Highways (43-2-137; 43-2-138).

	4. WHAT CRITERIA DO THE STATUTES CONTAIN REGARDING THE ALLOCATION OF STATE HIGHWAY CONSTRUCTION AND MAINTEANCE FUNDS?
HAWAII	Hawaii law specifies how each county's fuel tax revenues may be spent, but only prioritizes one type of expenditure: counties must pay amounts due on road construction bonds before spending money on other projects (Sect. 243-6). The State's share of fuel tax revenues is also "earmarked" by statute, but not prioritized. Moneys in the State highway fund may be expended for the following purposes: (1) To pay the costs of repairs and maintenance of the State highway system. (2) To pay the costs of acquisition, planning, designing, construction and reconstruction of the State highway system and bikeways. (3) To reimburse the general fund for interest on and principal of general obligation bonds issued to finance highway projects (14 Sect. 248-9). There are also general instructions regarding money generated by motor vehicle and "user" taxes levied by the county. These funds may be used for the following purposes: (1) For all costs involved in construction and maintenance of public highways. (2) For installation, maintenance, and repair of street lights on county-maintained public roads. (3) For purposes connected with traffic control and safety. (4) For payment of interest on and redemption of bonds. (5) For purposes connected with mass transit. (6) For the design and construction of bikeways. These projects are not prioritized by statute. (Sect. 249-18).
IOWA	Iowa's statutes provide little direction for the allocation of State highway funding. Highway planning appears to be a joint function of the Transportation Commission and the Highway Division of the Department of Transporation. The Commission is responsible for the development of an annual transportation policy and plan, while the Highways Division has jurisdiction over the planning, design, construction and maintenance of the State primary highways (307.10, 307.24). Improvements to the State primary road system are given statutory priority over new construction. Such improvements are to be made "as rapidly as funds become available therefore until the entire mileage of the primary roadsyste" meets traffic requirements (313.8). The condition of the primary roads to be equalized as nearly as possible by such improvements. The statutes also provide that sufficient funds will be made available to equal the total federal allotment to the State for road purposes, and to maintain the roads constructed with such funds. (313.1).

4. WHAT CRITERIA DO THE STATUTES CONTAIN REGARDING THE ALLOCATION OF STATE HIGHWAY CONSTRUCTION AND MAINTENANCE FUNDS?

MONTANA	Montana State statutes do not prioritize highway construction or maintenance projects. However, before money is appropriated to the financial districts, counties or cities funds are removed for four types of projects: bridge replacement, construction and reconstruction of federal-aid priority primary routes, upgrading highways through economic growth centers and improving highway safety (32-2613, 32-2614, 32-2617, 36-2618). "Reasonable" amounts must also be spent for establishing footpaths and bicycle trails, which, by law, must be constructed along all sections of the interstate highway system (32-2626).
OREGON	Oregon statutes contain several provisions regarding expenditure of the State Highway Fund. "Reasonable" amounts must be spent to establish footpaths and bicycle trails. Except where specified by statute, footpaths and bicycle trails must be established wherever a highway, road, or street is being constructed, reconstructed, or relocated (366.514). Before allocating the State's highway monies, the Department of Transportation must first set aside an amount sufficient to comply with the terms of the various federal-aid programs in which the State participates (366.735). By law, the Department must also withdraw $250,000 each year from the amount appropriated for cities. This money must be spent by the department on city streets which are receiving excessive wear through sudden increases in population, or heavy and unusual traffic. The Department may not use this money for streets which are part of the State highway system (366.805).

4. WHAT CRITERIA DO THE STATUTES CONTAIN REGARDING THE ALLOCATION OF STATE HIGHWAY CONSTRUCTION AND MAINTENANCE FUNDS?

ASHINGTON

Washington State statutes outline a procedure for prioritizing highway projects. The Washington State Highway Commission establishes three categories of highway improvements:

(1) Category A improvements consist of those necessary to sustain the structural, safety, and operational integrity of the existing State highway system;
(2) Category B improvements consist of those continuing the development of the interstate system;
(3) Category C consists of major transportation improvements (other than improvements to the interstate system) including designated but unconstructed higways which are vital to the state-wide transportation network (RCW 47.05.030).

The Commission prepares a long range plan allocating the estimated revenues for a fourteen year period among the categories, giving primary consideration to the following factors:

(a) The relative needs in each of the categories.
(b) The need to provide adequate funding for Category A improvements to protect the State's investment in its existing highway system; and
(c) The continuity of future highway development of all categories of improvements with those previously planned (RCW (47.05.035).

In preparing the long range plan, the Highway Commission must adopt a schedule for performing Category A improvements within each calssification of State highways (all State highways are classified by the Commission according to their function and important (RCW 47.05.020) (RCW 47.05.035(2)).

The Commission must prioritize all A and B improvement projects according to the following criteria:

(a) The highway's structural ability to carry loads imposed on it;
(b) Its capacity to move traffic at reasonable speeds without undue congestion.

(continued)

(Continued)

4. WHAT CRITERIA DO THE STATUTES CONTAIN REGARDING THE ALLOCATION OF STATE HIGHWAY CONSTRUCTION AND MAINTENANCE FUNDS?

SHINGTON	(c) Its adequacy of alignment and related geometrics; (d) Its accident experience; and (e) Its fatal accident experience (RCW 47.05.050). When selecting which category C projects to perform, the Commission must compare the projects on the basis of the following: (a) Continuity of development of the highway transportation network; (b) Coordination with the development of other modes of transportation; (c) The State long range goals of the local area and its transportation plan; (d) Its potential social, economic, and environment impacts; (e) Public views concerning proposed improvements; (f) The conservation of enery resources and the capacity of the transportation corridor to move people and goods safely and at reasonable speeds; and (g) Feasibility of financing the full proposed improvement (RCW 47.05.051). There are statutory provisions permitting the Highway Commission to deviate from the established prioritization of projects (RCW 47.05.051(g); 47.05.055).
NG	According to Wyoming statutes, the State Highway Commission prioritizes only county industrial road projects using the following criteria: (1) date project was proposed; (2) county money available for project; (3) traffic count; (4) number of people project will service; (5) tax value of the area served by the proposed industrial road (Sect. 24-5-121).

Bill Analysis by Rep. Bette Cato's office.

House Bill 654

This is "an act relating to the Department of Transportation and Public Facilities and establishing a board at the Department of Transportation and Public Facilities and providing for an effective date."

This bill establishes a board of transportation made up of 7 members. One member of the Board shall be appointed from each allocation district as in AS.19.30.127, (Local Service Roads and Trails districts.)

two members with highway construction experience
two members with aeronautical experience
one member with a maritime background
one member with to be an economist
one member shall be selected from the public at large

Members serve overlapping terms with no member serving more than two terms.

Sec. 44.42.017 The board is entitled to compensation of $150 per day as well as travel and per diem, and is authorized $100 for board approved meetings or conferences.

Sec. 44.42.019 The board is authorized to hire staff as necessary. Staff is in the partially exempt category.

Sec. 44.42.021, Powers and Duties

(a) The board shall: "Recommend policy for adoption to the legislature to assure the development and maintenance of a comprehensive and balanced statewide system that will meet the needs of the people of the state for safe and efficient transportation services." The bill outlines considerations for the board in their preparation of these policies. (inasmuch as these are straightforward in the bill, I will not go into detail here, but highlight significant areas)

(c) The board may (1) engage in experimental projects relating to existing or future modes of transportation.. (2) exercise the power of eminent domain, including the declaration of taking as in AS. 09.55.

(d), .." the board shall supervise the execution (of the plan) by the commissioner of other statutory powers and responsibilities granted to the commissioner by law.", which gives added accountability from the commissioner to the board.

Sec. 44.42.040 The board may adopt regulations.

Sec. 44.42.040 The board shall adopt regions in the state. The functions of the department.. shall be performed, to the maximum extent possible through the regional office. Region directors are appointed by the commissioner. (Recall that the board has supervisory powers here)

This section also elaborates on the "plan" for transportation.
Sec. 4, AS.44.42.050(a) provides for an annual comprehensive intermodal, long range plan.
Sec. 5 AS 44.42.050(b) provides for amendments to the plan.

Sec. 6 speaks to "two year" plan but does not address two phase funding. See HB 650.

Sec. 7 through Sec. 10 speaks to Public Facilities and outlines procedures for the public facilities and other plans.

Sec. 12 through Sec. 16 inserts the word board in place of the word commissioner

TESTIMONY ON CS HB 648, CS HB 649, CS HB 651, CS HB 652 and CS HB 654

My name is Walter B. Parker. I am a resident of Anchorage, Alaska residing at 3724 Campbell Airstrip Road. I have been active in Alaskan transportation operations and planning since 1946.

CS HB 654

I strongly support this bill. I believe that the Board would serve as the forum that has long been needed to discuss the transportation affairs of the state. It is time to decentralize some of the power in the state executive and this bill certainly is a good step in that direction.

I believe if we look at the Department of Education and see that the same Commissioner working with his board has survived some of the greatest policy changes in state history is a good indication of the way in which the board proposed in this bill might work for transportation. As a former Commissioner I would regard the board as an enhancement of the decision making power rather than a check upon it.

The change I would suggest would be to have two maritime members and drop the economist. This does not reflect a bias against economists who despite our present revenue forecasts I tend to admire as a profession. However, I believe this board should reflect overall transportation background and not specified professional expertise.

TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 654 Relating to DOTPF and establishing the
Title Board of Transportation & Public Facilities at the head of the Dept.
Requested by House Transportation Date 1/21

II. FISCAL DETAIL

Agency Affected Department of Transportation and Public Facilities
Program Category Affected Administration and Support
ERU, Program, Or Subprogram(s) Affected Board of Transportation and Facilities
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-0-	89.8	98.8	108.6	119.4	131.3
200 TRAVEL	-0-	41.9	46.1	50.7	55.8	61.3
300 CONTRACTUAL	-0-	55.0	60.5	66.5	73.1	80.4
400 COMMODITIES	-0-	5.0	5.5	6.0	6.6	7.2
500 EQUIPMENT	-0-	10.0	1.0	1.0	1.0	1.0
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS,CLAIMS,ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	201.7	211.9	232.8	255.9	281.2

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	201.7	211.9	232.8	255.9	281.2
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME	-0-	2	2	2	2	2
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

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

See attached notes and HB 654 1982.

IV. DATE 2/4/82 PREPARED BY D.H Wong Dan Lund

AGENCY Department of Transportation & Public Facilit

Original: Legislative Finance PHONE 836-3210

ESTIMATED COST ON HB654
For Board of Transportation & Facilities

100	Personal Services			
	2 Full time Staff			
	Executive Director			
	24A 4320/mo	$51,840		
	Secretary I			
	10B 1726/mo	20,712	$72,552	
	Benefits at 23.8%		17,267	$89,819
200	Travel			
	Per Diem-Members			
	$80/day			
	(per as 39.20.180)			
	Meetings			
	5 days - Initial set up x 7 members	(35)		
	3 days - 6 Regular x 7 members	(126)		
	5 days - Special x 7 members	(35)		
	3 days x 3 Inspection x 7 members	(63)		
		259 x $80/day	$20,720	
	Per Diem-Staff			
	5 days (5)			
	3 days 6 times (18)			
	5 days 1 time (5)		$ 2,240	
	28 x $80/day			
200	Air Fare - Members & Staff			
	$1,566 per meeting x 8 meetings	12,528		
	Avg/trip = $261			
	$261 x 7 members x 3 inspection trips	5,481		
	Total air fare	$18,009		
	Inflation/Rate increase 5%	900	$18,909	
	Total Travel			$41,869
300	Contractual			
310	Communication		$ 6,000	
320	Printing & Advert.		9,000	
330	Space rental		9,300	
364	Equipment Rental		6,000	
380	Professional Services		20,000	
390	Other Contractual Services		4,700	
	Total Contractual			$55,000

400	Commodities		
450	Office Supplies	$ 5,000	
	Total Commodities		$ 5,000
500	Equipment		
	Furniture & Office		
	Equipment including	10,000	
	2 desks, 2 chairs		10,000
	3 file cabinets, 1 book shelve		
	1 typewriter, 1 calculator		
	3 guest chairs, 1 table		
	Total cost Estimated		$201,688
	Total Estimated Cost FY 83		$201,700

Sec. 39.20.160. Regulations. The fixing and payment under AS 39.20.110 — 39.20.170 of travel and per diem allowances and of advances and recovery and reimbursement of travel expenses shall be in accordance with regulations adopted by the commissioner of administration. The regulations shall be uniform for all officials and employees, and all agencies and departments. The regulations shall also govern the use of public transportation facilities by officials and employees. The regulations relate to the internal management of state agencies and their adoption is not subject to the Administrative Procedure Act (AS 44.62). (§ 9 ch 60 SLA 1957; am § 2 ch 13 SLA 1963)

Sec. 39.20.170. Construction of AS 39.20.110 — 39.20.170. AS 39.20.110 — 39.20.170 may not be construed to modify or repeal a law providing for the travel expenses of the governor, or members of the legislature, or members of boards or commissions of the state government. (§ 10 ch 60 SLA 1957)

Sec. 39.20.180. Transportation and per diem expenses for members of boards, commissions, etc. Except as otherwise provided by law, from and after March 27, 1962, the provisions in this section relating to per diem and transportation govern exclusively and supersede all other provisions of law with respect to a member of a state board, commission, committee, judicial council, or other similar body of persons of the state organized or established under the authority of law, but excluding any other state employee other than a legislator, who is otherwise entitled by law to receive from the state payments for expenses of transportation, and for reimbursement or for per diem in lieu of reimbursement for other expenses incident to his duties as such member:

(1) For transportation, the member is entitled either to the use of state transportation requests, or to be reimbursed for expenses of transportation to the same extent, in the same manner, and under the same conditions as provided for state officials and employees by the provisions of AS 39.20.110 — 39.20.170.

(2) For reimbursement for other expenses, the member is entitled to a per diem allowance prescribed by the commissioner of administration under the regulatory authority set out in AS 39.20.160 for each day or portion of a day spent in actual meeting or on authorized official business incident to his duties as a member. (§ 1 ch 130 SLA 1953; am § 1 ch 34 SLA 1960; am § 1 ch 37 SLA 1962; am § 5 ch 136 SLA 1967; am § 12 ch 47 SLA 1974)

Cross reference. — As to coverage of state board and commission members under the Worker's Compensation Act, see AS 23.30.242.

Quoted in Employers Liab. Assurance Corp. v. Groothius, 8 Alas. L.J. No. 12, p. 134 (Nov., 1970).

Cited in Laborers & Hod Carriers Local 341 v. Groothuis, Sup. Ct. Op. No. 773 (File Nos. 1435, 1459), 494 P.2d 808 (1972).

HB

866

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

Senate State Affairs Committee Minutes May 5, 1982

Members Present: Sen. Vic Fischer, Chair
Sen. Dick Eliason
Sen. Brad Bradley
Sen. Terry Stimson
Sen. Mike Colletta

COMMITTEE CALENDAR

HB 866am An Act establishing a special investment tax credit

WITNESS REGISTER

David Heatwole
Alaska Miners Association
509 West Third Ave., Suite 17
Anchorage, Alaska 99501
Testified in favor of HB 866

George Krusz
Alaska State Chamber of Commerce
310 2nd St.
Juneau, Alaska 99801
Supports concept of HB 866; expand to include oil and gas industry

Gary Jenkins
National Federation of Independent Businesses
former Division of Audit
P. O. Box 194
Auke Bay, Alaska 99803
Has problems with HB 866; suggests expanding to include all small businesses

Tom Williams
Commissioner, Dept. of Revenue
Pouch S
Juneau, Alaska 99811
Testified in opposition to HB 866

Dave Hutchins
ARECA/Electrical Association
6000 C Street, Suite C
Anchorage, Alaska 99502
Suggests HB 866 be amended to include renewable energy resource investments

Lance Anderson
Cook Inlet Regional, Inc.
1600 Oxford Drive
Anchorage, Alaska
Supports HB 866

Phil Holdsworth
Alaska Miners Association--S.E.C.
326 4th St., #1004
Juneau, Alaska 99801
Supports HB 866

Rep. Terry Gardiner
Pouch V
Juneau, Alaska 99811
Testified in opposition to HB 866

PREVIOUS ACTION

No previous action in this committee.

ACTION NARRATIVE

Tape #
0000

Sen. Vic Fischer, chair, called the meeting to order at 1:50 pm with members Sen. Colletta, Sen. Bradley, Sen. Eliason, and Sen. Stimson present.

David Heatwole, Alaska Miners Association, stated that the association is in support of HB 866 because it broadens the economic base. We have world class deposits worth as much as Prudhoe Bay. Mining is labor intensive. Development needs infrastructure and stable investment climate. HB 866 enables a quicker recovery of the investment and it signals "lower 48" companies that Alaska wants development. (Written testimony attached.)

Sen. Fischer asked what the state could do to develop mining. David Heatwole responded: 1) Develop infrastructure and 2) Send a positive symbol to investors.

Sen. Fischer asked how HB 866 could be a tax generator if the state is to provide infrastructure and tax exemptions. Sen. Eliason remarked that only profitable firms can use the credit, so what good is the credit to less profitable investors. David Heatwole responded that it encourages investment in Alaska rather than someplace else.

George Krusz, Alaska State Chamber of Commerce, testified that the Chamber has supported the concept of HB 866 since December 1981. Tax credits should be expanded for all industry including oil and gas...it is not fair to exclude oil and gas. (Written statement attached.)

Gary Jenkins, National Federation of Independent Businesses, stated his concern that benefits of HB 866 only go to a limited group which already get special loan assistance. HB 866 is not fair to small businesses. They provide most jobs but receive little incentive. Gary suggests that the credit be expanded to all businesses except oil and gas. From past experience in the Dept. of Revenue, Gary reasons that many businesses would pay little or no tax because of the credit amendment; he would only support the concept of HB 866 is it is applied to all businesses. (Written statement atached.)

Sen. Fischer asked to what extent HB 866 creates a windfall for profitable businesses. Gary Jenkins responded that as much incentive as possible is needed.

Sen. Eliason posed a question about the fact that as much as 46% of investment credit which is returned to the corporation can be taxed by the Feds. Gary Jenkins agreed that this is true,
0600 although the credit primarily reduces state tax liability. Sen. Fischer asked if all sectors need equal incentive. Gary Jenkins responded that small businesses are in need of incentives. Sen. Eliason asked if non-renewable resources should be taxed differently than renewable ones, given that, once removed, non-renewable resources are gone forever. Gary Jenkins responded that investment tax credit should be equal but non-renewable resources should be subject to a severance tax.

Sen. Bradley asked how many small businesses are in the state. Gary answered that more than half of the state's businesses are small...less than 50 people.

Tom Williams, Commissioner, Dept. of Revenue, (verbal testimony only) testified against HB 866 for the following reasons.

(1) It will not encourage investment. Alaska income tax maximum tax bracket is 9.4%. Investment credit would lower the 9.4%. 46% of the credit will go back to the Feds, so the maximum benefit to a firm is 46% of 9.4%. Investment decisions are based on discounting of a future income stream compared to costs. The investment credit will not make a difference in the rate of return calculation. Maximum benefit of the tax credit would be less than 1% in the overall rate of return.

(2) Too many benefits have already been conferred and already forgotten.

(a) Last year's state income tax rates were significantly reduced. Old rates were $\leq$ \$50,000 = 5.4%
$>$ \$50,000 = 9.4%

New rates are: \$10,000 = 1% less than 1/5 of old rate
10-20,000 = 2% less than 40% of old rate
20-30,000 = 3% less than 60% of old rate
30-40,000 = 4% less than 80% of old rate

40-50,000 = 5% less than 95% of old rate
50-60,000 = 6% 33% relief
60-70,000 = 7% 25% relief
70-80,000 = 8% 25% relief
80-90,000 = 9%
90-100,000= 9%
> 100,000= 9.4% same as before, but the first $100,000 receives a substantial tax break

(b) In 1981 the IRS created the "Accelerated Cost Recovery System (Automatic Super Depreciation) which increases depreciation and reduces net taxable income. In effect, it reduces state taxes because state taxes are based on federal tax.

(c) Last year's state legislature increased the allowable amount of investments eligible for an investment credit from $500,000 to $20 million: a 40 fold increase. It doesn't make sense to increase that 40 fold increase by an additional five fold.

(3) Commissioner Williams also opposes HB 866 because it is disproportionate. Our investment tax credit is 18% of the federal investment tax credit rate. The Feds allow 10% tax credit. Our 9.4% maximum income tax reate was 18% of the Federal maximum income tax rate of 48%. It doesn't make sense to increase our investment credit refund to 100% of the federal allowance while our total tax rate is less than 1/5 of the federal rate.

(4) Who benefits? Small corporations do not benefit. Small corporations are being taxed in a low state income tax bracket. Large corporations have more income to shelter. Large corporations can sell credits through subsidiaries. Credits get concentrated in the hands of the rich who have the most income to shelter. It is easy to set up leasing arrangements through subsidiaries. Unity taxation lumps all subsidiaries together. Subsidiaries can be set up to transfer credits and no language can prevent this under unitary taxation.

(5) We are steadily eroding our tax base. For example: our housing loan programs, municipal revenues and public works are all riding on oil revenues. We need to broaden our tax base. Who will pay for the development of infrastructure to support industries such as mining and agriculture if they do not pay taxes? Our revenue sources must not be eroded; HB 866 erodes our non-petroleum tax base by 1/3!

(6) HB 866 gives the oil companies excellent support in their argument that our taxes are discriminatory and deny equal protection to the oil industry. After all, oil is like a rock which is mined. It must be processed to obtain market

value. HB 866 would leave us very exposed to a lawsuit by the oil companies. Dick Donaldson, Vice President of Standard Oil said he would challenge our entire tax system, including severance because it discriminates against oil production.

For all of these reasons, Commissioner Williams is opposed to an investment credit equal to 100% of the Federal investment credit. In summary:

1 - ineffectiveness
2 - benefits already conferred
3 - disproportionate benefits in relation to the difference between federal and state tax rates
4 - disproportionate in favor of rich
5 - ability to sell credit through subsidiaries
6 - erosion of our non-petroleum tax base

In addition, HB 866 provides a better factual basis for oil companies to challenge our entire tax system.

Sen. Colletta inquired if we need psychological incentives to to encourage development. Commissioner Williams responded, "People don't know about the tremendous benefits which have recently been conferred by the legislature for oil and other industries."

Sen. Colletta remarked that the credit would "enable investors to recover their investment more quickly." Comm. Williams stated, "Other factors completely overwhelm the effect of a state investment credit such as infrastructure and price of raw materials."

Sen. Fischer stated that Kuparuk was made on the basis of oil prices, not investment climate, and he asked if there is any way that an industry needing incentive could benefit from a credit without also allowing other industries who don't need a credit to reap a windfall benefit.

Commissioner Williams responded that he didn't see how one could do that because even the Feds have not been able to prevent the creation of subsidiaries to sell credits. He calculated that the Prudhoe Bay rate of return after tax was $27.6% and without all state taxes the rate of return would have been 28.5%. He further stated that mining may have higher labor costs than oil, but the price of raw matierals dominates all other investment decisions.

Sen. Eliason asked about Alaska's old tax incentive plan, prior to Prudhoe Bay. Williams replied that it was repealed because the state never got anything in return except a urea plant on the Kenai, which he felt might have been built in any event, as it earns a good return.

Sen. Bradley asked if the incentive would create employment, thus decreasing the amount for welfare and unemployment costs.

Commissioner Williams stated that the minerals are "not going anywhere" and development will occur when ore prices are profitable. He feels that we could help industry by providing better infrastructure.

Sen. Eliason asked if other states have investment tax credits, and Williams replied that they do, but none are as disproportionate as the one proposed by HB 866.

Sen. Eliason asked how severe Alaska taxation is compared to other states, and Williams answered that overall Alaska is in the better half because Alaska doesn't have franchise tax, nor gross receipts tax; employers don't have to pay higher wages to compensate for a personal income tax bite, and our property taxes are not excessive.

Dave Hutchins, ARECA Electrical Association, proposed that renewable energy resource investment receive the same tax credit as other industries under HB 866.

Lance Anderson, Cook Inlet Regional, Inc., supports HB 866. He stated that HB 866 would be a positive factor in investment decisions; most corporate investments are not even eligible for investment credit. The measure will encourage investment in marginal industries and diversification of Alaska's employment base. He stated that small businesses do not need investment credit as they already have no income tax liability. Even if HB 866 wipes out all state income tax liability on large projects, large corporations would still pay a 7% mining license tax. Mines are low margin businesses, and the incremental return is more important than it is for oil companies.
Passage of HB 866 sends a psychological message that the state wants and needs mining development and will reward investment activity.

Lance Anderson answered questions which people have asked him on other occasions. In response to the question, "Who is eligible for the credits?" Lance stated that only non-oil corporations would be eligible. Even if tax credits are exchanged, Lance would approve, because the goal is to encourage investment. HB 866 encourages reinvestment. In response to inquiries about what constitutes "qualified property", Lance stated that it does not include roads, buildings, etc. Qualifying property will not be a large part of the investment. He described how the credit is calculated (the percentage eligibility formula used for federal investment credit calculations prior to 1981:

less than 3 year useful life = 0% eligible
3-5 year " " = 33 1/3 % eligible
5-7 year " " = 66 2/3 % eligible
7 or more year " " = 100 % eligible

Lance Anderson went on to describe the impact HB 866 would have on state revenues. He said it should have a very minimal impact. Only minimal amounts are invested in mining, timber and fisheries by taxpaying corporations. There will be local tax and employ-

ment benefits.

HB 866, he stated, is a revenue generating bill because it generates profits.

Lance Anderson questioned the accuracy of the fiscal note before the committee. The bill, he stated, is worth the chance, even if it will only speed up development by one year. The people who will have the new jobs will benefit. In response to the question, "Is HB 866 another subsidy to a special interest?" Lance answered that it is not a subsidy; it is a temporary tax reduction tied to investment. It will have a broad impact. CIRI supports this bill because it can help develop Beluga coal or Seldovia chrome. There is no mining currently taking place on native lands. Native corporations need more capital and HB 866 helps to attract capital for joint ventures and international development concerns.

Investment credits have been useful on the national level and they are effective. The critical question we should be asking is "When will these resources be developed?"

Sen. Eliason said that he didn't mind if some of these resources are developed at a later date so others can receive the full benefit of them. Sen. Eliason challenged Lance Anderson's statement that many investments, such as buildings, would not qualify for the credit, stating that this is not true according to the IRS code which states that buildings are exempt, however "the term 'building' does not include a structure used as an integral part of extraction", page 2, publication 572, Tax Information on Investment Credit.

Phil Holdsworth, Miners and Coal Operators of Alaska, supports HB 866. Borax's exploratory work does not qualify as an investment. Alaska's mining license tax is like a severance tax except that it is paid on net income while severance taxes are paid on gross income.

Rep. Terry Gardiner testified that HB 866 is a poor policy with good intentions. On the national level, credits have been a failure, a great misallocation of resources. National investment is less than it was a year ago. The credit has not affected the creation of new businesses. The investment credit allowed businesses to lease excess credits and get windfall gains. Borax development depends of the price of molybdenum and state tax policy has little effect. Borax will not even pay tax until 1992. For his own district, Ketchikan, new schools will be needed, in addition to additional public expenditures. What does Ketchikan get out of it? How can Ketchikan obtain state assistance for schools, etc, if the state is not receiving any taxes from Borax. Local taxpayers will have to pay for new infrastructure, but Borax is outside of local tax jurisdiction. Rep. Gardiner then addressed individual resources:

* Timber - the proposed credit would increase credit for cutting and replanting, even on private property. We

will pay timber companies to cut and replant: a strange situation.

* Fishing - I am a processor, and have invested a lot of money. My investment has nothing to do with state credits. It only depends on my ability to be a good businessman and make an intelligent decision. HB 866 is a great thing for poor businessmen, because it is probably the only way they can make money. The normal American way to make profit is to work hard and be smarter than the next guy.
* Oil - We're getting to the situation where we will only be taxing one industry in the state and that is oil. HB 866 will enable the oil companies to more effectively argue in court that they are being discriminated against. Fishermen pay a 3% raw fish tax whether or not they make a profit. It can be argued that this tax should be repealed on the grounds that tax relief would promote investment. Although this might sound plausible, Rep. Gardiner stated, he doesn't think it really would be plausible. The same arguments can be made against any tax. However, we can't rely on oil for all public revenues. Rep. Gardiner stated that HB 866 is a very dangerous bill because it can support a challenge from the oil companies.

Sen. Eliason asked who will benefit from HB 866.

Rep. Gardiner responded that small businesses make small, eligible investments. Small businesses tend to deal in real property which has lower eligibility than personal property such as equipment which large companies tend to deal with. Large companies like timber can declare credits against roads and other kinds of support activities.

[This concludes the minutes on the portion of the meeting concerned with HB 866.]

QUOTES FROM MALCOLM GILLIS, PROFESSOR OF ECONOMICS, HARVARD UNIVERSITY, Statement to Permanent Fund Trustees on "The Effects of In-State Investment", OCT. 23, 1981.

If the diversification so keenly sought means the creation of an economy that would be viable once oil runs out, then this would require an economy that could ultimately stand on its own in the absence of subsidies, and also pay ordinary taxes. Large-scale subsidization runs counter to the expressed goal of economic development.

There are few safe generalizations in economic policy. But, one generalization comes as close as any to a universal truth: selective government-sponsored credit programs have been, virtually everywhere, resounding failures. Here we speak of failure not so much in the sense of spawning resource misallocation so abhorrent to economists, but failure in the sense of not achieving the results desired by the government. This has been true in Kuwait, Libya, Quatar, United Arab Emirates, Saudi Arabia, Iraq, Algeria, Ecuador, Venezuela, Malasia, Iran, Indonisia, Mexico, Nigeria, Norway, Holland, Britian, Alberta Canada and Salah Malasia... I would add that I have searched in vain for 14 years for one example of a truly effective state-subsidized loan program for industry.

Since some (usually significant) fraction of firms receiving subsidized loans are marginal enterprises to begin with (indeed, this is often precisely the argument used to justify special credit programs), many ultimately go under... As the British, Italian and Swedish experiences

clearly show, this is one way to spend a lot of the publics money. Whether Alaska is ready for a substantial government-as-entrepreneur presence is a question that can only be decided by Alaskans.

In several other cases, governments have rushed headlong into encouragement of greater local processing. Indeed, there are many instances in which governments, in their zeal to promote processing, have given up more in investment funds or in foregone tax revenue than they have received in benefits to their economies. The Bolivian tin smelter, constructed in 1968-69, is such an example. For another, consider a case in timber. The country of Papua New Guinea has some attractive hardwood stands. Their government is committed to a policy of discouraging log exports and encouraging sawmilling and veneer plants, the better to secure greater domestic value-added in processing. To further this aim, the government has abolished export taxes on lumber and veneer, while maintaining a 10% excise tax on logs. In so doing, it gives up $440 of lost taxes for each $100 of additional wages made possible by higher employment in timber processing. This is but one of the common examples of the types of waste involved in indiscriminate enthusiasm for expanded investment in local processing. In such cases, the non-quantifiable benefits to the host economy had better be very high, given that the net quantifiable benefits are negative.

MEMORANDUM

DATE: May 10, 1982

TO: Senator Vic Fischer

FROM: Ira Winograd I.W.

RE: Cook Inlet Regional Incorporated and HB 866, Investment Credits

CIRI has prepared and distributed a background paper on HB 866. This paper is incorrect in the following statements.

1. CIRI states that roads, buildings mine sites etc. are ineligible for investment credits. This is contradicted by THE IRS. Publication 572, "Tax Information on Investment Credit" defines qualifying investment property as: 1. being depreciable, 2. having a useful life of three or more years, 3. being tangible personal property used as an integral part of ... extraction. The IRS definition of building includes mining buildings as qualifying property. A qualifying building, "includes a structure which is an integral part of ... extraction." Other tangible qualifying personal property includes, "any other depreciable property that is used as an integral part of the specified business activities. Business activities are... extracting."

CIRI states that in a development project the amount of qualifying property will be a minor part of total investment. This is contradicted

by Borax which informed the governors office that 63 percent of its total projected expenditures would be eligible for the investment credit base.

2. CIRI states that only a porion of qualifying investments are eligible for calculation of the investment credit base. This is also false. One hundred percent of all qualifying property is part of the investment credit base as of 1981. See attached, form 3468, Computation of Investment Credit, 1. recovery property, line b, column 3, (3 yr. prop. is not qualifying prop).

3. CIRI states that HB 866 would have a very minimal impact on current projections of state revenues. Com. of Rev., Tom Williams, estimates that HB 866 would lower non oil and gas corporate income tax revenues by one-third. This is our second largest source of revenue.

4. CIRI disputes the Dept. of Rev. financial that the proposed credit would exempt Borax from $82 million in state taxes. This is contradicted by Borax, which has informed the governors office that it plans $950 million in qualifying investments. Thus, under HB 866, Borax would have $95 million worth of investment credits.

Form **3468**
Department of the Treasury
Internal Revenue Service (0)

Computation of Investment Credit

▶ Attach to your tax return.
▶ Use separate Schedule B (Form 3468) to figure your tentative business energy investment credit.

OMB No. [illegible]

1981
27

Name

Identifying number as shown on page 1 of your tax return

Part I Elections (Check the box(es) below that apply to you (see Instruction D).)

A The corporation elects the basic or basic and matching employee plan percentage under section 48(n)(1) . . . . . ☐
B I elect to increase my qualified investment to 100% for certain commuter highway vehicles under section 46(c)(6) . . . . . ☐
C I elect to increase my qualified investment by all qualified progress expenditures made this tax year and all later years . . . . ☐

Enter total qualified progress expenditures included in column (4), Part II ▶ .....
D I claim full credit on certain ships under section 46(g)(3). (See Instruction B for details.) . . . . . ☐

Part II Qualified Investment

Figure your qualified investment in new or used investment credit property acquired or constructed and placed in service during the tax year. The qualified investment for qualified progress expenditures and qualified rehabilitation expenditures is allowed in the tax year the expenditure is incurred or in the case of self-constructed property the year the expenditure is chargable to a capital account for the property.

For certain taxpayers, the basis or cost of property placed in service after February 18, 1981, is limited to the amount the taxpayer is at risk for the property at year end. See Instruction E.

Note: Include your share of investment in property made by a partnership, estate, trust, small business corporation, or lessor.

1 Recovery Property	Line	(1) Recovery Period	(2) Unadjusted Basis	(3) Applicable percentage	(4) Qualified Investment (Column 2 x column 3)
New	(a)	3-Year		60	
	(b)	Other		100	
Used	(c)	3-Year		60	
	(d)	Other		100	

2 Total—Add lines 1(a) through 1(d)	2	

3 Nonrecovery Property	Line	(1) Life years	(2) Basis or cost	(3) Applicable percentage	(4) Qualified Investment (Column 2 x column 3)
New	(a)	3 or more but less than 5		33⅓	
	(b)	5 or more but less than 7		66⅔	
	(c)	7 or more		100	
Used	(d)	3 or more but less than 5		33⅓	
	(e)	5 or more but less than 7		66⅔	
	(f)	7 or more		100	

4 Total—Add lines 3(a) through 3(f)	4	
5 New commuter highway vehicle—Enter total qualified investment. (See Instruction D) . . .	5	
6 Used commuter highway vehicle—Enter total qualified investment. (See Instruction D) . . .	6	
7 Qualified rehabilitation expenditures incurred before January 1, 1982, for: (see specific instructions)		
(a) Improvements with 5 or more but less than 7 years—Enter 66⅔% of expenditures . . .	7(a)	
(b) Improvements with 7 or more life years—Enter 100% of expenditures	7(b)	
8 Total qualified investment in 10% property—Add lines 2, 4, 5, 6, 7(a) and 7(b). (See instructions for special limits) .	8	
9 Enter 100% of qualified rehabilitation expenditures incurred after December 31, 1981, for: . .		
(a) 30-year old buildings	9a	
(b) 40-year old buildings	9b	
(c) Certified historic structures (Enter the Dept. of Interior assigned project number .....)	9c	
10 Total qualified investment—Add lines 8, 9(a), 9(b), and 9(c)	10	

Part III Tentative Regular Investment Credit

11 10% of line 8	11	
12 15% of line 9(a)	12	
13 20% of line 9(b)	13	
14 25% of line 9(c)	14	
15 Corporations electing the basic or basic and matching employee plan percentage for contributions to tax credit employee stock ownership plans—Check box A above (see Instruction D)		
(a) Basic 1% credit—Enter 1% of line 10	15a	
(b) Matching credit (not more than 0.5%)—Enter allowable percentage times adjusted line 10 (attach schedule) .	15b	
16 Credit from Cooperative—Enter regular investment credit from cooperatives	16	
17 Current year regular investment credit—Add lines 11 through 16	17	
18 Carryover of unused credits	18	
19 Carryback of unused credits	19	
20 Tentative regular investment credit—Add lines 17, 18, and 19, enter here and in Part IV, line 21 .	20	

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

MEMORANDUM

DATE: May 17, 1982

TO: Senator Ed Dankworth, Co-Chairman, Senate Finance Committee
Senator Don Bennett, Co-Chairman, Senate Finance Committee

FROM: Senator Vic Fischer

RE: HB 866, Investment Tax Credit

The House version of HB 866 provided an investment tax credit equal to 100 percent of the investment credit allowed on federal taxes. Corporations investing in farming, fishing, timber or mining would be eligible for the investment credit. Oil and gas investments would not be eligible for the credit.

The Senate CS for HB 866 makes the following amendments:

1. The investment tax credit is changed to 36 percent of the investment credit allowed on federal taxes. The state currently allows an investment tax credit equal to 18 percent of the investment credit allowed on federal taxes.
2. The investment tax credit only applies to mining activities and the activities must be conducted by corporations which have previously not been active in Alaska, or be conducted at previously undeveloped sites.
3. The new investment tax credit expires December 31, 1986.

The purpose of these amendments is to channel investment tax credits to initiate new mining investments which would not have been made without the investment tax credit. The committee could not obtain a clear legal judgement as to whether US Borax might qualify and thus obtain a windfall of close to $80 million.

The following reference materials are enclosed:

CS for HB 866
Transcript of State Affairs hearing of May 5, 1982, on HB 866.
Fiscal note on House passed version of HB 866
Letter of May 15, 1982, to Senator Vic Fischer, from Commissioner Williams, regarding Effects on Economic-Decision Making from Increasing the State Investment Tax Credit as Proposed in HB 866
Memorandum of May 12, 1982, to Senator Fischer, regarding Effect of Investment Credit on Projected State Revenues Generated by US Borax
other pertinent material

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH S
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

April 27, 1982

The Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Room 423 - Capitol Building
Juneau, Alaska

Re: House Bill No. 866 am

Dear Senator Fischer:

House Bill No. 866 am, an Act establishing a special investment tax credit, upon first reading in the Senate on April 26, 1982 was referred to the Senate State Affairs and Finance Committees.

For the consideration of the Senate State Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. Robert R. Kessel, Director, Audit Division, Department of Revenue concerning the proposed legislation.

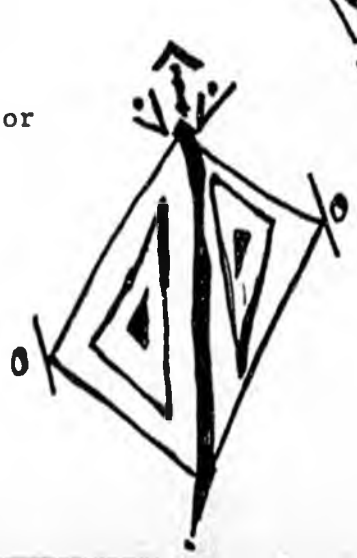
Sincerely,

R. D. Stevenson
Special Assistant

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

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Robert R. Kessel, Director
Audit Division
Department of Revenue







THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution Number: HB 866 am
Title: An Act establishing a special investment tax credit
Requested by: State Affairs Date: April 26, 1982

II. FISCAL DETAIL
Agency Affected: Department of Revenue
Program Category Affected: Revenue Collection and Management
BRU, Program, or Subprogram(s) Affected: Audit Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 COMMODITIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS,CLAIMS,ETC	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

FUNDING (Millions of Dollars)

GENERAL FUND	(2.5)	(11.5)	(13.0)	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS

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

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

It is assumed that the investment tax credit utilized by the four impacted industries, including carryback of the credit, would essentially equate to the income tax payable by these four groups for the latest year. These four groups account for approximately 33 percent of the Department's revenue projections.

Robert R Kessel

IV. DATE: April 26, 1982

PREPARED BY: Robert R. Kessel
AGENCY: Audit Division
PHONE: 465-2320

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

33-001 (Rev. 12/81)

STATE OF ALASKA
DEPARTMENT OF REVENUE

M E M O R A N D U M

TO: R. D. Stevenson
Special Assistant

FROM: Robert R. Kessel
Director, Audit Division RK

DATE: April 26, 1982

RE: HB 866 am

The bill would substantially expand the Investment Tax Credit for certain corporations. However, the bill falls short of its intended purpose to promote the development of farming, fishing, timber and mining and, in addition, is potentially very expensive.

I am not aware of any study which supports the conclusion that state income tax credits are a strong encouragement for investment in a particular state. Most studies, in fact, reflect that state income taxes have a low importance ranking when investment appraisals are made. In fact, supply of labor, financing, marketability, supply of raw materials, etc., are of the most relevancy.

Experience has shown that when a social or economic problem arises, often the first - and not carefully considered - answer is to use the tax system, whether the proposal comes from government or the private sector. However, tax credits seldom solve the social or economic problem. In fact, tax credits are useful only to those who have income taxes to pay (profitable) and who can therefore make use of the credits. Those who don't pay taxes - those with sufficient or no tax liability - thus receive no assistance from the tax credit program. If a tax credit were to cover these groups - the ones who really need it - it must be refundable; i.e., paid by the state even in the absence of tax liability, and a refundable credit really involves direct spending or subsidy.

It is questionable whether the Federal Investment Tax Credit has provided businesses the incentive to make investments and whether the credit has provided an accelerator effect on the economy as a whole.

Questions that have been asked at the Federal level include:

1. Does the credit flow through to stockholders in the form of dividends rather than used for capital expenditures?

2. Has the credit been used for foreign investment rather than domestic investment thus exporting more jobs overseas?

3. Has the investment tax credit actually increased investment in capital projects?

These very same questions must be asked if Alaska allows the investment tax credit to the extent of HB 866 am.

The extent of the investment tax credit in HB 866 am appears to be grossly misunderstood. The bill would allow the same amount of investment tax credit as is allowed on the Federal return. This is in spite of the tremendously large differentials in tax liabilities at the two levels. For example, if a taxpayer invested $5,000,000 in qualified investment property with the resulting investment credit of $500,000 (10%), the Alaska taxable income needed to absorb that amount would be about $5,400,000. In other words, not a cent of Alaska income tax would be paid if the corporation had a taxable income of $5,400,000. Conversely, the Federal tax liability on that amount, even with the investment tax credit, would be about $2,000,000

If a corporation invested $50,000,000 in qualified property, the Alaska taxable income needed to absorb the investment tax credit would be in excess of $50,000,000 whereas the Federal tax liability on the $50,000,000 would be about $18,000,000.

Since only profitable companies could utilize the investment tax credit, the reduction in Alaska State Income Taxes resulting from HB 866 am would increase Federal taxable income by a like amount. In essence, up to 46% of what is saved at the State level would simply be transferred to the Federal Government in the form of a higher Federal income tax liability.

In addition, Alaska already has an investment tax credit for all industies but limited to 18% of the Federal Tax Credit and a further limitation of $20,000,000 for qualified property eligible for the credit. The 18% directs itself to the fact that the tax rates are so different; i.e., maximum State rate - 9.4%, maximum Federal rate - 46%.

There are more qualified farmers than there is farmland available. The additional investment tax credit would give the existing farmers additional tax benefits but would do little to expand ownership to a new influx of farmers.

Most timber related companies already have more tax credits and carry-over losses than they can utilize. It is markets that are needed.

For fisheries, all except bottom fishing appears overly crowded. That fact is witnessed by the limited entry system controlling the harvest of fishery resources. Tax credits would not expand the market nor provide higher prices.

Mining, in general, is a highly capital intensive industry. The expanded investment tax credit would serve the purpose of providing almost permanent assurance that no tax would be due because of the fifteen year carry-over provision available for the investment tax credit.

Finally, the expanded credit could be very costly particularly in one instance. If U. S. Borax develops its Ketchikan Molybdenum mine to the extent publicly indicated, the investment tax credit to that corporation could be as high as $100,000,000 (based on investment cost of $1 billion). With the fifteen year carry-over provision for the investment tax credit, the investment tax credit of $100,000,000 could equate to the following revenue loss to Alaska (assuming U. S. Borax had sufficient taxable income to absorb):

Investment Credit applied against tax liability - per current law	
$1,000,000,000	
x 10% Investment Credit amount	
x 18% currently allowed for Alaska corporations	$ 18,000,000
Investment Credit applied against tax liability per this bill	
$1,000,000,000	
x 10%	100,000,000
Net Loss in Revenue	$ 82,000,000

The above assumes that the entire $1 billion would be eligible for the investment tax credit. The portion actually available could vary from 65-100%.

Borax activity will not impact the immediate future fiscally since production from the Ketchikan mine is not anticipated until the late 1980's.

The bill also creates a carry-back problem The investment tax credit can be carried back and would affect prior year taxes. Therefore, in essence, this bill provides for the potential of a refund of past years taxes. This potentially creates a constitutional question.

HB 866 am adds a provision not contained in HB 866. It is as follows:

> "(K) No Credit shall be allowed under (j) of this section for any investment credit which is allowed as to federal taxes for leased property by reason of Section 168(F)(8) of the Internal Revenue Code (26 U.S.C. 168(F)(8))."

One consequence of the Accelerated Cost Recovery System and revisions of the investment tax credit is that many companies are not able currently to use all their tax deductions and credits. In considering potential investments, these companies are at a competitive disadvantage and can become targets for tax-induced takeovers and merges. The Economic Recovery Tax Act of 1981 (ERTA) establishes what is referred to as a safe-harbor for characterizing transactions as leases rather than as sale. A lease transaction permits the lessee-user of property to transfer tax benefits to a lessor-investor, a sale transaction does not. If a lessee-user transfers the tax benefits back to the lessor, the user receives a significant portion of the tax benefits through reduced rental charges.

The new law provides more ease in transferability and its provisions eliminate many of the arguments which often had occurred between the taxpayer and IRS. However, the substantive law regarding lease transactions has not changed as a result of the Economic Recovery Tax Act (ERTA). Procedural law hs changed and provides for the ease in transferability of the tax benefits from lessee to lessor.

Section 2(K) of HB 866 am provides for an unworkable administrative process for the Department of Revenue. The Department does not have the staffing to determine if the pre-ERTA Federal

law provision would have caused a lease arrangement to be considered a sale. The taxpayer, as under pre-ERTA, would obviously class certain transactions as a lease rather than a sale and await our challenge, as they previously did with the Federal Government. Therefore, no decrease in the fiscal note developed for HB 866 is foreseen and, if any, would be impossible to determine.

RRK/gb

STATE OF ALASKA
DEPARTMENT OF REVENUE
OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH S
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

May 15, 1982

The Honorable Vic Fischer, Chairman
Senate State Affairs Committee
Pouch V
Juneau, AK 99811

Re: Effects on Economic Decision-Making from Increasing the State Investment Tax Credit as Proposed in House Bill 866

Dear Mr. Chairman:

In my testimony before the Committee I stated that increasing the State's investment tax credit as proposed in HB 866 would have only a minimal effect on the internal rate of return after taxes for new projects in Alaska. I also said that, to the extent there would be an effect on the rate of return, it would be greater for "fat cat" corporations than for small ones. I now have had the opportunity to prepare an example which demonstrates the truth of both assertions.

Suppose we have a new project in Alaska, and to avoid any distortions by making it too large, suppose further that it costs $1,000,000, takes a year to complete and will employ 25 people. Suppose, too, that after expenses other than income taxes and depreciation, the project yields a net cash flow of $250,000 a year for its first four years of operation, and then each year thereafter the net cash flow decreases by five percent from the previous year. Finally, let us suppose that the project qualifies for Accelerated Capital Recovery System treatment under the new tax law using a 10-year life.

The analysis I have used takes this project and compares the internal rate of return (IRR) on the investment under Alaska's present investment tax credit with the IRR under the credit proposed in HB 866. This comparison is first made with the project standing alone; that is, the investor has no other income to be sheltered from the tax benefits generated from the project. I call this Case 1. Case 2 doesn't involve too fat a "fat cat" corporation, simply one with $750,000 a year of taxable Alaskan net income from other sources.

The tables attached to this letter show what the after-tax cash flows are under Case 1 and Case 2, both with the present investment tax credit and with the one proposed by HB 866. As you can see from those tables, the IRR under the non-"fat cat" case (Case 1) is 18.763% under

the present law and would rise by only 0.363 of a percentage point to 19.126% under HB 866. In contrast, the improvement in the rate of return for the "fat cat" case (Case 2) is nearly three times as great as for the "skinny" cat -- 0.997 of a percentage point (15.772% to 16.769%).

Note also how small a difference there is in the rate of return between present law and HB 866. The extra economic incentive from raising the State's investment tax credit is truly minimal (and you can see why: look how much higher the federal taxes would be during the early years with HB 866 than they are under present law, in both Cases 1 and 2). Other factors have much more effect on the economics of an investment than the amount of investment tax credit. For example in Case 1, suppose one's assumpt[illegible]s about market prices, labor c[illegible] operating expenses ha[illegible]0 percen[illegible] cash flows were only [illegible]cen[illegible] increase in the rate of r[illegible] tax incentive under H[illegible]

Without g[illegible] very, I would only reiterate my objections that HB 866 does too little economically, at too high a price for the State, to the advantage of wealthy corporations over small ones. It scarcely makes economic sense and certainly makes poor State policy.

I hope this information may prove useful to you and your Committee in considering HB 866.

Sincerely,

Thomas K. Williams
Commissioner of Revenue

Attachments

P.S. I might add parenthetically that the reason for the lower IRRs in the "fat cat" case is that all income from the project is taxed in the maximum tax bracket under both federal and state tax laws, because of the other $750,000 of taxable income; the project represents incremental income to the corporation. In Case 1 the project stands alone, and so the first $100,000 and first $90,000 are taxed below the maximum rates under the federal and Alaska tax laws, respectively.

CASE 2. A LARGE ONGOING ALASKAN BUSINESS

			With State Investment Tax Credit Under Existing State Law							With State Investment Tax Credit under HB 866				
Yr	Pre-Tax Cash Flow from Project	Project Depre-ciation	AK Inc. Tax From Project Before ITC	AK ITC Applied	AK Inc. Tax From Project After ITC	US Inc. Tax From Project Before ITC	US ITC Applied	US Inc. Tax From Project After ITC	Net After-Tax Cash Flow	AK ITC Applied	AK Inc. Tax From Project After ITC	US ITC Applied	US Inc. Tax From Project After ITC	Net After-Tax Cash Flow
1	-1,000,000	0	0	0	0	0	0	0	-1,000,000	0	0	0	0	-1,000,000
2	250,000	80,000	15,980	18,000*	-2,020	79,129	100,000	-20,871	272,891	82,520**	-66,540	100,000	9,738	306,802
3	250,000	140,000	10,340	0	10,340	45,844	0	45,844	193,816	17,480	-7,140	0	49,123	208,012
4	250,000	120,000	12,220	0	12,220	54,179	0	54,179	183,601	0	12,220	0	54,179	183,601
5	250,000	100,000	14,100	0	14,100	62,514	0	62,514	173,386	0	14,100	0	62,514	173,386
6	237,500	100,000	12,925	0	12,925	57,305	0	57,305	167,271	0	12,925	0	57,305	167,271
7	225,625	100,000	11,809	0	11,809	52,355	0	52,355	161,461	0	11,809	0	52,355	161,461
8	214,344	90,000	11,688	0	11,688	51,822	0	51,822	150,834	0	11,688	0	51,822	150,834
9	203,627	90,000	10,681	0	10,681	47,355	0	47,355	145,591	0	10,681	0	47,355	145,591
10	193,445	90,000	9,724	0	9,724	43,112	0	43,112	140,609	0	9,724	0	43,112	140,609
11	183,773	90,000	8,815	0	8,815	39,081	0	39,081	135,878	0	8,815	0	39,081	135,878
12	174,584	0	16,411	0	16,411	72,760	0	72,760	85,413	0	16,411	0	72,760	85,413
13	165,855	0	15,590	0	15,590	69,122	0	69,122	81,143	0	15,590	0	69,122	81,143
14	157,562	0	14,811	0	14,811	65,666	0	65,666	77,086	0	14,811	0	65,666	77,086
15	149,684	0	14,070	0	14,070	62,382	0	62,382	73,231	0	14,070	0	62,382	73,231
16	142,200	0	13,367	0	13,367	59,263	0	59,263	69,570	0	13,367	0	59,263	69,570
17	135,090	0	12,698	0	12,698	56,300	0	56,300	66,091	0	12,698	0	56,300	66,091
18	128,336	0	12,064	0	12,064	53,485	0	53,485	62,787	0	12,064	0	53,485	62,787
19	121,919	0	11,460	0	11,460	50,811	0	50,811	59,648	0	11,460	0	50,811	59,648
20	115,823	0	10,887	0	10,887	48,270	0	48,270	56,665	0	10,887	0	48,270	56,665
21	110,032	0	10,343	0	10,343	45,857	0	45,857	53,832	0	10,343	0	45,857	53,832
22	104,530	0	9,826	0	9,826	43,564	0	43,564	51,140	0	9,826	0	43,564	51,140
23	99,304	0	9,335	0	9,335	41,386	0	41,386	48,583	0	9,335	0	41,386	48,583
24	94,338	0	8,868	0	8,868	39,316	0	39,316	46,154	0	8,868	0	39,316	46,154
25	89,621	0	8,424	0	8,424	37,350	0	37,350	43,846	0	8,424	0	37,350	43,846
									IRR=15.772%					IRR=16.769%

* Under present law, Alaska's ITC equals 18% of the federal ITC, or 1.8% of the qualified investment. Since the corporation has $750,000 of other Alaskan taxable income, the $2020 in ITC not used to shelter income from the project from tax can be used to reduce the tax on this other income. By the same token, the $100,000 federal ITC can all be used in one year to reduce the tax on the other $750,000 of taxable income.

** Under HB 866, Alaska's ITC would equal the federal ITC, or $100,000 in this example. The negative figure reflects the fact that a $100,000 Alaskan ITC would shelter not only all of the $170,000 taxable income from the project, but would reduce to zero the $66,540 tax on the other $750,000 of taxable Alaskan income, and still leave some $17,480 of ITC to spare. This $17,480 is carried over into the next year, where it reduces to zero the $10,340 tax liability generated by the project and reduces the taxes on the other $750,000 by $7,140 (reflected as a negative figure).

CASE 1. A NEW ALASKAN BUSINESS ON ITS OWN

			With State Investment Tax Credit Under Existing State Law							With State Investment Tax Credit under HB 866				
Yr	Pre-Tax Cash Flow from Project	Project Depre-ciation	AK Inc. Tax From Project Before ITC	AK ITC Applied	AK Inc. Tax From Project After ITC	US Inc. Tax From Project Before ITC	US ITC Applied	US Inc. Tax From Project After ITC	Net After-Tax Cash Flow	AK ITC Applied	AK Inc. Tax From Project After ITC	US ITC Applied	US Inc. Tax From Project After ITC	Net After-Tax Cash Flow
1	-1,000,000	0	0	0	0	0	0	0	-1,000,000	0	0	0	0	-1,000,000
2	250,000	80,000	12,020	12,020	0	57,950	57,950	0	250,000	12,020	0	57,950	0	250,000
3	250,000	140,000	6,380	5,980*	400	30,166	30,166	0	249,600	6,380	0	30,166	0	250,000
4	250,000	120,000	8,260	0	8,260	35,750	11,884	25,866	217,874	8,260	0	11,884	27,850	222,150
5	250,000	100,000	10,140	0	10,140	44,086	0	44,086	195,774	10,140	0	0	48,750	201,250
6	237,500	100,000	8,965	0	8,965	38,876	0	38,876	189,659	8,965	0	0	43,000	194,500
7	225,625	100,000	7,849	0	7,849	33,927	0	33,927	183,849	7,849	0	0	37,538	188,088
8	214,344	90,000	7,728	0	7,728	33,393	0	33,393	173,222	7,728	0	0	36,948	177,396
9	203,627	90,000	6,721	0	6,721	28,927	0	28,927	167,979	6,721	0	0	32,018	171,609
10	193,445	90,000	5,764	0	5,764	24,822	0	24,842	162,859	5,764	0	0	27,335	166,110
11	183,773	90,000	4,855	0	4,855	21,317	0	21,317	157,601	4,855	0	0	23,259	160,514
12	174,584	0	12,451	0	12,451	54,331	0	54,331	107,802	12,451	0	0	60,059	114,525
13	165,855	0	11,630	0	11,630	50,693	0	50,693	103,531	8,867**	2,763	0	54,772	108,319
14	157,562	0	10,851	0	10,851	47,237	0	47,237	99,474	0	10,851	0	47,237	99,474
15	149,684	0	10,110	0	10,110	43,954	0	43,954	95,620	0	10,110	0	43,954	95,620
16	142,200	0	9,407	0	9,407	40,835	0	40,835	91,958	0	9,407	0	40,835	91,958
17	135,090	0	8,738	0	8,738	37,872	0	37,872	88,480	0	8,738	0	37,872	88,480
18	128,336	0	8,104	0	8,104	35,057	0	35,057	85,176	0	8,104	0	35,057	85,176
19	121,919	0	7,500	0	7,500	32,383	0	32,383	82,036	0	7,500	0	32,383	82,036
20	115,823	0	6,927	0	6,927	29,842	0	29,842	79,054	0	6,927	0	29,842	79,054
21	110,032	0	6,383	0	6,383	27,429	0	27,429	76,220	0	6,383	0	27,429	76,220
22	104,530	0	5,866	0	5,866	25,216	0	25,216	73,449	0	5,866	0	25,216	73,449
23	99,304	0	5,375	0	5,375	23,322	0	23,322	70,608	0	5,375	0	23,322	70,608
24	94,338	0	4,908	0	4,908	21,522	0	21,522	67,908	0	4,908	0	21,522	67,908
25	89,621	0	4,466	0	4,466	19,812	0	19,812	65,343	0	4,466	0	19,812	65,343
									IRR=18.763%					IRR=19.126%

* Under present law, Alaska's ITC equals 18% of the federal ITC, or 1.8% of the qualified investment. As with the federal ITC, any ITC that is not used in a tax year may be carried forward into the next tax year. In this case only $12,020 of the $18,000 state ITC was taken in the first year; the balance of $5,980 is taken in the second.

** Under HB 866, Alaska's ITC would equal the federal ITC, or $100,000 in this example. This $8,867 figure represents what remains of the $100,000 ITC after the twelfth year of the project.

MEMORANDUM

DATE: May 4, 1982

TO: Seator Vic Vischer

FROM: Ira Winograd, staff I.W.

RE: HB 866, Investment Credits - Effect on Borax, and Benefits Already Conferred to Renewable Resource Industries

BORAX

Upon full operation, Borax estimates that state corporate income tax liability will be $5 million per year, and $40 to $60 for the life of the original equipment. Under HB 866, the Department of Revenue estimates that Borax will have $86 million additional state investment credits. Thus, Borax would not pay any income tax. (Borax would still be liable for license fees.) The Department of Revenue estimates that the Borax mine will cause an increase in state budgetary expenditures of $12.5 million per year. (All figures are in 1982 dollars.)

TIMBER

Among tax breaks already given to the timber industry are the following:

1. The effect of section 631 of IRS code is that timber companies are only taxed on 60% of their income. (The difference between fair market value and the cost of their own timber is treated as a capital gain. Capital gain maximum tax liability is 28% instead of the maximum 46% tax rate applied to corporate income in non-timber industries. [.6 = .28/.46] The rationale for section 631 is that it encourages reforestation.)

2. Seedlings are typically supplied at a discount through government agencies.

AGRICULTURE

The state has appropriated $114,624,800 since 1979 to develop agriculture. According to the legislative finance division, expenditures are as follows:

Delta I	13,883,000
Pt. McKenzie	5,025,000
Nenana/Totchaket	500,000
DNR	495,700
U of Ak.	25,749,400
Rural Ag.	2,147,000
ARLF	20,719,200
Capital Proj.	41,137,400
Operating Bud.	4,967,300
Total	$114,624,800

The industry has generated little, if any, corporate tax revenues to offset these expenditures.

Excerpts from, "Financing Agricultural Projects in Alaska", House Research Agency

State programs for financing agriculture include land contracts offered by the Department of Natural Resources, clearing loans through the Agricultural Action Council, and loans for development and operations of both project and non-project commercial agricultural ventures through the Agricultural Revolving Loan Fund.

The ARLF holds about 50 percent of the $47 million of farm credit outstanding in Alaska. Land contracts and clearing loans bring the state share to 80 percent of total farm credit in Alaska.

The state's dominant position in the farm credit market is due primarily to the interest rate differential between state programs and other sources of credit. The current interest rate through state programs is six percent versus the 12 percent or higher available through other major lenders.

If state support continues at current levels, loan demand for operation and development of project acreage is expected to peak at $91 million (1981 dollars) outstanding in 1989. Capital project infrastructure improvements are expected to cost an additional $23 million, with operating losses totaling nearly $5 million per year for several years.

Other projected state expenditures for roads, bridges, surveying, administration, etc. is anticipated to be $49 million (1981 dollars) in land-related appropriations through 1990.

FISHERIES

Excerpts from, "The Alaska Fishing Industry", House Research Agency

State appropriations for programs related to commercial fishing totaled about 120 million in FY 1982. The appropriations were distributed as follows:

fisheries financing programs	56.3 million
management and regulation	30.5 million
fisheries development & marketing	24.1 million
capital improvements	8.8 million
total	$119,700,000

Fisheries expenditures were 2.2 percent of the state budget in 1978, 79, 80 and 81.

State revenue from non-corporate fish taxes and fees levied on the fishing industry totalled $28.2 million in FY 1981.

I estimate that the fisheries contributed an additional $1,044,000 million in corporate income tax payments in F.Y. 1981. (In 1979 the Dept. of Rev. calculated that the fisheries contributed 3% of general

corporate income tax revenues. The FY 1981 general [non-petroleum] corporate income tax yield was $34,800,000. .03 x 34.8 = 1.04)

Fisheries revenues ($29.2 million) equaled 1.3 percent of <u>total</u> state revenues ($2,282.6 million) in 1981, and state expenditures on fisheries were 2.2 percent of the state budget.

MEMORANDUM

DATE: May 12, 1982

TO: Senator Fischer IW.

FROM: Ira Winograd, staff

RE: HB 866 am, (House Passed Version of Investment Tax Credit) Effect of 10% Investment Credit on Projected State Revenues Generated by US Borax

The 10 percent investment credit offered by the House version of HB 866 would exempt Borax from state income taxation for from fourteen to seventeen years. HB 866 would cost the state $45 million in forgone Borax revenue.

The ten percent investment credit would generate approximately $45 million in investment credits for Borax to apply against state income tax liability. Borax could also be the beneficiary of an additional $32 million in excess credits.

Borax estimated that it would be liable for $46.8 million in state income tax for the first fourteen years of operation. More recent estimates indicate that income tax liability during the first seventeen years of operation may be $45.7 million under a high investment scenario.

Methodology

Low investment scenario	High investment scenario
Investment to obtain full production	
$870 million*	$1,500 million
Investment eligible for investment credit	
548.1	950
Investment credit entitlement	
44.9	77.9
Directly useable investment credits	
44.9	45.7

* In 1982 real dollars.

Investment to obtain full production. Low figure (870) supplied by Borax to the governors office. High figure (1,500) supplied by Borax to Phil Holdsworth of the Alaska Miners Association.

Investment eligible for investment credit. Borax estimates that 63 percent of investment is eligible for investment credit. (The department of revenue estimates that 80% of investment may be eligible for investment credit.)

Investment credit entitlement equals investment eligible for investment credit multiplied by the proposed 8.2 percent net increase in investment credit. The net increase in investment credit is the difference between the H.B. 866 10% credit and the existing 1.8% credit.

Useable investment credits. Borax verified the following stream of state income tax liability (in real 1982 dollars based on an 870 million investment):

	Tax Liability	net income	adjusted net income	adjusted tax
year 1 -	.023 million	.2	(25.0)	0
2 -	.276	2.9	(22.3)	0
3 -	.374	4.0	(21.2)	0
4 -	.528	5.6	(19.6)	0
5 -	.541	5.8	(19.4)	0
6 -	2.6	27.7	2.5	.2
7 -	4.1	43.6	18.4	1.7
8 -	5.1	54.3	29.1	2.7
9 -	6.1	64.9	39.7	3.7
10 -	6.1	64.9	39.7	3.7
11 -	5.9	62.8		5.9
12 -	5.9	52.1		5.9
13 -	4.7	50.0		4.7
14 -	4.6	48.9		4.6
15 -	4.5	47.9		4.5
16 -	4.5	47.9		4.5
17 -	4.6	48.9		4.6
Total			21.9	45.7

The corresponding income is shown in column two, based on the existing 9.4% corporate income tax.

Column three shows the adjusted net income to account for the extra depreciation during the first ten years due to the additioanl 630 million investment under the high investment scenario; (870 low investment, plus 630 additional investment, equals 1,500 high investment). The department of revenue estimates that each additional investment dollar will reduce net income by 40¢ over a ten year depreciation schedule.

The fourth column shows adjusted tax liability based on decreased net income during the first ten years under the high investment scenario.

Useable investment credits cannot exceed net tax liability for the first 15 years after the investment. However, not all investment will be made before the first year of operation. After approximately the seventeenth year of operation, investment credits based on initial investments would no longer be eligible for refund. Under the high investment scenario, only $45.9 would be eligible for credit refund. Excess investment credit would be $32.2 million.

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

4/29/82

SENATE STATE AFFAIRS COMMITTEE SCHEDULE

May 1—May 7

THURSDAY
May 6
1:30 pm

HB 635	Operation of oversized implements of husbandry
HB 651	Alaska Marine Highway Authority
HB 654	Board of Transportation and Public Facilities
HB 866	Investment tax credit

ALASKA MINERS ASSOCIATION, INC.

509 W. Third Ave., Suite 17, Anchorage, Alaska 99501 (907) 276-0347

May 5, 1982

The Honorable Vic Fisher, Chairman
Senate State Affairs Committee
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

Dear Senator Fisher:

The Statewide Board of Directors of the Alaska Miners Association unanimously passed the attached resolution urging enactment of HB-866. The Alaska Miners Association represents approximately 1400 miners located throughout Alaska.

The Alaska Miners Association believes that the investment tax credits proposed in HB-866 will broaden Alaska's economic base. The people of Alaska are concerned about our state's dependence upon oil revenues. We feel diversification of our state's economy is very important for the long term economic health of Alaska.

Many members of the legislature may be hesitant to consider a tax credit bill in the face of declining oil revenues. However, HB-866 is an incoming-producing bill. It will send a strong signal to investors that Alaska is seriously attempting to attract mineral development and increase exploration and mining activity. The economic benefits accruing to the state will far outweigh the revenues lost by the tax credit.

The initial reduction in revenues by mineral investment would be small, less than ten million dollars annually. The tax credits will make Alaskan mineral investments more competitive on a world wide basis and lead to the establishment of a long term healthy mining industry.

We are asking for your help to obtain passage of this bill and make an investment in Alaska's long term economic future.

Sincerely yours,

David A. Heatwole
President

DAH/dlw



ALASKA MINERS ASSOCIATION, INC.

509 W. Third Ave., Suite 17, Anchorage, Alaska 99501 (907) 276-0347

RESOLUTION - HOUSE BILL-866

Whereas the Alaska Miner's Association desires to foster the development of Alaska's mineral resources and,

Whereas the people of Alaska desire to broaden the economic basis of our state and,

Whereas the Investment Tax Credits proposed in HB-866 would provide financial incentives for the development of minerals in Alaska.

The Board of Directors hereby resolves to urge the Speaker of the Alaska State House and the President of the Alaska State Senate, for expeditious passage of HB-866.

Approved

Fairbanks, Alaska

March 30, 1982

David A. Heatwole - President

Sandra M. Thomas - Secretary

Forbes May 10, 82

Here are a few tips on how to read those new annual reports intelligently.

Numbers Game

Reading between the lines

By Aaron Bernstein

WITH ANNUAL REPORTS arriving in the mail almost daily now, a short primer on what to look for this year may be in order.

A joyous LIFO

You've probably always thought of LIFO (last in, first out) inventory accounting as a conservative technique that tends to depress earnings. That's generally true. But, since LIFO matches current sales against latest costs, earnings can be dramatically buoyed when inventories are cut and the latest costs get older and older, lower and lower.

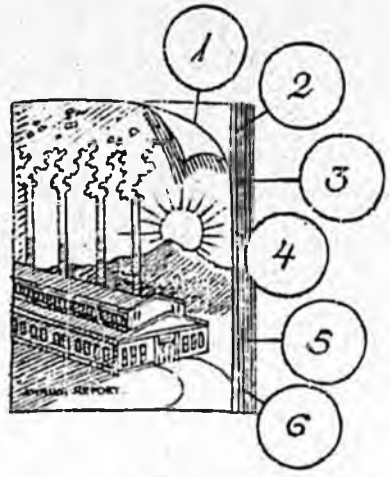
"A full year of high interest rates and slow sales has led to strong pressure to cut inventories," says Seidman & Seidman's Harvey Moskowitz. "This is something I think readers should look for because it inflates earnings."

Take Texaco. High interest rates and an oil glut caused Texaco to cut inventories by 16%. The LIFO cushion that was built into those barrels over the years amounted to $454 million, and transformed what would have been a drop in net income into a modest gain. Texaco's annual report revealed that.

Spicing up income

Last year a number of firms received a much-needed shot in the arm from the Economic Recovery Tax Act's provision for selling tax benefits. These sales are one-time deals and shouldn't be confused with higher earnings resulting from better sales or margins.

Moore McCormack Resources, a $766 million natural resources conglomerate, for instance, netted a nice $5.5 million from sales of investment credits and depreciation deductions. That brought net income up to $51.3 million in 1981 from $47 million in 1980. Without those sales, income for 1981 is down slightly from the previous year.



It sounds better in translation

For years now, companies have been complaining about the adverse effect of accounting for foreign currency translations. Now that the FASB has finally taken steps to make translations painless, you can bet that companies aren't going to complain in their presidents' letters that earnings have been improved as a result.

Although the new rule, FASB Statement 52, won't be mandatory until Dec. 15, 1982, a number of firms elected to adopt it last year. In fact, some even picked up the new accounting method retroactively, which the FASB permits.

Xerox chose to take advantage of the new rule this way and altered its results back four years. Net income as reported in their new annual is $7.08 in 1981, up from $6.69 in 1980 and $6.12 in 1979.

Without the new rule, Xerox' 1981 net income drops 31 cents, to $6.77, as compared with increases to $7.24 in 1980 and $6.60 the year before. A somewhat different picture.

Watch the actuaries

With interest rates seemingly glued to the heavens, a number of firms have changed their assumptions about how much money their pension plans will earn for many years to come. By raising your interest rate assumptions, you can put vastly fewer dollars into the pension plan in a given year. Presto: higher earnings.

General Motors, for instance, explains in a note that it changed its assumed rate of return on its pension fund from 6% to 7% last year. That added 69 cents a share to GM's bottom line—which amounts to over half of its $1.07 net earnings in 1981.

Selling out

It would appear that last year was a bad one for $1.2 billion (sales) AMF. Net income dropped almost one-third, from $2.58 a share in 1980 to $1.84. But this poor showing is due mostly to sale of unprofitable operations, and doesn't really reflect AMF's true status as a going concern. If you look just at the remaining businesses in each year, profits rose by 23%, from $2.39 a share in 1980 to $2.95 last year.

Says Moskowitz, "The recession last year forced many companies to look hard at operations that weren't carrying their own weight." As a result, it's important to determine to what extent the figures you are examining are for ongoing operations, and to what extent they include one-time writeoffs for discontinued operations.

Inequitable?

The use of equity accounting—which allows a company to show, as earnings, a percentage of the earnings of other companies in which it has a minority interest of about 20% or more—is misleading in any year. After all, the parent company never really sees any nondividend cash from those equity investments. So, when you're trying to see how much money a company *really* has to spend, subtract those dollars.

At Teledyne, the $3.2 billion conglomerate, net income per share last year was $19.96. Of this, $3.49, or about $72 million, came from equity accounting. That means that about 17% of Teledyne's earnings isn't Teledyne's to spend. The company actually received a mere $18 million in dividends from the investments. ■

Introduced: 2/16/82
Referred: Labor & Commerce
and Finance

IN THE HOUSE BY HAYES

HOUSE BILL NO. 866 am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act establishing a special investment tax credit."

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

* Section 1. LEGISLATIVE FINDINGS AND INTENT. The legislature finds and declares that the establishment of a special investment tax credit will promote the development of farming, fishing, timber, renewable energy resources and mining of mines, wells, and other natural deposits (other than oil and gas) in the state and will assist the state by diversifying its economy to make it less dependent on oil and gas, provide increased employment opportunities, and provide an incentive for investment in the state.

* Sec. 2. AS 43.20.036 is amended by adding new subsections to read:

(j) For purposes of calculating income tax payable under this chapter the taxpayer may apply as a credit against his tax liability 100 percent of the investment credit allowed as to federal taxes under Internal Revenue Code sec. 38 (26 U.S.C. 38) upon the full amount of qualified investment put into use in the state for each taxable year for any of the following purposes:

(1) exploration, development, or mining of the natural deposits listed in sec. 613(b) of the Internal Revenue Code (26 U.S.C. 613)(b)); for the purposes of this paragraph, "mining" has the meaning given in sec. 613(c)(2) of the Internal Revenue Code (26 U.S.C. 613(c)-(2));

(2) farming or the clearing of land for the purpose of making the land suitable for use in farming, or soil or water conservation for land used in farming, or for the prevention of erosion of land used in

farming; for the purposes of this paragraph

(A) "farming" has the meaning given in sec. 464(e) of the Internal Revenue Code (26 U.S.C. 464(e));

(B) "clearing of land" and "land suitable for use in farming" has the meaning given in sec. 182(c) of the Internal Revenue Code (26 U.S.C. 182(c)); and

(C) "soil or water conservation for land used in farming" and "prevention of erosion of land used in farming" have the meanings given in sec. 175(c) of the Internal Revenue Code (26 U.S.C. 175)(c));

(3) fishing; for the purposes of this paragraph, "fishing" means the commercial taking or processing of a specific fishery resource (including both fin fish and shell fish) and the maintenance, management or development of vessels, gear and equipment for fishing or processing of fish; ~~or~~

(4) planting, including preparation of the timber site for planting or for natural seeding, cultivation, maintenance, management, development, cutting or harvesting of timber; for the purposes of this paragraph "timber" has the same meaning as "timber" in sec. 611 of the Internal Revenue Code (26 U.S.C. 611); or

(5) developing renewable energy resources.

(k) No credit shall be allowed under (j) of this section for any investment credit which is allowed as to federal taxes for leased property by reason of Section 168(f)(8) of the Internal Revenue Code (26 U.S.C. 168(f)(8)).

* Sec. 3. This Act applies to tax years beginning after December 31, 1981.

NFIB® National Federation of Independent Business

May 6, 1982

Senator Vic Fisher, Chairman
Senate State Affairs Committee
Pouch V
Juneau, Alaska 99811

RE: House Bill 866

Dear Senator Fischer:

We at NFIB are delighted that the legislature is desirous of stimulating business in Alaska by allowing the full federal investment tax credit which is provided for in HB 866. However, we are extremely concerned about the fact that this tremendous benefit is limited only to a few select businesses in Alaska.

NFIB now represents over 3,000 businesses in Alaska and many of our members are becoming increasingly concerned at the tremendous benefits which are provided by the legislature to the farming, fishing and mining businesses in the state while the rest of the business community is largely ignored. The major current benefit provided to the select group are the several low interest rate loan programs specifically for these businesses while there are no effective loan programs for the majority of the remainder of the business community especially for those companies with 10 or less employees. Now on top of these loan programs, this bill would provide a full 10% investment tax credit rather than the 1.8% currently provided.

It must be remembered that the majority of new jobs in Alaska, like the rest of the United States, are provided by small business, yet a major percentage of these businesses are really struggling to survive in todays economy and, in fact, many are not. Why shouldn't these businesses be provided incentives to expand and hire more employees.

Again, we are not opposing this bill per se, only the fact that that it is limited to the specified select group of businesses. It is recommended that it be amended to include at least the small business community.

Director, Governmental Relations/Alaska
P.O. Box 194, Auke Bay, Alaska 99821. Tel: 907/586-4100

We would recommend that the bill be amended on page 2 by adding the following paragraph:

(5) providing services as a licensed contractor; manufacturing goods for sale; providing transportation, communication or other public utility services; providing financial, insurance or real estate services; or providing any other professional or nonprofessional services, but not including any business engaged in the exploration, development, production, refining, or transportation of oil or gas.

You may also wish to modify the legislative intent statement to include a reference to "other business activities". That could be inserted on line 10 of the bill.

If I can provide any other information to the committee on this bill, please contact me.

Very truly yours

Gary L. Jenkins
Director/Governmental Relations
Alaska

ALASKA STATE CHAMBER OF COMMERCE
STATEMENT IN SUPPORT OF HB 866
SENATE STATE AFFAIRS COMMITTEE
MAY 6, 1982

Mr. Chairman, my name is George Krusz. I am president of the Alaska State Chamber of Commerce. The ASCC is the largest statewide federation of Alaska business, with a membership of some 500 firms and individuals. Our membership represents the spread of Alaska business from individually owned and operated firms to the largest employers in the state. Geographically, representation ranges from Alaska and the Pacific Coast to the Southwest and East Coast. For more than twenty years, the state chamber has been representing the interest of all Alaskan business in Juneau. The chamber traditionally has been supportive of legislation fair to large and small concerns alike.

We strongly support the concept of legislation allowing investment tax credit under 43.20.036 at 100% of the tax credit allowed under federal statutes. As a matter of fact, this very idea is part of the chamber's 1982 legislative program adopted at our annual Prelegislative Conference in December, 1981.

We also strongly feel that this credit should be allowed for all Alaska businesses including the oil and gas industry. During the House Labor and Commerce Committee hearing on this bill we proposed a substitute bill that would do just that, but withdrew the proposal when it became evident that it had no possibility of acceptance and in fact would

be a detriment to the passage of HB 866. However I believe it necessary to agian state our belief that it is rather unfair to Alaska businesses outside of farming, fishing, timber, and mining industries to not be allowed the advantage of a more liberal tax credit policy as established in HB 866.

Not withstanding our feeling that all Alaska industry should be allowed this credit, and in view of the fact that three of the four industries singled out in this bill are in a severe state of economic doldrums and the fourth, mining, needs all the encouragement it can receive from the state for development, I wish to state the Alaska State Chambers' strong support of HB 866 as a first step in the process of allowing the entire span of Alaskan industry to be treated equally under the state's tax laws.

Mr. Chairman, we greatly appreciate this opportunity to present our views.

SENATE STATE AFFAIRS COMMITTEE
Testimony of Dave Heatwole

for

HOUSE BILL 866

MAY 6, 1982

My name is Dave Heatwole and I am here to represent Alaska's mining industry. I am President of the Alaska Miner's Association, representing some 1,400 miners from large and small companies, and I have spent my entire career in the mining industry.

I believe all of you can agree with me that most Alaskans are very concerned about broadening our state's economic base. Why are we so dependent upon oil revenues? What are we going to do when the oil runs out?, are questions frequently asked by Alaskan public forums. What I would like to do today is give you some idea what the future hard rock mining industry could do for Alaska's economy and tell you why House Bill 866 is important to stimulate mining activity in our state.

Historically mining has always been important to Alaska--The discovery of gold at the turn of the century led to Alaska's first great economic boom. Hard rock mining became active in the early 1900's with the development of the Kennecott and Alaska-Juneau mines. Mining was the mainstay of Alaska's economy until men and material restrictions of the second world war forced the closure of Alaska mines. After the war, mining never really got started again, lower 48 and foreign producers attracted investment capital and with the exception of a few gold mines, and major mining activity never really got started again in Alaska.

In the late 1960's - early 70's, a few major mining companies returned to Alaska to begin mineral exploration programs. These companies returned to Alaska to begin mineral exploration programs, because foreign expropriation and pending domestic mineral shortages-made domestic mineral investment much more attractive. Alaska offered the United State's last great unexplored frontier. This recent mineral exploration activity has produced a few major world class discoveries:

- o The Ambler Deposits of Southeast Brooks Range.
- o The Red Dog Deposits in Delong Mts., North of Kotzebue.
- o The Brady Glacier Cu-Ni Deposit.
- o The Quartz Hill Deposit and;

In Juneau's back yard the Green's Creek Deposit.

The Gross Metal value-of these deposits, based on published figures--is on the order of $50 billion, close to the pre- OPEC value of Prudhoe Bay.

The development of these deposits could create a substantial addition to Alaska's economy--mining, unlike oil, is a very labor intensive business, a majority of the new wealth created would stay in the state in the form of wages and goods purchased. John Whitney, a noted mineral economist, in 1979 predicted that the development of the deposits of NW Alaska, Red Dog and Ambler would create over 1,000 new jobs in Alaska and produce annual gross sales on the order of $570 million (1979 dollars). Given the right conditions by the year 2,000, there could be 10 or more developments of this scale in Alaska.

I hope I have convinced you that mining has the potential to significantly impact Alaska's future economy. The development of major mining, depends on two factors:

1. Availability of infrastructure.
2. A stable investment climate.

I am not going to discuss infrastructure today, suffice to say it is of equal importance to investment climate.

Alaskan mineral deposits are going to have to compete on a world-wide basis. Copper produced in Alaska is going to be sold at the same price as that produced in Western U.S., South America, or South Africa. Therefore, to be competetive, costs of production must be comparable. Fortunately, nature has given Alaska some high grade deposits, which will help keep them competetive, but Alaskan costs are high.

The investment tax credits proposed in House Bill 866 will help keep the cost of Alaskan mineral development competetive. It will allow investors to recoup their risk capital quicker, making the Alaskan investment more attractive. But more importantly, enactment of House Bill 866 will send a strong signal to outside investors that the State of Alaska is serious about developing its mineral industry by providing incentives for investment.

As I have stated in my letter, House Bill 866 should be considered an income producing bill. The immediate cost of enactment is very small, but potential impact on the Alaska's future economy is quite substantial. For a diversified economy in Alaska, I urge you to pass this bill.

SENATOR FISHER AND MEMBERS OF THE COMMITTEE

My name is Lance Anderson and I am Vice President of Finance for Cook Inlet Region, Inc.

Cook Inlet Region, Inc. supports passage of H.B. 866 because we believe:

First, that the bill will encourage additional investments into the State of Alaska's non oil and gas basic resource industries. By encouraging investment in those presently marginal industries through a temporary tax decrease the State is encouraging the private sector to accelerate the diversification of the State's economy and employment base.

Second, we believe passage of this bill sends a clear policy signal that the State is interested in participating and encouraging these industries by rewarding successful capital investment in the State.

During the past several months I have had many opportunities to discuss this bill with many different people. If I may at this time, I would like to answer some of the most common questions asked of me.

WHO QUALIFIES FOR THE TAX CREDIT?

All corporations paying Alaska corporate income taxes to the State could utilize the special tax credit to the extent they invest in qualified investment tax property in the specified targeted industries.

WHAT IS "QUALIFIED INVESTMENT TAX PROPERTY?"

Qualified investment tax property is primarily tangible personal property, i.e., trucks, manufacturing equipment, etc. It does not include roads, buildings, mine sites, feasibility studies, overhead, etc. In a development project the amount of qualifying property will only be a part of the total investment in the project.

HOW IS THE INVESTMENT TAX CREDIT COMPUTED?

First the amount of the actual investment in qualifying property by a corporation is determined. Then the property is grouped by useful lives and the following percentages are multiplied times the property basis:

0 to 3 Years	-0-
3 to 5 Years	-1/3-
5 to 7 Years	-2/3-
Excess of 7 Years	All-

The result is then multiplied by 10% to determine the tax credit.

For example, if a $10,000 truck having a 6 year useful life was purchased and used in a mining project, $6,667 of the basis would qualify and the amount of the credit would be $667. The $667 could then be used to reduce the corporate income tax due on the company's profits.

WHAT IMPACT WOULD THIS BILL HAVE ON PROJECTIONS OF STATE REVENUES?

The bill should have a very minimal impact on current projections of State revenues. At present, only minimal amounts are being invested in the farming, fishing, timber and mining industries by tax paying corporations. If the

passage of this bill succeeds in its intended purpose of increasing the investment in these resources, the fiscal impact on State revenues of the bill should be positive rather than negative. Additionally, investments in these industries could substantially expand local governments' sales and property tax bases.

THEN WHY DOES THE DEPARTMENT OF REVENUE PROJECT A NEGATIVE FISCAL NOTE?

It is difficult to understand the basis of the Department of Revenue's fiscal note. For F.Y. '82, the non oil and gas corporate income tax will only generate approximately 25 to 30 million dollars. For example, for the Department's F.Y. '83 fiscal note to be correct, all of the tax paying corporations in Alaska including Penneys, Safeway, Wien, etc., would have to invest $115,000,000 in qualified property in the four specified industries to generate the projected $11.5 million revenue loss. This is not a realistic assumption.

WON'T THE STATE LOSE $82,000,000 ALONE ON THE U.S. BORAX DEVELOPMENT?

Certainly not. This erroneous calculation was made in the Department of Revenue's fiscal note by assuming all of U.S. Borax's proposed one billion dollar investment would fully qualify for the tax credit. Obviously the substantial portion of U.S. Borax's investment will be for non-qualifying property such as roads, buildings, housing and the mine development itself. Only a limited amount will be expended on the actual mining equipment which would qualify for the special investment tax credit.

ISN'T THIS BILL JUST ANOTHER SUBSIDY TO A SPECIAL INTEREST?

The investment tax credit is not a subsidy but rather a temporary tax reduction directly tied to profitable investment. The impact of the bill is beyond any special interest because of the broad impact it hopefully will have on industries that are Statewide.

WHY IS CIRI SO INTERESTED IN THE PASSAGE OF THIS BILL?

CIRI's interest in passage of this bill is directly related to the company's experiences in attempting to develop its natural resource base including Beluga coal, Seldovia chrome and other hardrock possibilities. When ANCSA passed in 1971 there was great optimism about releasing the "great wealth" held by the Native lands to the Regional Corporations, the stockholders and indirectly to the State economy. To date, to the best of my knowledge, there is not one major subsurface estate development underway on Native lands. The primary reasons for this are:

1. the delay in transfer of the lands.
2. the long lead times necessary to locate and develop mineral properties.
3. the costly infrastructure required and the decline in metal prices.
4. the lack of adequate capital by the Native Corporations for the tremendous investments required, and therefore the need to locate and negotiate major joint venture partners with the expertise and capital necessary.

This bill assists in overcoming some of the problems with attracting capital and convincing joint venture partners of the positive State policy towards development.

WON'T AN INVESTMENT DECISION BE MADE IRREGARDLESS OF A TAX CREDIT?

This is an academic argument that has been debated for twenty years since John F. Kennedy introduced the first investment tax credit in 1961. Since that

time the investment tax credit has been expanded and used on a Federal ta.. basis to encourage investment in

(1) Historical buildings rehabilitation
(2) Business energy saving devices
(3) Research facilities
(4) Single purpose agriculture structures
(5) Pollution control facilities

Currently discussion is underway to extend the investment tax credit to rehabilitation of the central business core of many of America's larger cities. I think based on th continued expansion of the tax credit I would have to conclude that the conventional wisdom is that the investment tax credit is an effective tool to encourage additional investment in targeted areas.

I thank you for this opportunity to testify and will be pleased to answer any questions you may have.

HJR

6

Alaska State Legislature

REPRESENTATIVE
H. PAPPY MOSS
P.O. BOX 122
DELTA JUNCTION, ALASKA 99737
(907) 895-4384

House of Representatives

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811
(907) 465-4990

Mr. Chairman and Members of the Committee:

I have introduced this legislation for the purpose of properly recognizing the servicemen still listed as missing in action in Viet Nam. Over 50,000 Americans gave their lives in the Viet Nam conflict; and in April of 1973, at the end of formal U.S. military involvement in Southeast Asia, some 1,400 American servicemen remained officially listed as prisoners of war or missing in action, with another 1,100 listed as killed in action, body not recovered. Today, with the exception of 14 cases, all 2,500 are now presumed dead. Among these are three Alaskans - Thomas Edward Anderson, Howard Mark Koslosky and Floyd Whitley Richardson.

There is little hope of ever recovering the bodies of these individuals. Since all recovered bodies were identified, there is no recovered unknown soldier of the Viet Nam conflict, however, there are 2,500 Americans who will remain, as the epitaph at the Tomb of the Unknown Soldier reads:

Here Rests In

Honored Glory

An American

Soldier

Known But To God

CURR OF OCT 02 79

BNR A

S CT V	NAME	GRD	C CAS P DATE	HOME	TOUR DATE	PR BNR RP
N VS	ANDERSON THOMAS EDWARD	CPL	S 621006	SPENARD	621006	03 BNR
N VN	KOSLOSKY HOWARD MARK	AN	S 691002	ANCHORAGE	691002	NV BNR
E VN	RICHARDSON FLOYD WHITLEY	COL	E 670303	ANCHORAGE	670106	NZ BNR

STA 3

ALASKA

NATIONAL LEAGUE OF FAMILIES
OF AMERICAN PRISONERS AND MISSING IN SOUTHEAST ASIA
1608 K STREET, N.W., WASHINGTON, D. C. 20006 (202) 223-6846

POW/MIA UPDATE

As of April 1973, at the end of formal U.S. military involvement in Southeast Asia, some 1,400 American servicemen remained officially listed as prisoners of war (POW) or missing in action (MIA), with another 1,100 listed as killed in action, body not recovered (KIA/BNR). Since that time, due primarily to the determination of the families and a nucleus of concerned citizens and dedicated Congressmen, the Vietnamese have been persuaded to provide information on about 75 of these 2,500 men; however, they have steadfastly denied holding any additional American prisoners and have refused to provide an accounting for those whose fate remains unknown.

Evidence of Live Americans

The influx of Indochinese refugees into this country over the past few years has brought convincing new evidence that the Vietnamese continue to hold American servicemen in captivity. The Defense Intelligence Agency is currently investigating over 900 such reports, some 450 of which pertain to sightings of men held captive. Specifically, one such substantiated report indicates three men were sighted in Hanoi as late as 1979.

While the government of the Socialist Republic of Vietnam claims to be searching for information on the missing, the sincerity of their efforts is dubious since recent substantiated intelligence information indicates they are secretly holding the remains of some 400 missing Americans in a Hanoi facility once used as a POW camp.

Current Efforts

Although the military services have presumed dead all but a few of those originally listed as POW or MIA, U.S. government officials are taking a new look at the issue and have increased efforts to corroborate, analyze and verify the sighting reports.

As a result, U.S. government policies and attitudes are changing. Where previous official statements claimed a lack of credible evidence that men were still alive, new government policy reflects the increasing reports indicating that some Americans are still in captivity. Additionally, an interagency working group has been formed to coordinate a cohesive national POW/MIA policy. The group is comprised of representatives from responsible agencies within the State and Defense Departments, the National Security Council, the National League of Families and the Congressional POW/MIA Task Force. However, presidential priority is what has been lacking during several years of effort to obtain the accounting.

PROVIDED BY JOINT CHIEFS OF STAFF, NOVEMBER 28, 1980
Prepared by COL Jim Beens, USMC, Branch Chief, Southeast Asia Branch, J5

The Current Status on the Prisoner of War/ Missing in Action (PW/MIA) Issue

1. Many Americans are unaware that nearly 2,500 servicemen are still unaccounted as a result of the Vietnam war. There were 2,553 military and 41 civilian Americans unaccounted for at "Homecoming" in 1973. The military included 96 prisoners of war (POW's), 1,178 killed in action - body not recovered, and 1,279 missing in action (MIA). The civilians included 25 missing and 16 presumed dead. Since then, 74 remains have been returned and most individual cases of those unaccounted for have been administratively reviewed. Cases reviewed have invariably resulted in a presumptive finding of death, based on data accumulated in the file and the additional criteria of a lapse of time without information to indicate the individual is still living. Therefore, as of Nov 1980, only 14 military personnel, of those unaccounted for, have not been presumed dead. These 14 cases are broken down to 1-POW (USAF) and 13 MIA (11-USAF, 1-USN, and 1-USMC).

2. The fact that only 14 cases remain active does not minimize the need to achieve the fullest possible accounting for the approximately 2,500 men whose fate remains in question. The debt owed to each serviceman that is unaccounted for, as well as to that individual's family is well known. Although this obligation can never be fully satisfied, the USG can and should make every effort to achieve as extensive an accounting as possible. It should be emphasized that this is not just a humane gesture, but a US Government (USG) responsibility due every serviceman, past, present, and future.

3. Since the end of the Vietnam war, there has been an ebb and flow of government and public interest in accounting for Americans missing as a result of the war. The DOD PW Policy Committee, which handled the PW/MIA issue prior to the end of US involvement, became inactive shortly after the US withdrew from Vietnam. However, in January 1980, an interagency group (IAG), which is comprised of representatives of the State Department, Office of the Secretary of Defense/International Security Affairs, Joint Chiefs of Staff, Defense Intelligence Agency (DIA), National Security Council, Subcommittee on Asian and Pacific Affairs/House Foreign Affairs Committee and the National League of POW/MIA Families, was established and has since been active. The main purpose of this group is to insure that priority is given to the issue and that US efforts are coordinated as we continue to press for resolution of the PW/MIA issue. The IAG is continuing the work started by the JCS to develop an explicit USG policy on the PW/MIA issue.

4. Although the Vietnamese claim to have released all POW's and to have been fully cooperative with the US Government, the facts deny this claim. The SRV has returned 72 remains and has allowed Laos to return four remains, two of which were identified as not being American. However, the Vietnamese have refused to account for Americans who were known POW's. In some cases, they have even acknowledged holding specific individuals at one time or another. These circumstances clearly belie their present claim to have fully cooperated in resolving the status of these individuals.

5. Of greatest concern are the recurring reports of the sightings of caucasians currently held captive in Indochina. As more Indochinese refugees are interviewed, the frequency of live sighting reports has also increased significantly. We now have over 280 firsthand reports of live sightings under investigation. Additionally, over 170 second hand or "hearsay" reports are being investigated. Due to the number of reports of live sightings, the following USG public affairs response to queries about unaccounted Americans has been formulated: "There is an increasing number of reports that Americans may be held against their will in Indochina, but the U.S. Government has thus far been unable to substantiate this information and priority effort will continue to be assigned to investigating these reports." The increasing possibility that Americans are still incarcerated in Indochina, seven years after the war has ended, mandates immediate, high-level, US government attention. One should be aware of the intelligence on this subject before forming an opinion.

6. One source testified that the SRV collected skeletal remains of Americans for many years and possessed, as late as early 1979, over 400 individual remains. Portions of this testimony have been independently verified by DIA and the witness has successfully passed polygraph tests. After first denying access to the building where the remains were reportedly stored, the Vietnamese, after several months, allowed reporters to visit the complex. As expected, no remains were found; however, DIA still considers this source valid.

7. Logically, successful resolution of the PW/MIA issue requires a number of specific actions: release of any live Americans presently being held; return of previously collected remains of US personnel; search, recovery, and return of any additional US remains; and a cooperative effort by the USG and Indochinese Governments in those cases where no remains exist or can be found. Additionally, fullest possible accounting requires priority attention to the issue and coordination of the efforts of all responsible US government agencies, as well as active participation and cooperation of all concerned nations.

8. Although both the USG and the Vietnamese Government have tacitly agreed that the PW/MIA issue is humanitarian in nature and should be resolved regardless of political differences, the Vietnamese continue to link the PW/MIA issue to other considerations. History shows that the Vietnamese, in dealing with France on the return and accounting for missing French personnel, responded only when it was beneficial to their self interests. Humanitarian ideals have had little significance; therefore, a new USG negotiation strategy is required. Although numerous demarches have been made to the Indochinese nations to this date, they have "stonewalled." The standard SRV response cites their inability to cooperate in search or accounting activities because their manpower is being fully utilized to defend against the threat of attack from the People's Republic of China (PRC). Recently, the Vietnamese have also stated that their people are reluctant to assist because of hostility over the "collusion" between the United States and the PRC. Although the Joint Casualty Resolution Center liaison team's recent trip to Hanoi (1 - 4 Oct 1980) had the potential for progress on the PW/MIA issue, once again, nothing of significance resulted.

9. The IAG is addressing the issues and any resulting proposed actions by the responsible US government executive agencies, the Congress, and the PW/MIA families. In respect to Congressional action, the Subcommittee on Asian and Pacific Affairs, House Foreign Affairs Committee, under Chairman Wolff is considering a hearing on the issue in December 1980. It is important not to lose the momentum generated during 1980, and to maintain unrelenting pressure on the Indochinese nations, especially the SRV, with respect to resolving the PW/MIA issue.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

Statement of

Lieutenant General Eugene F. Tighe, Jr., USAF

Director

Defense Intelligence Agency

on

Prisoners of War and Missing in Action

Before the

Subcommittee on Asian and Pacific Affairs

As Well As The

Foreign Affairs Task Force on Prisoners and Missing in Action

House Committee on Foreign Affairs

December 2, 1980

Mr. Chairman and members of the Subcommittee, I appreciate the opportunity to come before you today to testify on this most important issue. This will make my fourth appearance before this Subcommittee since June of last year. During this period, my staff has continued to keep this Subcommittee current on DIA's ongoing PW/MIA intelligence efforts through a series of informal briefings. I intend to discuss with you the current status of DIA's PW/MIA effort and the course we will pursue in the future.

There are still approximately 2,500 Americans unaccounted-for in Southeast Asia. At the completion of Operation Homecoming in 1973, these individuals were classified as Prisoners of War, Missing in Action, and Killed in Action (body not recovered). The status of most of these 2,500 Americans has since been changed by the Military Services to that of presumed dead. Notwithstanding, there is no distinction between these terms as far as DIA is concerned. We continue to seek an accounting for these 2,500 Americans regardless of the fact that an individual is listed as presumed dead or missing in action. We must pursue, with greatest vigor, our investigations of all reports from or of that area - whether they speak of the missing or the dead. We have no higher priority.

Since 1975, DIA has received approximately 900 reports from Indochinese refugees concerning alleged sightings of Americans, crash locations, grave sites and the handling and disposition of American remains. Of these reports, 280 have been first-hand and approximately 180 have been hearsay live sighting reports. The remaining reports concern crash site and grave site information. Of the about 900 reports from Indochinese refugees, approximately 125 have been

received since my last testimony before this Subcommittee in June, all of which have had follow-up action accomplished on them. These 900 refugee reports are an indication that there is information remaining to be obtained which may assist in determining the fate of those individuals still unaccounted-for.

I continue to emphasize to my people strong command attention to DIA's PW/MIA intelligence research and analysis effort and a close personal watch on all PW/MIA events is provided me, highlighted by reporting to me every single day on our progress in pursuit of reports on the missing. I have insured that DIA's capability to investigate reports of live sightings and crash and grave sites continues at a high level by approving the allocation of an additional three permanent billets to DIA's PW/MIA Branch. I recently emphasized in a personal message to all senior U.S. military intelligence officials worldwide, my keen interest and concern for priority collection and analysis of PW/MIA information. DIA has regularly participated in, and provided intelligence briefings at the four meetings of the Interagency Advisory Group which have been held since my testimony before this Subcommittee in June. As you are aware, the Interagency Group is comprised of representatives of the State Department, Office of the Assistant Secretary of Defense for International Security Affairs, Joint Chiefs of Staff, DIA, National Security Council, National League of Families and staff representatives from this Subcommittee. The main purpose of the group is to insure that priority is given to the PW/MIA issue and that U.S. efforts are coordinated as we continue to press for resolution of the issue. We provide the intelligence upon which decision-makers develop U.S. government policy.

We continue to have an excellent working relationship with the

other U.S. intelligence agencies and the military intelligence organization through near daily liaison and frequent meetings on this very important subject. When required, we've had marvelous cooperation from military personnel of other intelligence services and agencies in assisting in the interview of refugees with knowledge of use to the PW/MIA question. The Defense Attaches in Southeast Asia have received outstanding support from their host governments regarding the search for PW/MIA information. Cooperation from the Joint Casualty Resolution Center has been exceptionally good. The three personnel assigned to the Joint Casualty Resolution Center in Bangkok provide impressive and noteworthy responses to DIA's requests for interviews and follow-up actions. During the past year, these people have interviewed some 400 refugees and accomplished follow-up interviews on approximately 250 reports. They perform a difficult task in an exemplary manner. Although travel to the various refugee camps in Southeast Asia is time-consuming, Joint Casualty Resolution Center personnel regularly meet the short suspenses we impose.

In addition to the follow-up action accomplished by Joint Casualty Resolution Center personnel, DIA's quick reaction team continues to travel far and wide to see possibly knowledgeable sources and has recently interviewed six Vietnamese refugees in Europe. As you know this DIA team was established for immediate deployment worldwide to debrief potential sources of PW/MIA information. Since just last June, the DIA team members have completed interviews with 25 refugees throughout the continental United States. Nineteen more interviews are in process. In this program, DIA has interviewed 13 Indochinese refugees in four European countries and 105 refugees in the United States in the past year. DIA has had no budgetary constraints imposed on travel monies

travel allowances are austere for other purposes.

There are currently a number of reports on refugee sightings of live PWs that we have extensively investigated and others for which follow-up action has been initiated. However, of all of the live sighting reports DIA has evaluated, there are none which can be substantiated relative to Americans being detained against their will in Southeast Asia.

DIA will continue to pursue all information which indicates the location of Americans, regardless of status, in Southeast Asia. In order to assure highest motivation of all DIA personnel involved in this investigative process my approach will always posit that one or more Americans are detained there against their will. In my judgment, no other approach will allow an objective evaluation of evidence or create an environment in which I can be sure that personnel working on this problem are doing everything they can to resolve the issue of unaccounted-for Americans in Southeast Asia.

The Southeast Asian Communist Governments continue to be intransigent on the PW/MIA issue. We know that the Governments in Indochina possess some information about our unaccounted-for people and we intend to continue collecting and analyzing all available information until as full an accounting as possible has been made. In spite of the intransigence of these countries, it is my intent, and I believe my duty, to see to it that DIA pursues each and every report which can help resolve this important issue. DIA continues to put our top emphasis on investigation of information relating to U.S. personnel who might still be held prisoner in Southeast Asia. I have insured that all of the intelligence collection disciplines are brought to bear on the matter.

I do my best to keep the very able Executive Director of the National League of Families informed of all our efforts in pursuing reports of PW/MIA information and the results of our interviews. Additionally, any report that DIA correlates to an individual that is unaccounted-for is provided to that individual's parent service for their use with that individual's next-of-kin.

In summary Mr. Chairman, it has been a pleasure to testify again before this Subcommittee on this most important subject. Let me assure you of DIA's resolve as unwavering. We will continue to provide a dedicated and professional effort directed toward the resolution of this issue. We will aggressively pursue every lead and leave no stone unturned in our quest to determine the fate of the U.S. personnel unaccounted-for in Southeast Asia. I consider as I know you do - that to do any less would be both unconscionable and unforgivable.

My staff and I will continue to cooperate closely with your subcommittee task force.

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

The Stars and Stripes - Nov 13 1980

200,000 Demand POW/MIA Accounting

Some 200,000 signatures on petitions demanding an accounting by Hanoi of those missing in action were delivered to the U.S. mission to the United Nations October 27 by Congressman Lester Wolff (D-NY) while he was a Member of the Congress.

American Legion National Commander Michael J. Koguteek joined Wolff and Representatives of other veterans and service organizations that helped collect the signatures in a press conference following the turnover ceremony.

Wolff is Chairman of the House of Foreign Affairs Committee's Subcommittee on Asia and Pacific Affairs, whose task force on POW/MIA solicited the signatures "to demonstrate to the Vietnamese that the American people have not forgotten our men."★



GIFTS FOR THE RETURNEES

HJR

11

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

REQUEST
Bill/Resolution No. House Joint Resolution No. 11
Title "Recognizing the services of Vietnam war veterans"
Requested by Commissioner's Office Date 2/12/81

II. FISCAL DETAIL
Agency Affected Dept. of Health & Social Services
Program Category Affected Division of Mental Health & Developmental Disabilities
BRU, Program, or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

No cost impact is foreseen to the Department of Health & Social Services as a result of this legislation.

DEPARTMENT OF HEALTH & SOCIAL SERVICES/Department of Health & Social Service

POSITION PAPER

HOUSE JOINT RESOLUTION NO.11

Resolution: "Recognizing the services of Vietnam war veterans and calling on the federal government to establish programs benefiting those veterans."

The Department of Health and Social Services fully supports House Joint Resolution No. 11.

The increasing awareness of problems relating to exposure to Agent Orange and the recognition of post-traumatic stress syndrome in Vietnam by male and female veterans dramatizes the need for more coordinated and comprehensive federal and state services for Vietnam war veterans.

Department Position: [redacted]

Recommended by: Verner Stillner, M.D.
Verner Stillner, M.D., M.P.H.
Director
Division of Mental Health and Developmental Disabilities

Date: 2/11/81

Approved by: Helen D. Beirne
Helen D. Beirne, Commissioner
Department of Health and Social Services

Date: 2/17/81

POSITION PAPER/Department of Health & Social Services

POSITION PAPER

[redacted]

"Recognizing the service of Vietnam war veterans and calling on the federal government to establish programs benefiting those veterans."

The increasing awareness of problems relating to exposure to Agent Orange and the recognition of post-traumatic stress syndrome in Vietnam by male and female veterans dramatizes the need for more coordinated and comprehensive federal and state services for Vietnam war veterans.

[redacted]

Recommended by: [redacted] M.P.H.

Date: 4/28/81

Approved by: Helen D. Beirne

Helen D. Beirne, Commissioner
Department of Health and
Social Services

Date: 4/28/81

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CS for House Joint Resolution No. 11
Title "recognizing the services of Vietnam war veterans"
Requested by Commissioner's Office Date 4/27/81

II. FISCAL DETAIL
Agency Affected Dept. of Health & Social Services
Program Category Affected Division of Mental Health & Developmental Disabilities
BRU, Program, or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

No cost impact is foreseen to the Department of Health & Social Services as a result of this legislation.

IV. DATE 4/27/81 PREPARED BY Verner Stillner, M.D., M.P.H.
AGENCY Health & Soc. Services/Mental Health & DD
PHONE 465-3370
M&B Approval Date 4/27/81

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

33-001 (Rev. 12/80)

Original sponsor: Moss

Offered: 3/18/81
Referred: Rules

IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE

CS FOR HOUSE JOINT RESOLUTION NO. 11 (State Affairs)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

Recognizing the service of Vietnam war veterans and calling on the federal government to establish programs benefiting those veterans.

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

WHEREAS veterans of the Vietnam war served our country with honor and distinction in the face of extraordinary circumstances including a lack of popular support from the United States civilian population; and

WHEREAS the United States government has not provided benefits, allowances, and remuneration commensurate with those provided veterans of other conflicts to veterans of the Vietnam war;

BE IT RESOLVED that the Alaska State Legislature urges the United States government to reinstate all benefits and allowances in force during ~~the Vietnam war for all Vietnam war veterans regardless~~ of time elapsed since separation from active duty; and be it

FURTHER RESOLVED that the United States government is urged to reactivate discharge review boards and publicize their existence, and make all efforts to provide case by case corrective measures for other than honorably discharged Vietnam veterans; and be it

FURTHER RESOLVED that the United States government is urged to establish a Vietnam war veterans' bonus program awarding those veterans a one-time cash bonus; and be it

FURTHER RESOLVED that the legislature deplores and decries the most recent actions of the federal administration to cut or eliminate major programs that provide services to the Vietnam veteran, and urges immediate

action to rescind those cuts; and be it

FURTHER RESOLVED that the legislature endorses state participation in programs which will emphasize or supplement federal assistance programs for Vietnam war veterans.

COPIES of this resolution shall be sent to the Honorable Ronald Reagan, President of the United States; the Honorable George Bush, President of the United States Senate; the Honorable Thomas P. O'Neill, Jr., Speaker of the United States House of Representatives; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

"Sunday we can recognize the patriotism and dignity of America's Vietnam War soldiers and thank them for their sacrifices. I urge all Alaskans to do so," Hammond said.

-30-

STATE OF ALASKA

Executive Proclamation

by

Jay Hammond, Governor

More than eight million young Americans fought for their country during the Vietnam War, most of them serving their country with honor, in keeping with the military traditions of the United States Armed Forces.

The nature of the Vietnam conflict left the American people deeply divided over the value of the conflict. Servicemen, upon returning from the war, often found themselves embroiled in disagreements over the country's policy and goals in Vietnam -- servicemen also being scorned by their peers and neglected by other Americans. This added the insult of rejection to the injury, both mental and physical, of the war in which they served.

This particular generation of American veterans may have suffered more greviously than any other due to a lack of recognition and appreciation for the service which it rendered, service which was as valuable and honorable as that of any other American veteran of any other conflict in our nation's history.

These young men and women have not been afforded the honor and recognition due them as citizen-soldiers of a grateful nation.

NOW, THEREFORE, I, Jay S. Hammond, Governor of the State of Alaska, do hereby proclaim Sunday, April 26, 1981, as:

VIETNAM VETERANS DAY

in Alaska, and in accordance with an act of Congress and the wishes of noted veteran groups such as the American Legion and Veterans of Foreign Wars, urge all Alaskans to display their American flags in observance of the day, and to participate in any special observances organized for the purpose of saying a long overdue "Thank you and welcome home" to those young Americans who served their country as an act of patriotism and with honor and dignity during the Asian conflict.

Done by —

Jay Hammond, Governor

who has also authorized the seal of the State of Alaska to be affixed to this proclamation.

Study says Vietnam combat vets suffer delayed stress reactions

The Associated Press

NEW YORK — A new study says more than a third of all veterans who saw heavy combat in Vietnam still suffer delayed stress reactions such as nightmares, depression and feelings of rage and guilt, and emphasizes a need for continued counselling.

Newsweek magazine said Sunday the $2 million, eight year study showed that while "Vietnam syndrome" is more prevalent among black combat veterans, it can afflict all races, all income groups and all personality types, even those with stable family backgrounds who are unlikely prospects for chronic stress.

The study, "Legacies of Vietnam: Comparative Adjustment of Veterans and Their Peers," was made by the Center for Policy Research and the City University of New York, and was to be made public at a news conference Monday.

The report comes as President Reagan's budget slasher, David Stockman, has put funds for 91 storefront Vietnam veterans' counselling centers across the country on his "hit" list.

The five-volume study, based on 1,380 interviews around the nation, shows the stress syndrome is more prevalent than previously believed.

It also shows, Newsweek said, that more important than a veteran's background is the kind of combat he underwent in Vietnam. Among those who saw heavy combat, those from stable backgrounds were as likely to suffer stress symptoms as those from the least stable homes.

The study also found, according to the magazine, that the worst stress problems are found among those who served after 1968, when the war became unpopular among a large percentage of the population at home.

The study's authors urged continued support for "well-trained veteran peer counselling."

Sociologist Robert Laufer, who directed the study, said Vietnam veterans are now being "used politically without any serious effort to address the problems they have and that we have with them.

"Our report suggests," he added, "that it is time to attend to their needs."



"Thoughts by a Young Veteran"

The years others knew as youth, I spent learning the meaning of Death.

The times others spent learning to love, I passed hoping to live through endless nights.

The moments others remember as laughs in classrooms, I remember as terror in the jungle.

The instants of pleasure taken for granted by others, I remember as forgotten hopes,--long ago crushed by the reality of war.

The unfulfilled dreams of others are yet to be thought by me since I am in search of my elusive youth, looking for years lost in combat, which are no more---and will never be.

and spilled over into the media. Last week, under thinly veiled pressure, it scrubbed its TV show, released its donors from their pledges and went out of business. "I hope they'll stay involved," a relieved Reagan man said—but not too closely or aggressively next time.

Reagan and his recovery program, as it happens, have found allies aplenty in corporate America prepared to help without being prompted or pushed. John Swearingen, chairman of Standard Oil of Indiana, sent a letter to his stockholders endorsing the package in passionate tones—"The future of the nation is at stake"—and urging them to write their congressmen in its support. Boston's First National Bank dropped a plug into its newsletter, between some tips on spring house painting and a promo for the New England Aquarium, and will mail it to 300,000 depositors with their next statements. Dow Chemical urged its 22,000 employees in a mailer to "make your views known" to the Hill. W.R. Grace & Co. bought full-page ads in three newspapers defending Reagan's tax proposals. Eddie Chiles, a septuagenarian Ft. Worth oil millionaire who has done more than 200 "I'm mad" radio commercials attacking Washington liberals, changed his run for Reagan and Reaganomics. "I'm not mad," his latest spots proclaim. "I'm glad."

More Than Sizzle: But the most imposing lobby of all may be the Budget Coalition, a germinating ad hoc alliance of hundreds of businesses and business associations including the U.S. Chamber of Commerce, the National Association of Manufacturers, the National Federation of Independent Business and the blue-chip Business Roundtable. They tested power together shellacking Big Labor in a series of lobbying wars three years ago and are regrouping now in Reagan's service, with high-tech computer and telecommunications capabilities that make his now defunct coalition of friends look like a cottage industry by comparison. "They were the sizzle," said an operative in the new group. "We are the steak."

There was a measure of political risk for Reagan in the enthusiasm of Big Business for a program he has doggedly advertised as equitable to everybody. The embattled Democratic left has already seized on it as an attack issue and fired some opening rounds against what Edward Kennedy called an effort by the privileged to "sell the Reagan plan like soap." But the President showed little inclination to turn away support, from the boardrooms or anywhere else. He is fighting to keep his honeymoon alive at least long enough to see his programs safely through to passage—a struggle in which he will need all the help he can get.

PETER GOLDMAN with ELEANOR CLIFT, THOMAS M. DeFRANK, JAMES DOYLE and RICH THOMAS in Washington and bureau reports

The Troubled Vietnam Vet

There are nights even now when Dan Spranger dreams of Vietnam. It is 1969 again: he is back with his buddies at Tiger Lair, a Ninth Infantry Division firebase in the Mekong Delta. They are laughing as they load the mortars, fire and load again. Spranger watches the mortar rounds arc upward, sees them fall and explode in a nearby hamlet. The villagers run screaming from their hootches, but they are not Viet Cong: they are women and children, *Americans*—and there, trapped in the barrage, are his wife and baby daughter. Like many dreams, it is a mixture of fantasy and reality, a metaphor for Spranger's fear that his family is among the casualties of the war. They are: Spranger, 32, has lost his job, he and his wife are divorcing, and his daughter has congenital deformities he thinks may be the result of his battlefield exposure to Agent Orange.



James D. Wilson—Newsweek

Storefront help in San Francisco: 'I wake up screaming'

Spranger is one of thousands of Vietnam veterans still haunted by the nation's longest and least-wanted war—and his dark dreams, like the slow disintegration of his life, bespeak his continuing inability to make a separate peace. According to a disturbing new study* by the Center for Policy Research in New York City, more than a third of those who saw heavy combat in Vietnam suffer from what is now recognized as "post-traumatic stress disorder," a slow-fuse emotional reaction that is often known as the "Vietnam syndrome." Its symptoms, ten and even fifteen years after the vet's return, are rage, guilt, flashbacks, nightmares, panic, depression and emotional numbing. Although it is more prevalent among black combat veterans, the researchers showed that Vietnam syndrome can afflict all races, all income groups and all personality types—even those who, because of their stable family backgrounds, were once thought unlikely to develop chronic stress.

Prodded by veterans' complaints and mounting evidence that such delayed reactions to the war were indeed common, Congress two years ago appropriated $20 million to finance 91 storefront counseling centers nationwide. This year, funding for the centers is on the hit list proposed by budget director David Stockman. The cutback, and Stockman's deferment from the draft in 1968-69, provoke many veterans to fury. "This is the one meaningful program for Vietnam veterans," says John Terzano of the Vietnam Veterans of America. "We're being slapped in the face by a guy who was hiding out in divinity school" during the war. The vets' allies in Congress are fighting to preserve the funds—and last week, the veterans' affairs committees in both houses agreed to restore funds for the centers.

Cook: The Vietnam veterans' special burden, as angry returnees have insisted for years, was the nation's wholesale refusal to welcome—much less honor—those who served in the only war America has lost. Veterans were treated as "baby killers or drug freaks," says Dr. Jack Ewalt, a psychiatrist who is assistant chief of mental-health services for the Veterans Administration, and the public's hostile indifference gave the vets little support for purging especially brutal memories. Spranger, proudly returning to his home in Detroit in the months before Kent State, was stunned by the hostility he encountered. He clammed up, telling acquaintances he had served his hitch and took. "At least," he says, "no one could ask me if I had killed any kids or women." Others complained of being rushed home without any time to decompress. "On Thursday I was in Vietnam," says Angel Almedina, a vet who runs a counseling center in New York City. "On Friday I was drinking beer on 109th Street."

The VA, backed by studies showing that 80 per cent of the war's veterans had made successful transitions to civilian life, was

*Legacies of Vietnam: Comparative Adjustment of Veterans and Their Peers

slow to provide special programs for the troubled minority, and some of its officials still question the need. "There is a great deal of feeling that this program has performed its function," says a VA spokesman in New York, referring to the imperiled counseling centers. And some VA doctors, convinced that most vets traumatized in the war were predisposed to stress reactions by unstable family life during childhood, refused to concede the very existence of a Vietnam syndrome. "You'd be amazed at the number of guys who have been counseling at the VA and the subject of combat was never brought up," says Reggie McCaw, a former 101st Airborne medic who works in a San Francisco counseling center. "When a vet brings it up, the psychiatrist says, 'That's all very interesting—now let's get back to your childhood'."

Stable: The notion of a lasting stress reaction is now accepted by leading psychiatrists—and the new five-volume study, based on 1,380 interviews across the nation shows the Vietnam syndrome is more prevalent than previously believed. A crucial finding: the persistence of stress depends much more on the veteran's exposure to combat than on the emotional stability of his childhood. In light combat, soldiers from disadvantaged backgrounds did develop more psychological problems than their buddies who had more stable upbringings. But in heavy combat all such differences disappeared: soldiers from stable backgrounds were just as likely to report delayed stress symptoms as veterans from the least stable homes. The study also found that combat-related stress is largely concentrated among veterans who served after 1968, when American involvement intensified and dissent became a powerful force at home.

To the VA's Ewalt, the Vietnam syndrome is much the same as "shell shock" among World War I doughboys or "combat fatigue" among veterans of World War II. But this time, he says, "it has a tendency to come on later, and as far as we can tell, there have never been so many cases"—up to 700,000 of the nation's nearly 3 million Vietnam veterans, by his estimate. Still, Ewalt says, "the idea that every Vietnam vet is a ticking time bomb or a druggie is simply not true."

But for those vets still suffering from the trauma of Vietnam combat, the problems are often acute. Arlen Tibbetts, an ex-marine who counsels vets in San Francisco, recently found one vet, an alcoholic, living in the weeds below San Francisco's Bay Bridge. "He said he felt more comfortable in the bush," Tibbetts said. "In his mind, he never left Vietnam." Brooklyn vet Steven Cytryszewski, 32, is also still fighting the war. He has flashbacks, nightmares and bouts of panic. "I smell the sulfur from the ammunition and I feel the heat from the sun," he says. "Sometimes I wake up screaming 'Incoming rounds!' When I drive along a road with trees on both sides, I don't look at the road, I look at the trees. I'm looking for snipers."

Like many veterans, Cytryszewski is critical of the VA's regular programs and enthusiastic about the counseling centers the vets run themselves. "Nobody laughs at me," he says. "If I tell them I hit the ground when I hear sudden noises, they say they do, too." The centers' simple premise is that talk is the first step to exorcising the past. One anguished vet told Dr. John Caknipe, chief counselor at Detroit's Flight of the Phoenix center, about a hand-to-hand night battle that wiped out his unit. When dawn came, he found himself surrounded by the grotesquely mutilated bodies of his men and 36 wounded Vietnamese, all without hope of medical aid. In despair, he shot and killed all 36; his superiors ordered him never to tell what he had done. "When he finally broke," Caknipe says, "he cried for three hours. Then he stood up and said, 'I feel light . . . I feel light.' And he left."

Betrayal: Despite their support in Congress, the veterans have little assurance that their funding will survive the labyrinthine budget process—and the prospect of closing the storefront centers has already revived their sense of betrayal by an uncaring nation. The study's authors, who found the vets' approach can help, urge continued support for "well-trained veteran peer counseling." Vietnam veterans are "used politically without any serious effort to address the problems they have and that we have with them," says sociologist Robert Laufer, who directed the study. "Our report suggests that it is time to attend to their needs." By doing so, the corollary seems to be, America can at last begin its own long-deferred reckoning with Vietnam.

TOM MORGANTHAU with STEVEN SHABAD in New York, MARY LORD in Washington, JACOB YOUNG in Detroit and GERALD C. LUBENOW in San Francisco



Diane Walker



John Ficara—Newsweek



Wally McNamee—Newsweek

Nancy's Ups and Downs

It was an up-and-down week for Nancy Reagan, but if anyone had to take a spill, better the First Lady than the Reagans' 22-year-old son, Ron, who danced for the first time at New York's Metropolitan Opera House in a performance to benefit the Joffrey Ballet. Ron, a member of the Joffrey training company, kept his balance in "Unfolding," an "abstract neoclassical" ballet, and was rewarded with a bravura hug from his mother at intermission. Three days later, at a visit to St. Ann's Infant Home in Hyattsville, Md., the First Lady was bowled over by the greeting of a 5-year-old named Brian, who rushed to hug her when she crouched for a greeting. "That's all right," she reassured the youngster. "I thought you were being affectionate." She was inspecting one of her favorite projects, the federally funded Foster Grandparent Program. All was dignity, however, at the glittering Kennedy Center premiere of "The Little Foxes," where Nancy had a warm chat with the wife of Sen. John Warner of Virginia—the star of the show, Elizabeth Taylor.

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Dramatic Surge in U
Viet Force Is Unlike

By FRED S. HOFFMAN
Associated Press Military Writer

WASHINGTON (AP)—Although another large increase seems probable, U.S. officials discount the likelihood of any dramatic immediate reinforcement of U.S. troops in South Viet Nam to counter the mounting infiltration of North Vietnamese soldiers.

The key to the pace of the buildup, which some say may see an eventual doubling of the present 165,000 U.S. fighting men in South Viet Nam, is the progress made in developing the port depot and other facilities to receive the additional troops and to support them once they are in the country.

Work on the pivotal Cam Ranh base on the Vietnamese coast is moving ahead on a two-shift-a-day footing but even at that tempo, engineer officials say it will be quite a while before this and other new ports are in high gear.

Airfields Pushed

Priority construction also is being pushed on new airfields to handle heavier Air Force operations in prospect.

No responsible official at this point will stand behind any specific figure as the maximum goal for Viet Nam.

Secretary of Defense S. McNamara, who returned Tuesday from a short visit to Viet Nam, hasn't yet disclosed his latest findings in depth to President Johnson—and the President has the final say.

The ultimate extent of reinforcement will depend on the actions of the enemy. Experience—especially the experience of this past year—has shown that manpower needs have had to be lifted again and again.

May Go to 340,000

Some speculation is that forces in Viet Nam may increase from the present 165,000 to 250,000 or 300,000 men. Inevitably, the eventual total could zoom even higher.

Not counted in with the present 165,000 are some 50,000 to 60,000 Navy men aboard Fleet vessels in Southeast Asian waters.

Gradually, the Army has assumed a greater share of the U.S. ground effort in Viet Nam. Three months ago there were 39,000 soldiers in the country. Now there are 101,000 Army troops, representing about 60 per cent of total Army strength.

Marine manpower in Viet Nam has remained fairly constant over the past few months. But the 39,000 Marines on the ground account for nearly 20 per cent of the Marine corps.

Training Accelerated

Both ground fighting services have accelerated their programs of trainees as part of a step-up in all national military build-up put in motion last summer.

Nine Army training centers are turning out nearly 40,000 basic trainees a month. Two Marine centers are producing nearly 7,000 from boot camp each month.

Enlistments are up sharply in all the services, and the Army is taking in about 40,000 draftees this month.

Draft calls are certain to remain about this high but could go higher if the troop demands growing out of the Viet Nam war become acute.

Manpower plans are based on the need to beef up the military forces worldwide by 340,000 men to a total just below the 3 million, and by the need to replace casualties, the sick, and those whose enlistments and terms of active duty expire.

Military authorities say the pipeline of replacements for Viet Nam is in good shape.

12-Month Tour

At present, the Defense Department is holding to a 12-month tour for service men in Viet Nam. By spring, the manpower problems even at the presently projected buildup rate—it may be that top administration officials may have to face the question of extending Viet Nam duty beyond 12 months to avoid losing too many seasoned men from the combat zone.

When the buildup started in earnest last summer, officials weighed whether to call up military reservists. They decided to acquire more troops for the services through the regular draft and intensified recruiting.

In all probability they will hold off on any reserve call-up as long as they can.

The strategic reserve of Army troops and Marines which the United States has been building for the Viet Nam War.

One Division Left

A total of two full Army divisions and a brigade, plus related support units, have been drawn into the Southeast Asian conflict.

The Marines have only one division left in the strategic reserve of a division normally based in California has been moved [illegible]



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HJR

30

Alaska
Environmental
Lobby

419 6th St., Suite 32
Juneau, Alaska 99801

586-2345

March 3, 1982

Senator Vic Fischer
Chairman State Affairs
Pouch V Mail Stop 3100
Juneau, AK 99811

Dear Senator Fischer:

The Alaska Environmental Lobby would like to propose the following amendment to HJR-30 am:

Page 1, Lines 27, 28--Change the comma after "land" to a period, eliminate the words, "including National Park, National Forest, National Wildlife Refuge, and Bureau of Land Management land."

Reason: It is reasonable to ask the federal government to use federal land for military maneuvers, but it would seem to be inappropriate to specify by resolution which federal lands in Alaska they should use. In fact, the use by the military of some of the lands specified in this resolution would conflict with federal law.

Thank you for your attention to this matter.

Sincerely,

David L. Allison

Jay Nelson

DLA/JN/amc
Enclosure

HJR

46

TO: REPRESENTATIVE RANDY PHILLIPS

FROM: JANET

DATE: MAY 15, 1981

RE: COLA

I spoke with David Garman, an aide in Senator Murkowski's office in DC (202-224-6665), regarding your question on COLA.

David advises that there are four different categories of COLA as follows:

1. Local retail and private housing

ANCHORAGE	17.5%
FAIRBANKS	25.0%
JUNEAU	25.0%
REST OF STATE	25.0%

2. Local retail/federal housing

ANCHORAGE	n/a
FAIRBANKS	25.0%
JUNEAU	17.5%
REST OF STATE	25.0%

3. Commissary & PX access and private housing

ANCHORAGE	10.0%
FAIRBANKS	15.0%
JUNEAU	25.0%
REST OF STATE	25.0%

4. Commissary and PX access and federal housing

ANCHORAGE	n/a
FAIRBANKS	15.0%
JUNEAU	17.5%
REST OF STATE	25.0%

Category #1 is the one that was lowered recently (over the past two years this category has been lowered 7.5% from 25.0% to present 17.5%). Other categories either stayed the same or were raised, according to Garman.

Senators Stevens and Murkowski have been working on this matter. There was a hearing yesterday about this conducted by Stevens' subcommittee on Governmental Affairs, Postal Service and Civil Service (or whatever the correct title is).

Murkowski had asked the GAO to do a study on the methodology of deciding the percentage and the reduction. Apparently the methods used was okay but the whole COLA adjustment system, which is a hangover from the Truman administration, is perhaps faulty. Murkowski has requested the Office of Personnel Managment to investigate alternatives to the COLA system (i.e., comparable pay basis, where the pay of a federal employee would be rated to a state or private

employee with the same duties. This would mean that the COLA would be lost but that the pay scale for Alaskan employees would be raised to compare with others in same jobs. As near as I understand it, this would be a doing away with the COLA nationwide and adopting a comparable pay basis nationwide).

Bureau of Labor Statistics show that Anchorage is a rather expensive place to live as compared with other intermediate cities of its size. Anchorage is some 48% above DC living, for example. Even with this type of statistics, the COLA in Anchorage has been lowered over the last two years.

Senator Murkowski also feels that the Office of Personnel Management has statutory authority at present to do away with COLA and adopt some other pay scale.

David does not know of any bills regarding COLA that Murkowski is for/against, just knows that he is investigating the whole system.

David is telecopying some information to the Senator's Juneau office for your use. The pages will pick it up.* We did it this way because the DC LIO office was closed by the time we finished our discussion (2:05 PDT).

*David advises no one in Juneau office until Monday — he will send then.

from: Sen. Murkowski

FOR JANET SEITZ, AK REP. PHILLIPS' OFFICE

News Release

The results of the 1980 review of the cost of living allowance rates paid to Federal white-collar and Postal Service employees residing in the State of Alaska were announced today, by the Office of Personnel Management in Washington, D.C.

The new allowance rates, which become effective on the first pay period beginning on or after February , 1981 are shown in the table below.

ALLOWANCE CATEGORY	AUTHORIZED ALLOWANCE RATES			
	Anchorage*	Fairbanks*	Juneau*	Rest of State
Local Retail/Private Housing	17.5%	25.0%	25.0%	25.0%
Local Retail/Federal Housing	N/A	25.0%	17.5%	25.0%
Commissary/PX/Private Housing	10.0%	15.0%	25.0%	25.0%
Commissary/PX/Federal Housing	N/A	15.0%	17.5%	25.0%

*Only employees with duty stations within 50 road miles of the major city receive the Anchorage, Fairbanks or Juneau allowance rates.

The Anchorage Local Retail/Private Housing allowance rate is reduced from 20.0 percent to 17.5 percent. The Commissary/PX/Private Housing rate is increased from 7.5 percent to 10.0 percent. No Federal housing rates have been computed since the agencies reported no housing units in Anchorage.

The Fairbanks Local Retail/Private Housing rate remains at 25.0 percent. The Local Retail/Federal Housing rate is increased from 20.0 to 25.0 percent. The Commissary/PX/Private Housing rate remains at 15.0 percent and the Commissary/PX/Federal Housing rate is increased from 7.5 to 15.0 percent.

The Juneau Local Retail/Private Housing and Commissary/PX/Private Housing rates are increased from 22.5 percent to 25.0 percent. The Local Retail/Federal Housing rate remains at 17.5 percent and the Commissary/PX/Federal Housing rate is increased from 15.0 percent to 17.5 percent.

Allowance rates remain at the 25 percent maximum for all other areas in Alaska.

It is important to bear in mind that cost-of-living allowances for nonforeign areas are based by law on the difference in the living costs between the nonforeign areas and Washington, D.C., and that the Office of Personnel Management is required to review the rates annually and make appropriate changes in the allowance rates as needed. If living costs increase more rapidly in the Washington area than in a nonforeign area the difference between the two

decreases and the allowance rate may go down. The reduction in the allowance rate for Anchorage for 1980 stems from the fact that survey data show living costs in Washington, D.C., increased at a faster rate than those in Anchorage between 1979 and 1980.

Inquiries: Allowances and Special Rates Division
Room 3353
1900 E Street, N.W.
Washington, D. C. 20415

202-632-8742

DATE:

SENATE STATE AFFAIRS COMMITTEE -- HEARING SIGN-IN SHEET LOCATION:

AGENDA:

NAME	AFFILIATION/POSITION	ADDRESS/PHONE	TESTIFYING ON:
Bob James	U.S Forest Service	P.O. Box 1628 Juneau, AK 99802 586-7510	HB 348 & HB 18
Dave Tonkovich	Budget & Mgmt	465-4242	HB 508
Geo. W. Rogers		1790 Evergreen, Juneau	HB 508, 509
Jerry Gardiner	Legislature	FU ISIS	Tree Point, Alaska 00001
Gloria Houston Way	EMS / DHSS	Pouch H-06C 465-3027	HB 348 avalanche Warning System
Rep. Randy Phillips			HJR 46